Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address

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Telephone: (424) 386-4000/Facsimile: (213) 629-5063

Attorney for: Official Committe of Unsecured Creditors

FOR COURT USE ONLY

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

In re: CASE NO.: 2:18-bk-20151-ER

CHAPTER: 11

VERITY HEALTH SYSTEM OF CALIFORNIA, INC., et al.,

NOTICE OF OBJECTION TO CLAIM

DATE: 01/07/2020 TIME: 10:00 am COURTROOM: 1568

PLACE: 255 East Temple Street

Los Angeles, CA 90012-3300

Debtor(s).

- 1. TO (specify claimant and claimant's counsel, if any): U.S. Bank National Association, UMB Bank, N.A. and Wells Fargo Bank, National Association, as Trustees
- 2. NOTICE IS HEREBY GIVEN that the undersigned has filed an objection to your Proof of Claim (Claim # attached) filed in the above referenced case. The Objection to Claim seeks to alter your rights by disallowing, reducing or modifying the claim based upon the grounds set forth in the objection, a copy of which is attached hereto and served herewith.
- 3. **Deadline for Opposition Papers**: You must file and serve a response to the Objection to Claim not later than 14 days prior to the hearing date set forth above.

IF YOU FAIL TO TIMELY RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE OBJECTION WITHOUT FURTHER NOTICE OR HEARING.

Date: <u>11/18/2019</u> <u>Milbank LLP</u>

Printed name of law firm

/s/ Mark Shinderman

Signature

Date Notice Mailed: 11/18/2019 Mark Shinderman

Printed name of attorney for objector

182015110111800000000015

This form is mandatory. It has been approved for use in the United States Bankrup

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6		
7	Counsel for the Official Committee of Unsecured Creditors of Verity Health System of	
	California, Inc., <u>et al.</u>	
8	UNITED STATES BAN	KDIIDTCV COUDT
9	CENTRAL DISTRICT OF CALIFOR	
10	In re:	Lead Case No. 2:18-bk-20151-ER
10	mre.	Jointly Administered With:
11	VERITY HEALTH SYSTEM OF CALIFORNIA,	CASÉ NO.: 2:18-bk-20162-ER CASE NO.: 2:18-bk-20163-ER
12	INC., et al.,	CASE NO.: 2:18-bk-20164-ER
12	Debtors and Debtors In Possession.	CASE NO.: 2:18-bk-20165-ER CASE NO.: 2:18-bk-20167-ER
13		CASE NO.: 2:18-bk-20168-ER
14	4.00	CASE NO.: 2:18-bk-20169-ER CASE NO.: 2:18-bk-20171-ER
15	Affects:	CASE NO.: 2:18-bk-20172-ER
16	☑ All Debtors	CASE NO.: 2:18-bk-20173-ER CASE NO.: 2:18-bk-20175-ER
16	☐ Verity Health System of California, Inc.	CASE NO.: 2:18-bk-20176-ER
17	☐ O'Connor Hospital☐ Saint Louise Regional Hospital	CASE NO.: 2:18-bk-20178-ER CASE NO.: 2:18-bk-20179-ER
18	☐ St. Francis Medical Center	CASE NO.: 2:18-bk-20180-ER
19	☐ St. Vincent Medical Center	CASE NO.: 2:18-bk-20181-ER
19	Seton Medical Center	Chapter 11 Cases
20	☐ O'Connor Hospital Foundation☐ Saint Louise Regional Hospital	Hon. Ernest M. Robles
21	Foundation	
22	St. Francis Medical Center of	OFFICIAL COMMITTEE OF UNSECURED CREDITORS' OMNIBUS
	Lynwood Foundation ☐ St. Vincent Foundation	OBJECTION TO CLAIMS FILED BY
23	☐ St. Vincent Dialysis Center, Inc.	U.S. BANK NATIONAL ASSOCIATION, UMB BANK, N.A., AND WELLS FARGO
24	☐ Seton Medical Center Foundation	BANK, NATIONAL ASSOCIATION, AS
25	□ Verity Business Services□ Verity Medical Foundation	TRUSTEES; DECLARATION OF MARK SHINDERMAN IN SUPPORT THEREOF
	☐ Verity Holdings, LLC	
26	☐ De Paul Ventures, LLC	Hearing: Date: January 7, 2020
27	☐ De Paul Ventures - San Jose Dialysis, LLC	Time: 10:00 a.m.
28	Debtors and Debtors In Possession.	Location: Courtroom 1568 255 East Temple Street
20		Los Angeles, CA 90012-3300

Case 2:18-bk-20151-ER Doc 3634 Filed 11/18/19 Entered 11/18/19 16:03:19 Desc Main Document Page 3 of 10

The Official Committee of Unsecured Creditors of Verity Health System of California, Inc., et al. (the "Committee"), appointed in connection with the chapter 11 cases of the above-captioned debtors and debtors-in-possession (the "Debtors"), hereby submits this omnibus claim objection (the "Omnibus Claim Objection").

The Committee has filed adversary actions (the "Adversary Actions"), and the Adversary Actions are hereby incorporated by reference as if fully set forth herein. (See the *First Amended Complaint for Determination of Validity, Priority, and Extent of Liens and Security* Interests, Docket No. 30 in Adversary Proceeding 2:19-ap-01165-ER, a true and correct copy of which is attached as Exhibit 1 to the annexed Declaration of Mark Shinderman, and the *First Amended Complaint for Determination of Validity, Priority, and Extent of Liens and Security Interests*, Docket No. 28 in Adversary Proceeding 2:19-ap-01166-ER, a true and correct copy of which is attached as Exhibit 2 to the annexed Declaration of Mark Shinderman).

The Committee objects to the claims identified in the chart below on the bases set forth in the Adversary Actions. True and correct copies of these claims are attached as Exhibit 3 to the annexed Declaration of Mark Shinderman.¹

KCC Claim No.	ECF Claim No.	Case No.	Amount	Debtor	Creditor
3391	132	18-20162	\$160,000,000.00	St. Louise Regional Hospital	U.S. Bank National Association, as Series 2015 Notes Trustee ²

¹ The reason for filing this Omnibus Claim Objection is that the Committee seeks to avoid any doubt that (1) the Committee objects to the claims referenced herein as not fully secured and (2) the Committee maintains that the claimants should only be paid the *allowed* amounts of their claims once the Court has resolved all disputes regarding such claims. Pursuant to 11 U.S.C. § 502(a), "A claim . . . is deemed allowed, unless a party in interest…objects." A fundamental tenet of chapter 11 is that only allowed claims are entitled to a distribution. *In re Motors Liquidation Co.*, 591 B.R. 501, 515 (Bankr. S.D.N.Y. 2018) ("Only filed 'allowed claims' are entitled to distribution") (citing Fed. R. Bankr. P. 3021 ("distribution shall be made to creditors whose claims have been allowed"). Contrary to the terms of the *Debtors' Chapter 11 Plan of Liquidation (Dated September 3, 2019)* [Docket. No. 2993], which would pay secured creditors the amount of their *asserted* claims rather than the amount of their *allowed* claims, the secured creditors whose claims are the subject of this Omnibus Claim Objection should be entitled to a distribution of only the *allowed* amount of their claims and only after all disputes regarding their claims have been resolved by this Court.

² U.S. Bank National Association, Wells Fargo Bank, National Association ("<u>Wells Fargo</u>"), and UMB Bank, N.A., ("<u>UMB</u>") are listed in this Omnibus Claim Objection not in their individual capacities but rather as trustees for the bonds identified in their respective proofs of claim.

1 2	3392	616	18-20165	\$160,000,000.00	St. Francis Medical Center	U.S. Bank National Association, as Series 2015 Notes Trustee
3	3393	1621	18-20151	\$160,000,000.00	Verity Health System of California, Inc.	U.S. Bank National Association, as Series 2015 Notes Trustee
4 5	3394	212	18-20167	\$160,000,000.00	Seton Medical Center	U.S. Bank National Association, as Series 2015 Notes Trustee
6	3396	242	18-20168	\$160,000,000.00	O'Connor Hospital	U.S. Bank National Association, as Series 2015 Notes Trustee
7 8	3411	315	18-20164	\$160,000,000.00	St. Vincent Medical Center	U.S. Bank National Association, as Series 2015 Notes Trustee
9	4121	423	18-20167	\$42,000,000.00	Seton Medical Center	U.S. Bank National Association, As Notes Trustee
10 11	4122	166	18-20162	\$42,000,000.00	St. Louise Regional Hospital	U.S. Bank National Association, As Notes Trustee
12	4123	677	18-20165	\$42,000,000.00	St. Francis Medical Center	U.S. Bank National Association, As Notes Trustee
13 14	4124	1862	18-20151	\$42,000,000.00	Verity Health System of California, Inc.	U.S. Bank National Association, As Notes Trustee
15	4126	371	18-20164	\$42,000,000.00	St. Vincent Medical Center	U.S. Bank National Association, As Notes Trustee
16 17	4127	283	18-20168	\$42,000,000.00	O'Connor Hospital	U.S. Bank National Association, As Notes Trustee
18	4128	16	18-20163	\$42,000,000.00	Verity Holdings, LLC	U.S. Bank National Association, As Notes Trustee
19 20	5941	358	18-20168	\$261,897,375.00	O'Connor Hospital	Wells Fargo Bank, National Association, as Trustee ³
21	5942	735	18-20167	\$261,897,375.00	Seton Medical Center	Wells Fargo Bank, National Association, as Trustee
22 23	5944	865	18-20165	\$261,897,375.00	St. Francis Medical Center	Wells Fargo Bank, National Association, as Trustee
24	5945	519	18-20164	\$261,897,375.00	St. Vincent Medical Center	Wells Fargo Bank, National Association, as Trustee
2526	5947	221	18-20162	\$261,897,375.00	St. Louise Regional Hospital	Wells Fargo Bank, National Association, as Trustee

³ Wells Fargo was not named as a defendant in the Committee's Adversary Actions, but Wells Fargo appears to be asserting the same claims as UMB. For the avoidance of doubt, the Committee objects to Wells Fargo's claims on the bases set forth in the Adversary Actions and because they are duplicative.

Case 2:18-bk-20151-ER Doc 3634 Filed 11/18/19 Entered 11/18/19 16:03:19 Desc Main Document Page 5 of 10

				<u></u>	<u></u>
5948	2611	18-20151	\$261,897,375.00	Verity Health System of California, Inc.	Wells Fargo Bank, National Association, as Trustee
6346	440	18-20151	\$465,192,301.67	Verity Health System of California, Inc.	UMB Bank, N.A., as Trustee
6348	46	18-20162	\$465,192,301.67	St. Louise Regional Hospital	UMB Bank, N.A., as Trustee
6351	67	18-20164	\$465,192,301.67	St. Vincent Medical Center	UMB Bank, N.A., as Trustee
6355	68	18-20164	\$465,192,301.67	St. Vincent Medical Center	UMB Bank, N.A., as Trustee
6358	139	18-20165	\$465,192,301.67	St. Francis Medical Center	UMB Bank, N.A., as Trustee
6361	73	18-20167	\$465,192,301.67	Seton Medical Center	UMB Bank, N.A., as Trustee
6362	98	18-20168	\$465,192,301.67	O'Connor Hospital	UMB Bank, N.A., as Trustee
6363	441	18-20151	\$261,897,375.00	Verity Health System of California, Inc.	Wells Fargo Bank, National Association, as Trustee
6364	47	18-20162	\$261,897,375.00	St. Louise Regional Hospital	Wells Fargo Bank, National Association, as Trustee
6367	69	18-20164	\$261,897,375.00	St. Vincent Medical Center	Wells Fargo Bank, National Association, as Trustee
6368	140	18-20165	\$261,897,375.00	St. Francis Medical Center	Wells Fargo Bank, National Association, as Trustee
6369	74	18-20167	\$261,897,375.00	Seton Medical Center	Wells Fargo Bank, National Association, as Trustee
6370	99	18-20168	\$261,897,375.00	O'Connor Hospital	Wells Fargo Bank, National Association, as Trustee
6460	371	18-20168	\$465,192,301.67	O'Connor Hospital	UMB Bank, N.A., as Trustee
6462	2839	18-20151	\$465,192,301.67	Verity Health System of California, Inc.	UMB Bank, N.A., as Trustee
6485	839	18-20167	\$465,192,301.67	Seton Medical Center	UMB Bank, N.A., as Trustee
6487	913	18-20165	\$465,192,301.67	St. Francis Medical Center	UMB Bank, N.A., as Trustee

Case 2:18-bk-20151-ER Doc 3634 Filed 11/18/19 Entered 11/18/19 16:03:19 Desc Main Document Page 6 of 10

6488	552	18-20164	\$465,192,301.67	St. Vincent Medical Center	UMB Bank, N.A., as Trustee
6516	232	18-20162	\$465,192,301.67	St. Louise Regional Hospital	UMB Bank, N.A., as Trustee

DATED: November 18, 2019

MILBANK LLP

/s/ Mark Shinderman GREGORY A. BRAY MARK SHINDERMAN JAMES C. BEHRENS

Counsel for the Official Committee of Unsecured Creditors of Verity Health System of California, Inc., et al.

DECLARATION OF MARK SHINDERMAN

I, Mark Shinderman, declare:

- 1. I am a Partner at Milbank LLP, and I am an individual over eighteen years of age.
- 2. Milbank LLP is counsel to the Official Committee of Unsecured Creditors appointed in connection with the chapter 11 cases of Verity Health System of California, Inc., *et al.* (the "Debtors").
- 3. I make this declaration in support of the Official Committee of Unsecured Creditors' Omnibus Objection to Claims filed by U.S. Bank National Association, UMB Bank, N.A., and Wells Fargo Bank, National Association, as Trustees.
- 4. Except as otherwise indicated herein, this Declaration is based upon my personal knowledge, my review of relevant documents, information provided to me by employees of Milbank LLP, or my opinion based upon my experience, knowledge, and information concerning the Debtors' bankruptcy cases. If called upon to testify, I would testify competently to the facts set forth in this Declaration.
- 5. A true and correct copy of the First Amended Complaint for Determination of Validity, Priority, and Extent of Liens and Security Interests (Docket No. 30 in Adversary Proceeding 2:19-ap-01165-ER) is attached hereto as Exhibit 1.
- 6. A true and correct copy of the First Amended Complaint for Determination of Validity, Priority, and Extent of Liens and Security Interests (Docket No. 28 in Adversary Proceeding 2:19-ap-01166-ER) is attached hereto as Exhibit 2.
- 7. True and correct copies of the claims listed in the chart below are attached hereto as Exhibit 3.

KCC Claim No.	ECF Claim No.	Case No.	Amount	Debtor	Creditor
3391	132	18-20162	\$160,000,000.00		U.S. Bank National
				Regional Hospital	Association, as Series 2015 Notes Trustee
3392	616	18-20165	\$160,000,000.00	St. Francis	U.S. Bank National
				Medical Center	Association, as Series 2015
					Notes Trustee

Case 2:18-bk-20151-ER Doc 3634 Filed 11/18/19 Entered 11/18/19 16:03:19 Desc Main Document Page 8 of 10

3393	1621	18-20151	\$160,000,000.00	Verity Health System of	U.S. Bank National Association, as Series 2015
				California, Inc.	Notes Trustee
3394	212	18-20167	\$160,000,000.00	Seton Medical	U.S. Bank National
				Center	Association, as Series 2015
					Notes Trustee
3396	242	18-20168	\$160,000,000.00	O'Connor	U.S. Bank National
0000		10 20100	\$100,000,000.00	Hospital	Association, as Series 2015
				Trospitar	Notes Trustee
3411	315	18-20164	\$160,000,000,00	St. Vincent	U.S. Bank National
3411	313	18-20104	\$160,000,000.00		
				Medical Center	Association, as Series 2015
					Notes Trustee
4121	423	18-20167	\$42,000,000.00	Seton Medical	U.S. Bank National
				Center	Association, As Notes
					Trustee
4122	166	18-20162	\$42,000,000.00	St. Louise	U.S. Bank National
.122	100	10 20102	ψ.2,000,000.00	Regional Hospital	Association, As Notes
				Regional Hospital	Trustee
4123	677	18-20165	\$42,000,000.00	St. Francis	U.S. Bank National
4123	0//	10-20103	\$ 4 2,000,000.00		
				Medical Center	Association, As Notes
					Trustee
4124	1862	18-20151	\$42,000,000.00	Verity Health	U.S. Bank National
				System of	Association, As Notes
				California, Inc.	Trustee
4126	371	18-20164	\$42,000,000.00	St. Vincent	U.S. Bank National
			+ ·=,···,····	Medical Center	Association, As Notes
				1,100,100,100,100,100,100,100,100,100,1	Trustee
4127	283	18-20168	\$42,000,000.00	O'Connor	U.S. Bank National
712/	203	10 20100	ψπ2,000,000.00	Hospital	Association, As Notes
				Tiospitai	Trustee
4128	16	18-20163	\$42,000,000.00	Varity Haldings	U.S. Bank National
4128	10	18-20103	\$42,000,000.00	Verity Holdings,	
				LLC	Association, As Notes
					Trustee
5941	358	18-20168	\$261,897,375.00	O'Connor	Wells Fargo Bank, National
				Hospital	Association, as Trustee
				_	
5942	735	18-20167	\$261,897,375.00	Seton Medical	Wells Fargo Bank, National
			4_0-,0> ,,0 ,0 ,0	Center	Association, as Trustee
				Conto	Tieseciation, as Trastec
5944	865	18-20165	\$261,897,375.00	St. Francis	Wells Fargo Bank, National
3777	803	10-20103	\$201,671,373.00	Medical Center	Association, as Trustee
				Wiedical Celliel	Association, as Trustee
5045	£10	10 20164	\$261 007 275 00	C4 Viscourt	Walls Const David Note: 1
5945	519	18-20164	\$261,897,375.00	St. Vincent	Wells Fargo Bank, National
				Medical Center	Association, as Trustee
5947	221	18-20162	\$261,897,375.00	St. Louise	Wells Fargo Bank, National
				Regional Hospital	Association, as Trustee
					-
5948	2611	18-20151	\$261,897,375.00	Verity Health	Wells Fargo Bank, National
2710	2011	10 20151	\$201,071,515.00	System of	Association, as Trustee
		1			1135001ation, as 11ustee
(246	440	10 20151	\$465 100 201 CT	California, Inc.	IIMD Day 1- NI A
	440	18-20151	\$465,192,301.67	Verity Health	UMB Bank, N.A., as
6346					
0340				System of California, Inc.	Trustee

