

1 SAMUEL R. MAIZEL (Bar No. 189301)
samuel.maizel@dentons.com
2 TANIA M. MOYRON (Bar No. 235736)
tania.moyron@dentons.com
3 NICHOLAS A. KOFFROTH (Bar No. 287854)
nicholas.koffroth@dentons.com
4 DENTONS US LLP
601 South Figueroa Street, Suite 2500
5 Los Angeles, California 90017-5704
Tel: (213) 623-9300 / Fax: (213) 623-9924
6 Attorneys for the Chapter 11 Debtors and
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
SUPPLEMENTAL DOCUMENTS
REGARDING THE MODIFIED SECOND
AMENDED JOINT CHAPTER 11 PLAN OF
LIQUIDATION (DATED JULY 2, 2020) OF
THE DEBTORS, THE PREPETITION
SECURED CREDITORS, AND THE
COMMITTEE**

Debtors and Debtors In Possession.

[RELATED DOCKET NOS. 5466, 5504]



1 **PLEASE TAKE NOTICE** that, on August 14, 2020, the Court entered the order [Docket No.
2 5504] (the “Confirmation Order”) confirming the *Modified Second Amended Joint Chapter 11 Plan*
3 *of Liquidation (Dated July 2, 2020) of the Debtors, the Prepetition Secured Creditors, and the*
4 *Committee* [Docket No. 5466] (the “Plan”).¹ The Plan provides that the Plan Proponents will file
5 certain Plan Supplements on or prior to the Effective Date. *See* Plan § 1.130. The Plan authorizes the
6 Plan Proponents to extend consensually the deadlines for filing Plan Supplements. *See id.* The Plan
7 Proponents consented to extensions of the deadlines to file Plan Supplement items (f) through (i).

8 **PLEASE TAKE FURTHER NOTICE** that, on August 5, 2020, the Debtors filed the
9 *Memorandum of Law in Support of Confirmation of the Second Amended Joint Chapter 11 Plan of*
10 *Liquidation (Dated July 2, 2020) of the Debtors, the Prepetition Secured Creditors, and the Committee*
11 [Docket No. 5385] (the “Confirmation Brief”), which attached, as Exhibit “B,” a draft of the Plan
12 Settlement. The Plan Settlement is a Creditor Settlement Agreement under the Plan, and the Plan
13 Settlement attached to the Confirmation Brief as Exhibit “B” constituted a Plan Supplement. The
14 Court approved the Plan Settlement in the Confirmation Order. *See* Confirmation Order at ¶ 9(a).
15 Attached hereto as **Exhibit “A”** is an executed version of the Plan Settlement.

16 **PLEASE TAKE FURTHER NOTICE** that, on August 10, 2020, the Debtors filed the *Notice*
17 *of Certain Plan Supplements to the Second Amended Joint Chapter 11 Plan of Liquidation (Dated*
18 *July 2, 2020) of the Debtors, the Prepetition Secured Creditors, and the Committee* [Docket No. 5443],
19 which attached, as Exhibit “A,” a draft of the Liquidating Trust Agreement. The Court approved the
20 Liquidating Trust Agreement in the Confirmation Order. *See* Confirmation Order at ¶ 15. Attached
21 hereto as **Exhibit “B”** is a final version of the Liquidating Trust Agreement.

22 **PLEASE TAKE FURTHER NOTICE** that, pursuant to the Plan, the Plan Proponents
23 provide the following additional Plan Supplements:

- 24 • The schedule of Insurance Policies, attached hereto as **Exhibit “C”**;
- 25 • The Transition Services Agreements, attached hereto as **Exhibits “D”** and **“E”**;
- 26 • The initial Operating Budget, attached hereto as **Exhibit “F”**.

27
28

¹ Unless otherwise defined herein, all capitalized terms have the definitions set forth in the Plan.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Dated: September 4, 2020

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

By /s/ Tania M. Moyron
Tania M. Moyron

Attorneys for the Chapter 11 Debtors and
Debtors In Possession

Exhibit A

Plan Settlement

SETTLEMENT AGREEMENT

On this 19th day of August, 2020 (the “Agreement Date”), and as approved by order of the United States Bankruptcy Court for the Central District of California (the “Bankruptcy Court”), Verity Health System of California, Inc. (“VHS”) and all affiliates (collectively, the “Debtors,” and each individually a “Debtor”) in the Debtors’ jointly administered chapter 11 bankruptcy cases (the “Chapter 11 Cases”), the Official Committee of Unsecured Creditors of Verity Health System of California, Inc., *et al.* (the “Committee”), UMB Bank, N.A. (“UMB Bank”) as successor Master Trustee (solely in such capacity, the “Master Trustee”) under the Master Indenture of Trust dated as of December 1, 2001 (as amended and supplemented, the “Master Indenture”), Wells Fargo Bank National Association (“Wells Fargo”) as bond indenture trustee under the bond indentures relating to the 2005 Revenue Bonds (defined below), U.S. Bank National Association (“U.S. Bank”) solely in its capacity as the note indenture trustee under each of the note indentures relating to the 2015 Revenue Notes (defined below) and the 2017 Revenue Notes (defined below), respectively (collectively, the “Working Capital Notes”), and Verity MOB Financing, LLC and Verity MOB Financing II, LLC (together, the “MOB Lenders,” and, together with UMB Bank, Wells Fargo, and U.S. Bank, the “Prepetition Secured Creditors”) (the Debtors, the Committee, and the Prepetition Secured Creditors are referred to collectively herein as the “Parties” and each, individually, as a “Party”), and subject to the terms, conditions and approvals set forth herein, agree to the following (the “Agreement”):

RECITALS

A. **Petition Date.** On August 31, 2018 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”) with the Bankruptcy Court. The Debtors have continued in the management and operation of their businesses and properties as debtors in possession pursuant to §§ 1107 and 1108.¹

B. **The Committee.** On September 17, 2018, the Office of the United States Trustee for the Central District of California (the “U.S. Trustee”) appointed the Committee in these Chapter 11 Cases pursuant to § 1102 [Docket No. 197].²

C. **The Prepetition Secured Credit Facilities.** As of the Petition Date, the Debtors were indebted and liable to each of the Prepetition Secured Creditors as follows:

¹ All references to “§” herein are to sections of the Bankruptcy Code unless otherwise noted. All references to “Rules” are to the Federal Rules of Bankruptcy Procedure. All references to the “LBR” are to the Local Bankruptcy Rules of the United States Bankruptcy Court for the Central District of California.

² As appointed by the U.S. Trustee, the Committee comprises the following nine members: (i) Aetna Life Insurance Company; (ii) Allscripts Healthcare, LLC; (iii) California Nurses Association; (iv) Iris Lara; (v) Medline Industries, Inc.; (vi) PBGC; (vii) SEIU United Healthcare Workers West; (viii) Sodexo Operations, LLC; and (ix) St. Vincent IPA Medical Corporation.

(1) The Master Trustee with respect to the MTI Obligations (defined below) securing the repayment by the Obligated Group (defined below) of its loan obligations with respect to: (a) the California Statewide Communities Development Authority Revenue Bonds (Daughters of Charity Health System) Series 2005, A, G, and H (the “2005 Revenue Bonds”); (b) the California Public Finance Authority Revenue Notes (Verity Health System) Series 2015 A, B, C and D (the “2015 Revenue Notes”); and (c) the California Public Finance Authority Revenue Notes (Verity Health System) Series 2017 A and B (the “2017 Revenue Notes”). The joint and several obligations issued under the Master Indenture by VHS, O’Connor Hospital, Saint Louise Regional Hospital (“SLRH”), St. Francis Medical Center (“SFMC”), St. Vincent Medical Center, and Seton Medical Center (collectively, the “Obligated Group”) in respect of the 2005 Revenue Bonds, 2015 Revenue Notes, and the 2017 Revenue Notes are collectively referred to as the “MTI Obligations.”

(2) Wells Fargo as the bond indenture trustee under the bond indentures relating to the 2005 Revenue Bonds (the “2005 Revenue Bonds Trustee”).

(3) U.S. Bank as the note indenture trustee under each of the note indentures relating to the 2015 Revenue Notes and the 2017 Revenue Notes, respectively (in such capacities the “2015 Notes Trustee” and the “2017 Notes Trustee”).

(4) The MTI Obligations are jointly and severally secured by, *inter alia*, security interests granted to the Master Trustee in the prepetition accounts of, and mortgages on the principal real estate assets of, the members of the Obligated Group. The MTI Obligations are also the subject of an Amended and Restated Intercreditor Agreement dated December 1, 2017 (the “Intercreditor Agreement”) pursuant to which the Master Trustee, the 2005 Revenue Bonds Trustee, the 2015 Notes Trustee, the 2017 Notes Trustee, and VHS agreed to the prior payment of the 2015 Revenue Notes and 2017 Revenue Notes under certain conditions and pursuant to grants of certain collateral liens and deeds of trust.

(5) The 2015 Notes Trustee and the 2017 Notes Trustee also have been granted prepetition first priority liens upon and security interests in the Obligated Group’s accounts and by deeds of trust on the principal real estate assets and equipment of SLRH and SFMC. The 2017 Notes Trustee also has been granted a deed of trust, dated as of December 1, 2017, by Verity Holdings, LLC (“Holdings”) in certain real property and equipment located in San Mateo, California to further secure the 2017 Revenue Notes.

(6) The MOB Lenders hold security interests in and liens upon certain real property owned by Holdings pursuant to deeds of trust on medical office buildings and related personal property assets, including accounts and rents, pursuant to security agreements entered into in connection therewith (the “MOB Financing”). The MTI Obligations, the Obligated Group’s loan obligations with respect to the Working Capital Notes, and the MOB Financing are each referred to herein as a “Prepetition Secured Obligation,” the prepetition interests (including the liens and security interests) of each Prepetition Secured Creditor in the property and assets of the Debtors are each referred to herein as such Prepetition Secured Creditor’s “Prepetition Lien.”

(7) Certain of the collateral securing the MTI Obligations and the MOB Financing has been sold by the Debtors pursuant to orders approving such sales entered by the

Bankruptcy Court, with certain of the Sales Proceeds (as defined in the Final DIP Order)³ either being held in the Escrow Deposit Accounts (as defined in the Final DIP Order) as required by the Final DIP Order or utilized pursuant to the Cash Collateral Stipulations (as defined below). As of the date of this Agreement, the Obligated Parties have closed sales of collateral pursuant to the SCC Sale Order⁴ and the St. Vincent Sale Order.⁵ The Obligated Parties have been authorized to sell, but have not yet consummated the sale of, assets constituting collateral securing the MTI Obligations pursuant to the St. Francis Sale Order⁶ and the Seton Sale Order.⁷

D. **The DIP Financing.** On the Petition Date, the Debtors filed the *Emergency Motion of Debtors for Interim and Final Orders (A) Authorizing the Debtors to Obtain Post Petition Financing (B) Authorizing the Debtors to Use Cash Collateral and (C) Granting Adequate Protection to Prepetition Secured Creditors Pursuant to 11 U.S.C. §§ 105, 363, 364, 1107 and 1108* (the “DIP Financing Motion”). Pursuant to the DIP Financing Motion, the Debtors sought, among other things, entry of an order authorizing the Debtors to enter into a senior secured, superpriority debtor in possession financing facility (the “DIP Facility”) with Ally Bank, a subsidiary of Ally Financial, Inc. under the Debtors In Possession Revolving Credit Agreement, dated as of September 7, 2018 (as amended, supplemented, or otherwise modified and in effect from time to time, and, together with all other agreements, documents, notes certificates, and instruments executed and/or delivered with, to or in favor of the DIP Lender, the “DIP

³ The “Final DIP Order” refers to the *Final Order (I) Authorizing Postpetition Financing, (II) Authorizing Use of Cash Collateral, (III) Granting Liens and Providing Superpriority Administrative Expense Status, (IV) Granting Adequate Protection, (V) Modifying Automatic Stay, and (VI) Granting Related Relief*, dated October 4, 2018 [Docket No. 409].

⁴ The “SCC Sale Order” refers to that certain *Order (A) Authorizing the Sale of Certain of the Debtors’ Assets to Santa Clara County Free and Clear of Liens, Claims, Encumbrances, and Other Interests; (B) Approving the Assumption and Assignment of an Unexpired Lease Related Thereto; and (C) Granting Related Relief*, dated December 27, 2018 [Docket No. 1153].

⁵ The “St. Vincent Sale Order” refers to that certain *Order (A) Authorizing the Sale of Certain of the Debtors’ Assets to the Chan Soon-Shiong Family Foundation or Its Designee(s) Free and Clear of Liens, Claims, Encumbrances, and Other Interests; (B) Approving the Assumption and Assignment of Certain Assigned Contracts Related Thereto; and (C) Granting Related Relief*, dated April 10, 2020 [Docket No. 4530].

⁶ The “St. Francis Sale Order” refers to that certain *Order (A) Authorizing the Sale of Certain of the Debtors’ Assets to Prime Healthcare Services, Inc. Pursuant to the APA Attached Hereto Free and Clear of Liens, Claims, Encumbrances, and Other Interests; (B) Approving the Assumption and Assignment of Certain Assigned Contracts Related Thereto; and (C) Granting Related Relief*, dated April 9, 2020 [Docket No. 4511].

⁷ The “Seton Sale Order” refers to that certain *Order Granting Debtors’ Motion to Approve Terms and Conditions of A Private Sale of Certain of the Debtors’ Assets Related to Seton Medical Center to AHMC Healthcare Inc.*, dated April 23, 2020 [Docket No. 4634].

Financing”). On October 4, 2018, the Court entered the Final DIP Order granting the DIP Financing Motion on a final basis.

E. **The Challenge Rights.** Paragraph 5(e) of the Final DIP Order granted the Committee standing and authority to challenge the validity, enforceability and amount of the Prepetition Secured Obligation and the Prepetition Liens (subject to the limitations set forth in the Final DIP Order, a “Challenge”). See Final DIP Order at ¶ 5(e). Paragraph 5(e) of the Final DIP Order further provided that Prepetition Collateral, VMF Collateral, or their proceeds could not be used to investigate or prosecute Challenge claims against the Prepetition Secured Creditors; provided, however, that the Committee was authorized to investigate the existence of such Challenge claims and have allowed fees paid from the Prepetition Collateral or VMF Collateral and the proceeds of the DIP Facility up to the amount of \$250,000, as set forth more fully in the Final DIP Order (the “Investigation Budget”) and the Debtors’ reservations of rights [Docket Nos. 3896, 4287]. See *id.*

F. **The U.S. Bank Adversary Proceeding.** On June 13, 2019, the Committee filed a *Complaint for Determination of Validity, Priority, and Extent of Liens and Security Interests* [Adv. Docket No. 1] against U.S. Bank, as defendant, which initiated an adversary proceeding before the Bankruptcy Court captioned *Official Committee of Unsecured Creditors of Verity Health System of California, Inc., et al. v. U.S. Bank National Association*, Adv. Case No. 2:19-ap-01165-ER (Bankr. C.D. Cal.) (the “U.S. Bank Adversary Proceeding”). On September 11, 2019, the Committee filed the *First Amended Complaint for Determination of Validity, Priority, and Extent of Liens and Security Interests* [Adv. Docket No. 30]. On September 30, 2019, U.S. Bank filed a motion [Adv. Docket No. 39] to dismiss the amended complaint. The motion to dismiss is fully briefed and the hearing thereon has been held in abeyance by order [Adv. Docket No. 53] of the Bankruptcy Court pending a request of any party to the U.S. Bank Adversary Proceeding or further order of the Bankruptcy Court.