Case 2:18-bk-20151-ER Doc 3634 Filed 11/18/19 Entered 11/18/19 16:03:19 Desc Main Document Page 9 of 10

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6348	46	18-20162	\$465,192,301.67	St. Louise Regional Hospital	UMB Bank, N.A., as Trustee
6351	67	18-20164	\$465,192,301.67	St. Vincent Medical Center	UMB Bank, N.A., as Trustee
6355	68	18-20164	\$465,192,301.67	St. Vincent Medical Center	UMB Bank, N.A., as Trustee
6358	139	18-20165	\$465,192,301.67	St. Francis Medical Center	UMB Bank, N.A., as Trustee
6361	73	18-20167	\$465,192,301.67	Seton Medical Center	UMB Bank, N.A., as Trustee
6362	98	18-20168	\$465,192,301.67	O'Connor Hospital	UMB Bank, N.A., as Trustee
6363	441	18-20151	\$261,897,375.00	Verity Health System of California, Inc.	Wells Fargo Bank, National Association, as Trustee
6364	47	18-20162	\$261,897,375.00	St. Louise Regional Hospital	Wells Fargo Bank, National Association, as Trustee
6367	69	18-20164	\$261,897,375.00	St. Vincent Medical Center	Wells Fargo Bank, National Association, as Trustee
6368	140	18-20165	\$261,897,375.00	St. Francis Medical Center	Wells Fargo Bank, National Association, as Trustee
6369	74	18-20167	\$261,897,375.00	Seton Medical Center	Wells Fargo Bank, National Association, as Trustee
6370	99	18-20168	\$261,897,375.00	O'Connor Hospital	Wells Fargo Bank, National Association, as Trustee
6460	371	18-20168	\$465,192,301.67	O'Connor Hospital	UMB Bank, N.A., as Trustee
6462	2839	18-20151	\$465,192,301.67	Verity Health System of California, Inc.	UMB Bank, N.A., as Trustee
6485	839	18-20167	\$465,192,301.67	Seton Medical Center	UMB Bank, N.A., as Trustee
6487	913	18-20165	\$465,192,301.67	St. Francis Medical Center	UMB Bank, N.A., as Trustee
6488	552	18-20164	\$465,192,301.67	St. Vincent Medical Center	UMB Bank, N.A., as Trustee
6516	232	18-20162	\$465,192,301.67	St. Louise Regional Hospital	UMB Bank, N.A., as Trustee

EXHIBIT 1

Case 2:4:3 & plo 2045 1= RR DB 0:3634 it ed 05/191/18/19-16:035/48c NARROD EXDITATION PAGE 2:15820

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3	rliubicic@milbank.com ALEXANDRA ACHAMALLAH (Bar No. 317978)	
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9	ARENT FOX LLP 1301 Avenue of the Americas	
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11	Counsel for the Official Committee of Unsecured Cr	
12	of Verity Health System of California, Inc., <u>et al.</u>	
13	UNITED STATES BAN	KRUPTCY COURT
14	CENTRAL DISTRICT OF CALIFOR	
15	In re:	Chapter 11
16	VERITY HEALTH SYSTEM OF CALIFORNIA, INC., et al.,	Lead Case No. 2:18-bk-20151-ER
17		Hon. Ernest M. Robles
18	Debtors and Debtors In Possession.	Adv. Proc. No. 2:19-ap-01165-ER
19	OFFICIAL COMMITTEE OF UNSECURED	FIRST AMENDED COMPLAINT FOR
20	CREDITORS of VERITY HEALTH SYSTEM OF	DETERMINATION OF VALIDITY, PRIORITY, AND EXTENT OF LIENS
21	CALIFORNIA, INC., et al.,	AND SECURITY INTERESTS
22	Plaintiff,	
23	v.	
24	U.S. BANK NATIONAL ASSOCIATION, as	
25	trustee,	
26	Defendant.	
27		
28		

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The Official Committee of Unsecured Creditors ("<u>Plaintiff</u>" or the "<u>Committee</u>") of debtors and debtors-in-possession (collectively, the "<u>Debtors</u>") in the above-captioned chapter 11 cases, for and on behalf of the Debtors' estates, as and for its first amended adversary complaint (the "<u>First Amended Complaint</u>"), against Defendant U.S. Bank National Association in its capacity as trustee ("<u>Defendant</u>" and together with Plaintiff, the "<u>Parties</u>"), pursuant to Federal Rule of Bankruptcy Procedure 7001 and title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"), hereby respectfully alleges as follows:

NATURE OF THE ACTION

- 1. This is an adversary proceeding brought pursuant to, *inter alia*, Federal Rule of Bankruptcy Procedure 7001, sections 105 and 502 of the Bankruptcy Code, and other applicable law, seeking a declaratory judgment determining the validity, priority, and extent of the liens against property of the Debtors' estates held by Defendant.
- 2. The Committee seeks a determination that other than the property identified in Exhibit A (the "Collateral"), as of the Petition Date, Defendant does not have a perfected security interest in any of the Debtors' assets—and, in particular, Defendant does not have a perfected security interest in the deposit accounts of the Debtors set forth in Section I of Exhibit B hereto (the "Deposit Accounts") or the funds therein, or in the entities or the assets of the entities set forth in Section II of Exhibit B hereto, nor does Defendant have any rights and/or interests in any so-called quality assurance fee ("QAF") revenue funds arising under California Welfare & Institutions Code sections 14169.54 and 14169.55, or the right to any future disbursements on account thereof, relating to QAF fee-for-service periods 7–10 and QAF managed care period 3 ("Future QAF Disbursements").
- 3. Plaintiff has standing to prosecute this action by virtue of, *inter alia*, paragraph 5(e) of 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 (the "Final DIP Order") [Docket No. 409] entered by the Court on October 4, 2018.*
 - 4. Paragraph 5(e) of the Final DIP Order provides, in pertinent part:

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1 (e) Validity, Perfection and Amount of Prepetition Liens. The Debtors further acknowledge and agree that, as of the Petition Date, (a) the 2 Prepetition Liens securing the Prepetition Secured Obligations on the Prepetition Collateral and the VMF Liens on the VMF Collateral were valid, 3 binding, enforceable, non-avoidable, and properly perfected and were granted to, or for the benefit of, the Prepetition Secured Creditors and 4 McKesson, (b) the Prepetition Liens were senior in priority over any and all 5 other Liens on the Prepetition Collateral except the prepetition tax lien arising in connection with the CSCDA Special Assessments, and (c) the 6 VMF Liens were senior in priority over any and all other Liens on VMF Collateral. The findings and stipulations set forth in this Final Order with 7 respect to the validity, enforceability and amount of the Prepetition Secured Obligation and the Prepetition Liens shall be binding on any subsequent 8 trustee, responsible person, examiner with expanded powers, any other 9 estate representative, and all creditors and parties in interest and all of their successors in interest and assigns, including the Committee, unless, and 10 solely to the extent that, a party in interest with requisite standing and authority (other than the Debtors, as to which any Challenge (as defined 11 below) is irrevocably waived and relinquished) has timely filed the appropriate pleadings, and timely commenced the appropriate proceeding 12 required under the Bankruptcy Code and Bankruptcy Rules, including as 13 required pursuant to Part VII of the Bankruptcy Rules (in each case subject to the limitations set forth in this paragraph 4(d)) challenging the Prepetition 14 Liens (each such proceeding or appropriate pleading commencing a proceeding or other contested matter, a "Challenge") within ninety (90) 15 days from the formation of the Committee (the "Challenge Deadline"); 16 provided that for purposes of filing a Challenge, the Committee shall be deemed to have standing to file the requisite pleading without further order 17 of the Court; and provided further, that the "Challenge Deadline" for matters solely relating to the value of the Prepetition Collateral may be 18 further extended to such time as may be agreed by stipulation among the Debtors, the Committee and the Prepetition Secured Creditors or as further 19 ordered by the Court. 20

Final DIP Order, ¶ 5(e) (emphasis added).

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5. This action was filed on June 13, 2019, which was within the Challenge Deadline as extended by agreement of the Parties.

JURISDICTION AND VENUE

- 6. This Court has jurisdiction over this adversary proceeding by virtue of 28 U.S.C. § 1334(b) and pursuant to 28 U.S.C. § 157(a).
- 7. This adversary proceeding is a "core" proceeding as defined in 28 U.S.C. §§ 157(b)(2)(A) and (K).

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- 8. In the event that any part of this adversary proceeding is found to be "non-core," Plaintiff consents to the entry of final orders and judgments by this Court, pursuant to Rule 7008 of the Federal Rules of Bankruptcy Procedure.

 9. Venue in this District is properly laid pursuant to 28 U.S.C. § 1409.

 PARTIES

 10. The Committee was formed on September 14, 2018 and was duly appointed on September 17, 2018 by the Office of the United States Trustee pursuant to Section 1102(a)(1) of the
- Bankruptcy Code [Docket No. 197].

 11. The Committee brings this proceeding on behalf of and for the benefit of the Debtors'
- 12. Upon information and belief, Defendant is a party to the Indentures described in paragraph 21 below. Upon information and belief, Defendant conducts operations in the United States.

RELEVANT FACTS

- 13. On August 31, 2018 (the "<u>Petition Date</u>"), the above-referenced Debtors filed voluntary cases (the "<u>Bankruptcy Cases</u>") under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Central District of California.
- 14. The Debtors are in the business of operating hospitals and other healthcare facilities in California.
- 15. The Debtors continue in the management and operation of their businesses and properties as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Bankruptcy Cases.
- 16. On the Petition Date, the Debtors filed their 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; Memorandum of Points and Authorities in Support Thereof [Docket No. 31] (the "DIP Motion").

chapter 11 estates.

- 17. Pursuant to the Loan Agreements (defined in paragraph 21 below), the Debtors were loaned bond proceeds from the Indentures (referred to in paragraph 21 below) pursuant to which Defendant served as note trustee and collateral agent prior to the Petition Date.
- 18. This action is to determine the validity, priority, and extent of Defendant's liens and security interests. This action is not brought against Defendant in its individual capacity, but rather solely as a note trustee and collateral agent. Plaintiff does not contend that Defendant has done anything improper.
- 19. Subject to the limitations set forth, *inter alia*, in paragraph 5(e) of the Final DIP Order, the Debtors stipulated to, *inter alia*, the validity, perfection, and enforceability of Defendant's liens and scope of Defendant's collateral, and waived all rights to challenge such liens. *See* Final DIP Order, ¶ 5(e).
- 20. Pursuant to paragraph 5(e) of the Final DIP Order, the stipulations and admissions contained in the Final DIP Order are deemed binding upon the Debtors and all non-debtor parties-in-interest, including without limitation the Committee, for all purposes, including, without limitation the validity, perfection, and enforceability of the Prepetition Liens and the Prepetition Secured Obligations (as defined in the Final DIP Order), unless and except to the extent the Committee has initiated a timely Challenge Proceeding (as defined in the Final DIP Order). *See* Final DIP Order, ¶ 5(e).
- 21. The applicable Debtors' obligations owing to the Defendant are secured by a lien on and security interest in the Collateral pursuant to:
 - (i) the loan agreements identified in items (1) (6) below (collectively, the "Loan Agreements"):
 - (1) Loan Agreement dated as of December 1, 2015 between the California Public Finance Authority and Verity Health System of California, Inc. executed in connection with the \$60,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2015A, as amended by the Amendment to the Loan Agreement dated as of March 2, 2016.
 - (2) Loan Agreement dated as of December 1, 2015 between the California Public Finance Authority and Verity Health System of California, Inc. executed in

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connection with the \$45,000,000 California Public Finance Authority Revenue 1 Notes (Verity Health System) Series 2015B, as amended by the Amendment to the 2 3 Loan Agreement dated as of March 2, 2016. (3) Loan Agreement dated as of December 1, 2015 between the California Public 4 5 Finance Authority and Verity Health System of California, Inc. executed in 6 connection with the \$10,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2015C (FEDERALLY TAXABLE), as 7 amended by the Amendment to the Loan Agreement dated as of March 2, 2016. 8 9 (4) Loan Agreement dated as of December 1, 2015 between the California Public Finance Authority and Verity Health System of California, Inc. executed in 10 connection with the \$45,000,000 California Public Finance Authority Revenue 11 Notes (Verity Health System) Series 2015D, as amended by the Amendment to the 12 Loan Agreement dated as of March 2, 2016. 13 (5) Loan Agreement dated as of September 1, 2017 between the California Public 14 Finance Authority and Verity Health System of California, Inc. executed in 15 16 connection with the \$21,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2017. 17 (6) Loan Agreement dated as of December 1, 2017 between the California Public 18 Finance Authority and Verity Health System of California, Inc. executed in 19 connection with the \$21,000,000 California Public Finance Authority Revenue 20 21 Notes (Verity Health System) Series 2017B. (ii) the Notes, Indentures (as defined in the Loan Agreements), and Master Indenture (in each 22 case referred to in the applicable Loan Agreement), and 23 (iii) each Deed of Trust With Fixture Filing and Security Agreement and Assignment of Leases 24 25 and Rents entered into in connection with the Loan Agreements (individually or collectively, 26 "Deed of Trust"). 22. On December 27, 2018, the Bankruptcy Court entered an order granting Debtors' 27 motion seeking approval of the sale (the "SCC Sale") of O'Connor Hospital and Saint Louise 28

Regional Hospital to the County of Santa Clara, a political subdivision of California ("SCC"). The SCC sale has closed. On May 2, 2019, the Bankruptcy Court entered an order granting Debtors' motion seeking approval of the sale (the "SGM Sale," and together with the SCC Sale, the "Sales") to Strategic Global Management, Inc. ("SGM") of St. Francis Medical Center, St. Vincent Medical Center, and Seton Medical Center. The SGM sale has not yet closed.

- 23. The proceeds of the Sales include substantial going concern premiums. Defendant is not entitled to those premiums because they are generated by labor—the hard work of the doctors, nurses, and other employees of the medical facilities.
- 24. Stated differently, the going concern premiums are not the proceeds of the Collateral. The bankruptcy process created significant value above what the Defendant would have realized upon foreclosure on its interest in the Collateral. In a foreclosure, Defendant would have found itself the owner of a collection of buildings, not an ongoing business, and would have been subject to significant wind-down costs. These chapter 11 cases, on the other hand, have unlocked the going concern value of the Debtors' enterprise, resulting in a substantial benefit to Defendant as well as allowing Defendant to avoid the costs of a wind-down.
- 25. Other than the Collateral, as of the Petition Date, the Defendant does not have a perfected security interest in any of the Debtors' assets, including (i) the Deposit Accounts set forth in Section I of Exhibit B hereto, (ii) the entities or the assets of the entities set forth in Section II of Exhibit B hereto, (iii) any going concern premium that has been or will be generated, (iv) assets related to medical office buildings (the "MOB Assets"), (v) any Future QAF Disbursements, and (vi) any commercial tort claims.
- 26. A determination by the Court pursuant to Federal Rules of Bankruptcy Procedure 7001(2) and 7001(9), sections 105 and 502 of the Bankruptcy Code, and other applicable law regarding the validity, priority, and extent of Defendant's liens against the Debtors' estates is necessary to the proper administration of the Debtors' estates.
- 27. All rights to bring avoidance or similar actions under Chapter 5 of the Bankruptcy Code or similar state law (collectively, "Avoidance Actions") are reserved. Nothing in this First Amended

Complaint shall be considered to be a waiver of any rights of the Committee, the Debtors, a liquidating trust, or any other entity with standing, to bring Avoidance Actions against any party.

FIRST CLAIM FOR RELIEF

(Declaratory Relief - Clarification of Final DIP Order)

- 28. The Committee restates and re-alleges each of the foregoing allegations as if fully set forth herein.
- 29. Paragraph 5(e) of the Final DIP Order provides that "the Prepetition Liens securing the Prepetition Secured Obligations on the Prepetition Collateral and the VMF Liens on the VMF Collateral were valid, binding, enforceable, non-avoidable, and properly perfected and were granted to, or for the benefit of, the Prepetition Secured Creditors and McKesson."
- 30. Read literally, paragraph 5(e) of the Final DIP Order mistakenly suggests that Defendant has a perfected security interest in all of the assets of all of the Debtors.
- 31. As of the Petition Date, Defendant does not have a perfected security interest in *all* of the assets of all of the Debtors, but rather only in the Collateral set forth on Exhibit A. Defendant does not have a perfected security interest in any of the Debtors' other assets, including (i) the Deposit Accounts set forth in Section I of Exhibit B hereto, (ii) the entities or the assets of the entities set forth in Section II of Exhibit B hereto, (iii) any going concern premium that has been or will be generated, (iv) the MOB Assets, (v) any Future QAF Disbursements, and (vi) any commercial tort claims.

SECOND CLAIM FOR RELIEF

(Declaratory Relief – Deposit Accounts And Entities)

- 32. The Committee restates and re-alleges each of the foregoing allegations as if fully set forth herein.
- 33. Defendant does not have a perfected security interest in the Deposit Accounts set forth in Section I of Exhibit B hereto because (a) there are no deposit account control agreements for the Deposit Accounts, (b) there is no possession of the funds in the Deposit Accounts by Defendant, and (c) the funds in the Deposit Accounts do not constitute identifiable cash proceeds of an otherwise perfected, unavoidable lien in other collateral of the Defendant.

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34. Defendant does not have a perfected security interest in the entities or the assets of the entities set forth in Section II of Exhibit B hereto.

THIRD CLAIM FOR RELIEF

(Declaratory Relief – Future QAF Disbursements)

- 35. The Committee restates and re-alleges each of the foregoing allegations as if fully set forth herein.
- 36. Defendant does not have a perfected security interest in Future QAF Disbursements because, among other things, (a) Future QAF Disbursements do not constitute proceeds of pre-petition collateral, (b) the value of a lien in Future QAF Disbursements to Defendant is \$0.00 given that, as of the Petition Date, Defendant could not foreclose on its purported security interest and demand collection from the State of California, (c) the value of Future QAF Disbursements to Debtors on the Petition Date was \$0.00 because Debtors had not undertaken the commitments or satisfied the conditions precedent to have any rights to Future QAF Disbursements, (d) Future QAF Disbursements depended completely upon post-petition services of the Debtors, and (e) to the extent Defendant contends one or more Loan Agreements were modified to include a lien in Future QAF Disbursements, the purported granting of any such lien was a constructive fraudulent conveyance under 11 U.S.C. §§ 544 and 550 and California Civil Code §§ 3439.04 and 3439.05, because Debtors received less than reasonably equivalent value in exchange for the granting of the lien, and (i) Debtors' remaining assets were unreasonably small in relation to the transaction, or (ii) Debtors intended to incur, or believed or reasonably should have believed they would incur, debts beyond Debtors' ability to repay, or (iii) Debtors were insolvent at the time, or as a result, of the granting of the lien.
- 37. Accordingly, any purported lien in any Future QAF Disbursements in favor of Defendant must be avoided.

FOURTH CLAIM FOR RELIEF

(Declaratory Relief – Defendant is Undersecured)

38. The Committee restates and re-alleges each of the foregoing allegations as if fully set forth herein.

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39. If the Court were to grant the relief sought in some or all of the first three claims for relief herein, the Defendant would be undersecured. **PRAYER FOR RELIEF** WHEREFORE, the Committee respectfully requests that the Court: (a) issue a declaratory judgment that, notwithstanding the language of Paragraph 5(e) of the Final DIP Order, as of the Petition Date Defendant does not have a perfected security interest in any of the Debtors' assets other than the Collateral set forth on Exhibit A hereto; (b) issue a declaratory judgment that Defendant does not have a perfected security interest in (i) the Deposit Accounts set forth in Section I of Exhibit B hereto, (ii) the entities or the assets of the entities set forth in Section II of Exhibit B hereto; (iii) any going concern premium that has been or will be generated; (iv) the MOB Assets; and (v) any commercial tort claims; (c) issue a declaratory judgment that Defendant does not have a perfected security interest in Future QAF Disbursements; (d) issue a declaratory judgment that, as a result of the Committee's claims for relief, Defendant is undersecured; and (e) grant any further relief as the Court deems just and proper. DATED: September 11, 2019 MILBANK LLP /s/ Mark Shinderman Mark Shinderman Robert J. Liubicic Alexandra Achamallah ARENT FOX LLP Thomas E. Jeffry Jr. Robert M. Hirsh (admitted *pro hac vice*) Counsel for the Official Committee of Unsecured Creditors of Verity Health System of California, Inc., et al.

Exhibit A

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Defendant is secured by a lien on and security interest in the following property:

(1) Real Property:

Property Address	APN
3630 E. Imperial Highway Lynwood, CA 90262	6173-021-008, 007, 006
2700 E. Slauson Ave., Huntington Park, CA 90255	6320-006-069
5957/5931 Atlantic Blvd., Maywood, CA 90270	6313-013-026, 028
9340/9400 No Name Uno, Gilroy, CA 95020	835-05-031, 032
600 Marine Blvd., Moss Beach, CA 94038	037-160-090-9

- (2) a perfected security interest in the following personal property of Seton Medical Center, Saint Louise Regional Hospital, St. Francis Medical Center, O'Connor Hospital, St. Vincent Medical Center and Seton Coastside (collectively, the "Relevant Debtors") to the extent such property under California law may be perfected by the filing of a financing statement:
 - (a) all Accounts (as defined in the Security Agreements referred to in the Loan Agreements);
 - (b) the accounts listed below; and
 - (c) to the extent not covered by the foregoing, all products, Proceeds (as defined in the Security Agreements referred to in the Loan Agreements) and replacements of the foregoing;

Company	Financial Institution	Account Number
O'Connor Hospital	Bank of America	XXXXXX3900
St. Louise Regional Hospital	Bank of America	XXXXXX3905
St. Francis Medical Center	Bank of America	XXXXXX3924
St. Vincent Medical Center	Bank of America	XXXXXX3929
Seton Coastside	Bank of America	XXXXXX3887
Seton Medical Center	Bank of America	XXXXXX3882

- (3) to the extent not covered by subparagraph (1) or (2) above, with respect to the Relevant Debtors, a perfected security interest in the Property (as defined in the Deed of Trust) of such Relevant Debtors, which under California law may be perfected by the recording of the Deed of Trust in the applicable recording office; and
- (4) to the extent not covered by subparagraph (1), (2), or (3) above, with respect to St. Francis Medical Center, St. Louise Regional Hospital, and Verity Holdings LLC, a perfected security interest in the Property (as defined in the Deed of Trust) and/or Personal Property (as defined in the Deed of Trust) of such entities described in the financing statements filed with the California Secretary of State in respect thereof, in each case to the extent such Property and/or Personal Property may be perfected under California law by the filing of a financing statement.

Exhibit B

Exhibit B—Section I

Company	Financial Institution	Account Number
Verity Health System of CA Inc.	Bank of America	XXXXXX6440
Verity Health System of CA Inc.	Bank of America	XXXXXX9250
Verity Health System of CA Inc.	Bank of America	XXXXXX1785
Verity Health System of CA Inc.	Bank of America	XXXXXX2889
O'Connor Hospital	Bank of America	XXXXXX2945
O'Connor Hospital	Bank of America	XXXXXX6389
O'Connor Hospital	Bank of America	XXXXXX3007
O'Connor Hospital	Bank of America	XXXXXX2284
O'Connor Hospital	Bank of America	XXXXXX2662
St. Louise Regional Hospital	Bank of America	XXXXXX2926
St. Louise Regional Hospital	Bank of America	XXXXXX6421
St. Louise Regional Hospital	Bank of America	XXXXXX7575
St. Louise Regional Hospital	Bank of America	XXXXXX2307
St. Francis Medical Center	Bank of America	XXXXXX2940
St. Francis Medical Center	Bank of America	XXXXXX6407
St. Francis Medical Center	Bank of America	XXXXXX3012
St. Francis Medical Center	Bank of America	XXXXXX2487
St. Francis Medical Center	Bank of America	XXXXXXX1057
St. Francis Medical Center	Bank of America	XXXXXXX1371
St. Francis Medical Center	Bank of America	XXXXXXX1357
St. Francis Medical Center	Bank of America	XXXXXXX1845
St. Francis Medical Center	Bank of America	XXXXXX1840
St. Francis Medical Center	U.S. Bank	XXXXXX2162
St. Vincent Medical Center	Bank of America	XXXXXX2964
St. Vincent Medical Center	Bank of America	XXXXXX6426
St. Vincent Medical Center	Bank of America	XXXXXX3017
St. Vincent Medical Center	Bank of America	XXXXXX2062
St. Vincent Medical Center	Bank of America	XXXXXXX0553
St. Vincent Medical Center	Bank of America	XXXXXX3695
St. Vincent Medical Center	Bank of America	XXXXXX0989
Seton Medical Center	Bank of America	XXXXXX2902
Seton Medical Center	Bank of America	XXXXXX6365
Seton Medical Center	Bank of America	XXXXXX3001
Seton Medical Center	Bank of America	XXXXXX2289
Seton Medical Center	Bank of America	XXXXX02907
Seton Medical Center	Bank of America	XXXXXX6384

Company	Financial Institution	Account Number
Seton Medical Center	Bank of America	XXXXXX2302
Seton Medical Center	Bank of America	XXXXX12907
O'Connor Hospital Foundation	Bank of America	XXXXXX3433
O'Connor Hospital Foundation	Morgan Stanley	XXXXX2-037
St. Louise Regional Hospital Foundation	Bank of America	XXXXXX2521
St. Francis Medical Center Foundation	Bank of America	XXXXXX2809
St. Vincent Medical Center Foundation	Bank of America	XXXXXX3025
St. Vincent Medical Center Foundation	East West Bank	XXXXXX1162
St. Vincent Dialysis Center	Bank of America	XXXXXX8921
Seton Medical Center Foundation	Bank of America	XXXXXX2260
Healy, James T/U/A	Wells Fargo	XXXXXX0089
Verity Business Services	Bank of America	XXXXXX6402
Verity Business Services	Bank of America	XXXXXX2982
Verity Business Services	Bank of America	XXXXXX3192
Verity Medical Foundation	Wells Fargo	XXXXXX9996
Verity Medical Foundation	Wells Fargo	XXXXXX0010
Verity Holdings LLC	Bank of America	XXXXXX1597
Verity Holdings LLC	Bank of America	XXXXXX1248
Verity Holdings LLC	Bank of America	XXXXXX1970
Verity Holdings LLC	Bank of America	XXXXXX1975
Seton Medical Center	Tri Counties Bank	XXXXXX3611
Seton Medical Center Foundation	Tri Counties Bank	XXXXXX8521

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Exhibit B—Section II

- Verity Health System of California, Inc.
- O'Connor Hospital Foundation
- Saint Louise Regional Hospital Foundation
- St. Francis Medical Center of Lynwood Foundation
- St. Vincent Foundation
- St. Vincent Dialysis Center, Inc.
- Seton Medical Center Foundation
- Verity Business Services
- Verity Medical Foundation
- De Paul Ventures, LLC
- De Paul Ventures San Jose Dialysis, LLC

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

2029 Century Park E, 33rd Floor, Los Angeles, CA 90067.

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General
Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (date)
September 11, 2019, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that
the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

oxtimes Service information continued on attached p	age
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2. SERVED BY UNITED STATES MAIL:

On (date) September 11, 2019, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

$oxtimes$ Service information continued on attached ${\mathfrak p}$	page
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3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) September 11, 2019, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

		⊠ Service information continued on attached page
I declare under penalty of pe	erjury under the laws of the Unit	ed States that the foregoing is true and correct.
September 11, 2019	Beth Aalberts	/s/ Beth Aalberts
Date	Printed Name	Signature

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

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SERVICE LIST

(Via NEF)

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- Jason D Strabo jstrabo@mwe.com, cfuraha@mwe.com
- United States Trustee (LA) ustpregion 16.la.ecf@usdoj.gov

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Megan Preusker

McDermott Will & Emery 444 West Lake Street, Ste 4000 Chicago, IL 60606-0029

Clark Whitmore

Maslon LLP 3300 Wells Fargo Center 90 S 7th St Minneapolis, MN 55402

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SERVICE LIST

(Via Personal Delivery)

The Honorable Ernest M. Robles

United States Bankruptcy Court Central District of California Edward R. Roybal Federal Building and Courthouse 255 E. Temple Street, Suite 1560/Courtroom 1568 Los Angeles, CA 90012-3300

Redline of Initial Corph sant and prints And proced of Saplaint Page 1 of 17 1 MARK SHINDERMAN (Bar No. 136644) mshinderman@milbank.com 2 ROBERT J. LIUBICIC (Bar No. 271465) rliubicic@milbank.com 3 ALEXANDRA ACHAMALLAH (Bar No. 317978) aachamallah@milbank.com 4 MILBANK LLP 2029 Century Park East, 33rd Floor 5 Los Angeles, CA 90067 Telephone: (424) 386-4000/Facsimile: (213) 629-5063 6 THOMAS E. JEFFRY JR. (Bar No. 125265) 7 thomas.jeffry@arentfox.com ROBERT M. HIRSH (admitted pro hac vice) 8 robert.hirsh@arentfox.com ARENT FOX LLP 9 1301 Avenue of the Americas New York, NY 10019 10 Telephone: (212) 457-5430/Facsimile: (516) 426-8232 11 Counsel for the Official Committee of Unsecured Creditors of Verity Health System of California, Inc., et al. 12 13 UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA – LOS ANGELES DIVISION 14 Chapter 11 In re: 15 Lead Case No. 2:18-bk-20151-ER VERITY HEALTH SYSTEM OF CALIFORNIA, 16 INC., et al., Hon. Ernest M. Robles 17 Debtors and Debtors In Possession. Adv. Proc. No. —<u>2:19</u>-—<u>ap-01165-ER</u> 18 19 FIRST AMENDED COMPLAINT FOR OFFICIAL COMMITTEE OF UNSECURED **DETERMINATION OF VALIDITY.** CREDITORS of VERITY HEALTH SYSTEM OF 20 PRIORITY, AND EXTENT OF LIENS CALIFORNIA, INC., et al., AND SECURITY INTERESTS 21 Plaintiff, Hearing to be scheduled. 22 v. 23 U.S. BANK NATIONAL ASSOCIATION, as 24 trustee, 25 Defendant. 26 27 28

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The Official Committee of Unsecured Creditors ("Plaintiff" or the "Committee") of debtors and debtors-in-possession (collectively, the "Debtors") in the above-captioned chapter 11 cases, for and on behalf of the Debtors' estates, as and for its first amended adversary complaint (the "First Amended Complaint"), against Defendant U.S. Bank National Association in its capacity as trustee ("Defendant" and together with Plaintiff, the "Parties"), pursuant to Federal Rule of Bankruptcy Procedure 7001 and title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"), hereby respectfully alleges as follows:

NATURE OF THE ACTION

- 1. This is an adversary proceeding brought pursuant to, *inter alia*, Federal Rule of Bankruptcy Procedure 7001, sections 105 and 502 of the Bankruptcy Code, and other applicable law, seeking a declaratory judgment determining the validity, priority, and extent of the liens against property of the Debtors' estates held by Defendant.
- 2. The Committee seeks a determination that other than the property identified in Exhibit A (the "Collateral"), as of the Petition Date, Defendant does not have a perfected security interest in any of the Debtors' assets—and, in particular, Defendant does not have a perfected security interest in the deposit accounts of the Debtors set forth in Section I of Exhibit B hereto (the "Deposit Accounts") or the funds therein, or in the entities or the assets of the entities set forth in Section II of Exhibit B hereto, nor does Defendant have any rights and/or interests in any so-called quality assurance fee ("QAF") revenue funds arising under California Welfare & Institutions Code sections 14169.54 and 14169.55, or the right to any future disbursements on account thereof, relating to QAF fee-for-service periods 7–10 and QAF managed care period 3 ("Future QAF Reimbursements Disbursements").
- 3. Plaintiff has standing to prosecute this <u>Complaintaction</u> by virtue of, *inter alia*, paragraph 5(e) of 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 (the "Final DIP Order")* [Docket No. 409] entered by the Court on October 4, 2018.
 - 4. Paragraph 5(e) of the Final DIP Order provides, in pertinent part:

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Validity, Perfection and Amount of Prepetition Liens. The Debtors further acknowledge and agree that, as of the Petition Date, (a) the Prepetition Liens securing the Prepetition Secured Obligations on the Prepetition Collateral and the VMF Liens on the VMF Collateral were valid, binding, enforceable, non-avoidable, and properly perfected and were granted to, or for the benefit of, the Prepetition Secured Creditors and McKesson, (b) the Prepetition Liens were senior in priority over any and all other Liens on the Prepetition Collateral except the prepetition tax lien arising in connection with the CSCDA Special Assessments, and (c) the VMF Liens were senior in priority over any and all other Liens on VMF Collateral. The findings and stipulations set forth in this Final Order with respect to the validity, enforceability and amount of the Prepetition Secured Obligation and the Prepetition Liens shall be binding on any subsequent trustee, responsible person, examiner with expanded powers, any other estate representative, and all creditors and parties in interest and all of their successors in interest and assigns, including the Committee, unless, and solely to the extent that, a party in interest with requisite standing and authority (other than the Debtors, as to which any Challenge (as defined below) is irrevocably waived and relinquished) has timely filed the appropriate pleadings, and timely commenced the appropriate proceeding required under the Bankruptcy Code and Bankruptcy Rules, including as required pursuant to Part VII of the Bankruptcy Rules (in each case subject to the limitations set forth in this paragraph 4(d)) challenging the Prepetition Liens (each such proceeding or appropriate pleading commencing a proceeding or other contested matter, a "Challenge") within ninety (90) days from the formation of the Committee (the "Challenge Deadline"); provided that for purposes of filing a Challenge, the Committee shall be deemed to have standing to file the requisite pleading without further order of the Court; and provided further, that the "Challenge Deadline" for matters solely relating to the value of the Prepetition Collateral may be further extended to such time as may be agreed by stipulation among the Debtors, the Committee and the Prepetition Secured Creditors or as further ordered by the Court.

Final DIP Order, \P 5(e) (emphasis added).

- 5. The Parties have extended the Challenge Deadline on several occasions. As of the date of this filing, the Challenge Deadline is June 13, 2019.
- This action was filed on June 13, 2019, which was within the Challenge Deadline as extended by agreement of the Parties.

JURISDICTION AND VENUE

- 6. This Court has jurisdiction over this adversary proceeding by virtue of 28 U.S.C. § 1334(b) and pursuant to 28 U.S.C. § 157(a).
- 7. This adversary proceeding is a "core" proceeding as defined in 28 U.S.C. §§ 157(b)(2)(A) and (K).
- 8. In the event that any part of this adversary proceeding is found to be "non-core," Plaintiff consents to the entry of final orders and judgments by this Court, pursuant to Rule 7008 of the Federal Rules of Bankruptcy Procedure.
 - 9. Venue in this District is properly laid pursuant to 28 U.S.C. § 1409.

PARTIES

- 10. The Committee was formed on September 14, 2018 and was duly appointed on September 17, 2018 by the Office of the United States Trustee pursuant to Section 1102(a)(1) of the Bankruptcy Code [Docket No. 197].
- 11. The Committee brings this proceeding on behalf of and for the benefit of the Debtors' chapter 11 estates.
- 12. Upon information and belief, Defendant is a party to the Indentures described in paragraph 21 below. Upon information and belief, Defendant conducts operations in the United States.

RELEVANT FACTS

- 13. On August 31, 2018 (the "<u>Petition Date</u>"), the above-referenced Debtors filed voluntary cases (the "<u>Bankruptcy Cases</u>") under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Central District of California.
- 14. The Debtors are in the business of operating hospitals and other healthcare facilities in California.
- 15. The Debtors continue in the management and operation of their businesses and properties as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Bankruptcy Cases.