G. **The UMB Bank Adversary Proceeding.** On June 13, 2019, the Committee filed a *Complaint for Determination of Validity, Priority, and Extent of Liens and Security Interests* [Adv. Docket No. 1] against UMB Bank, as defendant, which initiated an adversary proceeding before the Bankruptcy Court captioned *Official Committee of Unsecured Creditors of Verity Health System of California, Inc., et al. v. UMB Bank National Association*, Adv. Case No. 2:19-ap-01166-ER (Bankr. C.D. Cal.) (the “UMB Bank Adversary Proceeding” and, together with the U.S. Bank Adversary Proceeding, the “Adversary Proceedings”). On September 11, 2019, the Committee filed the *First Amended Complaint for Determination of Validity, Priority, and Extent of Liens and Security Interests* [Adv. Docket No. 28]. On September 30, 2019, UMB Bank filed a motion [Adv. Docket No. 37] to dismiss the amended complaint. The motion to dismiss is fully briefed and the hearing thereon has been held in abeyance by order [Adv. Docket No. 53] of the Bankruptcy Court pending a request of any party to the UMB Bank Adversary Proceeding or further order of the Bankruptcy Court.

H. **The MOB Lenders Challenge Deadline.** The Bankruptcy Court has approved stipulations [Docket Nos. 1045, 1047, 1248, 1249, 1309, 1310, 1389, 1390, 1626, 1627, 1944, 1945, 2363, 2364, 2484, 2485, 2548, 2549, 2582, 2583, 2610, 2611, 3014, 3015, 3209, 3210, 3543, 3544, 3770, 3771, 3904, 3905, 3966, 3967, 4110, 4111, 4288, 4289, 4589, 4590, 4739, 4740, 4903, 4904, 5126, 5127] (the “Challenge Stipulations”) continuing the deadline for the

Committee to file a Challenge (the “Challenge Deadline”) with respect to the MOB Lenders. The current deadline for the Committee to file such Challenge is August 31, 2020. *See* Docket Nos. 5136, 5138.

I. **The Cash Collateral Stipulations.** On August 28, 2019, the Debtors filed the *Debtors’ Notice of Motion and Motion for Entry of an Order (A) Authorizing the Debtors to Use Cash Collateral and (B) Granting Adequate Protection to Prepetition Secured Creditors* [Docket No. 2962] (as modified by Docket No. 2968, the “Cash Collateral Motion”). As set forth more fully in the Cash Collateral Motion, the Debtors sought, pursuant to the terms of a consensual proposed order (the “Cash Collateral Agreement”), authority to, among other things, (i) continue use of “Escrowed Cash Collateral” (as defined in the Cash Collateral Agreement), (ii) grant liens on postpetition accounts and inventory as adequate protection to the Prepetition Secured Creditors, and (iii) pay off the DIP Financing. On September 6, 2019, the Court entered the *Final Order (A) Authorizing Continued Use of Cash Collateral, (B) Granting Adequate Protection, (C) Modifying the Automatic Stay, and (D) Granting Related Relief* [Docket No. 3022] (the “Supplemental Cash Collateral Order”) granting the Cash Collateral Motion and approving the Cash Collateral Agreement on the terms set forth in the Supplemental Cash Collateral Order. The Bankruptcy Court has approved [Docket Nos. 3883, 4028, 4187, 4670, 5151] (together with the Supplemental Cash Collateral Order, the “Cash Collateral Orders”) stipulations [Docket Nos. 3872, 4019, 4184, 4669, 5150] to amend the Supplemental Cash Collateral Order to, among other things, extend the Debtors’ consensual use of cash collateral, subject to the terms of the Cash Collateral Orders. The Debtors are currently authorized to use cash collateral through September 6, 2020, subject to the terms of the Cash Collateral Orders. *See* Docket No. 5151.

J. **The Plan.** On June 16, 2020, the Debtors, the Prepetition Secured Creditors, and the Committee filed the *Amended Joint Chapter 11 Plan of Liquidation (Dated June 16, 2020) of the Debtors, the Prepetition Secured Creditors, and the Committee* [Docket No. 4879] and a related disclosure statement [Docket No. 4880]. On July 2, 2020, the Debtors, the Prepetition Secured Creditors, and the Committee filed the *Second Amended Joint Chapter 11 Plan of Liquidation (Dated July 2, 2020) of the Debtors, the Prepetition Secured Creditors, and the Committee* [Docket No. 4993] and related disclosure statement [Docket No. 4994] (the “Disclosure Statement”). On July 2, 2020, the Bankruptcy Court entered an order [Docket No. 4997] that, among other things, approved the Disclosure Statement. On August 14, 2020, the Plan Proponents filed *Modified Second Amended Joint Chapter 11 Plan of Liquidation (Dated July 2, 2020) of the Debtors, the Prepetition Secured Creditors, and the Committee* [Docket No. 5466] (as may be amended or modified, the “Plan”).⁸ On August 14, 2020, the Bankruptcy Court entered an order confirming the Plan [Docket No. 5504].

K. **The Plan Settlement.** This Agreement and the Plan set forth the final and complete terms of the Plan Settlement, the principle terms of which appear in the Plan and are described in the Disclosure Statement, whereby the Parties have agreed, among other things, to resolve all issues and disputes relating to the Adversary Proceedings, and to obtain the support of the Parties for the prompt, consensual confirmation of the Plan. *See* Plan § 7.1(a) and Disclosure Statement

⁸ Unless otherwise defined herein, all capitalized terms in shall have the definitions set forth in the Plan.

Article VII (B)(1). The Confirmation Order, among other things, approved the Plan Settlement, as of the Effective Date. *See* Confirmation Order ¶ 9(a).

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby stipulate and agree to become bound by the terms of this Agreement and the provisions set forth herein as follows:

1. **Recitals.** The Recitals as set forth above are true and correct and are incorporated herein by reference and made a part of this Agreement in all respects.

2. **Agreement to Support Plan.** The Parties agree to support the Plan, including the filing of pleadings in support of the Plan, if necessary, and entry of an order confirming the Plan, provided the Plan contains, and the Bankruptcy Court authorizes and approves, by entry of the Confirmation Order, the provisions described herein and the Plan providing (i) for distributions on account of, and the satisfaction of, the Secured 2017 Revenue Notes Claims, Secured 2015 Revenue Notes Claims, Secured 2005 Revenue Bond Claims, Secured MOB I Financing Claims, Secured MOB II Financing Claims, General Unsecured Claims, and Administrative Claims, each in the manner described herein and (ii) the Parties the benefits of the Plan releases, exculpation, and injunction provisions, each as set forth in the Plan.

3. **Treatment of Secured 2017 Revenue Notes Claims.** Holders of Secured 2017 Revenue Notes Claims shall receive the treatment set forth in the Plan for holders of Class 2 Secured 2017 Revenue Notes Claims, including, but not limited to, the following:

a. *Treatment.* The Secured 2017 Revenue Notes Claims shall be paid in cash on the Effective Date by the Debtors to the 2017 Notes Trustee for distribution in accordance with the 2017 Revenue Notes Indentures in an amount equal to 100% of a single Allowed Claim in the aggregate amount of \$42,000,000, plus (i) any accrued, but unpaid postpetition interest, if any, at the rate specified in the 2017 Revenue Note Indentures, excluding any interest at a default rate, any make whole premium, any applicable redemption or other premium, and (ii) any accrued but unpaid reasonable, necessary out-of-pocket fees and expenses of the 2017 Notes Trustee and the Master Trustee pursuant to the Final DIP Order and Cash Collateral Orders through and including the Effective Date, less any amounts held by the 2017 Notes Trustee in a (x) principal or revenue account, (y) debt service or redemption reserve, or (z) an escrow or expense reserve account. No beneficial Holder of any Secured 2017 Revenue Notes Claims shall be entitled to receive any distribution pursuant to the Plan, except as may be remitted to such holder by the 2017 Notes Trustee in accordance with the 2017 Revenue Notes Indenture.

b. *Subordination.* Following receipt of the distribution provided in section 4.3(b) of the Plan and described in subsection (a) above, all rights held by the 2017 Revenue Bond Trustee and/or the Master Trustee under the Intercreditor Agreement shall be deemed satisfied, waived or released by the treatment provided in the Plan Settlement and the Plan.

4. **Treatment of Secured 2015 Revenue Notes Claims.** Holders of Secured 2015 Revenue Notes Claims shall receive the treatment set forth in the Plan for holders of Class 3 Secured 2015 Revenue Notes Claims, including, but not limited to, the following:

a. *Treatment.* The Secured 2015 Revenue Notes Claims shall be paid in cash on the Effective Date by the Debtors to the 2015 Notes Trustee for distribution in accordance with the 2015 Revenue Notes Indentures in an amount equal to 100% of a single Allowed Claim in the aggregate amount of \$160,000,000, plus (i) accrued, but unpaid postpetition interest, if any, at the rate specified in the 2015 Revenue Note Indentures for each of 2015 Revenue Notes Series A, B, C and D, excluding any interest at a default rate, or any applicable redemption or other premium, and (ii) any accrued, but unpaid reasonable, necessary out-of-pocket fees and expenses of the 2015 Notes Trustee and the Master Trustee, pursuant to the Final DIP Order and Cash Collateral Orders through and including the Effective Date, less any amounts held by the 2015 Notes Trustee on account of the 2015 Revenue Notes in a (x) principal or revenue account, (y) debt service or redemption reserve, or (z) an escrow or expense reserve account. No beneficial Holder of any Secured 2015 Revenue Notes Claims shall be entitled to receive any distribution pursuant to the Plan, except as may be remitted to such holder by the 2015 Notes Trustee.

b. *Subordination.* All rights held by 2015 Revenue Bond Trustee and/or the Master Trustee under the Intercreditor Agreement shall be deemed satisfied, waived or released by the treatment provided in the Plan Settlement and the Plan.

5. **Treatment of Secured 2005 Revenue Bond Claims.** Holders of Secured 2005 Revenue Bond Claims shall receive the treatment set forth in the Plan for holders of Class 4 Secured 2005 Revenue Bond Claims, including, but not limited to, the following:

a. *Treatment.* The Secured 2005 Revenue Bond Claims shall be treated as a single Allowed Claim in the aggregate amount of \$259,445,000 plus (i) accrued, but unpaid postpetition interest, if any, at the rate specified in the 2005 Revenue Bond Indentures through and including the Effective Date, excluding any interest at the default rate or the Tax Rate (as defined in the Plan), or any applicable redemption or other premium, and (ii) any accrued, but unpaid reasonable, necessary out-of-pocket fees and expenses of the 2005 Revenue Bonds Trustee and the Master Trustee pursuant to the Final DIP Order and Cash Collateral Orders through and including the Effective Date. The Secured 2005 Revenue Bond Claims shall be paid and satisfied as follows: (i) an amount equal to the Initial Secured 2005 Revenue Bonds Claims Payment plus (a) accrued, but unpaid postpetition interest, if any, at the rate specified in the 2005 Revenue Bonds Indentures through and including the Effective Date, excluding any interest at the default rate or the Tax Rate, or any applicable redemption or other premium, and (b) any accrued, but unpaid reasonable, necessary out-of-pocket fees and expenses of the 2005 Revenue Bonds Trustee and the Master Trustee pursuant to the Final DIP Order and Cash Collateral Orders through and including the Effective Date, shall be paid in cash by the Debtors to the 2005 Revenue Bonds Trustee on the Effective Date. In addition, (x) any amounts held by the 2005 Revenue Bonds Trustee in a (1) principal or revenue account, (2) debt service or redemption reserve, or (3) an escrow or expense reserve account shall be applied against the Secured 2005 Revenue Bond Claim, and (y) the 2005 Revenue Bonds Trustee shall become the sole Trust Beneficiary and holder of all of the First Priority Trust Beneficial Interests in the amount of the 2005 Revenue Bonds Diminution Claim, including interest accruing after the Effective Date at the non-default rate

provided for in the 2005 Revenue Bonds Indentures. The foregoing payments and distributions shall be in full and final satisfaction of the Secured 2005 Revenue Bond Claims as a single Allowed Claim. Notwithstanding distribution of First Priority Trust Beneficial Interests on account of the 2005 Revenue Bonds Diminution Claim, the 2005 Revenue Bonds Trustee or the Master Trustee shall be entitled to retain and apply Adequate Protection Payments received during the course of these Cases on or on behalf of the 2005 Secured Revenue Bonds in the manner provided by the relevant indenture. No beneficial Holder of any Secured Series A, G and H Revenue Bonds Claims shall be entitled to receive any distribution pursuant to the Plan, except as may be remitted to such Holder by the 2005 Revenue Bonds Trustee.

b. *Subordination.* All rights held by 2005 Revenue Bonds Trustee and/or the Master Trustee under the Intercreditor Agreement shall be deemed satisfied, waived, or released by the treatment provided in the Plan Settlement and the Plan.

6. **Treatment of Secured MOB I Financing Claims.** Holders of Secured MOB I Financing Claims shall receive the treatment set forth in the Plan for holders of Class 5 Secured MOB I Financing Claims, including, but not limited to, the following:

a. *Treatment.* The Secured MOB I Financing Claims shall be paid in cash on the Effective Date by the Debtors in an amount equal to 100% of a single Allowed Claim in the aggregate amount of \$46,363,095.90, plus (i) accrued but unpaid postpetition interest, if any, at the rate specified in the MOB I Loan Agreement, excluding any interest at the default rate, or make whole premium, and (ii) any accrued, but unpaid reasonable, necessary out-of-pocket fees and expenses of Verity MOB Financing LLC, pursuant to the Final DIP Order and Cash Collateral Orders through and including the Effective Date.

7. **Treatment of Secured MOB II Financing Claims.** Holders of Secured MOB II Financing Claims shall receive the treatment set forth in the Plan for holders of Class 6 Secured MOB II Financing Claims, including, but not limited to, the following:

a. *Treatment.* The Secured MOB II Financing Claims shall be paid in cash on the Effective Date by the Debtors in an amount equal to 100% of a single Allowed Claim in the aggregate amount of \$20,061,919.48, plus (i) accrued, but unpaid postpetition interest, if any, at the rate specified in the MOB II Loan Agreements, excluding any interest at the default rate, or make whole premium, and (ii) any accrued but unpaid reasonable, necessary out-of-pocket fees and expenses of Verity MOB Financing II LLC, pursuant to the Final DIP Order and Cash Collateral Orders through and including the Effective Date.

8. **Treatment of Allowed General Unsecured Claims.** Holders of Allowed General Unsecured Claims shall receive the treatment set forth in the Plan for holders of Class 8 General Unsecured Claims, including, but not limited to, the following:

a. *Treatment.* As soon as practicable after the Effective Date or as soon thereafter as the claim shall have become an Allowed Claim, each holder of an Allowed General Unsecured Claim shall receive a Second Priority Trust Beneficial Interest and become a Trust Beneficiary in full and final satisfaction of its Allowed Class 8 Claim, except to the extent that

such Holder agrees (a) to a less favorable treatment of such Claim, or (b) such Claim has been paid before the Effective Date.

9. **Treatment of Administrative Claims.** The Parties agree that, if all conditions precedent set forth in the Plan to the occurrence of the Effective Date of the Plan are satisfied, on the Effective Date, the Debtors shall pay, or reserve for, all Allowed and allowable Administrative Claims not otherwise paid in the ordinary course of the Debtors' operations, as set forth more fully in the Plan, notwithstanding that, absent this Agreement and the Plan, such Administrative Claims would not otherwise be entitled to any payment absent the prior payment in full of the Secured 2005 Revenue Bond Claims.

10. **Dismissal of the Adversary Proceedings with Prejudice.** The Parties agree that, if all conditions precedent set forth in the Plan to the occurrence of the Effective Date of the Plan are satisfied, on the Effective Date, or as soon thereafter as is reasonably practicable, the Committee shall dismiss the Adversary Proceedings with prejudice and all further rights of the Committee with respect to the claims raised, or which could have been raised against the defendants in the Adversary Proceedings shall be waived, released, and terminated with prejudice pursuant to the mutual releases set forth more fully herein.

11. **Termination of the Challenge Stipulations.** Any outstanding continuance or extension of the Challenge Deadline with respect to the MOB Lenders or other agreement tolling the Committee's right to pursue claims against the MOB Lenders pursuant to the Final DIP Order and/or the Cash Collateral Orders shall be terminated and all further rights of the Committee with respect to such claims shall be waived, released, and terminated with prejudice pursuant to the mutual releases set forth more fully herein.

12. **Waiver of Investigation Budget Objections.** The Parties agree that, if all conditions precedent set forth in the Plan to the occurrence of the Effective Date of the Plan are satisfied, on the Effective Date, the Debtors and the Prepetition Secured Creditors shall waive any objection to the fees and expenses incurred by the Committee's advisors which exceed the limitations for investigating and prosecuting claims against the Prepetition Secured Creditors as set forth in the Final DIP Order, the Cash Collateral Orders, the related budgets, and as set forth more fully in the Debtors' reservations of rights [Docket Nos. 3896, 4287] and all further rights of the Debtors and the Prepetition Secured Creditors with respect to such objections shall be waived, released, and terminated with prejudice pursuant to the mutual releases set forth more fully herein. Notwithstanding the foregoing, nothing herein shall be deemed a waiver of the rights of any party to object to the reasonableness of fees and/or expenses of the Committee.

13. **Confirmation Order Findings.** The Confirmation Order shall include, without limitation, the following findings of fact and conclusions of law:

a. the Prepetition Secured Creditors were oversecured as of the Petition Date and are entitled to retain Adequate Protection Payments as allowed postpetition interest and fees under § 506(a);

b. the amount of the Prepetition Replacement Lien (as defined in the Final DIP Order and the Cash Collateral Orders) that may be asserted by the Master Trustee and the 2005 Revenue Bonds Trustee is equal to or greater than the 2005 Revenue Bonds Diminution Claim;

c. the Secured 2005 Revenue Bond Claims, including the 2005 Revenue Bonds Diminution Claim, constitute an Allowed Secured Claim for all purposes under the Plan and the Liquidating Trust Agreement, and on and after the Effective Date shall not be subject to any defense, reduction, setoff or counterclaim, including without limitation, pursuant to any claims under §§ 506(c) and 552(b);

d. the Master Trustee and the 2005 Revenue Bonds Trustee are authorized to enter into the Plan Settlement on behalf of the holders of the Secured 2005 Revenue Bond Claims and such Trustees have properly exercised their rights, powers and discretion pursuant to the 2005 Revenue Bonds Indenture and applicable law in entering into the Plan Settlement, which shall bind the Master Trustee, the 2005 Revenue Bonds Trustee, and all Holders of the Secured 2005 Revenue Bond Claims; and

e. the Prepetition Secured Creditors and the Committee are Released Parties under the Plan and are to be granted the benefit of the releases, injunctions, and exculpations set forth in the Plan pursuant to § 1123(b)(3)(A) and the Plan Settlement.

14. **9019 Order.** The Debtors shall seek an order of the Bankruptcy Court approving this Agreement pursuant to Rule 9019 in conjunction with confirmation of the Plan, which confirmation order shall provide, among other things, as follows:

a. **Settlement Release.** Except as otherwise expressly provided in the Plan or expressly agreed by the Parties in writing, upon the occurrence of the Effective Date, each Holder of a Claim against the Debtors shall be deemed to forever release, waive, and discharge all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whatsoever, against the Prepetition Secured Creditors or the Committee arising from or related to the pre- and/or post-petition actions, omissions or liabilities, transaction, occurrence, or other activity of any nature of the Prepetition Secured Creditors or the Committee, and their respective members, directors, officers, agents, attorneys, advisors or employees.

b. **Settlement Injunction.** Except as otherwise expressly provided in the Plan or expressly agreed by the Parties in writing, upon the occurrence of the Effective Date, each Holder of a Claim against the Debtors shall be permanently enjoined on and after the Effective Date from taking any action in furtherance of all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities whatsoever, against the Prepetition Secured Creditors or the Committee arising from or related to the pre- and/or post-petition actions, omissions or liabilities, transaction, occurrence, or other activity of any nature of the Prepetition Secured Creditors or the Committee, and their respective members, directors, officers, agents, attorneys, advisors or employees.

15. **Mutual Releases.** Upon the occurrence of the Effective Date and the distributions required to be made on such date under the Plan, except as expressly provided in the Plan or otherwise agreed by the Parties in writing, the Parties shall, and hereby do, fully, finally,

unconditionally, irrevocably and completely release and forever discharge each other and each of their predecessors, successors (including, without limitation, any chapter 11 or chapter 7 trustee of the Debtors or their estates), assigns, affiliates, subsidiaries, parents, partners, constituents, officers, directors, employees, attorneys and agents (past, present or future) and each of their respective heirs, successors, and assigns, of and from any and all claims (including, but not limited to any claims made or which could have been made against the defendants in the Adversary Proceedings, any Challenge brought or which could have been brought, or any objection to the fees and expenses incurred by the Committee's advisors, as set forth more fully in Paragraphs 10 through 12 hereof), causes of action, litigation claims, avoidance actions (including those that may arise under Chapter 5 of the Bankruptcy Code) and any other debts, obligations, rights, suits, damages, actions, remedies, judgments and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, fixed or contingent, matured or unmatured, in law or at equity, whether for tort, contract or otherwise, based in whole or in part upon any act or omission, transaction, event or other occurrence or circumstance existing, whether arising from or in any way related to the Debtors, their assets or property, the Chapter 11 Cases, or any aspect thereof; provided, that nothing in this Agreement shall release any Party from its obligations under the Plan, the Liquidating Trust Agreement, or this Agreement. The releases set forth herein were bargained for separately and are entered into freely and voluntarily by the Parties. The releases granted by U.S. Bank in Sections 14 and 15 hereof and in any order referred to therein shall be solely in its capacity as indenture trustee and not individually and nothing herein shall affect, limit or impair the rights of U.S. Bank with respect to any holders of the 2015 Revenue Notes or the 2017 Revenue Notes, except to the extent expressly set forth in the Plan. The releases granted by UMB Bank and Wells Fargo in Sections 14 and 15 hereof and in any order referred to therein shall be solely in their respective capacities as indenture trustees and not individually, and nothing herein shall affect, limit or impair the rights of UMB Bank or Wells Fargo with respect to any holders of the 2005 Revenue Bonds, except to the extent expressly set forth in the Plan.

16. **Section 1542.** Each Party acknowledges that it is familiar with Section 1542 of the California Civil Code, which states as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

All rights under Section 1542 of the California Civil Code, or any analogous state or federal law, are hereby expressly WAIVED and RELINQUISHED by each Party. In connection with such waiver and relinquishment, each of the Parties hereby acknowledges and understands that it is executing and delivering this Agreement with full knowledge of any and all rights which such Party may have with respect to the claims resolved hereby.

17. **Conditions Precedent.** This Agreement shall be immediately effective upon its approval by the Bankruptcy Court, the occurrence of the Effective Date, and the distributions required to be paid on the Effective Date; provided that (a) the order approving this Agreement is

not subject to a stay as of the Effective Date, (b) the Confirmation Order is not subject to a stay as of the Effective Date, and (c) the Effective Date occurs on or before September 5, 2020.

18. **Support of Agreement.** Approval of this Agreement will be sought by motion of the Debtors pursuant to Rule 9019 and affirmatively supported by the Prepetition Secured Creditors and the Committee.

19. **Miscellaneous.**

a. **One Writing/Integration.** This Agreement constitutes the full, complete, and entire understanding and agreement between the Parties with respect to the subject matter of this Agreement and supersedes any and all prior oral and written understandings, agreements, and arrangements between them, whether oral or written, express or implied, including, but not limited to any prior settlement agreement(s). There are no other agreements, covenants, promises, or arrangements between or among the Parties other than those set forth herein. There is no other consideration for this Agreement other than the consideration set forth in this Agreement.

b. **Jurisdiction.** Any dispute concerning the terms and interpretation of this Agreement shall be resolved by the Bankruptcy Court.

c. **Reservation of Rights.** The Parties reserve all rights and defenses provided to them under the Bankruptcy Code except as otherwise stated herein.

d. **Amendment, Modification, Waiver.** This Agreement may be amended, altered, modified, or waived, in whole or in part, only in a writing executed by the Parties to this Agreement. This Agreement may not be orally amended, altered, modified, or waived, in whole or in part. No failure by any Party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach of any other covenant, duty, agreement, or condition.

e. **Counterparts.** This Agreement may be executed in one or more original counterparts, all of which together shall constitute one and the same instrument.

f. **Interpretation.** In the event of any ambiguity or question of intent or interpretation of this Agreement, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

g. **No Third Party Beneficiaries.** Except as may be specifically set forth in this Agreement, nothing in this Agreement is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the Parties and their respective permitted successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any Party, nor give any third persons any right of subrogation or action against any Party.

h. **Authority.** By executing below, each Party represents that it has the requisite authority to enter into and implement all terms of this Agreement.

i. **Waiver of Jury Trial.** Each Party irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement, the terms hereof, or the transactions contemplated hereby.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed and delivered by their respective duly authorized representatives as of the Agreement Date set forth above.

DENTONS US LLP

By: 

Samuel R. Maizel
Tania M. Moyron
Claude D. Montgomery
Nicholas A. Koffroth

Counsel to the Debtors and Debtors In Possession

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

By: _____
Paul J. Ricotta
Daniel S. Bleck

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

MCDERMOTT WILL & EMERY LLP.

By: _____
Nathan F. Coco
Megan M. Preusker

Counsel to U.S. Bank National Association solely in its capacity as the note indenture trustee under the note indenture relating to the 2015 Revenue Notes

i. **Waiver of Jury Trial.** Each Party irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement, the terms hereof, or the transactions contemplated hereby.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed and delivered by their respective duly authorized representatives as of the Agreement Date set forth above.

DENTONS US LLP

By: _____

Samuel R. Maizel
Tania M. Moyron
Claude D. Montgomery
Nicholas A. Koffroth

Counsel to the Debtors and Debtors In Possession

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

By: _____


Paul J. Ricotta
Daniel S. Bleck

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

MCDERMOTT WILL & EMERY LLP.

By: _____

Nathan F. Coco
Megan M. Preusker

Counsel to U.S. Bank National Association solely in its capacity as the note indenture trustee under the note indenture relating to the 2015 Revenue Notes

i. **Waiver of Jury Trial.** Each Party irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement, the terms hereof, or the transactions contemplated hereby.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed and delivered by their respective duly authorized representatives as of the Agreement Date set forth above.

DENTONS US LLP

By: _____

Samuel R. Maizel
Tania M. Moyron
Claude D. Montgomery
Nicholas A. Koffroth

Counsel to the Debtors and Debtors In Possession

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

By: _____

Paul J. Ricotta
Daniel S. Bleck

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

MCDERMOTT WILL & EMERY LLP.

By: _____

Megan Preusker
Nathan F. Coco
Megan M. Preusker

Counsel to U.S. Bank National Association solely in its capacity as the note indenture trustee under the note indenture relating to the 2015 Revenue Notes

MASLON LLP.

By: 

Clark T. Whitmore
Jason Reed

*Counsel to U.S. Bank National Association
solely in its capacity as the note indenture
trustee under the note indenture relating to the
2017 Revenue Notes*

JONES DAY

By: _____

Bruce S. Bennett
Benjamin Rosenblum
Peter S. Saba

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

MILBANK LLP

By: _____

Gregory A. Bray
Mark Shinderman
James C. Behrens

*Counsel to the Official Committee of Unsecured
Creditors*

MASLON LLP.

By: _____

Clark T. Whitmore
Jason Reed

*Counsel to U.S. Bank National Association
solely in its capacity as the note indenture
trustee under the note indenture relating to the
2017 Revenue Notes*

JONES DAY

By: _____

Benjamin Rosenblum
Bruce S. Bennett
Benjamin Rosenblum
Peter S. Saba

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

MILBANK LLP

By: _____

Gregory A. Bray
Mark Shinderman
James C. Behrens

*Counsel to the Official Committee of Unsecured
Creditors*

MASLON LLP.

By: _____

Clark T. Whitmore
Jason Reed

*Counsel to U.S. Bank National Association
solely in its capacity as the note indenture
trustee under the note indenture relating to the
2017 Revenue Notes*

JONES DAY

By: _____

Bruce S. Bennett
Benjamin Rosenblum
Peter S. Saba

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

MILBANK LLP

By: _____


Gregory A. Bray
Mark Shinderman
James C. Behrens

*Counsel to the Official Committee of Unsecured
Creditors*

Exhibit B

Liquidating Trust Agreement

LIQUIDATING TRUST AGREEMENT

This Liquidating Trust Agreement (the “Liquidating Trust Agreement”), dated as of September 5, 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) Howard Grobstein, as liquidating trustee (the “Liquidating Trustee”).

W I T N E S E T H

WHEREAS, on August 14, 2020, the Debtors and other Plan Proponents confirmed their Modified Second Chapter 11 Plan of Liquidation Dated July 2, 2020 (the “Plan”) 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”). The Liquidating Trust is also referred to as VHS Liquidating Trust. 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 Howard Grobstein.

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:

c/o Dentons US LLP
601 S. Figueroa Street, Suite 2500
Los Angeles, CA 90017
Attn.: Sam Maizel and Tania Moyron

If to the Liquidating Trustee:

Howard Grobstein, Liquidating Trustee
Grobstein Teeple LLP
6300 Canoga Avenue, Suite 1500W
Woodland Hills, CA 91367

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: Rich Adcock
Title: CEO, VHS

VERITY HOLDINGS, LLC

By: 
Name: Rich Adcock
Title: CEO, VHS

DE PAUL VENTURES, LLC

By: 
Name: Rich Adcock
Title: CEO, VHS

DE PAUL VENTURES - SAN JOSE DIALYSIS,
LLC

By: 
Name: Rich Adcock
Title: CEO, VHS

MARILLAC INSURANCE COMPANY, LTD.

By: 
Name: Rich Adcock
Title: CEO, VHS

O'CONNOR HOSPITAL

By: 
Name: Rich Adcock
Title: CEO, VHS

SAINT LOUISE REGIONAL HOSPITAL

By: 
Name: Rich Adcock
Title: CEO, VHS

ST. FRANCIS MEDICAL CENTER

By: 
Name: Rich Adcock
Title: CEO, VHS

SETON MEDICAL CENTER

By: 
Name: Rich Adcock
Title: CEO, VHS

ST. VINCENT MEDICAL CENTER

By: 
Name: Rich Adcock
Title: CEO, VHS

ST. VINCENT DIALYSIS CENTER, INC.