- 16. On the Petition Date, the Debtors filed their 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; Memorandum of Points and Authorities in Support Thereof [Docket No. 31] (the "DIP Motion").
- 17. Pursuant to the Loan Agreements (defined in paragraph 21 below), the Debtors were loaned bond proceeds from the Indentures (referred to in paragraph 21 below) pursuant to which Defendant served as note trustee and collateral agent prior to the Petition Date.
- 18. This action is to determine the validity, priority, and extent of Defendant's liens and security interests. This action is not brought against Defendant in its individual capacity, but rather solely as a note trustee and collateral agent. Plaintiff does not contend that Defendant has done anything improper.
- 19. Subject to the limitations set forth, *inter alia*, in paragraph 5(e) of the Final DIP Order, the Debtors stipulated to, *inter alia*, the validity, perfection, and enforceability of Defendant's liens and scope of Defendant's collateral, and waived all rights to challenge such liens. *See* Final DIP Order, ¶ 5(e).
- 20. Pursuant to paragraph 5(e) of the Final DIP Order, the stipulations and admissions contained in the Final DIP Order are deemed binding upon the Debtors and all non-debtor parties-in-interest, including without limitation the Committee, for all purposes, including, without limitation the validity, perfection, and enforceability of the Prepetition Liens and the Prepetition Secured Obligations (as defined in the Final DIP Order), unless and except to the extent the Committee has initiated a timely Challenge Proceeding (as defined in the Final DIP Order). *See* Final DIP Order, ¶ 5(e).
- 21. The applicable Debtors' obligations owing to the Defendant are secured by a lien on and security interest in the Collateral pursuant to:
 - (i) the loan agreements identified in items (1) (6) below (collectively, the "Loan Agreements"):

- (1) Loan Agreement dated as of December 1, 2015 between the California Public Finance Authority and Verity Health System of California, Inc. executed in connection with the \$60,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2015A, as amended by the Amendment to the Loan Agreement dated as of March 2, 2016.
- (2) Loan Agreement dated as of December 1, 2015 between the California Public Finance Authority and Verity Health System of California, Inc. executed in connection with the \$45,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2015B, as amended by the Amendment to the Loan Agreement dated as of March 2, 2016.
- (3) Loan Agreement dated as of December 1, 2015 between the California Public Finance Authority and Verity Health System of California, Inc. executed in connection with the \$10,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2015C (FEDERALLY TAXABLE), as amended by the Amendment to the Loan Agreement dated as of March 2, 2016.
- (4) Loan Agreement dated as of December 1, 2015 between the California Public Finance Authority and Verity Health System of California, Inc. executed in connection with the \$45,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2015D, as amended by the Amendment to the Loan Agreement dated as of March 2, 2016.
- (5) Loan Agreement dated as of September 1, 2017 between the California Public Finance Authority and Verity Health System of California, Inc. executed in connection with the \$21,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2017.
- (6) Loan Agreement dated as of December 1, 2017 between the California Public Finance Authority and Verity Health System of California, Inc. executed in connection with the \$21,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2017B.

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- (ii) the Notes, Indentures (as defined in the Loan Agreements), and Master Indenture (in each case referred to in the applicable Loan Agreement), and
- (iii) each Deed of Trust With Fixture Filing and Security Agreement and Assignment of Leases and Rents entered into in connection with the Loan Agreements (individually or collectively, "Deed of Trust").
- 22. On December 27, 2018, the Bankruptcy Court entered an order granting

 Debtors' motion seeking approval of the sale (the "SCC Sale") of O'Connor Hospital and Saint

 Louise Regional Hospital to the County of Santa Clara, a political subdivision of California

 ("SCC"). The SCC sale has closed. On May 2, 2019, the Bankruptcy Court entered an order

 granting Debtors' motion seeking approval of the sale (the "SGM Sale," and together with the

 SCC Sale, the "Sales") to Strategic Global Management, Inc. ("SGM") of St. Francis Medical

 Center, St. Vincent Medical Center, and Seton Medical Center. The SGM sale has not yet

 closed.
- 23. The proceeds of the Sales include substantial going concern premiums.

 Defendant is not entitled to those premiums because they are generated by labor—the hard work of the doctors, nurses, and other employees of the medical facilities.
- 24. Stated differently, the going concern premiums are not the proceeds of the Collateral. The bankruptcy process created significant value above what the Defendant would have realized upon foreclosure on its interest in the Collateral. In a foreclosure, Defendant would have found itself the owner of a collection of buildings, not an ongoing business, and would have been subject to significant wind-down costs. These chapter 11 cases, on the other hand, have unlocked the going concern value of the Debtors' enterprise, resulting in a substantial benefit to Defendant as well as allowing Defendant to avoid the costs of a wind-down.
- 25. Other than the Collateral, as of the Petition Date, the Defendant does not have a perfected security interest in any of the Debtors' assets, including (i) the Deposit Accounts set forth in Section I of Exhibit B hereto, (ii) the entities or the assets of the entities set forth in Section II of Exhibit B hereto, (iii) any going concern premium that has been or will be generated, (iv) assets

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27 28 related to medical office buildings (the "MOB Assets"), (v) any Future QAF Disbursements, and (ivvi) any commercial causes of action tort claims.

- 23. A determination by the Court pursuant to Federal Rules of Bankruptcy Procedure <u> 26.</u> 7001(2) and 7001(9), sections 105 and 502 of the Bankruptcy Code, and other applicable law regarding the validity, priority, and extent of Defendant's liens against the Debtors' estates is necessary to the proper administration of the Debtors' estates.
- 24. All rights to bring avoidance or similar actions under Chapter 5 of the Bankruptcy **27.** Code or similar state law (collectively, "Avoidance Actions") are reserved. Nothing in this First **Amended** Complaint shall be considered to be a waiver of any rights of the Committee, the Debtors, a liquidating trust, or any other entity with standing, to bring Avoidance Actions against any party.

FIRST CLAIM FOR RELIEF

(Declaratory Relief – Clarification of Final DIP Order)

- **28.** 25. The Committee restates and re-alleges each of the foregoing allegations as if fully set forth herein.
- 26. Paragraph 5(e) of the Final DIP Order provides that "the Prepetition Liens <u> 29.</u> securing the Prepetition Secured Obligations on the Prepetition Collateral and the VMF Liens on the VMF Collateral were valid, binding, enforceable, non-avoidable, and properly perfected and were granted to, or for the benefit of, the Prepetition Secured Creditors and McKesson."
- 27. Read literally, paragraph 5(e) of the Final DIP Order mistakenly suggests that **30.** Defendant has a perfected security interest in all of the assets of all of the Debtors.
- <u>31.</u> 28. As of the Petition Date, Defendant does not have a perfected security interest in all of the assets of all of the Debtors, but rather only in the Collateral set forth on Exhibit A. Defendant does not have a perfected security interest in any of the Debtors' other assets, including (i) the Deposit Accounts set forth in Section I of Exhibit B hereto, (ii) the entities or the assets of the entities set forth in Section II of Exhibit B hereto, (iii) any going concern premium that has been or will be generated, (iv) the MOB Assets, (v) any Future QAF Disbursements, and (ivvi) any commercial causes of action tort claims.

SECOND CLAIM FOR RELIEF

(Declaratory Relief – Deposit Accounts And Entities)

- <u>32.</u> 29. The Committee restates and re-alleges each of the foregoing allegations as if fully set forth herein.
- 33. 30. Defendant does not have a perfected security interest in the Deposit Accounts set forth in Section I of Exhibit B hereto because (a) there are no deposit account control agreements for the Deposit Accounts, (b) there is no possession of the funds in the Deposit Accounts by Defendant, and (c) the funds in the Deposit Accounts do not constitute identifiable cash proceeds of an otherwise perfected, unavoidable lien in other collateral of the Defendant.
- 31. Defendant does not have a perfected security interest in the entities or the assets of the entities set forth in Section II of Exhibit B hereto.

THIRD CLAIM FOR RELIEF

(Declaratory Relief – Future QAF Disbursements)

- 35. The Committee restates and re-alleges each of the foregoing allegations as if fully set forth herein.
- 36. 33. Defendant does not have a perfected security interest in Future QAF Disbursements because, among other things, (a) Future QAF Disbursements do not constitute proceeds of pre-petition collateral, (b) the value of a lien in Future QAF Disbursements to Defendant is \$0.00 given that, as of the Petition Date, Defendant could not foreclose on its purported security interest and demand collection from the State of California, (c) the value of Future QAF Disbursement Disbursements to Debtors on the Petition Date was \$0.00 because Debtors had not undertaken the commitments or satisfied the conditions precedent to have any rights to Future QAF Disbursements, and/or (d) Future QAF Disbursements depended completely upon post-petition services of the Debtors, and (e) to the extent Defendant contends one or more Loan Agreements were modified to include a lien in Future QAF Disbursements, the purported granting of any such lien was a constructive fraudulent conveyance under 11 U.S.C. §§ 544 and 550 and California Civil Code §§ 3439.04 and 3439.05, because Debtors received less than reasonably equivalent value in exchange for the granting of the lien, and (i) Debtors' remaining assets

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1	were unreasonably small in relation to the transaction, or (ii) Debtors intended to incur, or
2	believed or reasonably should have believed they would incur, debts beyond Debtors' ability to
3	repay, or (iii) Debtors were insolvent at the time, or as a result, of the granting of the lien.
4	37. 34. Accordingly, any purported lien in any Future QAF Disbursements in favor of
5	Defendant must be avoided.
6	FOURTH CLAIM FOR RELIEF
7	(Declaratory Relief – Defendant is Undersecured)
8	38. The Committee restates and re-alleges each of the foregoing allegations as if fully
9	set forth herein.
10	39. If the Court were to grant the relief sought in some or all of the first three claims
11	for relief herein, the Defendant would be undersecured.
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13	PRAYER FOR RELIEF
14	WHEREFORE, the Committee respectfully requests that the Court:
15	(a) issue a declaratory judgment that, notwithstanding the language of Paragraph 5(e) of the
16	Final DIP Order, as of the Petition Date Defendant does not have a perfected security interest in any
17	of the Debtors' assets other than the Collateral set forth on Exhibit A hereto;
18	(b) issue a declaratory judgment that Defendant does not have a perfected security interest in
19	(i) the Deposit Accounts set forth in Section I of Exhibit B hereto, or (ii) the entities or the assets of
20	the entities set forth in Section II of Exhibit B hereto; (iii) any going concern premium that has
21	been or will be generated; (iv) the MOB Assets; and (v) any commercial tort claims;
22	(c) issue a declaratory judgment that Defendant does not have a perfected security interest in
23	Future QAF Disbursements; and
24	(d) issue a declaratory judgment that, as a result of the Committee's claims for relief,
25	Defendant is undersecured; and
26	(de) grant any further relief as the Court deems just and proper.
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DATED: June 13 September 11, 2019 MILBANK LLP /s/ Mark Shinderman Mark Shinderman Robert J. Liubicic Alexandra Achamallah ARENT FOX LLP Thomas E. Jeffry Jr.
Robert M. Hirsh (admitted *pro hac vice*) Counsel for the Official Committee of Unsecured Creditors of Verity Health System of California, Inc., et al.

Exhibit A

Defendant is secured by a lien on and security interest in the following property:

(1) Real Property:

Property Address	APN
3630 E. Imperial Highway Lynwood, CA 90262	6173-021-008, 007, 006
2700 E. Slauson Ave., Huntington Park, CA 90255	6320-006-069
5957/5931 Atlantic Blvd., Maywood, CA 90270	6313-013-026, 028
9340/9400 No Name Uno, Gilroy, CA 95020	835-05-031, 032
600 Marine Blvd., Moss Beach, CA 94038	037-160-090-9

- (2) a perfected security interest in the following personal property of Seton Medical Center, Saint Louise Regional Hospital, St. Francis Medical Center, O'Connor Hospital, St. Vincent Medical Center and Seton Coastside (collectively, the "Relevant Debtors") to the extent such property under California law may be perfected by the filing of a financing statement:
 - (a) all Accounts (as defined in the Security Agreements referred to in the Loan Agreements);
 - (b) the accounts listed below; and
 - (c) to the extent not covered by the foregoing, all products, Proceeds (as defined in the Security Agreements referred to in the Loan Agreements) and replacements of the foregoing;

Company	Financial Institution	Account Number
O'Connor Hospital	Bank of America	XXXXXX3900
St. Louise Regional Hospital	Bank of America	XXXXXX3905
St. Francis Medical Center	Bank of America	XXXXXX3924
St. Vincent Medical Center	Bank of America	XXXXXX3929
Seton Coastside	Bank of America	XXXXXX3887
Seton Medical Center	Bank of America	XXXXXX3882

- (3) to the extent not covered by subparagraph (1) or (2) above, with respect to the Relevant Debtors, a perfected security interest in the Property (as defined in the Deed of Trust) of such Relevant Debtors, which under California law may be perfected by the recording of the Deed of Trust in the applicable recording office; and
- (4) to the extent not covered by subparagraph (1), (2), or (3) above, with respect to St. Francis Medical Center, St. Louise Regional Hospital, and Verity Holdings LLC, a perfected security interest in the Property (as defined in the Deed of Trust) and/or Personal Property (as defined in the Deed of Trust) of such entities described in the financing statements filed with the California Secretary of State in respect thereof, in each case to the extent such Property and/or Personal Property may be perfected under California law by the filing of a financing statement.

Exhibit B

Exhibit B—Section I

Company	Financial Institution	Account Number
Verity Health System of CA Inc.	Bank of America	XXXXXX6440
Verity Health System of CA Inc.	Bank of America	XXXXXX9250
Verity Health System of CA Inc.	Bank of America	XXXXXX1785
Verity Health System of CA Inc.	Bank of America	XXXXXX2889
O'Connor Hospital	Bank of America	XXXXXX2945
O'Connor Hospital	Bank of America	XXXXXX6389
O'Connor Hospital	Bank of America	XXXXXX3007
O'Connor Hospital	Bank of America	XXXXXX2284
O'Connor Hospital	Bank of America	XXXXXX2662
St. Louise Regional Hospital	Bank of America	XXXXXX2926
St. Louise Regional Hospital	Bank of America	XXXXXX6421
St. Louise Regional Hospital	Bank of America	XXXXXX7575
St. Louise Regional Hospital	Bank of America	XXXXXX2307
St. Francis Medical Center	Bank of America	XXXXXX2940
St. Francis Medical Center	Bank of America	XXXXXX6407
St. Francis Medical Center	Bank of America	XXXXXX3012
St. Francis Medical Center	Bank of America	XXXXXX2487
St. Francis Medical Center	Bank of America	XXXXXX1057
St. Francis Medical Center	Bank of America	XXXXXX1371
St. Francis Medical Center	Bank of America	XXXXXX1357
St. Francis Medical Center	Bank of America	XXXXXX1845
St. Francis Medical Center	Bank of America	XXXXXX1840
St. Francis Medical Center	U.S. Bank	XXXXXX2162
St. Vincent Medical Center	Bank of America	XXXXXX2964
St. Vincent Medical Center	Bank of America	XXXXXX6426
St. Vincent Medical Center	Bank of America	XXXXXX3017
St. Vincent Medical Center	Bank of America	XXXXXX2062
St. Vincent Medical Center	Bank of America	XXXXXX0553
St. Vincent Medical Center	Bank of America	XXXXXX3695
St. Vincent Medical Center	Bank of America	XXXXXX0989
Seton Medical Center	Bank of America	XXXXXX2902
Seton Medical Center	Bank of America	XXXXXX6365
Seton Medical Center	Bank of America	XXXXXX3001
Seton Medical Center	Bank of America	XXXXXX2289
Seton Medical Center	Bank of America	XXXXX02907
Seton Medical Center	Bank of America	XXXXXX6384

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Company	Financial Institution	Account Number
Seton Medical Center	Bank of America	XXXXXX2302
Seton Medical Center	Bank of America	XXXXX12907
O'Connor Hospital Foundation	Bank of America	XXXXXX3433
O'Connor Hospital Foundation	Morgan Stanley	XXXXX2-037
St. Louise Regional Hospital Foundation	Bank of America	XXXXXX2521
St. Francis Medical Center Foundation	Bank of America	XXXXXX2809
St. Vincent Medical Center Foundation	Bank of America	XXXXXX3025
St. Vincent Medical Center Foundation	East West Bank	XXXXXX1162
St. Vincent Dialysis Center	Bank of America	XXXXXX8921
Seton Medical Center Foundation	Bank of America	XXXXXX2260
Healy, James T/U/A	Wells Fargo	XXXXXX0089
Verity Business Services	Bank of America	XXXXXX6402
Verity Business Services	Bank of America	XXXXXX2982
Verity Business Services	Bank of America	XXXXXX3192
Verity Medical Foundation	Wells Fargo	XXXXXX9996
Verity Medical Foundation	Wells Fargo	XXXXXX0010
Verity Holdings LLC	Bank of America	XXXXXX1597
Verity Holdings LLC	Bank of America	XXXXXX1248
Verity Holdings LLC	Bank of America	XXXXXX1970
Verity Holdings LLC	Bank of America	XXXXXX1975
Seton Medical Center	Tri Counties Bank	XXXXXX3611
Seton Medical Center Foundation	Tri Counties Bank	XXXXXX8521

Exhibit B—Section II

- Verity Health System of California, Inc.
- O'Connor Hospital Foundation
- Saint Louise Regional Hospital Foundation
- St. Francis Medical Center of Lynwood Foundation
- St. Vincent Foundation
- St. Vincent Dialysis Center, Inc.
- Seton Medical Center Foundation
- Verity Business Services
- Verity Medical Foundation
- De Paul Ventures, LLC
- De Paul Ventures San Jose Dialysis, LLC