By: 
Name: Rich Adcock
Title: CEO, VHS

VERITY BUSINESS SERVICES

By: 
Name: Rich Adcock
Title: CEO, VHS

VERITY HOLDINGS, LLC

By: 
Name: Rich Adcock
Title: CEO, VHS

VERITY MEDICAL FOUNDATION

By: 
Name: Rich Adcock
Title: CEO, VHS

SAINT LOUISE REGIONAL HOSPITAL
FOUNDATION

By: 
Name: Rich Adcock
Title: CEO, VHS

SETON MEDICAL CENTER FOUNDATION

By: 
Name: Rich Adcock
Title: CEO, VHS

ST. FRANCIS MEDICAL CENTER OF
LYNWOOD FOUNDATION

By: 
Name: Rich Adcock
Title: CEO, VHS

ST. VINCENT FOUNDATION

By: 
Name: Rich Adcock
Title: CEO, VHS

[TO BE SUBMITTED] _____,
Howard Grobstein
as Liquidating Trustee

Exhibit C

Schedule of Insurance Policies

**Verity Health System of California, Inc.
Schedule of Insurance Policies
As of 8/27/20**

| Insurance Coverage | Carrier | Limits | First Named Insured | Policy Period | Policy Number |
|---|---|---|---|---|-------------------|
| All Other Coverages | | | | | |
| Commercial Property | American Guarantee and Liability Insurance Company (Zurich) | \$750M | Verity Health System of California, Inc. | 7/1/2020-7/1/2021 | ZMD 6859665-00 |
| Workers' Compensation and Employers Liability | State Compensation Insurance Fund | Workers' Compensation (CA) - Statutory Employers Liability - \$1M/\$1M/\$1M | Verity Health System of California, Inc. | 1/1/2020-1/1/2021 | 9266464-20 |
| Storage Tank Liability (Consolidated) | ACE American Insurance Company (Chubb) | \$1M/\$2M/\$1M/\$3M | Seton Medical Center | 10/1/2019-10/1/2020 | UST G71182654 002 |
| Commercial Automobile | National Union Fire Insurance Company of Pittsburgh, PA (AIG) | \$1M CSL | Verity Health System of California, Inc. | 10/1/2019-10/1/2020 | CA 087 56 88 |
| Helipad Liability & Non-Owned Aircraft Liability | ACE Property and Casualty Insurance Company (Chubb) | \$10M | Verity Health System of California, Inc. | 10/1/2019-10/1/2020 | AAP N17935550 002 |
| Sexual Misconduct and Molestation Liability | Lloyds of London (Beazley Syndicates #2623/#623) | \$2M/\$2M | St. Francis Medical Center (Children's Counseling Center Agreement) | 10/1/2019-10/1/2020 | GLOPR1801815 |
| D&O Liability, Employment Practices Liability, Fiduciary Liability, Crime <i>Primary Layer</i> | National Union Fire Insurance Company of Pittsburgh, PA (AIG) | D&O (Including EPL) - \$10M/\$10M Fiduciary Liability - \$10M Crime - \$10M | Verity Health System of California, Inc. | 10/1/2017-10/1/2018 (Extended to 10/1/2019) (Extended to 1/1/2020) (Extended to 2/1/2020) (Extended to 8/1/2020) (Extended to 9/1/2020) Current Policy Term 10/1/2017-9/1/2020 Six year tail premium paid in full. | 02-359-65-60 |
| Excess Side A D&O Liability | National Union Fire Insurance Company of Pittsburgh, PA | \$2M/\$2M | Verity Health System of California, Inc. | 10/1/2018-10/1/2019 (Extended to 1/1/2020) (Extended to 2/1/2020) (Extended to 8/1/2020) (Extended to 9/1/2020) Current Policy Term 10/1/2018-9/1/2020 Six year tail premium paid in full. | 02-306-61-90 |
| D&O Liability, Employment Practices Liability and Fiduciary Liability <i>1st Excess Layer</i> | Endurance Risk Solutions Assurance Company (SOMPO) | D&O (Including EPL) - \$10M/\$10M | Verity Health System of California, Inc. | 10/1/2017-10/1/2018 (Extended to 10/1/2019) (Extended to 1/1/2020) (Extended to 2/1/2020) (Extended to 8/1/2020) (Extended to 9/1/2020) Current Policy Term 10/1/2017-9/1/2020 Six year tail premium paid in full. | BLX10008286901 |

**Verity Health System of California, Inc.
Schedule of Insurance Policies
As of 8/27/20**

| Insurance Coverage | Carrier | Limits | First Named Insured | Policy Period | Policy Number |
|--|--|------------------------|--|---|--------------------|
| D&O Liability Only <i>2nd Excess Layer</i> | Argonaut Insurance Company (ARGO Group) | D&O Only - \$10M/\$10M | Verity Health System of California, Inc. | 10/1/2017-10/1/2018 (Extended to 10/1/2019) (Extended to 1/1/2020) (Extended to 2/1/2020) (Extended to 8/1/2020) (Extended to 9/1/2020) Current Policy Term 10/1/2017-9/1/2020 Six year tail premium paid in full. | MLX 7602088-01 |
| Punitive Damages Wrap <i>Primary Layer</i> | American International Reinsurance Company, Ltd. | \$10M/\$10M | Verity Health System of California, Inc. | 10/1/2017-10/1/2018 (Extended to 10/1/2019) (Extended to 1/1/2020) (Extended to 2/1/2020) (Extended to 8/1/2020) (Extended to 9/1/2020) Current Policy Term 10/1/2017-9/1/2020 Six year tail premium paid in full. | 24542026 |
| Punitive Damages Wrap <i>1st Excess Layer</i> | Magna Carta Insurance, Ltd. | \$10M/\$10M | Verity Health System of California, Inc. | 10/1/2017-10/1/2018 (Extended to 10/1/2019) (Extended to 1/1/2020) (Extended to 2/1/2020) (Extended to 8/1/2020) (Extended to 9/1/2020) Current Policy Term 10/1/2017-9/1/2020 Six year tail premium paid in full. | MCEN204155 |
| Storage Tank Liability | Great American Alliance Insurance Co. | \$1M/\$2M/\$1M | St. Francis Medical Center | 12/5/2019-12/5/2020 | 03-TOP-000008521 |
| Network Security (Cyber) | AXIS Insurance Company | \$2M/\$2M | Verity Health System of California, Inc. | 2/4/2019-2/4/2020 (Extended to 8/4/2020) | P-001-000076217-01 |
| General Liability | Chubb | \$1M/\$3M | St. Francis Medical Center (Lynwood Parking Agreement) | 3/31/2020-3/31/2021 | HPL G2181684A 013 |

**Verity Health System of California, Inc.
Schedule of Insurance Policies
As of 8/27/20**

| Insurance Coverage | Carrier | Limits | First Named Insured | Policy Period | Policy Number |
|---|--|---|--|---------------------|-----------------------|
| Captive | | | | | |
| Professional and General Liability | Marillac Insurance Company, Ltd. | Professional Liability - \$5M General Liability - \$2M | Verity Health System of California, Inc. | 3/31/2020-3/31/2021 | DOC PLGL-26000-020 |
| Excess Professional and Umbrella Liability (See Reinsurance Below) | Marillac Insurance Company, Ltd. | \$55M/\$55M | Verity Health System of California, Inc. | 3/31/2020-3/31/2021 | DOC XL PLGL-26000-020 |
| Reinsurance | | | | | |
| Lead Excess Layer | ACE American Insurance Company (Chubb) | \$10M/\$10M | Verity Health System of California, Inc. | 3/31/2020-3/31/2021 | RBN G21816838 013 |
| 2nd Excess Layer | The Medical Protective Company | \$5M/\$5M | Verity Health System of California, Inc. | 3/31/2020-3/31/2021 | RE0076-2020A |
| 3rd Excess Layer | Berkshire Hathaway Specialty Insurance Company | \$5M/\$5M | Verity Health System of California, Inc. | 3/31/2020-3/31/2021 | 47-RHC-304968-03 |
| 4th Excess Layer | Zurich American Insurance Company | \$10M/\$10M | Verity Health System of California, Inc. | 3/31/2020-3/31/2021 | HPC 0239123-02 |
| 5th Excess Layer | TDC National Assurance Company (TDC) | \$10M/\$10M | Verity Health System of California, Inc. | 3/31/2020-3/31/2021 | FRX-00015-20-01 |
| 6th Excess Layer | The Medical Protective Company | \$15M/\$15M | Verity Health System of California, Inc. | 3/31/2020-3/31/2021 | RE0076-2020B |

**Verity Health System of California, Inc.
Schedule of Insurance Policies
As of 8/27/20**

| Insurance Coverage | Carrier | Limits | First Named Insured | Policy Period | Policy Number |
|---|--|---------------|---|----------------------|----------------------|
| Surety Bonds | | | | | |
| CA DHS Patient Trust Bond | Hartford Fire Insurance Company | \$75K | Seton Medical Center Coastside | 12/1/2001-12/1/2020 | 83BSBBF7598 |
| CA DHS Patient Trust Bond | Hartford Fire Insurance Company | \$5K | St. Francis Medical Center | 12/1/2001-12/1/2020 | 83BSBBF7621 |
| CA DHS Patient Trust Bond | Hartford Fire Insurance Company | \$35K | Seton Medical Center | 12/1/2001-12/1/2020 | 83BSBBF7661 |
| Provider Capitation Stop Loss (Managed Care Excess Loss) | | | | | |
| Provider Capitation Stop Loss (Applicable to St. Vincent Medical Center (for January Only) and St. Francis Medical Center) | PartnerRe America Insurance Company | \$1M | Verity Health System of California, Inc. | 1/1/20-12/31/20 | P0312544007 |

Exhibit D

SFMC Transition Services Agreement

TRANSITION SERVICES AGREEMENT

This Transition Services Agreement (the “**Agreement**”), is made and entered into as of August 13, 2020 (the “**Signing Date**”), by and among Verity Health System of California, Inc., a California nonprofit public benefit corporation (“**Verity**”), Verity Holdings, LLC, a California limited liability company (“**Verity Holdings**”), St. Francis Medical Center, a California nonprofit public benefit corporation (“**St. Francis**” and together with Verity and Verity Holdings, collectively the “**Sellers**” and each individually a “**Seller**”), Prime Healthcare Services, Inc., a Delaware corporation (“**PHSI**”) and Prime Healthcare Services – St. Francis, LLC, a Delaware limited liability company (“**PHSSF**” and, together with PHSI, collectively “**Purchaser**”), as successor-in-interest to PHSI. The Sellers, the Liquidating Trust, and Purchaser may each be referred to herein as a “**Party**” and collectively as the “**Parties**.”

This Agreement is being entered into in connection with that certain Asset Purchase Agreement dated April 3, 2020, among Sellers and PHSI (the “**APA**”). Capitalized terms used in this Agreement but not defined herein shall have the meanings given to them in the APA. The Parties have agreed to provide or cause one or more of their respective direct or indirect subsidiaries or affiliates to provide certain services as set forth below. The Party providing services hereunder (together with those of its direct and indirect subsidiaries and affiliates providing services hereunder) is referred to herein as the “**Service Provider**” and the Party receiving services hereunder (together with those of its direct and indirect subsidiaries and affiliates receiving services hereunder) is referred to herein as the “**Service Recipient**”. The Parties agree that this Agreement will be amended to include the Liquidating Trust (as defined below) after its creation, pursuant to the effective date set forth in the joint plan of liquidation (the “**Plan**”) confirmed by the Bankruptcy Court.

RECITALS

- A. On August 28, 2018, the Sellers and certain of their affiliates each filed a voluntary petition for relief (collectively, the “**Bankruptcy Cases**”) under chapter 11 of title 11 of the United State Code (the “**Bankruptcy Code**”).
- B. The Bankruptcy Cases are jointly administered under Lead Case No. 18-20151 and are currently pending in the Bankruptcy Court for the Central District of California in Los Angeles (the “**Bankruptcy Court**”).
- C. PHSI and the Sellers entered into the APA, which provides for the sale of the assets of the Sellers (collectively, the “**Assets**”) and PHSI assigned certain of its rights under the APA to PHSSF.
- D. The Bankruptcy Court entered the sale order on April 9, 2020 (the “**Sale Order**”).
- E. Sellers and certain of their affiliates and other co-plan proponents filed the Plan, pursuant to which a liquidating trust (the “**Liquidating Trust**”) will be created on the effective date of the Plan after confirmation thereof.

F. The primary purpose of the Liquidating Trust is to, among other things, liquidate and distribute assets, which includes assets of the Sellers not sold to Purchaser pursuant to the APA.

G. Following the Closing Date, the Sellers and the Liquidating Trust need access to certain assets, systems, facilities, equipment, and personnel of Purchaser in connection with the Sellers' wind-down of the Businesses, the completion of the Bankruptcy Cases, and the dissolution of the Sellers, and Purchaser agrees to provide such access and services in connection therewith as described herein.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I SERVICES

Section 1.1 Services to be Provided.

(a) Services to be Provided by the Sellers and/or the Liquidating Trust. Subject to the terms and conditions of this Agreement, the Sellers and/or the Liquidating Trust, as the Service Provider, shall provide or cause to be provided to Purchaser, as the Service Recipient, those services in support of the business of Purchaser set forth on Schedule A attached hereto (the "**Seller Services**").

(b) Services to be Provided by Purchaser. Subject to the terms and conditions of this Agreement, Purchaser, as the Service Provider, shall provide or cause to be provided to the Sellers and the Liquidating Trust, as the Service Recipient, those services and personnel in support of the business of the Sellers and/or the wind-down and liquidation of the Sellers set forth on Schedule B attached hereto (the "**Purchaser Services**" and together with the Seller Services, the "**Services**").

Section 1.2 Access to and Use of Assets, Systems, Facilities, and Equipment.

(a) Access. Beginning on the Effective Time and continuing through the termination or expiration of this Agreement in accordance with its terms, Purchaser hereby grants to the Sellers and the Liquidating Trust, reasonable access to and the right to use the hospital assets, systems, facilities, and equipment to the extent reasonably required in connection with the Sellers' wind-down of the Businesses, the completion of the Bankruptcy Cases, and the dissolution of the Sellers. If any third party to any lease, license or other agreement requires Sellers to sign any documents in order for Sellers to be granted access to, and the right to use, any hospital asset, system, facility or equipment under such lease, license or other agreement, Sellers agree to execute and deliver any such documents; provided, that such documents, leases, licenses or other agreements do not require Sellers to pay any money or take any action, not required by the Sale Order; and provided, further, that if Sellers do not sign such requisite documents, leases, licenses or other agreements, then Purchaser has no obligation to provide Sellers with access and the right to use the associated

hospital assets, systems, facilities and equipment provided by such third party; and provided, further, that Purchaser agrees to indemnify, defend and hold harmless each of the Sellers in connection with any obligations under any such documents, leases, licenses or other agreements other than those obligations of Sellers thereunder which are required by the Sale Order.

(b) Office Space. In order to enable the provision of the Seller Services, Purchaser hereby grants to Sellers' and their affiliates' employees and any third-party service providers or subcontractors the right to use and occupy the portion of St. Francis Medical Center identified on Schedule C attached hereto (the "**Premises**") at no cost for use exclusively as office space pursuant to the terms and conditions hereof, and until the termination of this Agreement pursuant to Article IV herein. Sellers shall keep the Premises neat, clean and sanitary and dispose of all garbage. Sellers may terminate its right to occupy the Premises at any time upon five (5) days prior written notice to Purchaser. Upon termination of Sellers' right to occupy the Premises, Sellers shall vacate the Premises in broom-clean condition. Purchaser shall make the Premises available to Sellers 24 hours a day, 7 days a week. Purchaser may access the Premises for purposes of making repairs or improvement or other reasonable purposes upon (except in the case of an emergency) reasonable prior written notice to Sellers; however, Purchaser shall at all times use its commercially reasonable efforts to prevent interference with or interruption of the Sellers' business activities on the Premises. The Sellers use of the Premises shall additionally be subject to the following terms and conditions:

(i) Purchaser shall have the right, on reasonable advance notice (which shall not be less than three (3) business days) to Sellers, to relocate the space covered by the preceding license to similar space in the same area as the original designated Premises, provided the replacement space is reasonably suitable for the same uses as contemplated herein. In the event of any such relocation, references herein to the Premises shall constitute references to such relocated space.

(ii) Sellers shall not make any material alterations, decorations, additions, or improvements in or to the Premises or the Purchaser's other property without the prior written consent of Purchaser, which may be given or withheld in Purchaser's sole discretion.

(iii) Sellers shall not do, or permit their representatives to do, anything that would: (a) unreasonably obstruct or materially interfere with the lawful operation of the Premises or other portions of the Purchaser's property by Purchaser and other tenants of the Purchaser's property; or (b) use the Premises for any illegal or unlawful purpose, including without limitation any violations of applicable laws or regulations relating to or regulating hazardous substances.

(iv) The license, occupancy and access rights granted to Sellers under this Agreement shall be effective notwithstanding any ground lease, mortgage, deed of trust, or any other hypothecation or security placed at any time upon the Premises or any of Purchaser's property of which the Premises is a part, and notwithstanding any change in ownership (including any sale and/or leaseback involving any property of which the Premises is a part).

Section 1.3 Subcontracting. The Service Provider may, in its sole discretion and without any written notice to the Service Recipient engage one or more parties (including third parties or affiliates of the Service Provider) to provide the applicable Services, whether in whole or in part

or subcomponent, provided that any such subcontracting shall not relieve the applicable Service Provider of or reduce the applicable Service Provider's obligations under this Agreement. Without limiting the preceding, Purchaser will not be required to use the Sellers existing IT and similar systems, but shall have the right to replace IT and other systems, used to provide any of the Purchaser Services provided that the new or replacement systems provide equivalent functionality. Sellers and Purchaser agree to fully cooperate with each other, at Purchaser's sole cost and expense, in connection with any data or other transition steps required in connection moving any of the functions covered by the Purchaser Services to a new vendor or system.

Section 1.4 Cooperation; Access. Each Party shall, at reasonable times under the circumstances, make available to any other Party properly authorized personnel for the purpose of consultation and decisions in connection with the Services.

Section 1.5 Certain Qualifications.

(a) Provided AS-IS. By accepting the use to the Premises and other access rights provided herein, Sellers conclusively shall be deemed, subject to the representations, warranties and obligations expressly set forth in this Agreement, to have (i) accepted the Premises and access to other property of Purchaser "AS IS" and without express or implied warranty; and (ii) is fully aware of and has approved the Premises in its condition existing as of such date.

(b) Limited Representation. Except for the representations, warranties and obligations expressly set forth in this Agreement, Purchaser makes no representations and warranties of any kind, implied or expressed, with respect to the Purchaser Services, including, without limitation, no warranties of merchantability or fitness for a particular purpose, which are specifically disclaimed.

(c) Privacy and Confidentiality Protections. All access provided to Sellers, to the Premises or otherwise as provided herein, shall be permitted only in a manner which protects patient privacy and the confidentiality of patient information under applicable Privacy Laws.

(d) Limitation on Liability. In no event shall any Party have any liability under any provision of this Agreement for any punitive, incidental, consequential, special or indirect damages, whether based on statute, contract, tort or otherwise, and whether or not arising from any other Party's sole, joint, or concurrent negligence, strict liability, criminal liability or other fault.

ARTICLE II LICENSE GRANT

Section 2.1 License Grant. Beginning on the Effective Time and continuing through the later of the termination or expiration of this Agreement in accordance with its term or the dissolution of the Sellers and their Businesses, the wind-down of the Liquidating Trust and the completion of the Bankruptcy Cases, Purchaser grants to the Sellers and the Liquidating Trust a royalty free, license to use the name "St. Francis Medical Center," including any trademarks, service marks, trademark and service mark registrations and registration applications, trade names, trade name registrations, logos, domain names, trade dress, copyrights, copyright registrations, website content, know-how, trade secrets, related to the use of the preceding name, and the corporate or company names of the Sellers and the name of the Hospital, together with all rights to sue and

recover damages for infringement, dilution, misappropriation or other violation or conflict associated with any of the foregoing, in all respects solely as reasonably needed in connection with the wind-down of the Businesses, the completion of the Bankruptcy Cases, and the dissolution of the Sellers. Sellers and the Liquidating Trust shall not assign, transfer or hypothecate any of the rights subject to, and pursuant to, the preceding license and shall not use any such license rights in any manner which could adversely affect Purchaser's intellectual property rights with respect to the items which are the subject of such license.

ARTICLE III PAYMENT

Section 3.1 Service Fees. The fee, rate or amount to be charged to the Service Recipient for the applicable Services (the "**Service Fees**") shall be as set forth on Schedule A hereto for the Seller Services and as set forth on Schedule B for the Purchaser Services. The Service Provider shall issue invoices on a monthly basis to the Service Recipient for the applicable Services, with a statement of such Services and reasonable supporting detail therefor. The Service Recipient shall pay the undisputed portion of such invoices within thirty (30) days of receipt of such invoices. Any dispute relating to the Services shall be resolved in accordance with the dispute resolution procedures set forth in this Agreement.

ARTICLE IV TERM AND TERMINATION

Section 4.1 Term. Unless a Service is earlier terminated by the Service Recipient in accordance with Section 4.2(b), the Service Provider shall provide each applicable Service to the Service Recipient for the period beginning at the Effective Time (as defined under the APA) and continuing through and including the applicable dates set forth in: (i) Schedule A (with respect to the Seller Services); and (ii) Schedule B (with respect to the Purchaser Services) (the "**Applicable Term**"); provided, that in the event a particular Service provided by Purchaser hereunder is required by one or more Sellers to allow such Seller(s) to comply with applicable laws, rules or regulations, the Applicable Term shall be extended for so long as such Service is required to allow such Seller(s) to comply with such laws, rules and regulations; *provided, however*, that notwithstanding any other term herein, any Party may, in any case, terminate this Agreement by written notice to any other Party at any time on and after the end of the 18th calendar month following the Licensure Date (as defined in the APA). In addition, upon termination or expiration of this Agreement, the Parties may mutually agree in writing to a tail period for any portion of the Services, and the terms of this Agreement shall continue to apply to such ongoing Services until performed in full.

Section 4.2 Termination.

(a) Termination for Material Breach. This Agreement may be terminated by the Sellers and/or the Liquidating Trust on the one hand, or Purchaser on the other hand, upon written notice to any other Party in the event that any other Party materially breaches any provision of this Agreement and fails to remedy such breach within thirty (30) days of its receipt of such written notice, except to the extent such remedy is prevented or not permitted by the Bankruptcy Court;

and provided, further, however, that this Agreement may only be terminated under this Section 4.2(a) following approval of such termination by the Bankruptcy Court.

(b) Early Termination. The Service Recipient may terminate any particular Service early by providing not less than thirty (30) days prior written notice to the Service Provider of its intent to terminate early such particular Service. Any such partial termination notice delivered shall specify in detail (i) the Service or Services to be terminated and (ii) the effective date(s) of such termination (subject to the foregoing sentence). For the avoidance of doubt, all Service Fees associated with such terminated Service for the period of time after the effective date of such termination shall no longer be due and payable by the Service Recipient. If any such termination of a Service prior to the expiration of its Applicable Term requires any out-of-pocket fee, cost or expense of a similar nature payable to a third party (a “**Termination Fee**”), the Service Provider shall have no obligation to terminate such Service prior to the expiration of its Applicable Term unless the Service Recipient approves in advance such Termination Fee in writing (a “**Termination Fee Approval**”). If the Termination Fee Approval is granted, the Termination Fee shall be billed to and payable by the Service Recipient.

(c) Continued Access. Notwithstanding the termination of any particular Services hereunder, Service Recipient shall continue to have the right, upon reasonable advance notice and consistent with the other provisions herein, to reasonably access data and Service Provider, personnel relating to such Services for reasonable purposes (including compliance with applicable law).

Section 4.3 Effect of Termination. The termination of this Agreement pursuant to Section 4.2 shall not relieve any Party from liability for any willful and material breach of this Agreement prior to such termination. Further, the provisions of Article II, Article III (only to the extent that any Service Fees are due as a result of Services provided prior to the date of termination), this Section 4.3, Article V and Article VI shall survive any termination of this Agreement pursuant to Section 4.2.

ARTICLE V COORDINATION AND OTHER COVENANTS

Section 5.1 Coordination. The Parties hereby appoint as of the Effective Time the following representatives responsible for coordinating and managing the provision and receipt of the Services, which representatives shall have authority to act on the applicable Party’s behalf with respect to matters relating to this Agreement:

Sellers’ Representative: Peter Chadwick

Address: 1800 M Street NW, Second Floor, Washington, DC 20036

Telephone: 202-909-2800

Facsimile: 202-559-2240

Email: pchadwick@thinkbrg.com

Liquidating Trust Representative: Peter Chadwick

Address: 1800 M Street NW, Second Floor, Washington, DC 20036

Telephone: 202-909-2800

Facsimile: 202-559-2240

Email: pchadwick@thinkbrg.com

Purchaser's Representative: Steve Aleman

Address: 3480 E. Guasti Road, Ontario, CA 91761

Telephone: (909) 638-0068

Email: SAleman2@primehealthcare.com

In the event that the Sellers, the Liquidating Trust or Purchaser elect, in their sole discretion, to change their respective representative appointed for purposes of this Section 5.1, the Sellers, the Liquidating Trust or Purchaser (as the case may be) shall deliver written notice thereof to the other promptly following the effective date of appointment of the name and contact information of such new representative. The representatives shall work in good faith to address and attempt to resolve any dispute arising out of or relating to this Agreement or the breach, termination or validity thereof, whether sounding in contract or tort and whether arising during or after termination of this Agreement, including any pricing and other Service related matters.

Section 5.2 General Cooperation and Turnover Obligations. The Parties shall cooperate to ensure that any and all payments that constitute Excluded Assets (as defined in the APA), shall be paid to and received by Sellers, with any payments that constitute Assets (as defined in the APA) transferred to Purchaser pursuant to Section 1.7 of the APA or that otherwise arise from services rendered by Purchaser on or after the Licensure Date be paid to and received by Purchaser. In this regard, for a period of eighteen (18) months after the Effective Time (“**Turnover Period**”), the Parties shall, within ten (10) business days, copy and send to any other Party copies (either in hard copy or via electronic file) of all remittance advices for all deposits to all Lockboxes or other bank accounts for the Receivables (as defined in the APA), from whatever payor or source of funds, that are received on and after the Effective Time. In the event that Assets are deposited to a bank account of Sellers which is not automatically swept or transferred to Purchaser, then Sellers, within ten (10) business days of notice of the receipt of such Assets, shall turnover and pay Purchaser said funds. In the event that a deposit representing payment of any Excluded Assets is received by Purchaser, then Purchaser, within ten (10) business days of notice of the receipt of funds representing any Excluded Assets, shall turnover and pay Sellers such funds. Each Party, moreover, shall have the right, within three (3) months after the expiration of the Turnover Period, to audit by an independent and competent auditor, at the requesting Party's sole expense, of the bank records and remittance advices of any other Party. Thereafter, upon the findings of the auditor that there has either been an overpayment or an underpayment of funds due, the Party

owing funds shall, within ten (10) business days, make a payment of such funds to the Party to whom they are owed.

Section 5.3 HIPAA Compliance. The Parties agrees to take such steps as are necessary to ensure compliance with the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), the California Confidentiality of Medical Information Act, and other applicable federal and state privacy laws and regulations (collectively, the “**Privacy Laws**”) with respect to the Hospital and its operations, and the performance by the Parties of the services and obligations provide herein.

Section 5.4 Confidentiality.

(a) During the term of this Agreement and thereafter, the Parties shall, and shall instruct their respective Representatives (as defined below) to, maintain in confidence and not disclose any other Party’s financial, technical, sales, marketing, development, personnel, and other information, records, or data, including, without limitation, customer lists, supplier lists, trade secrets, designs, product formulations, product specifications or any other proprietary or confidential information, however recorded or preserved, whether written or oral (any such information, “**Confidential Information**”). Each Party hereto shall use the same degree of care, but no less than reasonable care, to protect any other Party’s Confidential Information as it uses to protect its own Confidential Information of like nature. Unless otherwise authorized in any other agreement between the Parties, any Party receiving any Confidential Information of any other Party (the “**Receiving Party**”) may use Confidential Information only for the purposes of fulfilling its obligations under this Agreement (the “**Permitted Purpose**”). Any Receiving Party may disclose such Confidential Information only to its directors/managing members, managers, officers, employees, consultants, financial advisors, prospective or existing lenders, counsel, accountants and other agents of such Receiving Party (and, in addition, Sellers may disclose such Confidential Information to the creditors committee in the Bankruptcy Cases and its consultants, financial advisors, counsel, accountants and other agents, the Liquidating Trust and its trustee, consultants, financial advisors, counsel, accountants and other agents and any advisory board members and their consultants, financial advisors, counsel, accountants and other agents) (“**Representatives**”) who have a need to know such information for the Permitted Purpose and who have been advised of the terms of this Section 5.4 and the Receiving Party shall be liable for any breach of these confidentiality provisions by such persons; *provided, however*, that any Receiving Party may disclose such Confidential Information to the extent such Confidential Information is required to be disclosed by a governmental agency or court order (“**Governmental Order**”), in which case the Receiving Party shall promptly notify, to the extent possible, the disclosing Party (the “**Disclosing Party**”), and take reasonable steps to assist in contesting such Governmental Order or in protecting the Disclosing Party’s rights prior to disclosure, and in which case the Receiving Party shall only disclose such Confidential Information that it is advised by its counsel in writing that it is legally bound to disclose under such Governmental Order.

(b) Notwithstanding the foregoing, “**Confidential Information**” shall not include any information that the Receiving Party can demonstrate: (i) was publicly known at the time of disclosure to it, or has become publicly known through no act of the Receiving Party or its Representatives in breach of this Section 5.4; (ii) was rightfully received from a third party without

a duty of confidentiality; or (iii) was developed by it independently without any reliance on the Confidential Information.

(c) Upon demand by the Disclosing Party at any time, or upon expiration or termination of this Agreement with respect to any Service, the Receiving Party agrees promptly to return or destroy, at the Receiving Party's option, all Confidential Information. If such Confidential Information is destroyed, an authorized officer of the Receiving Party shall certify to such destruction in writing.

ARTICLE VI MISCELLANEOUS

Section 6.1 Relationship of the Parties.

(a) The Parties and their respective representatives shall be deemed independent contractors for all purposes under this Agreement.

(b) This Agreement shall not be deemed or construed to create the relationship of employer or employee, partnership or any type of joint venture relationship among the Parties.

(c) The Parties acknowledge and agree that the Parties are not providing legal, accounting or tax advice under this Agreement. The Parties further acknowledge and agree that no fiduciary or other similar relationship is being created among the Parties relating to the Services or otherwise under this Agreement.

(d) Except as expressly set forth herein, neither the Sellers, the Liquidating Trust, nor any of their respective representatives or affiliates, on the one hand, nor Purchaser or any of its representatives or affiliates, on the other hand, shall have the authority to contract for or assume obligations of any nature in the name of any other Party, as the case may be, without the other's prior written consent.

Section 6.2 No Set-off. Neither the Sellers, the Liquidating Trust, nor any of their respective representatives or affiliates, on the one hand, nor Purchaser nor any of its representatives or affiliates, on the other hand, shall have any set-off or other similar rights pursuant to this Agreement.

Section 6.3 Notices. All notices, requests, claims, demands or other communications hereunder shall be deemed to have been duly given and made if in writing and (a) at the time personally delivered if served by personal delivery upon the Party for whom it is intended, (b) at the time received if delivered by registered or certified mail (postage prepaid, return receipt requested) or by a national courier service (delivery of which is confirmed), or (c) upon confirmation if sent by facsimile; in each case to the Party at the address set forth in Section 5.1, or such other address as may be designated in writing hereafter, in the same manner, by such Party.

Section 6.4 Amendment, Modification and Waiver. Any provision of this Agreement may be amended, modified or waived if, and only if, such amendment, modification or waiver is in writing and signed, in the case of an amendment, by the Parties, or in the case of a waiver, by the Party against whom the waiver is to be effective. No failure or delay by any Party in exercising any

right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 6.5 Assignment. Neither this Agreement nor any of the rights, interests or obligations under it may be directly or indirectly assigned, delegated, hypothecated, sublicensed, subleased or transferred by any of the Parties, in whole or in part, to any other person without the prior written consent of the non-assigning Party, and any attempted or purported assignment in violation of this Section 6.5 will be null and void; provided, that Sellers may assign their rights hereunder to the Liquidating Trust. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by the Parties and their respective successors and permitted assigns. Notwithstanding the preceding, however, Purchaser may assign its rights or obligations hereunder to its any of its affiliates and may subcontract with third parties to provide any of the Purchaser Services as provided elsewhere in this Agreement, provided that any such assignment or subcontracting shall not relieve Purchaser of or reduce Purchaser's obligations under this Agreement.