EXHIBIT 2

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9	ARENT FOX LLP 1301 Avenue of the Americas	
10	New York, NY 10019 Telephone: (212) 457-5430/Facsimile: (516) 426-823	32
11	Counsel for the Official Committee of Unsecured Cr	editors
12	of Verity Health System of California, Inc., <u>et al.</u>	
13	UNITED STATES BAN	KRUPTCY COURT
14	CENTRAL DISTRICT OF CALIFOR	
15	In re:	Chapter 11
16	VERITY HEALTH SYSTEM OF CALIFORNIA, INC., et al.,	Lead Case No. 2:18-bk-20151-ER
17		Hon. Ernest M. Robles
18	Debtors and Debtors In Possession.	Adv. Proc. No. 2:19-ap-01166-ER
19	OFFICIAL COMMITTEE OF UNSECURED	FIRST AMENDED COMPLAINT FOR
20	CREDITORS of VERITY HEALTH SYSTEM OF	DETERMINATION OF VALIDITY, PRIORITY, AND EXTENT OF LIENS
21	CALIFORNIA, INC., et al.,	AND SECURITY INTERESTS
22	Plaintiff,	
23	V.	
24	UMB BANK, NATIONAL ASSOCIATION, as	
25	trustee,	
26	Defendant.	
27		
28		

The Official Committee of Unsecured Creditors ("Plaintiff" or the "Committee") of debtors and debtors-in-possession (collectively, the "Debtors") in the above-captioned chapter 11 cases, for and on behalf of the Debtors' estates, as and for its first amended adversary complaint (the "First Amended Complaint"), against Defendant UMB Bank, National Association in its capacity as trustee ("Defendant" and together with Plaintiff, the "Parties"), pursuant to Federal Rule of Bankruptcy Procedure 7001 and title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"), hereby respectfully alleges as follows:

NATURE OF THE ACTION

- 1. This is an adversary proceeding brought pursuant to, *inter alia*, Federal Rule of Bankruptcy Procedure 7001, sections 105 and 502 of the Bankruptcy Code, and other applicable law, seeking a declaratory judgment determining the validity, priority, and extent of the liens against property of the Debtors' estates held by Defendant.
- 2. The Committee seeks a determination that other than the property identified in Exhibit A (the "Collateral"), as of the Petition Date, Defendant does not have a perfected security interest in any of the Debtors' assets—and, in particular, Defendant does not have a perfected security interest in the deposit accounts of the Debtors set forth in Section I of Exhibit B hereto (the "Deposit Accounts") or the funds therein, or in the entities or the assets of the entities set forth in Section II of Exhibit B hereto, nor does Defendant have any rights and/or interests in any so-called quality assurance fee ("QAF") revenue funds arising under California Welfare & Institutions Code sections 14169.54 and 14169.55, or the right to any future disbursements on account thereof, relating to QAF fee-for-service periods 7–10 and QAF managed care period 3 ("Future QAF Disbursements").
- 3. Plaintiff has standing to prosecute this action by virtue of, *inter alia*, paragraph 5(e) of 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 (the "Final DIP Order") [Docket No. 409] entered by the Court on October 4, 2018.*
 - 4. Paragraph 5(e) of the Final DIP Order provides, in pertinent part:

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1 (e) Validity, Perfection and Amount of Prepetition Liens. The Debtors further acknowledge and agree that, as of the Petition Date, (a) the 2 Prepetition Liens securing the Prepetition Secured Obligations on the Prepetition Collateral and the VMF Liens on the VMF Collateral were valid, 3 binding, enforceable, non-avoidable, and properly perfected and were granted to, or for the benefit of, the Prepetition Secured Creditors and 4 McKesson, (b) the Prepetition Liens were senior in priority over any and all 5 other Liens on the Prepetition Collateral except the prepetition tax lien arising in connection with the CSCDA Special Assessments, and (c) the 6 VMF Liens were senior in priority over any and all other Liens on VMF Collateral. The findings and stipulations set forth in this Final Order with 7 respect to the validity, enforceability and amount of the Prepetition Secured Obligation and the Prepetition Liens shall be binding on any subsequent 8 trustee, responsible person, examiner with expanded powers, any other 9 estate representative, and all creditors and parties in interest and all of their successors in interest and assigns, including the Committee, unless, and 10 solely to the extent that, a party in interest with requisite standing and authority (other than the Debtors, as to which any Challenge (as defined 11 below) is irrevocably waived and relinquished) has timely filed the appropriate pleadings, and timely commenced the appropriate proceeding 12 required under the Bankruptcy Code and Bankruptcy Rules, including as 13 required pursuant to Part VII of the Bankruptcy Rules (in each case subject to the limitations set forth in this paragraph 4(d)) challenging the Prepetition 14 Liens (each such proceeding or appropriate pleading commencing a proceeding or other contested matter, a "Challenge") within ninety (90) 15 days from the formation of the Committee (the "Challenge Deadline"); 16 provided that for purposes of filing a Challenge, the Committee shall be deemed to have standing to file the requisite pleading without further order 17 of the Court; and provided further, that the "Challenge Deadline" for matters solely relating to the value of the Prepetition Collateral may be 18 further extended to such time as may be agreed by stipulation among the Debtors, the Committee and the Prepetition Secured Creditors or as further 19 ordered by the Court.

Final DIP Order, ¶ 5(e) (emphasis added).

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5. This action was filed on June 13, 2019, which was within the Challenge Deadline as extended by agreement of the Parties.

JURISDICTION AND VENUE

- 6. This Court has jurisdiction over this adversary proceeding by virtue of 28 U.S.C. § 1334(b) and pursuant to 28 U.S.C. § 157(a).
- 7. This adversary proceeding is a "core" proceeding as defined in 28 U.S.C. §§ 157(b)(2)(A) and (K).

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- 8. In the event that any part of this adversary proceeding is found to be "non-core," Plaintiff consents to the entry of final orders and judgments by this Court, pursuant to Rule 7008 of the Federal Rules of Bankruptcy Procedure.

 9. Venue in this District is properly laid pursuant to 28 U.S.C. § 1409.

 PARTIES

 10. The Committee was formed on September 14, 2018 and was duly appointed on September 17, 2018 by the Office of the United States Trustee pursuant to Section 1102(a)(1) of the Bankruptcy Code [Docket No. 197].
- 11. The Committee brings this proceeding on behalf of and for the benefit of the Debtors' chapter 11 estates.
- 12. Upon information and belief, Defendant is a party to the Indentures described in paragraph 21 below. Upon information and belief, Defendant conducts operations in the United States.

RELEVANT FACTS

- 13. On August 31, 2018 (the "<u>Petition Date</u>"), the above-referenced Debtors filed voluntary cases (the "<u>Bankruptcy Cases</u>") under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Central District of California.
- 14. The Debtors are in the business of operating hospitals and other healthcare facilities in California.
- 15. The Debtors continue in the management and operation of their businesses and properties as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Bankruptcy Cases.
- 16. On the Petition Date, the Debtors filed their 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; Memorandum of Points and Authorities in Support Thereof [Docket No. 31] (the "DIP Motion").

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- 17. Pursuant to the Loan Agreements (defined in paragraph 21 below), the Debtors were loaned bond proceeds from the Indentures (referred to in paragraph 21 below) pursuant to which Defendant served as master trustee prior to the Petition Date.
- 18. This action is to determine the validity, priority, and extent of Defendant's liens and security interests. This action is not brought against Defendant in its individual capacity, but rather solely as a master trustee. Plaintiff does not contend that Defendant has done anything improper.
- 19. Subject to the limitations set forth, *inter alia*, in paragraph 5(e) of the Final DIP Order, the Debtors stipulated to, *inter alia*, the validity, perfection, and enforceability of Defendant's liens and scope of Defendant's collateral, and waived all rights to challenge such liens. *See* Final DIP Order, ¶ 5(e).
- 20. Pursuant to paragraph 5(e) of the Final DIP Order, the stipulations and admissions contained in the Final DIP Order are deemed binding upon the Debtors and all non-debtor parties-in-interest, including without limitation the Committee, for all purposes, including, without limitation the validity, perfection, and enforceability of the Prepetition Liens and the Prepetition Secured Obligations (as defined in the Final DIP Order), unless and except to the extent the Committee has initiated a timely Challenge Proceeding (as defined in the Final DIP Order). *See* Final DIP Order, ¶ 5(e).
- 21. The applicable Debtors' obligations owing to the Defendant are secured by a lien on and security interest in the Collateral pursuant to:
 - (i) the loan agreements identified in items (1) (12) below (collectively, the "Loan Agreements"):
 - (1) Loan Agreement originally dated as of December 1, 2001 between the California Statewide Communities Development Authority, Robert F. Kennedy Medical Center, and Daughters of Charity Health System relating to the \$19,945,000 California Statewide Communities Development Authority Revenue Bonds (Robert F. Kennedy Medical Center) Series 2001A.
 - (2) Loan Agreement dated as of February 1, 2005 between the California Statewide Communities Development Authority and Daughters of Charity Health System

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relating to the \$259,125,000 California Statewide Communities Development Authority Revenue Bonds (Daughters of Charity Health System) Series 2005A. Loan Agreement dated as of February 1, 2005 between the California Statewide (3) Communities Development Authority and Daughters of Charity Health System relating to the \$130,000,000 California Statewide Communities Development Authority Revenue Bonds (Daughters of Charity Health System) Series 2005B-1, 2005B-2, 2005B-3, 2005B-4, and 2005B-5. (4) Loan Agreement dated as of February 1, 2005 between the California Statewide Communities Development Authority and St. Francis Medical Center relating to the \$39,715,000 California Statewide Communities Development Authority Revenue Bonds (Daughters of Charity Health System – St. Francis Medical Center) Series 2005F. Loan Agreement dated as of February 1, 2005 between the California Statewide (5) Communities Development Authority and St. Francis Medical Center relating to the 14 \$48,245,000 California Statewide Communities Development Authority Revenue Bonds (Daughters of Charity Health System - St. Francis Medical Center) Series 2005G. Loan Agreement dated as of February 1, 2005 between the California Statewide 18 (6) Communities Development Authority and St. Francis Medical Center relating to the\$17,570,000 California Statewide Communities Development Authority Revenue Bonds (Daughters of Charity Health System - St. Francis Medical Center) Series 2005H. Loan Agreement dated as of December 1, 2015 between California Public Finance **(7)** Authority and Verity Health System of California, Inc. relating to the \$60,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2015A. Loan Agreement dated as of December 1, 2015 between California Public Finance (8) Authority and Verity Health System of California, Inc. relating to the \$45,000,000

1		California Public Finance Authority Revenue Notes (Verity Health System) Series
2		2015B.
3	(9)	Loan Agreement dated as of December 1, 2015 between California Public Finance
4		Authority and Verity Health System of California, Inc. relating to the \$10,000,000
5		California Public Finance Authority Revenue Notes (Verity Health System) Series
6		2015C (Federally Taxable).
7	(10)	Loan Agreement dated as of December 1, 2015 between California Public Finance
8		Authority and Verity Health System of California, Inc. relating to the \$45,000,000
9		California Public Finance Authority Revenue Notes (Verity Health System) Series
10		2015D.
11	(11)	Loan Agreement dated as of September 1, 2017 between California Public Finance
12		Authority and Verity Health System of California, Inc. relating to the \$21,000,000
13		California Public Finance Authority Revenue Notes (Verity Health System) Series
14		2017.
15	(12)	Loan Agreement dated as of December 1, 2017 between California Public Finance
16		Authority and Verity Health System of California, Inc. relating to the \$21,000,000
17		California Public Finance Authority Revenue Notes (Verity Health System) Series
18		2017B.
19	(ii) the N	Notes, Indentures (as defined in the Loan Agreements), and Master Indenture (in each
20	case refe	erred to in the applicable Loan Agreement), and
21	(iii) each	Deed of Trust With Fixture Filing and Security Agreement and Assignment of Leases
22	and Ren	ts entered into in connection with the Loan Agreements (individually or collectively,
23	"Deed or	f Trust").
24	22.	On December 27, 2018, the Bankruptcy Court entered an order granting Debtors'
25	motion seeking	approval of the sale (the "SCC Sale") of O'Connor Hospital and Saint Louise
26	Regional Hospit	tal to the County of Santa Clara, a political subdivision of California ("SCC"). The
27	SCC sale has clo	osed. On May 2, 2019, the Bankruptcy Court entered an order granting Debtors'
28	motion seeking	approval of the sale (the "SGM Sale," and together with the SCC Sale, the "Sales")

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to Strategic Global Management, Inc. ("<u>SGM</u>") of St. Francis Medical Center, St. Vincent Medical Center, and Seton Medical Center. The SGM sale has not yet closed.

- 23. The proceeds of the Sales include substantial going concern premiums. Defendant is not entitled to those premiums because they are generated by labor—the hard work of the doctors, nurses, and other employees of the medical facilities.
- 24. Stated differently, the going concern premiums are not the proceeds of the Collateral. The bankruptcy process created significant value above what the Defendant would have realized upon foreclosure on its interest in the Collateral. In a foreclosure, Defendant would have found itself the owner of a collection of buildings, not an ongoing business, and would have been subject to significant wind-down costs. These chapter 11 cases, on the other hand, have unlocked the going concern value of the Debtors' enterprise, resulting in a substantial benefit to Defendant as well as allowing Defendant to avoid the costs of a wind-down.
- 25. Other than the Collateral, as of the Petition Date, the Defendant does not have a perfected security interest in any of the Debtors' assets, including (i) the Deposit Accounts set forth in Section I of Exhibit B hereto, (ii) the entities or the assets of the entities set forth in Section II of Exhibit B hereto, (iii) any going concern premium that has been or will be generated, (iv) assets related to medical office buildings (the "MOB Assets"), (v) any Future QAF Disbursements, and (vi) any commercial tort claims.
- 26. A determination by the Court pursuant to Federal Rules of Bankruptcy Procedure 7001(2) and 7001(9), sections 105 and 502 of the Bankruptcy Code, and other applicable law regarding the validity, priority, and extent of Defendant's liens against the Debtors' estates is necessary to the proper administration of the Debtors' estates.
- 27. All rights to bring avoidance or similar actions under Chapter 5 of the Bankruptcy Code or similar state law (collectively, "Avoidance Actions") are reserved. Nothing in this First Amended Complaint shall be considered to be a waiver of any rights of the Committee, the Debtors, a liquidating trust, or any other entity with standing, to bring Avoidance Actions against any party.

FIRST CLAIM FOR RELIEF

(Declaratory Relief – Clarification of Final DIP Order)

- 28. The Committee restates and re-alleges each of the foregoing allegations as if fully set forth herein.
- 29. Paragraph 5(e) of the Final DIP Order provides that "the Prepetition Liens securing the Prepetition Secured Obligations on the Prepetition Collateral and the VMF Liens on the VMF Collateral were valid, binding, enforceable, non-avoidable, and properly perfected and were granted to, or for the benefit of, the Prepetition Secured Creditors and McKesson."
- 30. Read literally, paragraph 5(e) of the Final DIP Order mistakenly suggests that Defendant has a perfected security interest in all of the assets of all of the Debtors.
- 31. As of the Petition Date, Defendant does not have a perfected security interest in *all* of the assets of all of the Debtors, but rather only in the Collateral set forth on Exhibit A. Defendant does not have a perfected security interest in any of the Debtors' other assets, including (i) the Deposit Accounts set forth in Section I of Exhibit B hereto, (ii) the entities or the assets of the entities set forth in Section II of Exhibit B hereto, (iii) any going concern premium that has been or will be generated, (iv) the MOB Assets, (v) any Future QAF Disbursements, and (vi) any commercial tort claims.

SECOND CLAIM FOR RELIEF

(Declaratory Relief – Deposit Accounts And Entities)

- 32. The Committee restates and re-alleges each of the foregoing allegations as if fully set forth herein.
- 33. Defendant does not have a perfected security interest in the Deposit Accounts set forth in Section I of Exhibit B hereto because (a) there are no deposit account control agreements for the Deposit Accounts, (b) there is no possession of the funds by Defendant in the Deposit Accounts, and (c) the funds in the Deposit Accounts do not constitute identifiable cash proceeds of an otherwise perfected, unavoidable lien in other collateral of the Defendant.
- 34. Defendant does not have a perfected security interest in the entities or the assets of the entities set forth in Section II of Exhibit B hereto.

THIRD CLAIM FOR RELIEF

(Declaratory Relief – Future QAF Disbursements)

- 35. The Committee restates and re-alleges each of the foregoing allegations as if fully set forth herein.
- 36. Defendant does not have a perfected security interest in Future QAF Disbursements because, among other things, (a) Future QAF Disbursements do not constitute proceeds of pre-petition collateral, (b) the value of a lien in Future QAF Disbursements to Defendant is \$0.00 given that, as of the Petition Date, Defendant could not foreclose on its purported security interest and demand collection from the State of California, (c) the value of Future QAF Disbursements to Debtors on the Petition Date was \$0.00 because Debtors had not undertaken the commitments or satisfied the conditions precedent to have any rights to Future QAF Disbursements, (d) Future QAF Disbursements depended completely upon post-petition services of the Debtors, and (e) to the extent Defendant contends one or more Loan Agreements were modified to include a lien in Future QAF Disbursements, the purported granting of any such lien was a constructive fraudulent conveyance under 11 U.S.C. §§ 544 and 550 and California Civil Code §§ 3439.04 and 3439.05, because Debtors received less than reasonably equivalent value in exchange for the granting of the lien, and (i) Debtors' remaining assets were unreasonably small in relation to the transaction, or (ii) Debtors intended to incur, or believed or reasonably should have believed they would incur, debts beyond Debtors' ability to repay, or (iii) Debtors were insolvent at the time, or as a result, of the granting of the lien.
- 37. Accordingly, any purported lien in any Future QAF Disbursements in favor of Defendant must be avoided.

FOURTH CLAIM FOR RELIEF

(Declaratory Relief – Defendant is Undersecured)

- 38. The Committee restates and re-alleges each of the foregoing allegations as if fully set forth herein.
- 39. If the Court were to grant the relief sought in some or all of the first three claims for relief herein, the Defendant would be undersecured.