Section 6.6 Entire Agreement. This Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters.

Section 6.7 Third Party Beneficiaries. Nothing expressed or implied in this Agreement is intended to confer any rights, benefits, remedies, obligations or liabilities upon any person other than the Parties and their respective successors and permitted assigns.

Section 6.8 Expenses. In the event of litigation arising from or relating to this Agreement, the non-prevailing Party as determined by a court of competent jurisdiction in a final non-appealable order shall be liable and pay to the prevailing Party the reasonable attorney's fees and expenses incurred in connection with such litigation.

Section 6.9 Governing Law. This Agreement shall be construed, performed, and enforced in accordance with, and governed by, the laws of the State of California (without giving effect to the principles of conflicts of laws thereof), except to the extent that the laws of such State are superseded by the Bankruptcy Code or other applicable federal law.

Section 6.10 WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) EACH PARTY

UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) EACH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 6.10. THIS IS AN AFFIRMATIVE WAIVER OF THE PARTIES' RIGHTS TO A JURY TRIAL UNDER CALIFORNIA LAW, Cal. C. Civ. Pro. Sec 631. BY SIGNING BELOW ON THE SIGNATURE LINES, EACH PARTY IS EXPLICITLY WAIVING JURY TRIAL AND AUTHORIZING ANY AND ALL PARTIES TO FILE THIS WAIVER WITH ANY COURT AS THE WAIVER REQUIRED UNDER Cal. C. Civ. Proc. Sec. 631(f)(2).

Section 6.11 Jurisdiction; Mediation. The Parties agree that the Bankruptcy Court shall have exclusive personal and subject matter jurisdiction over any action or proceeding with respect to any claim arising out of or related to this Agreement, and any of the documents or transactions contained in or contemplated by this Agreement; *provided, however*, that the Parties agree that the United States District Court for the Central District of California (together with the Bankruptcy Court, the “**Chosen Courts**”) shall have exclusive jurisdiction over such claim if (i) the Bankruptcy Cases are closed and if the Bankruptcy Cases are not reopened to adjudicate such claim after request by the Party bringing such claim or (ii) the Bankruptcy Court determines that it does not have jurisdiction over such claim. Solely in connection with claims arising under this Agreement, or any of the documents or transactions contemplated hereby, the Parties (a) irrevocably submit to the exclusive jurisdiction of the Chosen Courts, (b) waive any objection to laying venue in any such action or proceeding in the Chosen Courts, (c) waive any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any Party hereto, and (d) agree that service of process upon such Party in any such action or proceeding shall be effective if notice is given in accordance with Section 6.3 hereof.

Section 6.12 Mediation. If a dispute arises out of or relates to this contract, or the breach thereof, and if the dispute cannot be settled through negotiation, the Parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to litigation in accordance with the terms of this Agreement. Any such mediation shall take place in Los Angeles, California and be subject to the governing law as set forth in this Agreement.

Section 6.13 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to constitute an original, but all of which shall constitute one and the same agreement, and may be delivered by facsimile or other electronic means intended to preserve the original graphic or pictorial appearance of a document.

Section 6.14 Ownership of Intellectual Property. Subject to the provisions of the APA, each of the Parties shall retain all right, title and interest in and to their respective intellectual property and data and other proprietary and other assets.

Section 6.15 Service Standards. Service Provider shall use commercially reasonable efforts to provide the applicable Services to be provided by it in accordance with all applicable laws, rules and regulations and in a professional, competent, workman-like and timely manner.

Section 6.16 Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any circumstance, is found by a court or other governmental authority of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as would be enforceable.

Section 6.17 Force Majeure. No Party shall be liable for nonperformance or late performance of any of its obligations under this Agreement to the extent and for such periods of time as such nonperformance, or late performance is due to reasons outside such Party's control (including any arising from the SARS-CoV-2 virus or mutations therefrom or in connection with the disease COVID-19), including acts of God, war (declared or undeclared), riots, revolutions, fire, floods, explosions, sabotage, nuclear incidents, lightning, weather, earthquakes, storms, sinkholes, epidemics, failure of utilities, (or similar nonperformance or late performance of suppliers or subcontractors). In the event of any such nonperformance or late performance, the Service Provider shall use commercially reasonable efforts to restore or resume the applicable Services within a reasonable period of time.

Section 6.18 Fair Meaning. This Agreement shall be construed according to its fair meaning and as if prepared by all Parties.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Signing Date.

PRIME HEALTHCARE SERVICES – ST. FRANCIS, LLC VERITY HEALTH SYSTEM OF CALIFORNIA, INC.

By: 

By: _____

Name: Marc Goldstone

Name: _____

Title: Secretary

Title: _____

PRIME HEALTHCARE SERVICES, INC.

VERITY HOLDINGS, LLC

By: 

By: _____

Name: Marc Goldstone

Name: _____

Title: Secretary

Title: _____

ST. FRANCIS MEDICAL CENTER

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Signing Date.

PRIME HEALTHCARE SERVICES – ST. FRANCIS, LLC VERITY HEALTH SYSTEM OF CALIFORNIA, INC.

By: _____

By:  _____

Name: _____

Name: Rich Adcock

Title: _____

Title: Chief Executive Officer

PRIME HEALTHCARE SERVICES, INC.

VERITY HOLDINGS, LLC

By: _____

By:  _____

Name: _____

Name: Rich Adcock

Title: _____

Title: Chief Executive Officer, VHS

ST. FRANCIS MEDICAL CENTER

By:  _____

Name: Rich Adcock

Title: Chief Executive Officer, VHS

EXHIBITS NOT INCLUDED

Exhibit E

Seton Transition Services Agreement

TRANSITION SERVICES AGREEMENT

This Transition Services Agreement (the “**Agreement**”), is made and entered into as of August 13, 2020 (the “**Signing Date**”), by and among Verity Health System of California, Inc., a California nonprofit public benefit corporation (“**Verity**”), Verity Holdings, LLC, a California limited liability company (“**Verity Holdings**”), Seton Medical Center, a California nonprofit public benefit corporation (“**Seton**” and together with Verity and Verity Holdings, collectively the “**Sellers**” and each individually a “**Seller**”) and AHMC Healthcare Inc., a California corporation (“**AHMC**”), AHMC Seton Medical Center LLC, a California limited liability company (“**Hospital Newco**”) and SMC/Coastside Properties LLC, a California limited liability company (“**Real Property Newco**”, together with Hospital Newco, each a successor-by-assignment by AHMC, and collectively with AHMC and Hospital Newco, “**Purchaser**”). The Sellers, the Liquidating Trust (as defined below), and Purchaser may each be referred to herein as a “**Party**” and collectively as the “**Parties**.”

This Agreement is being entered into in connection with the Asset Purchase Agreement, dated March 30, 2020, among Sellers and Purchaser (Hospital Newco and Real Property Newco each a successor-by-assignment by AHMC) (the “**APA**”). Capitalized terms used in this Agreement but not defined herein shall have the meanings given to them in the APA. The Parties have agreed to provide or cause one or more of their respective direct or indirect subsidiaries or affiliates to provide certain services as set forth below. The Party providing services hereunder (together with those of its direct and indirect subsidiaries and affiliates providing services hereunder) is referred to herein as the “**Service Provider**” and the Party receiving services hereunder (together with those of its direct and indirect subsidiaries and affiliates receiving services hereunder) is referred to herein as the “**Service Recipient**”. The Parties agree that this Agreement will be amended to include the Liquidating Trust (as defined below) after its creation, pursuant to the effective date set forth in the joint plan of liquidation (the “**Plan**”) confirmed by the Bankruptcy Court.

RECITALS

A. On August 31, 2018, the Sellers and certain of their affiliates each filed a voluntary petition for relief (collectively, the “**Bankruptcy Cases**”) under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”).

B. The Bankruptcy Cases are jointly administered under Lead Case No. 18-20151 and are currently pending in the Bankruptcy Court for the Central District of California in Los Angeles (the “**Bankruptcy Court**”).

C. On April 23, 2020, the Bankruptcy Court entered an Order [Docket No. 4634] (the “**Sale Order**”) approving, among other things, the sale of certain assets of the Sellers (collectively, the “**Assets**”) to the Purchaser pursuant to the APA.

D. Sellers and certain of their affiliates and other co-plan proponents filed the Plan, pursuant to which a liquidating trust (the “**Liquidating Trust**”) will be created on the effective date of the Plan after confirmation thereof.

E. The primary purpose of the Liquidating Trust is to, among other things, liquidate and distribute assets, which includes assets of the Sellers not sold to Purchaser pursuant to the APA.

F. Following the Closing Date, the Sellers and the Liquidating Trust need access to certain assets, systems, facilities, equipment, and personnel of Purchaser in connection with the Sellers' wind-down of the Business, the completion of the Bankruptcy Cases, and the dissolution of the Sellers, and Purchaser agrees to provide such access and services in connection therewith.

G. Following the Closing Date, Purchaser needs access to certain assets, systems, facilities, equipment, and personnel of the Sellers in connection with Purchaser's transition to operating the Business, and the Sellers agree to provide such access and services in connection therewith.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I SERVICES

Section 1.1 Services to be Provided.

(a) Services to be Provided by the Sellers and/or the Liquidating Trust. Subject to the terms and conditions of this Agreement, the Sellers and/or the Liquidating Trust, as the Service Provider, shall provide or cause to be provided to Purchaser, as the Service Recipient, those services in support of the business of Purchaser set forth on Exhibits A, B, C and E attached hereto (the "**Seller Services**"). The Sellers and/or the Liquidating Trust shall provide the Seller Services at a level of quantity or volume consistent with the level performed or provided for such services by Sellers to the Hospital immediately prior to the Signing Date. In no event shall the Sellers and/or the Liquidating Trust be obligated to provide the Seller Services at a level of quantity or volume materially in excess of the levels for such services provided by Sellers to the Hospital immediately prior to the Signing Date. The Sellers and/or the Liquidating Trust shall have no obligation to upgrade, enhance or otherwise modify any computer hardware, software or network environment used in the Sellers' or the Hospital's business as of the Signing Date. In no event shall Sellers and or the Liquidating Trust be obligated under this Agreement to maintain the employment of any specific employee or acquire any additional equipment, software or other resources during the Applicable Term (as defined in Section 4.1 below).

If the performance of a Seller Service requires a license (including a modification to or extension or renewal of an existing license), consent, approval or waiver from a third party or the Bankruptcy Court, and any such license, consent, approval or waiver of a third party or the Bankruptcy Court required in order to perform such Seller Service is not obtained, including as a result of the Purchaser not approving the Consent Fee (as defined below) in connection therewith, the Service Provider shall not be obligated to perform such Service. In the event that a Seller Service is not

able to be performed due to failure to obtain licenses, consents, approvals, or waivers, the Sellers and/or the Liquidating Trust shall assist the Purchaser in identifying other options to secure a similar replacement Service. If obtaining any such license, consent, approval or waiver from a third party requires the payment of consideration by the Sellers and/or the Liquidating Trust (a “**Consent Fee**”), any Consent Fee shall be subject to the Purchaser’s advance written approval and, if so approved, shall be paid solely by the Purchaser (either directly, or by reimbursing the Sellers and or the Liquidating Trust for the Consent Fee incurred by the Sellers and/or the Liquidating Trust); provided, however, if the Purchaser does not approve of any such Consent Fee, the Sellers and/or the Liquidating Trust shall be under no obligation to provide the Seller Service related thereto, and if the Sellers and/or the Liquidating Trust do not provide such Seller Service, the Purchaser shall have no obligation to pay for such Seller Service. The Purchaser acknowledges and agrees that any Seller Services provided through third parties or using third party intellectual property are subject to the terms and conditions of any applicable agreements between the Sellers and/or the Liquidating Trust and such third parties, as well as compliance with applicable law. The Purchaser agrees to comply, and to cause its affiliates to comply, with the terms and conditions of any such applicable third party agreements and with applicable law in connection with the receipt by the Purchaser of the Seller Services pursuant to this Agreement.

(b) Services to be Provided by Purchaser. Subject to the terms and conditions of this Agreement, Purchaser, as the Service Provider, shall provide or cause to be provided to the Sellers and the Liquidating Trust, as the Service Recipient, those services and personnel in support of the business of the Sellers and/or the wind-down and liquidation of the Sellers set forth on Exhibit D attached hereto (the “**Purchaser Services**” and collectively with the Seller Services, the “**Services**”). The Purchaser shall provide the Purchaser Services at a level of quantity or volume consistent with the level reasonably required to perform or provide for such services by the Purchaser to the Sellers and/or the Liquidating Trust. In no event shall the Purchaser be obligated to upgrade, enhance or otherwise modify any computer hardware, software or network environment used in the Purchaser’s or the Hospital’s business as of the Closing Date. The Sellers and the Liquidating Trust acknowledge and agree that any Purchaser Services provided through third parties or using third party intellectual property are subject to the terms and conditions of any applicable agreements between the Purchaser and such third parties, as well as compliance with applicable law. The Sellers and the Liquidating Trust agree to comply, and to cause their affiliates to comply, with the terms and conditions of any such applicable third party agreements (including obtaining any required licenses, consents, approvals or waivers) and with applicable law in connection with the receipt by the Sellers and/or the Liquidating Trust of the Purchaser Services pursuant to this Agreement.

Section 1.2 Access to and Use of Assets, Systems, Facilities, and Equipment.

(a) Access. Beginning on the Effective Time and continuing through the termination or expiration of this Agreement in accordance with its terms, Purchaser hereby grants to the Sellers and the Liquidating Trust, reasonable access to and the right to use the hospital assets, systems, facilities, and equipment to the extent reasonably required in connection with the Sellers’ wind-down of the Business, the completion of the Bankruptcy Cases, and the dissolution of the Sellers. If any third party to any lease, license or other agreement requires Sellers to sign any documents in order for Sellers to be granted access to, and the right to use, any hospital asset, system, facility

or equipment under such lease, license or other agreement, Sellers agree to execute and deliver any such documents; provided, that such documents, leases, licenses or other agreements do not require Sellers to pay any money or take any action not required by the Sale Order; and provided, further, that if Sellers do not sign such requisite documents, leases, licenses or other agreements, then Purchaser has no obligation to provide Sellers with access and the right to use the associated hospital assets, systems, facilities and equipment provided by such third party.

(b) Office Space. In order to enable the provision of the Seller Services, Purchaser hereby grants to Sellers' and their affiliates' employees and any third-party service providers or subcontractors the right to use and occupy the portion of Seton Medical Center identified on Exhibit F attached hereto (the "**Premises**") at no cost for use exclusively as office space pursuant to the terms and conditions hereof, and until the termination of this Agreement pursuant to Article IV herein. Sellers shall keep the Premises neat, clean and sanitary and dispose of all garbage. Sellers may terminate its right to occupy the Premises at any time upon five (5) days prior written notice to Purchaser. Upon termination of Sellers' right to occupy the Premises, Sellers shall vacate the Premises in broom-clean condition. Purchaser shall make the Premises available to Sellers 24 hours a day, 7 days a week. Purchaser may access the Premises for purposes of making repairs or improvement or other reasonable purposes upon (except in the case of an emergency) reasonable prior written notice to Sellers; however, Purchaser shall at all times use its commercially reasonable efforts to prevent interference with or interruption of the Sellers' business activities on the Premises. The Sellers use of the Premises shall additionally be subject to the following terms and conditions:

(i) Purchaser shall have the right, on reasonable advance notice (which shall not be less than three (3) business days) to Sellers, to relocate the space covered by the preceding license to similar space in the same area as the original designated Premises, provided the replacement space is reasonably suitable for the same uses as contemplated herein. In the event of any such relocation, references herein to the Premises shall constitute references to such relocated space.

(ii) Sellers shall not make any material alterations, decorations, additions, or improvements in or to the Premises or the Purchaser's other property without the prior written consent of Purchaser, which may be given or withheld in Purchaser's sole discretion.