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1	<u>PF</u>	RAYER FOR RELIEF	
2	WHEREFORE, the Committee respectfully requests that the Court:		
3	(a) issue a declaratory judgment	t that, notwithstanding the language of Paragraph 5(e) of the	
4	Final DIP Order, as of the Petition Date	Defendant does not have a perfected security interest in any	
5	of the Debtors' assets other than the Col	llateral set forth on Exhibit A hereto;	
6	(b) issue a declaratory judgment	that Defendant does not have a perfected security interest in	
7	(i) the Deposit Accounts set forth in Sec	etion I of Exhibit B hereto, (ii) the entities or the assets of the	
8	entities set forth in Section II of Exhibit	t B hereto; (iii) any going concern premium that has been or	
9	will be generated; (iv) the MOB Assets;	and (v) any commercial tort claims;	
10	(c) issue a declaratory judgment	that Defendant does not have a perfected security interest in	
11	Future QAF Disbursements;		
12	(d) issue a declaratory judgment t	that, as a result of the Committee's claims for relief, Defendant	
13	is undersecured; and		
14	(e) grant any further relief as the	Court deems just and proper.	
15			
16	DATED: September 11, 2019	MILBANK LLP	
17		/s/ Mark Shinderman Mark Shinderman	
18		Robert J. Liubicic Alexandra Achamallah	
19		ARENT FOX LLP	
20		Thomas E. Jeffry Jr. Robert M. Hirsh (admitted <i>pro hac vice</i>)	
21		Counsel for the Official Committee of	
22		Unsecured Creditors of Verity Health System of California, Inc., <u>et al.</u>	
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Exhibit A

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Defendant is secured by a lien on and security interest in the following property:

(1) Real Property:

Property Address	APN
3630 E. Imperial Highway, Lynwood, CA 90262	6173-021-007
2700 E. Slauson Ave., Huntington Park, CA 90255	6320-006-069
5957/5931 Atlantic Blvd., Maywood, CA 90270	6313-013-026, 028
3663 Martin Luther King Jr. Blvd., Lynwood, CA 90262	6173-019-022
3570 Brenton Ave., Lynwood, CA 90262	6191-016-008
202 Alta Loma Ave., Daly City, CA 94015	008-101-010
1800/1850 Sullivan Ave., Daly City, CA 94015	008-084-430, 440, 460, 470,
1000/1030 Sumvan Ave., Dary City, CA 94013	480, 500, 520, 530, 540
1500 Southgate Ave., Daly City, CA 94015	008-521-110
1900 Sullivan Ave., Daly City, CA 94015	008-104-120
1900 Sullivan Ave., Daly City, CA 94015	008-104-100
1900 Sullivan Ave., Daly City, CA 94015	008-520-190
1900 Sullivan Ave., Daly City, CA 94015	008-084-370
9340/9400 No Name Uno, Gilroy, CA 95020	835-05-031, 032
2030 Forest Ave., San Jose, CA 95128-4815	274-58-020
2039 Forest Ave., Unit B2, San Jose, CA 95128-4815	274-60-013
2039 Forest Ave., Unit 105, San Jose, CA 95128-4815	274-60-014
2039 Forest Ave., Unit 204, San Jose, CA 95128-4815	274-60-015
2105 Forest Ave., San Jose, CA 95128-0000	274-40-081, 082
2131 W. 3rd St., Los Angeles, CA 90057	5154-018-018
275 S. Grand View St., Los Angeles, CA 90057	5154-017-007
2312 Miramar St., Los Angeles, CA 90057	5154-017-008
2318 Miramar St., Los Angeles, CA 90057	5154-017-009
2322 Miramar St., Los Angeles, CA 90057	5154-017-010
2328 Miramar St., Los Angeles, CA 90057	5154-017-011
2332 Miramar St., Los Angeles, CA 90057	5154-017-012
2336 Miramar St., Los Angeles, CA 90057	5154-017-013
2340 Miramar St., Los Angeles, CA 90057	5154-017-014
2344 Miramar St., Los Angeles, CA 90057	5154-017-015
274 S. Park View St., Los Angeles, CA 90057	5154-017-016
2301 W. 3rd St., Los Angeles, CA 90057	5154-017-017
434 S. Lake St., Los Angeles, CA 90057	5154-030-017
426 S. Lake St., Los Angeles, CA 90057	5154-030-018
422 S. Lake St., Los Angeles, CA 90057	5154-030-019
412 S. Lake St., Los Angeles, CA 90057	5154-030-022
2200 W. 3rd St., Los Angeles, CA 90057	5154-034-006
438 S. Lake St., Los Angeles, CA 90057	5154-031-024
161 S. Alvarado St., Los Angeles, CA 90057	5154-008-015
143 S. Alvarado St., Los Angeles, CA 90057	5154-008-012
2222 Ocean View Ave., Los Angeles, CA 90057	5154-033-021

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2100 W. 3rd St., Los Angeles, CA 90057	5154-030-034
2334 Valley St., Los Angeles, CA 90057	5154-012-007
2335 Miramar St., Los Angeles, CA 90057	5154-012-011
2220 Valley St., Los Angeles, CA 90057	5154-012-020
253 S. Lake St., Los Angeles, CA 90057	5154-012-026
199/201 S. Alvarado St., Los Angeles, CA 90057	5154-018-019
171 S. Alvarado St., Los Angeles, CA 90057	5154-018-020
262/272 S. Lake St. and 2120 Valley, Los Angeles, CA 90057	5154-018-021
4472 W. 177th St., Hawthorne, CA 90250	4044-016-026
4477 W. 188th St., Unit 10, Hawthorne, CA 90250	4044-016-039
4477 W. 188th St., Unit 11, Hawthorne, CA 90250	4044-016-040
4477 W. 188th St., Unit 12, Hawthorne, CA 90250	4044-016-041
4477 W. 188th St., Unit 13, Hawthorne, CA 90250	4044-016-042
4477 W. 188th St., Unit 14, Hawthorne, CA 90250	4044-016-043
4477 W. 188th St., Unit 15, Hawthorne, CA 90250	4044-016-044
4477 W. 188th St., Unit 16, Hawthorne, CA 90250	4044-016-045
4477 W. 188th St., Unit 17, Hawthorne, CA 90250	4044-016-046
4477 W. 188th St., Unit 18, Hawthorne, CA 90250	4044-016-047
	4044-011-029
	4044-012-004

(2) Accounts:

Company	Financial Institution	Account Number
O'Connor Hospital	Bank of America	XXXXXX3900
St. Louise Regional Hospital	Bank of America	XXXXXX3905
St. Francis Medical Center	Bank of America	XXXXXX3924
St. Vincent Medical Center	Bank of America	XXXXXX3929
Seton Coastside	Bank of America	XXXXXX3887
Seton Medical Center	Bank of America	XXXXXX3882

; and

(3) to the extent not covered by subparagraph (1) or (2) above, a perfected security interest in the Property (as defined in the Deed of Trust) and Personal Property (as defined in the Deed of Trust) of Seton Medical Center, Saint Louise Regional Hospital, St. Francis Medical Center, O'Connor Hospital, St. Vincent Medical Center, and Robert F. Kennedy Medical Center, in each case to the extent such Property and Personal Property (i) may be perfected by the recording of the Deed of Trust in the applicable recording office under California law or (ii) is described in the corresponding financing statements filed with the California Secretary of State and can be perfected by the filing of such financing statements with the California Secretary of State.

Exhibit B

Exhibit B—Section I

Company	Financial Institution	Account Number
Verity Health System of CA Inc.	Bank of America	XXXXXX6440
Verity Health System of CA Inc.	Bank of America	XXXXXX9250
Verity Health System of CA Inc.	Bank of America	XXXXXX1785
Verity Health System of CA Inc.	Bank of America	XXXXXX2889
O'Connor Hospital	Bank of America	XXXXXX2945
O'Connor Hospital	Bank of America	XXXXXX6389
O'Connor Hospital	Bank of America	XXXXXX3007
O'Connor Hospital	Bank of America	XXXXXX2284
O'Connor Hospital	Bank of America	XXXXXX2662
St. Louise Regional Hospital	Bank of America	XXXXXX2926
St. Louise Regional Hospital	Bank of America	XXXXXX6421
St. Louise Regional Hospital	Bank of America	XXXXXX7575
St. Louise Regional Hospital	Bank of America	XXXXXX2307
St. Francis Medical Center	Bank of America	XXXXXX2940
St. Francis Medical Center	Bank of America	XXXXXX6407
St. Francis Medical Center	Bank of America	XXXXXX3012
St. Francis Medical Center	Bank of America	XXXXXX2487
St. Francis Medical Center	Bank of America	XXXXXX1057
St. Francis Medical Center	Bank of America	XXXXXX1371
St. Francis Medical Center	Bank of America	XXXXXX1357
St. Francis Medical Center	Bank of America	XXXXXX1845
St. Francis Medical Center	Bank of America	XXXXXX1840
St. Francis Medical Center	U.S. Bank	XXXXXX2162
St. Vincent Medical Center	Bank of America	XXXXXX2964
St. Vincent Medical Center	Bank of America	XXXXXX6426
St. Vincent Medical Center	Bank of America	XXXXXX3017
St. Vincent Medical Center	Bank of America	XXXXXX2062
St. Vincent Medical Center	Bank of America	XXXXXXX0553
St. Vincent Medical Center	Bank of America	XXXXXX3695
St. Vincent Medical Center	Bank of America	XXXXXX0989
Seton Medical Center	Bank of America	XXXXXX2902
Seton Medical Center	Bank of America	XXXXXX6365
Seton Medical Center	Bank of America	XXXXXX3001
Seton Medical Center	Bank of America	XXXXXX2289
Seton Medical Center	Bank of America	XXXXX02907
Seton Medical Center	Bank of America	XXXXXX6384

Company	Financial Institution	Account Number
Seton Medical Center	Bank of America	XXXXXX2302
Seton Medical Center	Bank of America	XXXXX12907
O'Connor Hospital Foundation	Bank of America	XXXXXX3433
O'Connor Hospital Foundation	Morgan Stanley	XXXXX2-037
St. Louise Regional Hospital Foundation	Bank of America	XXXXXX2521
St. Francis Medical Center Foundation	Bank of America	XXXXXX2809
St. Vincent Medical Center Foundation	Bank of America	XXXXXX3025
St. Vincent Medical Center Foundation	East West Bank	XXXXXX1162
St. Vincent Dialysis Center	Bank of America	XXXXXX8921
Seton Medical Center Foundation	Bank of America	XXXXXX2260
Healy, James T/U/A	Wells Fargo	XXXXXX0089
Verity Business Services	Bank of America	XXXXXX6402
Verity Business Services	Bank of America	XXXXXX2982
Verity Business Services	Bank of America	XXXXXX3192
Verity Medical Foundation	Wells Fargo	XXXXXX9996
Verity Medical Foundation	Wells Fargo	XXXXXX0010
Verity Holdings LLC	Bank of America	XXXXXX1597
Verity Holdings LLC	Bank of America	XXXXXX1248
Verity Holdings LLC	Bank of America	XXXXXX1970
Verity Holdings LLC	Bank of America	XXXXXX1975
Seton Medical Center	Tri Counties Bank	XXXXXX3611
Seton Medical Center Foundation	Tri Counties Bank	XXXXXX8521

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Exhibit B—Section II

- Verity Health System of California, Inc.
- O'Connor Hospital Foundation
- Saint Louise Regional Hospital Foundation
- St. Francis Medical Center of Lynwood Foundation
- St. Vincent Foundation
- St. Vincent Dialysis Center, Inc.
- Seton Medical Center Foundation
- Verity Business Services
- Verity Medical Foundation
- Verity Holdings, LLC
- De Paul Ventures, LLC
- De Paul Ventures San Jose Dialysis, LLC

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PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

2029 Century Park E, 33rd Floor, Los Angeles, CA 90067.

stated below:
1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (date) September 11, 2019, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:
⊠ Service information continued on attached page
2. <u>SERVED BY UNITED STATES MAIL</u> : On (<i>date</i>) <u>September 11, 2019</u> , I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge <u>will be completed</u> no later than 24 hours after the document is filed.
3. <u>SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL</u> (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (<i>date</i>) <u>September 11, 2019</u> , I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge <u>will be completed</u> no later than 24 hours after the document is filed.
⊠ Service information continued on attached page

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

/s/ Beth Aalberts

Signature

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

Beth Aalberts

Printed Name

Date

September 11, 2019

C&352:4:3-8-plo2065-ERR DB02863-4:12d 05/191/18/19:05/19:035/45c NPARODEXDIREM PROBLEM PROBLEM

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- United States Trustee (LA) ustpregion16.la.ecf@usdoj.gov

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(Via Personal Delivery)

The Honorable Ernest M. Robles

United States Bankruptcy Court Central District of California Edward R. Roybal Federal Building and Courthouse 255 E. Temple Street, Suite 1560/Courtroom 1568 Los Angeles, CA 90012-3300

Redline of Initial Corph sant and the Araba of the Page 1 of 19 1 MARK SHINDERMAN (Bar No. 136644) mshinderman@milbank.com 2 ROBERT J. LIUBICIC (Bar No. 271465) rliubicic@milbank.com 3 ALEXANDRA ACHAMALLAH (Bar No. 317978) aachamallah@milbank.com 4 MILBANK LLP 2029 Century Park East, 33rd Floor 5 Los Angeles, CA 90067 Telephone: (424) 386-4000/Facsimile: (213) 629-5063 6 THOMAS E. JEFFRY JR. (Bar No. 125265) 7 thomas.jeffry@arentfox.com ROBERT M. HIRSH (admitted pro hac vice) 8 robert.hirsh@arentfox.com ARENT FOX LLP 9 1301 Avenue of the Americas New York, NY 10019 10 Telephone: (212) 457-5430/Facsimile: (516) 426-8232 11 Counsel for the Official Committee of Unsecured Creditors of Verity Health System of California, Inc., et al. 12 13 UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA – LOS ANGELES DIVISION 14 Chapter 11 In re: 15 Lead Case No. 2:18-bk-20151-ER VERITY HEALTH SYSTEM OF CALIFORNIA, 16 INC., et al., Hon. Ernest M. Robles 17 Debtors and Debtors In Possession. Adv. Proc. No. —<u>2:19</u>-——<u>ap-01166-ER</u> 18 19 FIRST AMENDED COMPLAINT FOR OFFICIAL COMMITTEE OF UNSECURED **DETERMINATION OF VALIDITY.** CREDITORS of VERITY HEALTH SYSTEM OF 20 PRIORITY, AND EXTENT OF LIENS CALIFORNIA, INC., et al., AND SECURITY INTERESTS 21 Hearing to be scheduled. Plaintiff, 22 v. 23 UMB BANK, NATIONAL ASSOCIATION, as 24 trustee, 25 Defendant. 26 27 28

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The Official Committee of Unsecured Creditors ("Plaintiff" or the "Committee") of debtors and debtors-in-possession (collectively, the "Debtors") in the above-captioned chapter 11 cases, for and on behalf of the Debtors' estates, as and for its first amended adversary complaint (the "First Amended Complaint"), against Defendant UMB Bank, National Association in its capacity as trustee ("Defendant" and together with Plaintiff, the "Parties"), pursuant to Federal Rule of Bankruptcy Procedure 7001 and title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"), hereby respectfully alleges as follows:

NATURE OF THE ACTION

- 1. This is an adversary proceeding brought pursuant to, *inter alia*, Federal Rule of Bankruptcy Procedure 7001, sections 105 and 502 of the Bankruptcy Code, and other applicable law, seeking a declaratory judgment determining the validity, priority, and extent of the liens against property of the Debtors' estates held by Defendant.
- 2. The Committee seeks a determination that other than the property identified in Exhibit A (the "Collateral"), as of the Petition Date, Defendant does not have a perfected security interest in any of the Debtors' assets—and, in particular, Defendant does not have a perfected security interest in the deposit accounts of the Debtors set forth in Section I of Exhibit B hereto (the "Deposit Accounts") or the funds therein, or in the entities or the assets of the entities set forth in Section II of Exhibit B hereto, nor does Defendant have any rights and/or interests in any so-called quality assurance fee ("QAF") revenue funds arising under California Welfare & Institutions Code sections 14169.54 and 14169.55, or the right to any future disbursements on account thereof, relating to QAF fee-for-service periods 7–10 and QAF managed care period 3 ("Future QAF Disbursements").
- 3. Plaintiff has standing to prosecute this Complaintaction by virtue of, inter alia, paragraph 5(e) of 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 (the "Final DIP Order") [Docket No. 409] entered by the Court on October 4, 2018.
 - 4. Paragraph 5(e) of the Final DIP Order provides, in pertinent part:

Validity, Perfection and Amount of Prepetition Liens. The Debtors further acknowledge and agree that, as of the Petition Date, (a) the Prepetition Liens securing the Prepetition Secured Obligations on the Prepetition Collateral and the VMF Liens on the VMF Collateral were valid, binding, enforceable, non-avoidable, and properly perfected and were granted to, or for the benefit of, the Prepetition Secured Creditors and McKesson, (b) the Prepetition Liens were senior in priority over any and all other Liens on the Prepetition Collateral except the prepetition tax lien arising in connection with the CSCDA Special Assessments, and (c) the VMF Liens were senior in priority over any and all other Liens on VMF Collateral. The findings and stipulations set forth in this Final Order with respect to the validity, enforceability and amount of the Prepetition Secured Obligation and the Prepetition Liens shall be binding on any subsequent trustee, responsible person, examiner with expanded powers, any other estate representative, and all creditors and parties in interest and all of their successors in interest and assigns, including the Committee, unless, and solely to the extent that, a party in interest with requisite standing and authority (other than the Debtors, as to which any Challenge (as defined below) is irrevocably waived and relinquished) has timely filed the appropriate pleadings, and timely commenced the appropriate proceeding required under the Bankruptcy Code and Bankruptcy Rules, including as required pursuant to Part VII of the Bankruptcy Rules (in each case subject to the limitations set forth in this paragraph 4(d)) challenging the Prepetition Liens (each such proceeding or appropriate pleading commencing a proceeding or other contested matter, a "Challenge") within ninety (90) days from the formation of the Committee (the "Challenge Deadline"); provided that for purposes of filing a Challenge, the Committee shall be deemed to have standing to file the requisite pleading without further order of the Court; and provided further, that the "Challenge Deadline" for matters solely relating to the value of the Prepetition Collateral may be further extended to such time as may be agreed by stipulation among the Debtors, the Committee and the Prepetition Secured Creditors or as further ordered by the Court.

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Final DIP Order, ¶ 5(e) (emphasis added).

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5. The Parties have extended the Challenge Deadline on several occasions. As of the date of this filing, the Challenge Deadline is June 13, 2019.

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5. This action was filed on June 13, 2019, which was within the Challenge Deadline as extended by agreement of the Parties.

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JURISDICTION AND VENUE

- 6. This Court has jurisdiction over this adversary proceeding by virtue of 28 U.S.C. § 1334(b) and pursuant to 28 U.S.C. § 157(a).
- 7. This adversary proceeding is a "core" proceeding as defined in 28 U.S.C. §§ 157(b)(2)(A) and (K).
- 8. In the event that any part of this adversary proceeding is found to be "non-core," Plaintiff consents to the entry of final orders and judgments by this Court, pursuant to Rule 7008 of the Federal Rules of Bankruptcy Procedure.
 - 9. Venue in this District is properly laid pursuant to 28 U.S.C. § 1409.

PARTIES

- 10. The Committee was formed on September 14, 2018 and was duly appointed on September 17, 2018 by the Office of the United States Trustee pursuant to Section 1102(a)(1) of the Bankruptcy Code [Docket No. 197].
- 11. The Committee brings this proceeding on behalf of and for the benefit of the Debtors' chapter 11 estates.
- 12. Upon information and belief, Defendant is a party to the Indentures described in paragraph 21 below. Upon information and belief, Defendant conducts operations in the United States.

RELEVANT FACTS

- 13. On August 31, 2018 (the "<u>Petition Date</u>"), the above-referenced Debtors filed voluntary cases (the "<u>Bankruptcy Cases</u>") under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Central District of California.
- 14. The Debtors are in the business of operating hospitals and other healthcare facilities in California.
- 15. The Debtors continue in the management and operation of their businesses and properties as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Bankruptcy Cases.

- 16. On the Petition Date, the Debtors filed their 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; Memorandum of Points and Authorities in Support Thereof [Docket No. 31] (the "DIP Motion").
- 17. Pursuant to the Loan Agreements (defined in paragraph 21 below), the Debtors were loaned bond proceeds from the Indentures (referred to in paragraph 21 below) pursuant to which Defendant served as master trustee prior to the Petition Date.
- 18. This action is to determine the validity, priority, and extent of Defendant's liens and security interests. This action is not brought against Defendant in its individual capacity, but rather solely as a master trustee. Plaintiff does not contend that Defendant has done anything improper.
- 19. Subject to the limitations set forth, *inter alia*, in paragraph 5(e) of the Final DIP Order, the Debtors stipulated to, *inter alia*, the validity, perfection, and enforceability of Defendant's liens and scope of Defendant's collateral, and waived all rights to challenge such liens. *See* Final DIP Order, ¶ 5(e).
- 20. Pursuant to paragraph 5(e) of the Final DIP Order, the stipulations and admissions contained in the Final DIP Order are deemed binding upon the Debtors and all non-debtor parties-in-interest, including without limitation the Committee, for all purposes, including, without limitation the validity, perfection, and enforceability of the Prepetition Liens and the Prepetition Secured Obligations (as defined in the Final DIP Order), unless and except to the extent the Committee has initiated a timely Challenge Proceeding (as defined in the Final DIP Order). *See* Final DIP Order, ¶ 5(e).
- 21. The applicable Debtors' obligations owing to the Defendant are secured by a lien on and security interest in the Collateral pursuant to:
 - (i) the loan agreements identified in items (1) (12) below (collectively, the "Loan Agreements"):
 - (1) Loan Agreement originally dated as of December 1, 2001 between the California Statewide Communities Development Authority, Robert F. Kennedy Medical

- Center, and Daughters of Charity Health System relating to the \$19,945,000 California Statewide Communities Development Authority Revenue Bonds (Robert F. Kennedy Medical Center) Series 2001A.
- (2) Loan Agreement dated as of February 1, 2005 between the California Statewide Communities Development Authority and Daughters of Charity Health System relating to the \$259,125,000 California Statewide Communities Development Authority Revenue Bonds (Daughters of Charity Health System) Series 2005A.
- (3) Loan Agreement dated as of February 1, 2005 between the California Statewide Communities Development Authority and Daughters of Charity Health System relating to the \$130,000,000 California Statewide Communities Development Authority Revenue Bonds (Daughters of Charity Health System) Series 2005B-1, 2005B-2, 2005B-3, 2005B-4, and 2005B-5.
- (4) Loan Agreement dated as of February 1, 2005 between the California Statewide Communities Development Authority and St. Francis Medical Center relating to the \$39,715,000 California Statewide Communities Development Authority Revenue Bonds (Daughters of Charity Health System St. Francis Medical Center) Series 2005F.
- (5) Loan Agreement dated as of February 1, 2005 between the California Statewide Communities Development Authority and St. Francis Medical Center relating to the \$48,245,000 California Statewide Communities Development Authority Revenue Bonds (Daughters of Charity Health System St. Francis Medical Center) Series 2005G.
- (6) Loan Agreement dated as of February 1, 2005 between the California Statewide Communities Development Authority and St. Francis Medical Center relating to the\$17,570,000 California Statewide Communities Development Authority Revenue Bonds (Daughters of Charity Health System – St. Francis Medical Center) Series 2005H.

- (7) Loan Agreement dated as of December 1, 2015 between California Public Finance Authority and Verity Health System of California, Inc. relating to the \$60,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2015A.
 (8) Loan Agreement dated as of December 1, 2015 between California Public Finance Authority and Verity Health System of California, Inc. relating to the \$45,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2015B.
 (9) Loan Agreement dated as of December 1, 2015 between California Public Finance
 - (9) Loan Agreement dated as of December 1, 2015 between California Public Finance Authority and Verity Health System of California, Inc. relating to the \$10,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2015C (Federally Taxable).
 - (10) Loan Agreement dated as of December 1, 2015 between California Public Finance Authority and Verity Health System of California, Inc. relating to the \$45,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2015D.
 - (11) Loan Agreement dated as of September 1, 2017 between California Public Finance Authority and Verity Health System of California, Inc. relating to the \$21,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2017.
 - (12) Loan Agreement dated as of December 1, 2017 between California Public Finance Authority and Verity Health System of California, Inc. relating to the \$21,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2017B.
 - (ii) the Notes, Indentures (as defined in the Loan Agreements), and Master Indenture (in each case referred to in the applicable Loan Agreement), and

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(iii) each Deed of Trust With Fixture Filing and Security Agreement and Assignment of Leases and Rents entered into in connection with the Loan Agreements (individually or collectively, "Deed of Trust").

- On December 27, 2018, the Bankruptcy Court entered an order granting Debtors' motion seeking approval of the sale (the "SCC Sale") of O'Connor Hospital and Saint Louise Regional Hospital to the County of Santa Clara, a political subdivision of California ("SCC"). The SCC sale has closed. On May 2, 2019, the Bankruptcy Court entered an order granting Debtors' motion seeking approval of the sale (the "SGM Sale," and together with the SCC Sale, the "Sales") to Strategic Global Management, Inc. ("SGM") of St. Francis Medical Center, St. Vincent Medical Center, and Seton Medical Center. The SGM sale has not yet closed.
- The proceeds of the Sales include substantial going concern premiums. Defendant is not entitled to those premiums because they are generated by labor—the hard work of the doctors, nurses, and other employees of the medical facilities.
- Stated differently, the going concern premiums are not the proceeds of the **24.** Collateral. The bankruptcy process created significant value above what the Defendant would have realized upon foreclosure on its interest in the Collateral. In a foreclosure, Defendant would have found itself the owner of a collection of buildings, not an ongoing business, and would have been subject to significant wind-down costs. These chapter 11 cases, on the other hand, have unlocked the going concern value of the Debtors' enterprise, resulting in a substantial benefit to Defendant as well as allowing Defendant to avoid the costs of a winddown.
- **25.** 22. Other than the Collateral, as of the Petition Date, the Defendant does not have a perfected security interest in any of the Debtors' assets, including (i) the Deposit Accounts set forth in Section I of Exhibit B hereto, (ii) the entities or the assets of the entities set forth in Section II of Exhibit B hereto, (iii) any going concern premium that has been or will be generated, (iv) assets related to medical office buildings (the "MOB Assets"), (v) any Future QAF Disbursements, and (ivvi) any commercial causes of action tort claims.

- 26. 23. A determination by the Court pursuant to Federal Rules of Bankruptcy Procedure 7001(2) and 7001(9), sections 105 and 502 of the Bankruptcy Code, and other applicable law regarding the validity, priority, and extent of Defendant's liens against the Debtors' estates is necessary to the proper administration of the Debtors' estates.
- 27. 24. All rights to bring avoidance or similar actions under Chapter 5 of the Bankruptcy Code or similar state law (collectively, "Avoidance Actions") are reserved. Nothing in this <u>First</u>

 Amended Complaint shall be considered to be a waiver of any rights of the Committee, the Debtors, a liquidating trust, or any other entity with standing, to bring Avoidance Actions against any party.

FIRST CLAIM FOR RELIEF

(Declaratory Relief – Clarification of Final DIP Order)

- **28. 25.** The Committee restates and re-alleges each of the foregoing allegations as if fully set forth herein.
- 29. 26. Paragraph 5(e) of the Final DIP Order provides that "the Prepetition Liens securing the Prepetition Secured Obligations on the Prepetition Collateral and the VMF Liens on the VMF Collateral were valid, binding, enforceable, non-avoidable, and properly perfected and were granted to, or for the benefit of, the Prepetition Secured Creditors and McKesson."
- <u>30.</u> 27. Read literally, paragraph 5(e) of the Final DIP Order mistakenly suggests that Defendant has a perfected security interest in all of the assets of all of the Debtors.
- 28. As of the Petition Date, Defendant does not have a perfected security interest in all of the assets of all of the Debtors, but rather only in the Collateral set forth on Exhibit A.

 Defendant does not have a perfected security interest in any of the Debtors' other assets, including (i) the Deposit Accounts set forth in Section I of Exhibit B hereto, (ii) the entities or the assets of the entities set forth in Section II of Exhibit B hereto, (iii) any going concern premium that has been or will be generated, (iv) the MOB Assets, (v) any Future QAF Disbursements, and (ivvi) any commercial causes of action tort claims.

SECOND CLAIM FOR RELIEF

(Declaratory Relief – Deposit Accounts And Entities)

- <u>32.</u> 29. The Committee restates and re-alleges each of the foregoing allegations as if fully set forth herein.
- 33. 30. Defendant does not have a perfected security interest in the Deposit Accounts set forth in Section I of Exhibit B hereto because (a) there are no deposit account control agreements for the Deposit Accounts, (b) there is no possession of the funds by Defendant in the Deposit Accounts, and (c) the funds in the Deposit Accounts do not constitute identifiable cash proceeds of an otherwise perfected, unavoidable lien in other collateral of the Defendant.
- 31. Defendant does not have a perfected security interest in the entities or the assets of the entities set forth in Section II of Exhibit B hereto.

THIRD CLAIM FOR RELIEF

(Declaratory Relief – Future QAF Disbursements)

- 35. The Committee restates and re-alleges each of the foregoing allegations as if fully set forth herein.
- 36. 33. Defendant does not have a perfected security interest in Future QAF Disbursements because, among other things, (a) Future QAF Disbursements do not constitute proceeds of pre-petition collateral, (b) the value of a lien in Future QAF Disbursements to Defendant is \$0.00 given that, as of the Petition Date, Defendant could not foreclose on its purported security interest and demand collection from the State of California, (c) the value of Future QAF Disbursements to Debtors on the Petition Date was \$0.00 because Debtors had not undertaken the commitments or satisfied the conditions precedent to have any rights to Future QAF Disbursements, and/or (d) Future QAF Disbursements depended completely upon post-petition services of the Debtors, and (e) to the extent Defendant contends one or more Loan Agreements were modified to include a lien in Future QAF Disbursements, the purported granting of any such lien was a constructive fraudulent conveyance under 11 U.S.C. §§ 544 and 550 and California Civil Code §§ 3439.04 and 3439.05, because Debtors received less than reasonably equivalent value in exchange for the granting of the lien, and (i) Debtors' remaining assets were

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1	unreasonably small in relation to the transaction, or (ii) Debtors intended to incur, or believed
2	or reasonably should have believed they would incur, debts beyond Debtors' ability to repay,
3	or (iii) Debtors were insolvent at the time, or as a result, of the granting of the lien.
4	31. Accordingly, any purported lien in any Future QAF Disbursements in favor of
5	Defendant must be avoided.
6	FOURTH CLAIM FOR RELIEF
7	(Declaratory Relief - Defendant is Undersecured)
8	38. The Committee restates and re-alleges each of the foregoing allegations as if fully
9	set forth herein.
10	39. If the Court were to grant the relief sought in some or all of the first three claims
11	for relief herein, the Defendant would be undersecured.
12	PRAYER FOR RELIEF
13	WHEREFORE, the Committee respectfully requests that the Court:
14	(a) issue a declaratory judgment that, notwithstanding the language of Paragraph 5(e) of the
15	Final DIP Order, as of the Petition Date Defendant does not have a perfected security interest in any
16	of the Debtors' assets other than the Collateral set forth on Exhibit A hereto;
17	(b) issue a declaratory judgment that Defendant does not have a perfected security interest in
18	(i) the Deposit Accounts set forth in Section I of Exhibit B hereto, or (ii) the entities or the assets of
19	the entities set forth in Section II of Exhibit B hereto; (iii) any going concern premium that has
20	been or will be generated; (iv) the MOB Assets; and (v) any commercial tort claims;
21	(c) issue a declaratory judgment that Defendant does not have a perfected security interest in
22	Future QAF Disbursements; and
23	(d) issue a declaratory judgment that, as a result of the Committee's claims for relief,
24	Defendant is undersecured; and
25	(de) grant any further relief as the Court deems just and proper.
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DATED: June 13 September 11, 2019 MILBANK LLP /s/ Mark Shinderman Mark Shinderman Robert J. Liubicic Alexandra Achamallah ARENT FOX LLP Thomas E. Jeffry Jr. Robert M. Hirsh (admitted *pro hac vice*) Counsel for the Official Committee of Unsecured Creditors of Verity Health System of California, Inc., et al.

Exhibit A

Defendant is secured by a lien on and security interest in the following property:

(1) Real Property:

Property Address	APN
3630 E. Imperial Highway, Lynwood, CA 90262	6173-021-007
2700 E. Slauson Ave., Huntington Park, CA 90255	6320-006-069
5957/5931 Atlantic Blvd., Maywood, CA 90270	6313-013-026, 028
3663 Martin Luther King Jr. Blvd., Lynwood, CA 90262	6173-019-022
3570 Brenton Ave., Lynwood, CA 90262	6191-016-008
202 Alta Loma Ave., Daly City, CA 94015	008-101-010
1800/1850 Sullivan Ave., Daly City, CA 94015	008-084-430, 440, 460, 470,
1000/1030 Sumvan Ave., Dary City, CA 94013	480, 500, 520, 530, 540
1500 Southgate Ave., Daly City, CA 94015	008-521-110
1900 Sullivan Ave., Daly City, CA 94015	008-104-120
1900 Sullivan Ave., Daly City, CA 94015	008-104-100
1900 Sullivan Ave., Daly City, CA 94015	008-520-190
1900 Sullivan Ave., Daly City, CA 94015	008-084-370
9340/9400 No Name Uno, Gilroy, CA 95020	835-05-031, 032
2030 Forest Ave., San Jose, CA 95128-4815	274-58-020
2039 Forest Ave., Unit B2, San Jose, CA 95128-4815	274-60-013
2039 Forest Ave., Unit 105, San Jose, CA 95128-4815	274-60-014
2039 Forest Ave., Unit 204, San Jose, CA 95128-4815	274-60-015
2105 Forest Ave., San Jose, CA 95128-0000	274-40-081, 082
2131 W. 3rd St., Los Angeles, CA 90057	5154-018-018
275 S. Grand View St., Los Angeles, CA 90057	5154-017-007
2312 Miramar St., Los Angeles, CA 90057	5154-017-008
2318 Miramar St., Los Angeles, CA 90057	5154-017-009
2322 Miramar St., Los Angeles, CA 90057	5154-017-010
2328 Miramar St., Los Angeles, CA 90057	5154-017-011
2332 Miramar St., Los Angeles, CA 90057	5154-017-012
2336 Miramar St., Los Angeles, CA 90057	5154-017-013
2340 Miramar St., Los Angeles, CA 90057	5154-017-014
2344 Miramar St., Los Angeles, CA 90057	5154-017-015
274 S. Park View St., Los Angeles, CA 90057	5154-017-016
2301 W. 3rd St., Los Angeles, CA 90057	5154-017-017
434 S. Lake St., Los Angeles, CA 90057	5154-030-017
426 S. Lake St., Los Angeles, CA 90057	5154-030-018
422 S. Lake St., Los Angeles, CA 90057	5154-030-019
412 S. Lake St., Los Angeles, CA 90057	5154-030-022
2200 W. 3rd St., Los Angeles, CA 90057	5154-034-006
438 S. Lake St., Los Angeles, CA 90057	5154-031-024
161 S. Alvarado St., Los Angeles, CA 90057	5154-008-015
143 S. Alvarado St., Los Angeles, CA 90057	5154-008-012
2222 Ocean View Ave., Los Angeles, CA 90057	5154-033-021

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2100 W. 3rd St., Los Angeles, CA 90057	5154-030-034
2334 Valley St., Los Angeles, CA 90057	5154-012-007
2335 Miramar St., Los Angeles, CA 90057	5154-012-011
2220 Valley St., Los Angeles, CA 90057	5154-012-020
253 S. Lake St., Los Angeles, CA 90057	5154-012-026
199/201 S. Alvarado St., Los Angeles, CA 90057	5154-018-019
171 S. Alvarado St., Los Angeles, CA 90057	5154-018-020
262/272 S. Lake St. and 2120 Valley, Los Angeles, CA 90057	5154-018-021
4472 W. 177th St., Hawthorne, CA 90250	4044-016-026
4477 W. 188th St., Unit 10, Hawthorne, CA 90250	4044-016-039
4477 W. 188th St., Unit 11, Hawthorne, CA 90250	4044-016-040
4477 W. 188th St., Unit 12, Hawthorne, CA 90250	4044-016-041
4477 W. 188th St., Unit 13, Hawthorne, CA 90250	4044-016-042
4477 W. 188th St., Unit 14, Hawthorne, CA 90250	4044-016-043
4477 W. 188th St., Unit 15, Hawthorne, CA 90250	4044-016-044
4477 W. 188th St., Unit 16, Hawthorne, CA 90250	4044-016-045
4477 W. 188th St., Unit 17, Hawthorne, CA 90250	4044-016-046
4477 W. 188th St., Unit 18, Hawthorne, CA 90250	4044-016-047
	4044-011-029
	4044-012-004

(2) Accounts:

Company	Financial Institution	Account Number	
O'Connor Hospital	Bank of America	XXXXXX3900	
St. Louise Regional Hospital	Bank of America	XXXXXX3905	
St. Francis Medical Center	Bank of America	XXXXXX3924	
St. Vincent Medical Center	Bank of America	XXXXXX3929	
Seton Coastside	Bank of America	XXXXXX3887	
Seton Medical Center	Bank of America	XXXXXX3882	

; and

(3) to the extent not covered by subparagraph (1) or (2) above, a perfected security interest in the Property (as defined in the Deed of Trust) and Personal Property (as defined in the Deed of Trust) of Seton Medical Center, Saint Louise Regional Hospital, St. Francis Medical Center, O'Connor Hospital, St. Vincent Medical Center, and Robert F. Kennedy Medical Center, in each case to the extent such Property and Personal Property (i) may be perfected by the recording of the Deed of Trust in the applicable recording office under California law or (ii) is described in the corresponding financing statements filed with the California Secretary of State and can be perfected by the filing of such financing statements with the California Secretary of State.