(iii) Sellers shall not do, or permit their representatives to do, anything that would: (a) unreasonably obstruct or materially interfere with the lawful operation of the Premises or other portions of the Purchaser's property by Purchaser and other tenants of the Purchaser's property; or (b) use the Premises for any illegal or unlawful purpose, including without limitation any violations of applicable laws or regulations relating to or regulating hazardous substances.

(iv) The license, occupancy and access rights granted to Sellers under this Agreement shall be effective notwithstanding any ground lease, mortgage, deed of trust, or any other hypothecation or security placed at any time upon the Premises or any of Purchaser's property of which the Premises is a part, and notwithstanding any change in ownership (including any sale and/or leaseback involving any property of which the Premises is a part) .

Section 1.3 Subcontracting. The Service Provider may, in its sole discretion and without any written notice to the Service Recipient engage one or more parties (including third parties or affiliates of the Service Provider) to provide the Services, whether in whole or in part or subcomponent. Without limiting the preceding, Purchaser will not be required to use the Sellers existing IT and similar systems, but shall have the right to replace IT and other systems, used to provide any of the Purchaser Services provided that the new or replacement systems provide equivalent functionality. Sellers and Purchaser agree to fully cooperate with each other, at Purchaser's sole cost and expense, in connection with any data or other transition steps required in connection moving any of the functions covered by the Purchaser Services to a new vendor or system.

Section 1.4 Cooperation; Access. Each Party shall, at reasonable times under the circumstances, make available to any other Party properly authorized personnel for the purpose of consultation and decisions in connection with the Services.

ARTICLE II LICENSE GRANT

Section 2.1 License Grant. Beginning on the Effective Time and continuing through the later of the termination or expiration of this Agreement in accordance with its term or the dissolution of the Sellers and their Businesses, the wind-down of the Liquidating Trust and the completion of the Bankruptcy Cases, Purchaser grants to the Sellers and the Liquidating Trust a royalty free, license to use the name "Seton Medical Center," including any trademarks, service marks, trademark and service mark registrations and registration applications, trade names, trade name registrations, logos, domain names, trade dress, copyrights, copyright registrations, website content, know-how, trade secrets, related to the use of the preceding name, and the corporate or company names of the Sellers and the name of the Hospital, together with all rights to sue and recover damages for infringement, dilution, misappropriation or other violation or conflict associated with any of the foregoing, in all respects solely as reasonably needed in connection with the wind-down of the Businesses, the completion of the Bankruptcy Cases, and the dissolution of the Sellers. Sellers and the Liquidating Trust shall not assign, transfer or hypothecate any of the rights subject to, and pursuant to, the preceding license and shall not use any such license rights in any manner which could adversely affect Purchaser's intellectual property rights with respect to the items which are the subject of such license.

ARTICLE III PAYMENT

Section 3.1 Service Fees. The fee, rate or amount to be charged to the Service Recipient for the Services (the "Service Fees") shall be as set forth on Exhibits A, B, C and E hereto for the Seller Services and as set forth on Exhibit D for the Purchaser Services. Exhibit E sets forth the pro rata payment amount for health benefits provided by Sellers to all Hired Employees for the period from August 14 through August 31, 2020, which amount shall be paid by Purchaser to Sellers on the Signing Date. While this Agreement is in effect, Purchaser shall pay to the Sellers and/or the Liquidating Trust, no later than the first business day of each calendar month an amount equal to (a) the amounts to be charged for the Seller Services as set forth on Exhibits A, B and C during such month less (b) the amount to be charged for the Purchaser Services as set forth on

Exhibit D during such month (except the initial such payment shall occur at the Signing Date and shall represent a pro-rated portion of such amount based on the partial month after the Signing Date, provided that the Signing Date is not the first day of a calendar month). Promptly after each month that this Agreement is in effect, Sellers shall provide a description of the time spent by Sellers providing those line item Services on Exhibit A marked with a red asterisk which are usage based (the “Exhibit A Usage Services”) during the preceding month, broken down by individual, including a description of the Exhibit A Usage Services provided by each such individual and the hours spent by each such individual on each particular Exhibit A Usage Service. Within thirty (30) days following the end of each line item Service on Exhibit A marked with a red asterisk, Sellers shall provide to Purchaser a statement in accordance with documentation reasonably acceptable to the Parties showing the total actual usage by Purchaser of such line item Service (each an “Exhibit A Usage Services True-Up Statement”). If Purchaser has any objections or concerns regarding the Exhibit A Usage Services True-Up Statement, it shall notify Sellers in writing within five (5) business days of its receipt of the Exhibit A Usage Services True-Up Statement from Sellers, and thereafter the Parties shall promptly meet and confer in good faith to resolve the issues to their mutual satisfaction. Any failure by Purchaser to provide such notice of objection within five (5) business days of receiving the Exhibit A Usage Services True-Up Statement from Sellers shall be deemed an acceptance of the Exhibit A Usage Services True-Up Statement by Purchaser as of the end of such five (5) business day period. The difference in the Exhibit A Usage Services True-Up Statement between the actual Exhibit A Usage Service Fees (plus any Termination Fees and Consent Fees) and the total monthly payments that have been made shall be paid by the Purchaser to the Sellers and/or the Liquidating Trust (if such difference is a positive number) or by the Sellers and/or the Liquidating Trust to the Purchaser (if such difference is a negative number) within fifteen (15) days following the date that the Parties mutually agree on the Exhibit A Usage Services True-Up Statement (or the date that the Exhibit A Usage Services True-Up Statement is deemed to have been accepted by the Purchaser pursuant to the immediately preceding sentence). For the avoidance of doubt, Service Fees as set forth on Exhibit A that are not marked with a red asterisk and those Service Fees as set forth on Exhibits B, C and D are fixed fees and not subject to any true-up.

ARTICLE IV TERM AND TERMINATION

Section 4.1 Term. Unless a Service is earlier terminated by the Service Recipient in accordance with Section 4.2(b), the Service Provider shall provide each Service to the Service Recipient for the period beginning at the Effective Time (as defined under the APA) and continuing through and including the applicable dates set forth in: (i) Exhibits A, B, C and E hereto (with respect to the Seller Services); and (ii) Exhibit D (with respect to the Purchaser Services) (the “**Applicable Term**”); provided, that in the event a particular Service provided by Purchaser hereunder is required by one or more Sellers to allow such Seller(s) to comply with applicable laws, rules or regulations, the Applicable Term shall be extended for so long as such Service is required to allow such Seller(s) to comply with such laws, rules and regulations; *provided, however*, that notwithstanding any other term herein any Party may, in any case, terminate this Agreement by written notice to any other Party at any time on and after the end of the 18th calendar month following the Licensure Date (as defined in the APA). In addition, upon termination or expiration of this Agreement, the Parties may mutually agree in writing to a tail period for any portion of the

Services, and the terms of this Agreement shall continue to apply to such ongoing Services until performed in full.

Section 4.2 Termination.

(a) Termination for Material Breach. This Agreement may be terminated by the Sellers and/or the Liquidating Trust on the one hand, or Purchaser on the other hand, upon written notice to any other Party in the event that any other Party materially breaches any provision of this Agreement and fails to remedy such breach within thirty (30) days of its receipt of such written notice, except to the extent such remedy is prevented or not permitted by the Bankruptcy Court; and provided, further, however, that this Agreement may only be terminated under this Section 4.2(a) following any required approval of such termination by the Bankruptcy Court.

(b) Early Termination. The Service Recipient may terminate any particular Service early by providing not less than thirty (30) days prior written notice to the Service Provider of its intent to terminate early such particular Service. Any such partial termination notice delivered shall specify in detail (i) the Service or Services to be terminated and (ii) the effective date(s) of such termination (subject to the foregoing sentence). If any such termination of a Service prior to the expiration of its Applicable Term requires any out-of-pocket fee, cost or expense of a similar nature payable to a third party (a “**Termination Fee**”), the Service Provider shall have no obligation to terminate such Service prior to the expiration of its Applicable Term unless the Service Recipient approves in advance such Termination Fee in writing (a “**Termination Fee Approval**”). If the Termination Fee Approval is granted, the Termination Fee shall be billed to and payable by the Service Recipient.

(c) Continued Access. Notwithstanding the termination of any particular Services hereunder, Service Recipient shall continue to have the right, upon reasonable advance notice and consistent with the other provisions herein, to reasonable access to data and Service Provider personnel relating to such Services for reasonable purposes (including compliance with applicable law).

Section 4.3 Effect of Termination. The termination of this Agreement pursuant to Section 4.2 shall not relieve any Party from liability for any willful and material breach of this Agreement prior to such termination. Further, the provisions of Article II, Article III, this Section 4.3, Article V and Article VI shall survive any termination of this Agreement pursuant to Section 4.2.

ARTICLE V
COORDINATION AND OTHER COVENANTS

Section 5.1 Coordination. The Parties hereby appoint as of the Effective Time the following representatives responsible for coordinating and managing the provision and receipt of the Services, which representatives shall have authority to act on the applicable Party’s behalf with respect to matters relating to this Agreement:

Sellers' Representative: Peter Chadwick

Address: 1800 M Street NW, Second Floor, Washington, DC 20036

Telephone: 202-909-2800

Facsimile: 202-559-2240

Email: pchadwick@thinkbrg.com

Liquidating Trust Representative: Peter Chadwick

Address: 1800 M Street NW, Second Floor, Washington, DC 20036

Telephone: 202-909-2800

Facsimile: 202-559-2240

Email: pchadwick@thinkbrg.com

Purchaser's Representative: Jonathan Wu

Address: 55 S. Raymond Ave., Suite 105, Alhambra, CA 91801

Telephone: (626) 289-9004

Facsimile: (626) 289-8952

Email: drwu@alhamabrhospital.com

In the event that the Sellers, the Liquidating Trust or Purchaser elect, in their sole discretion, to change their respective representative appointed for purposes of this Section 5.1, the Sellers, the Liquidating Trust or Purchaser (as the case may be) shall deliver written notice thereof to the other promptly following the effective date of appointment of the name and contact information of such new representative. The representatives shall work in good faith to address and attempt to resolve any dispute arising out of or relating to this Agreement or the breach, termination or validity thereof, whether sounding in contract or tort and whether arising during or after termination of this Agreement, including any pricing and other Service related matters.

Section 5.2 General Cooperation and Turnover Obligations. The Parties shall cooperate to ensure that any and all payments that constitute Excluded Assets (as defined in the APA), shall be paid to and received by Sellers, with any payments that constitute Assets (as defined in the APA) transferred to Purchaser pursuant to Section 1.7 of the APA or that otherwise arise from services rendered by Purchaser on or after the Licensure Date be paid to and received by Purchaser. In this regard, for a period of two (2) years after the Effective Time ("**Turnover Period**"), the Parties shall, within ten (10) business days, copy and send to any other Party copies (either in hard copy or via electronic file) of all remittance advices for all deposits to all Lockboxes or other bank accounts for the Receivables (as defined in the APA), from whatever payor or source of funds, that are received on and after the Effective Time. In the event that Assets are deposited to a bank account of Sellers which is not automatically swept or transferred to

Purchaser, then Sellers, within ten (10) business days of notice of the receipt of such Assets, shall turnover and pay Purchaser said funds. In the event that a deposit representing payment of any Excluded Assets is received by Purchaser, then Purchaser, within ten (10) business days of notice of the receipt of funds representing any Excluded Assets, shall turnover and pay Sellers such funds. Each Party, moreover, shall have the right, within three (3) months after the expiration of the Turnover Period, to audit by an independent and competent auditor, at the requesting Party's sole expense, of the bank records and remittance advices of any other Party. Thereafter, upon the findings of the auditor duly documented in reasonable detail that there has either been an overpayment or an underpayment of funds due, the Party owing funds shall, within five (5) business days, make a payment of such funds to the Party to whom they are owed.

Section 5.3 HIPAA Compliance. The Parties agrees to take such steps as are necessary to ensure compliance with the Health Insurance Portability and Accountability Act of 1996 (“**HIPAA**”), the California Confidentiality of Medical Information Act, and other applicable federal and state privacy laws and regulations (collectively, the “**Privacy Laws**”) with respect to the Hospital and its operations, and the performance by the Parties of the services and obligations provide herein.

Section 5.4 Confidentiality.

(a) During the term of this Agreement and thereafter, the Parties shall, and shall instruct their respective Representatives (as defined below) to, maintain in confidence and not disclose any other Party's financial, technical, sales, marketing, development, personnel, and other information, records, or data, including, without limitation, customer lists, supplier lists, trade secrets, designs, product formulations, product specifications or any other proprietary or confidential information, however recorded or preserved, whether written or oral (any such information, “**Confidential Information**”). Each Party hereto shall use the same degree of care, but no less than reasonable care, to protect any other Party's Confidential Information as it uses to protect its own Confidential Information of like nature. Unless otherwise authorized in any other agreement between the Parties, any Party receiving any Confidential Information of any other Party (the “**Receiving Party**”) may use Confidential Information only for the purposes of fulfilling its obligations under this Agreement (the “**Permitted Purpose**”). Any Receiving Party may disclose such Confidential Information only to its directors/managing members, managers, officers, employees, consultants, financial advisors, prospective or existing lenders, counsel, accountants and other agents of such Receiving Party (and, in addition, Sellers may disclose such Confidential Information to the creditors committee in the Bankruptcy Cases and its consultants, financial advisors, counsel, accountants and other agents, the Liquidating Trust and its trustee, consultants, financial advisors, counsel, accountants and other agents and any advisory board members and their consultants, financial advisors, counsel, accountants and other agents) (“**Representatives**”) who have a need to know such information for the Permitted Purpose and who have been advised of the terms of this Section 5.4 and the Receiving Party shall be liable for any breach of these confidentiality provisions by such persons; *provided, however*, that any Receiving Party may disclose such Confidential Information to the extent such Confidential Information is required to be disclosed by a governmental agency or court order (“**Governmental Order**”), in which case the Receiving Party shall promptly notify, to the extent possible, the disclosing Party (the “**Disclosing Party**”), and take reasonable steps to assist in contesting such Governmental Order or in protecting the Disclosing Party's rights prior to disclosure, and in which case the Receiving Party shall only

disclose such Confidential Information that it is advised by its counsel in writing that it is legally bound to disclose under such Governmental Order.

(b) Notwithstanding the foregoing, “Confidential Information” shall not include any information that the Receiving Party can demonstrate: (i) was publicly known at the time of disclosure to it, or has become publicly known through no act of the Receiving Party or its Representatives in breach of this Section 5.4; (ii) was rightfully received from a third party without a duty of confidentiality; or (iii) was developed by it independently without any reliance on the Confidential Information.

(c) Upon demand by the Disclosing Party at any time, or upon expiration or termination of this Agreement with respect to any Service, the Receiving Party agrees promptly to return or destroy, at the Receiving Party’s option, all Confidential Information. If such Confidential Information is destroyed, an authorized officer of the Receiving Party shall certify to such destruction in writing.

Section 5.5 Security Level; Additional Security Measures. The Service Provider shall take physical or information security measures (a) that affect the manner in which the Services are provided to maintain the Service Provider’s current level (or, if greater, an industry-standard level) of physical and electronic security (including data security and data privacy) during the Applicable Term and (b) that address any new security-related issues, including compliance with applicable law related to security and issues in connection with new technologies or threats. The Service Recipient shall provide all assistance reasonably requested by the Service Provider in connection with such security measures.

Section 5.6 Systems Security.

(a) If the Service Recipient, its affiliates, any of its personnel or personnel of any third party retained by the Service Recipient or its affiliates (collectively, the “**Service Recipient Personnel**”) will be given access by the Service Provider to any computer systems or software and data stored therein of the Service Provider (the “**Service Provider Systems**”), the Service Recipient Personnel shall comply with all of the Service Provider’s system security policies, procedures and requirements (as amended from time to time at the Service Provider’s sole discretion, the “**Service Provider Security Regulations**”) that are provided to the Service Recipient in advance in accessing and using the Service Provider Systems, and shall not tamper with, compromise or circumvent or assist any other person in tampering with, compromising or circumventing any security or audit measures employed by the Service Provider.

(b) The Service Recipient shall ensure that only such Service Recipient Personnel who are specifically authorized by the Service Recipient to have access to the Service Provider Systems obtain such access, and shall use its commercially reasonable efforts to prevent unauthorized access, use, destruction, alteration or loss of information contained therein.

(c) If, at any time, the Service Recipient reasonably determines (i) that any Service Recipient Personnel has sought to circumvent, or has circumvented, the Service Provider Security Regulations, (ii) that any unauthorized Service Recipient Personnel has accessed the Service

Provider Systems, or (iii) that any Service Recipient Personnel has engaged in activities that may lead to the unauthorized access, use, destruction, alteration or loss of data, information or software, the Service Recipient shall promptly notify in writing the Service Provider thereof, and the Service Provider shall immediately terminate access to the Service Provider Systems by any such Service Recipient Personnel.

(d) The Service Provider shall have the right to deny access to the Service Provider Systems to Service Recipient Personnel in the event the Service Provider reasonably believes that Service Recipient Personnel pose a security risk to the Service Provider Systems. If, at any time, the Service Provider reasonably determines (i) that any Service Recipient Personnel has sought to circumvent, or has circumvented, the Service Provider Security Regulations, (ii) that any unauthorized Service Recipient Personnel has accessed the Service Provider Systems or (iii) that any Service Recipient Personnel has engaged in activities that may lead to the unauthorized access, use, destruction, alteration or loss of data, information or software, the Service Provider shall be permitted to immediately terminate access to the Service Provider Systems by any such Service Recipient Personnel and shall as promptly as practicable notify in writing the Service Recipient of the name(s) of such Service Recipient Personnel and the circumstances surrounding such breach.

(e) The Service Recipient shall reasonably cooperate with the Service Provider in investigating any apparent unauthorized access to the Service Provider Systems or any apparent unauthorized access or use of data and information within those Service Provider Systems. The Service Recipient shall promptly notify the Service Provider in writing (i) if the Service Recipient has revoked access by any Service Recipient Personnel to their own computer systems or software or data stored therein if such Service Recipient Personnel also has access to the Service Provider Systems and (ii) once any Service Recipient Personnel is no longer employed by the Service Recipients or their affiliates or no longer has a need to access the Service Provider Systems so that the Service Provider can revoke such Service Recipient Personnel's access to the Service Provider Systems.

(f) The Parties acknowledge and agree that the Service Provider hereunder is and shall be a business associate (as such term is defined by Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder) of the Service Recipient, and as such, each Service Provider shall enter into a business associate agreement with the Service Recipient as of the Effective Date in a form agreed upon by the Parties in good faith.

(g) If the Service Recipient wishes to implement its preferred information security solutions, devices, software, procedures, and methods within the IT systems and software included in this Agreement, the Service Recipient must first receive written authorization from the Service Provider. A written amendment to this Agreement or the applicable exhibit will be created and approved prior to any such implementation. If a security incident occurs that solely involves or is materially complicated or caused by such new information security solutions, devices, software, procedures, and methods, the Service Recipient will be solely responsible for mitigation, notifications and other compliance with regulatory requirements and correction of the impacted IT systems.

Section 5.7 Disclaimer of Representations and Warranties. The Service Recipient acknowledges and agrees that the Services are provided as-is and that the Service Recipient assumes all risks and liabilities in connection with, relating to or arising out of its use of and reliance upon, or non-use of, the Services. THE SERVICE PROVIDER AND ITS REPRESENTATIVES EXPRESSLY DISCLAIM AND ACCEPT NO RESPONSIBILITY FOR ANY AND ALL REPRESENTATIONS OR WARRANTIES WHATSOEVER, WHETHER EXPRESS, IMPLIED OR STATUTORY, WITH RESPECT TO THE SERVICES TO BE PROVIDED UNDER THIS AGREEMENT, INCLUDING WARRANTIES WITH RESPECT TO MERCHANTABILITY, OR SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT OF ANY SOFTWARE OR HARDWARE PROVIDED HEREUNDER, AND ANY REPRESENTATIONS OR WARRANTIES ARISING FROM COURSE OF DEALING, COURSE OF PERFORMANCE OR TRADE USAGE. In addition, the Service Provider and its representatives expressly disclaim any and all representations and warranties that could be construed to require the Service Provider to deliver, or cause to be delivered, the Services in such a manner to allow the Service Recipient to comply with applicable law. The Service Recipient acknowledges and agrees that it shall have no claims whatsoever, and shall not assert or assist any third party in asserting any claims whatsoever, in connection with, relating to or arising out of any representation or warranty with respect to the Services. The Service Recipient understands and has considered the implications of the foregoing disclaimer of representations and warranties and waiver of claims, has acknowledged and agreed to such disclaimer and made such waiver voluntarily and further acknowledges and agrees that the Service Provider has been induced to enter into this Agreement by, among other things, this Section 5.7.

The Services provided are not intended to and shall not constitute tax advice for U.S. federal, state or local purposes. The Service Recipient shall seek advice from an independent tax adviser with respect to its particular facts and circumstances. The Services are not intended to be used and cannot be used for the purpose of avoiding penalties under the Internal Revenue Code and applicable state and local tax laws.

Section 5.8 LIMITATIONS ON LIABILITY. THE LIABILITY OF THE SERVICE PROVIDER IN RESPECT OF THE SERVICES IT PERFORMS SHALL NOT EXCEED AN AMOUNT EQUAL TO THE TOTAL FEES PAYABLE TO SUCH SERVICE PROVIDER UNDER THIS AGREEMENT. IN NO EVENT SHALL ANY PARTY HAVE ANY LIABILITY UNDER ANY PROVISION OF THIS AGREEMENT FOR ANY PUNITIVE, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR INDIRECT DAMAGES, WHETHER BASED ON STATUTE, CONTRACT, TORT OR OTHERWISE, AND WHETHER OR NOT ARISING FROM ANY OTHER PARTY'S SOLE, JOINT, OR CONCURRENT NEGLIGENCE, STRICT LIABILITY, CRIMINAL LIABILITY OR OTHER FAULT.

ARTICLE VI MISCELLANEOUS

Section 6.1 Relationship of the Parties.

(a) The Parties and their respective representatives shall be deemed independent contractors for all purposes under this Agreement.

(b) This Agreement shall not be deemed or construed to create the relationship of employer or employee, partnership or any type of joint venture relationship among the Parties.

(c) The Parties acknowledge and agree that the Parties are not providing legal, accounting or tax advice under this Agreement. The Parties further acknowledge and agree that no fiduciary or other similar relationship is being created among the Parties relating to the Services or otherwise under this Agreement.

(d) Except as expressly set forth herein, neither the Sellers, the Liquidating Trust, nor any of their respective representatives or affiliates, on the one hand, nor Purchaser or any of its representatives or affiliates, on the other hand, shall have the authority to contract for or assume obligations of any nature in the name of any other Party, as the case may be, without the other's prior written consent.

Section 6.2 No Set-off. Neither the Sellers, the Liquidating Trust, nor any of their respective representatives or affiliates, on the one hand, nor Purchaser nor any of its representatives or affiliates, on the other hand, shall have any set-off or other similar rights pursuant to this Agreement.

Section 6.3 Notices. All notices, requests, claims, demands or other communications hereunder shall be deemed to have been duly given and made if in writing and (a) at the time personally delivered if served by personal delivery upon the Party for whom it is intended, (b) at the time received if delivered by registered or certified mail (postage prepaid, return receipt requested) or by a national courier service (delivery of which is confirmed), or (c) upon confirmation if sent by facsimile; in each case to the Party at the address set forth in Section 5.1, or such other address as may be designated in writing hereafter, in the same manner, by such Party.

Section 6.4 Amendment, Modification and Waiver. Any provision of this Agreement may be amended, modified or waived if, and only if, such amendment, modification or waiver is in writing and signed, in the case of an amendment, by the Parties, or in the case of a waiver, by the Party against whom the waiver is to be effective. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 6.5 Assignment. Neither this Agreement nor any of the rights, interests or obligations under it may be directly or indirectly assigned, delegated, hypothecated, sublicensed, subleased or transferred by any of the Parties, in whole or in part, to any other person without the prior written consent of the non-assigning Party, and any attempted or purported assignment in violation of this Section 6.5 will be null and void; provided, that Sellers may assign their rights hereunder to the

Liquidating Trust. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by the Parties and their respective successors and permitted assigns. Notwithstanding the preceding, however, Purchaser may assign its rights or obligations hereunder to any of its affiliates and may subcontract with third parties to provide any of the Purchaser Services as provided elsewhere in this Agreement, provided that any such assignment or subcontracting shall not relieve Purchaser of or reduce Purchaser's obligations under this Agreement.

Section 6.6 Entire Agreement. This Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters.

Section 6.7 Third Party Beneficiaries. Nothing expressed or implied in this Agreement is intended to confer any rights, benefits, remedies, obligations or liabilities upon any person other than the Parties and their respective successors and permitted assigns.

Section 6.8 Expenses. In the event of litigation arising from or relating to this Agreement, the non-prevailing Party as determined by a court of competent jurisdiction in a final non-appealable order shall be liable and pay to the prevailing Party the reasonable attorney's fees and expenses incurred in connection with such litigation.

Section 6.9 Governing Law. This Agreement shall be construed, performed, and enforced in accordance with, and governed by, the laws of the State of California (without giving effect to the principles of conflicts of laws thereof), except to the extent that the laws of such State are superseded by the Bankruptcy Code or other applicable federal law.

Section 6.10 WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) EACH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 6.10. THIS IS AN AFFIRMATIVE WAIVER OF THE PARTIES' RIGHTS TO A JURY TRIAL UNDER CALIFORNIA LAW, Cal. C. Civ. Pro. Sec 631. BY SIGNING BELOW ON THE SIGNATURE LINES, EACH PARTY IS EXPLICITLY WAIVING JURY TRIAL AND AUTHORIZING ANY AND ALL PARTIES TO FILE THIS WAIVER WITH ANY COURT AS THE WAIVER REQUIRED UNDER Cal. C. Civ. Proc. Sec. 631(f)(2).

Section 6.11 Jurisdiction; Mediation. The Parties agree that the Bankruptcy Court shall have exclusive personal and subject matter jurisdiction over any action or proceeding with respect to any claim arising out of or related to this Agreement, and any of the documents or transactions contained in or contemplated by this Agreement; *provided, however*, that the Parties agree that the United States District Court for the Central District of California (together with the Bankruptcy Court, the “**Chosen Courts**”) shall have exclusive jurisdiction over such claim if (i) the Bankruptcy Cases are closed and if the Bankruptcy Cases are not reopened to adjudicate such claim after request by the Party bringing such claim or (ii) the Bankruptcy Court determines that it does not have jurisdiction over such claim. Solely in connection with claims arising under this Agreement, or any of the documents or transactions contemplated hereby, the Parties (a) irrevocably submit to the exclusive jurisdiction of the Chosen Courts, (b) waive any objection to laying venue in any such action or proceeding in the Chosen Courts, (c) waive any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any Party hereto, and (d) agree that service of process upon such Party in any such action or proceeding shall be effective if notice is given in accordance with Section 6.3 hereof.

Section 6.12 Mediation. If a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiation, the Parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to litigation in accordance with the terms of this Agreement. Any such mediation shall take place in Los Angeles, California and be subject to the governing law as set forth in this Agreement.

Section 6.13 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to constitute an original, but all of which shall constitute one and the same agreement, and may be delivered by facsimile or other electronic means intended to preserve the original graphic or pictorial appearance of a document.

Section 6.14 Ownership of Intellectual Property. Subject to the provisions of the APA, each of the Parties shall retain all right, title and interest in and to their respective intellectual property and data and other proprietary and other assets.

Section 6.15 Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any circumstance, is found by a court or other governmental authority of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as would be enforceable.

Section 6.16 Force Majeure. No Party shall be liable for nonperformance or late performance of any of its obligations under this Agreement to the extent and for such periods of time as such nonperformance, or late performance is due to reasons outside such Party’s control (excluding any arising from the SARS-CoV-2 virus or mutations therefrom or in connection with the disease COVID-19), including acts of God, war (declared or undeclared), riots, revolutions, fire, floods,

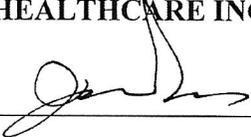
explosions, sabotage, nuclear incidents, lightning, weather, earthquakes, storms, sinkholes, epidemics, failure of utilities, (or similar nonperformance or late performance of suppliers or subcontractors). In the event of any such nonperformance or late performance, the Service Provider shall use commercially reasonable efforts to restore or resume the Services within a reasonable period of time.

Section 6.17 Fair Meaning. This Agreement shall be construed according to its fair meaning and as if prepared by all Parties.

[Remainder of Page Intentionally Left Blank - Signature Page to Follow]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Signing Date.

AHMC HEALTHCARE INC.

By: 

Name: Jonathan Wu

Title: President & CEO

VERITY HEALTH SYSTEM OF CALIFORNIA, INC.

By: _____

Name: _____

Title: _____

AHMC SETON MEDICAL CENTER LLC

By: 

Name: Jonathan Wu

Title: President & CEO of AHMC Healthcare Inc., Manager

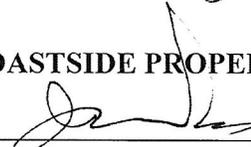
VERITY HOLDINGS, LLC

By: _____

Name: _____

Title: _____

SMC/COASTSIDE PROPERTIES LLC

By: 

Name: Jonathan Wu

Title: Manager

SETON MEDICAL CENTER

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Signing Date.

AHMC HEALTHCARE INC.

By: _____

Name: _____

Title: _____

VERITY HEALTH SYSTEM OF CALIFORNIA, INC.

By:  _____

Name: Rich Adcock

Title: Chief Executive Officer

AHMC SETON MEDICAL CENTER LLC

By: _____

Name: _____

Title: _____

VERITY HOLDINGS, LLC

By:  _____

Name: Rich Adcock

Title: Chief Executive Officer, VHS

SMC/COASTSIDE PROPERTIES LLC

By: _____

Name: _____

Title: _____

SETON MEDICAL CENTER

By:  _____

Name: Rich Adcock

Title: Chief Executive Officer, VHS

EXHIBITS NOT INCLUDED

Exhibit F

Initial Operating Budget

\$ in 000's

| Month → | Sep-20 | Oct-20 | Nov-20 | Dec-20 | Jan-21 | Feb-21 | 6-mo. Total |
|-------------------------------------|-----------------|-----------------|-----------------|---------------|---------------|---------------|---------------|
| SECTION 7.6 OPERATING BUDGET | | | | | | | |
| Beginning balance | \$ - | \$ 2,352 | \$ 1,686 | \$ 1,198 | \$ 691 | \$ 475 | |
| Funding | 2,500 | | | | | | \$ 2,500 |
| Costs: | | | | | | | |
| BRG (Excluding SGM litigation) | - | (105) | (83) | (68) | (46) | (54) | (355) |
| Dentons (Excluding SGM litigation) | - | (240) | (90) | (47) | (47) | (47) | (472) |
| Davis Wright Tremaine | - | (38) | (25) | (13) | (6) | - | (81) |
| OCPs | - | (100) | (100) | (250) | (50) | (30) | (530) |
| Employee Wind-Down Costs | (104) | (125) | (122) | (80) | (39) | - | (470) |
| Contract Costs, Net of TSA Benefit | (44) | (58) | (69) | (49) | (28) | - | (248) |
| Ending balance | \$ 2,352 | \$ 1,686 | \$ 1,198 | \$ 691 | \$ 475 | \$ 343 | \$ 343 |