Exhibit B

Exhibit B—Section I

Company	Financial Institution	Account Number
Verity Health System of CA Inc.	Bank of America	XXXXXX6440
Verity Health System of CA Inc.	Bank of America	XXXXXX9250
Verity Health System of CA Inc.	Bank of America	XXXXXX1785
Verity Health System of CA Inc.	Bank of America	XXXXXX2889
O'Connor Hospital	Bank of America	XXXXXX2945
O'Connor Hospital	Bank of America	XXXXXX6389
O'Connor Hospital	Bank of America	XXXXXX3007
O'Connor Hospital	Bank of America	XXXXXX2284
O'Connor Hospital	Bank of America	XXXXXX2662
St. Louise Regional Hospital	Bank of America	XXXXXX2926
St. Louise Regional Hospital	Bank of America	XXXXXX6421
St. Louise Regional Hospital	Bank of America	XXXXXX7575
St. Louise Regional Hospital	Bank of America	XXXXXX2307
St. Francis Medical Center	Bank of America	XXXXXX2940
St. Francis Medical Center	Bank of America	XXXXXX6407
St. Francis Medical Center	Bank of America	XXXXXX3012
St. Francis Medical Center	Bank of America	XXXXXX2487
St. Francis Medical Center	Bank of America	XXXXXX1057
St. Francis Medical Center	Bank of America	XXXXXX1371
St. Francis Medical Center	Bank of America	XXXXXX1357
St. Francis Medical Center	Bank of America	XXXXXX1845
St. Francis Medical Center	Bank of America	XXXXXX1840
St. Francis Medical Center	U.S. Bank	XXXXXX2162
St. Vincent Medical Center	Bank of America	XXXXXX2964
St. Vincent Medical Center	Bank of America	XXXXXX6426
St. Vincent Medical Center	Bank of America	XXXXXX3017
St. Vincent Medical Center	Bank of America	XXXXXX2062
St. Vincent Medical Center	Bank of America	XXXXXX0553
St. Vincent Medical Center	Bank of America	XXXXXX3695
St. Vincent Medical Center	Bank of America	XXXXXX0989
Seton Medical Center	Bank of America	XXXXXX2902
Seton Medical Center	Bank of America	XXXXXX6365
Seton Medical Center	Bank of America	XXXXXX3001
Seton Medical Center	Bank of America	XXXXXX2289
Seton Medical Center	Bank of America	XXXXX02907
Seton Medical Center	Bank of America	XXXXXX6384

Company	Financial Institution	Account Number
Seton Medical Center	Bank of America	XXXXXX2302
Seton Medical Center	Bank of America	XXXXX12907
O'Connor Hospital Foundation	Bank of America	XXXXXX3433
O'Connor Hospital Foundation	Morgan Stanley	XXXXX2-037
St. Louise Regional Hospital Foundation	Bank of America	XXXXXX2521
St. Francis Medical Center Foundation	Bank of America	XXXXXX2809
St. Vincent Medical Center Foundation	Bank of America	XXXXXX3025
St. Vincent Medical Center Foundation	East West Bank	XXXXXX1162
St. Vincent Dialysis Center	Bank of America	XXXXXX8921
Seton Medical Center Foundation	Bank of America	XXXXXX2260
Healy, James T/U/A	Wells Fargo	XXXXXX0089
Verity Business Services	Bank of America	XXXXXX6402
Verity Business Services	Bank of America	XXXXXX2982
Verity Business Services	Bank of America	XXXXXX3192
Verity Medical Foundation	Wells Fargo	XXXXXX9996
Verity Medical Foundation	Wells Fargo	XXXXXXX0010
Verity Holdings LLC	Bank of America	XXXXXX1597
Verity Holdings LLC	Bank of America	XXXXXX1248
Verity Holdings LLC	Bank of America	XXXXXX1970
Verity Holdings LLC	Bank of America	XXXXXX1975
Seton Medical Center	Tri Counties Bank	XXXXXX3611
Seton Medical Center Foundation	Tri Counties Bank	XXXXXX8521

Exhibit B—Section II

- Verity Health System of California, Inc.
- O'Connor Hospital Foundation
- Saint Louise Regional Hospital Foundation
- St. Francis Medical Center of Lynwood Foundation
- St. Vincent Foundation
- St. Vincent Dialysis Center, Inc.
- Seton Medical Center Foundation
- Verity Business Services
- Verity Medical Foundation
- Verity Holdings, LLC
- De Paul Ventures, LLC
- De Paul Ventures San Jose Dialysis, LLC

EXHIBIT 3

United States Bankruptcy Co	urt for the Central District of California
Indicate Debtor against which you assert a claim by checking	the appropriate box below. (Check only one Debtor per claim form.)
☐ Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	☑ St. Louise Regional Hospital (Case No.18-20162)
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)
O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)
O'Connor Hospital Foundation (Case No. 18-20179)	St. Vincent Medical Center (Case No. 18-20164)
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	□ Verity Business Services (Case No. 18-20173)
☐ Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)
St. Francis Medical Center (Case No. 18-20165)	

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

. Who is the current	II S Bank Nati	ional Association, as Se	orios 2015 Notes T	rustee		
creditor?		t creditor (the person or entity				
		editor used with the debtor	•			
 Has this claim been acquired from 	✓ No					
someone else?	Yes. From	n whom?				
. Where should	Where should n	otices to the creditor be	sent?	Where should	d payments to the creditor be	e sent? (if
notices and	Where should h	onces to the ciculor be	JCIII.	different)	paymono to the ordano.	
payments to the creditor be sent?	c/o McDermott V	Vill & Emery LLP (Attn: Me	egan Preusker)	U.S. Bank N	ational Association (Attn: Sa	ndra Spive
creditor be sent?	Name			Name		
Federal Rule of		Lake Street			V. Sahara, Ste 200	
Bankruptcy Procedure	Number Stree	· -	cococ		reet	89102
(FRBP) 2002(g)	Chicago City	IL State	60606 ZIP Code	Las Vegas City	NV State	ZIP Code
DECEMEN	USA	State	ZIF Code	USA	State	Zii Code
	Country	· · · · · · · · · · · · · · · · · · ·		Country		
500 m c 4 6040	Contact phone 3	312.984.3668		Contact phone	702.251.1656	
MAR 1 4 2019		npreusker@mwe.com	*	Contact email	sandra.spivey@usbank.com	
	_		_	_		
RTZHAN CARSON CONSULT	All Carm claim identi	fier for electronic payments in	i chapter 13 (if you use	e one):		
Does this claim						
	✓ No					
amend one already	☐ Yes Clair	m number on court claims	registry (if known)		Filed on	
amend one already filed?	Yes. Clair				MM / DD	/
•	Yes. Clai.					
filed? Do you know if	Yes. Ciali					
filed? Do you know if anyone else has filed	✓ No					
filed? Do you know if anyone else has filed a proof of claim for	✓ No	nade the earlier filing?			3	
filed? Do you know if anyone else has filed	✓ No	nade the earlier filing?				

Case 4:2-11/8-2012015 R-ERCla 10 of 32634-3-ile 6/30/19/19 Desc Exhibit 37 Page 3 of 310

P	art 2: Give Information Abo	out the Claim as of the Date the Case Was Filed
6.	Do you have any number	☑ No
	you use to identify the debtor?	Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:
7.	How much is the claim?	\$ 160,000,000.00 Does this amount include interest or other charges?
		□ No
		Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
8.	What is the basis of the	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.
	claim?	Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
		Limit disclosing information that is entitled to privacy, such as health care information.
		See attached addendum
9.	Is all or part of the claim	□ No
	secured?	Yes. The claim is secured by a lien on property.
		Nature of property:
		Real estate: If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A) with this Proof of Claim.
		Motor vehicle
		Other. Describe: See attached addendum
		Basis for perfection: See attached addendum
		Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)
		Value of property: \$
		Amount of the claim that is secured: \$\frac{160,000,000.00}{}
		Amount of the claim that is unsecured: \$(The sum of the secured and unsecured
	RECEIVED	amount should match the amount in line 7.)
	MAR 1 4 2019	Amount necessary to cure any default as of the date of the petition: \$
	KURTZMAN CARSON CONSULT	Annual Interest Rate (when case was filed)%
	Will Walter Chambridge Conservation	Fixed
		Variable
10	. Is this claim based on a	✓ No
	lease?	Yes. Amount necessary to cure any default as of the date of the petition.
11	. Is this claim subject to a	☑ No
	right of setoff?	Yes, Identify the property:

Cas**@**as**4**22-1118-2014-180215 R-ERC laiDrot 3326-34-3-ilefd l@6/30/19/19De ston 14 reind d.0.6/118/119/116 19/36/19/3 of Desc Exhibit 37 Page 4 of 310

12. Is all or part of the claim entitled to priority under	✓ No						
11 U.S.C. § 507(a)?	Yes. Cho	eck all that apply:				Amount er	ntitled to prio
A claim may be partly priority and partly		nestic support obliq J.S.C. § 507(a)(1)	gations (including alimo (A) or (a)(1)(B).	ny and child supp	port) under	¢	
nonpriority. For example, in some categories, the law limits the amount	☐ Up t	o \$2,850* of depo	osits toward purchase, family, or household u	lease, or rental o	of property or 507(a)(7).	\$	
entitled to priority.	☐ Wag	jes, salaries, or co s before the banki	ommissions (up to \$12 ruptcy petition is filed o 1 U.S.C. § 507(a)(4).	,850*) eamed wi	thin 180	\$,
	☐ Taxe	es or penalties ow	ed to governmental uni	ts. 11 U.S.C. § 50	07(a)(8).	\$	
	☐ Con	tributions to an er	mployee benefit plan. 1	1 U.S.C. § 507(a	a)(5).	\$	
	Othe	er. Specify subsec	ction of 11 U.S.C. § 50	7(a)() that app	lies.	\$	
	* Amoun	ts are subject to adju	stment on 4/01/19 and eve	ery 3 years after tha	at for cases begun o	on or after the	date of adjustm
Part 3: Sign Below			1 - 1 - 1 - 1 - 1				
The person completing	Check the appro	ppriate box:					
this proof of claim must sign and date it.	✓ I am the cr	editor.	4				
FRBP 9011(b).	☐ I am the cr	editor's attorney o	r authorized agent.				
If you file this claim	_	-	or, or their authorized ag	nent Bankruntov	Rule 3004		
electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.	I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.						
A person who files a fraudulent claim could be fined up to \$500,000,			gnature on this <i>Proof of</i> or gave the debtor cred				
imprisoned for up to 5 years, or both.	I have examined the information in this <i>Proof of Claim</i> and have reasonable belief that the information is true and correct						
18 U.S.C. §§ 152, 157, and 3571.	I declare under	penalty of perjury t	that the foregoing is tru	e and correct.			
	Executed on da	te $\frac{3/8}{MM/DD}$	2019		1		
	Signature	andri	i Sp	· Wley	_		
	Print the name	of the person wh	/ no is completing and :	signing this clai	m:		
	Name	Sandra			Spiv		
REGEWED	Title	First name Vice Presid		e name	Last na	me	
MAR 1 4 2019	Company		National Assocation	-			
e de de la companya de la compan		Identify the corpo	rate servicer as the compar	ny if the authorized a	agent is a servicer.		
ZMAN CARSON CONSULTANTS	Address	2300	West Sahara, S	ite. 200			
	,	Number	Street				
		Las Vegas		NV	89102	<u> </u>	JSA
		City		State	ZIP Code		Country
	Contact phone	702.251.16	356		Email	sandra.spive	ey@usbank.cor



mwe.com

Megan Preusker Associate mpreusker@mwe.com +1 312 984 3668

March 12, 2019

VIA FEDERAL EXPRESS

Verity Claims Processing Center c/o KCC 2335 Alaska Avenue El Segundo, CA 90245

To whom it may concern:

Enclosed herein are six proofs of claim on behalf of U.S. Bank National Association, as Series 2015 Notes Trustee, for filing in the bankruptcy cases of (i) Verity Health System of California, Inc. (Case No. 18-20151), (ii) St. Vincent Medical Center (Case No. 18-20164), (iii) St. Louise Regional Hospital (Case No. 18-20162), (iv) St. Francis Medical Center (Case No. 18-20165), (v) Seton Medical Center (Case No. 18-20167) and (vi) O'Connor Hospital (Case No. 18-20168).

If you have any questions, please do not hesitate to contact me.

Sincerely,

Megan Preusker

Mugan Precioker

MP/ns
Enclosures

DM_US 158796036-1.066372.0077



Addendum to Proof of Claim

U.S. Bank National Association, not individually but as Trustee (the "Series 2015 Notes Trustee") for the holders of the \$160,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2015 A, B, C, and D (collectively, the "Series 2015 Notes"), hereby submits this Addendum to its Proof of Claim against Verity Health System of California, Inc. ("VHS"), O'Connor Hospital, Seton Medical Center, St. Francis Medical Center, St. Louise Regional Hospital, and St. Vincent Medical Center (collectively, the "Debtors"). This Addendum is incorporated by reference in, and constitutes a part of, the Proof of Claim. In support of its Proof of Claim, the 2015 Notes Trustee states as follows:

Background

- 1. On August 31, 2018 (the "*Petition Date*"), the Debtors and certain of their affiliates each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "*Bankruptcy Code*") in the United States Bankruptcy Court for the Central District of California, Los Angeles Division.
- 2. The claim arises under the following undertakings:
- a. Each series of Series 2015 Notes was issued pursuant to a separate Indenture, each dated as of December 1, 2015, by and between the Series 2015 Notes Trustee, as trustee, and the California Public Finance Authority, as issuer (the "Authority"); and¹
- b. The proceeds of each series of Series 2015 Notes were loaned to the Debtors pursuant to Loan Agreements dated as of December 1, 2015, each between the Authority and VHS, for itself and as a representative of the Verity Health System Obligated Group under the Master Indenture of Trust dated as of December 1, 2001, as supplemented (the "Master Indenture"), between the Obligated Group² and UMB Bank, N.A., as successor Master Trustee. The Indentures and Loan Agreements with respect to the Series 2015 Notes are referred to collectively herein as the "Series 2015 Notes Documents."
- 3. The indebtedness evidenced by the Series 2015 Notes and Series 2017 Notes (defined herein) is jointly secured by senior first priority security interests and liens on certain of the Debtors' assets, including (x) Accounts³ of St. Francis Medical Center, St. Vincent Medical

¹ Copies of the Series 2015 Notes Documents are not attached to the Proof of Claim and this Addendum because they are voluminous. Copies of the Series 2015 Notes Documents are available upon request to counsel to the Series 2015 Notes Trustee (Megan Preusker; mpreusker@mwe.com). Certain of the Series 2015 Notes Documents, including the Second Amended and Restated Security Agreements, the Second Amended and Restated Intercreditor Agreement, the Second Amended and Restated Deeds of Trust, and the Second Amended and Restated Subordination Agreements, were filed as Exhibits A through O to docket number 367-1 in case number 18-20151.

² The Obligated Group consists of VHS and the Hospitals (as defined herein).

³ "Accounts" includes, collectively, (a) any right to payment of a monetary obligation whether or not earned by performance, that relates to or arises out of any services provided or goods rendered by an Obligated Group Member (including, without limitation, payments made by or through a governmental authority to an individual patient assigned to such Member), (b) without duplication, any 'account' (as defined in the Uniform Commercial Code)

Center, O'Connor Hospital, Saint Louise Regional Hospital, and Seton Medical Center, including Seton Medical Center Coastside (collectively, the "*Hospitals*") and (y) real property and certain personal property comprising St. Francis Medical Center and Saint Louise Regional Hospital (collectively, the "*Senior Note Collateral*").⁴

- 4. The Series 2015 Notes and Series 2017 Notes are also jointly secured on a parity basis with the collateral pledged to the other Obligations under the Master Indenture, including the Series 2005 Bonds.⁵ Those Obligations are secured by, *inter alia*, (i) Deeds of Trust on the Hospitals and (ii) the "Gross Revenues" of the Obligated Group, which is broadly defined to include "all revenues, income, receipts and money received by or on behalf of the Members from all sources."
- 5. Pursuant to that certain Intercreditor Agreement dated as of December 1, 2015, as amended by the Amended and Restated Intercreditor Agreement dated as of September 1, 2017, as further amended by the Second Amended and Restated Intercreditor Agreement dated as of December 1, 2017 (as amended, the "Intercreditor Agreement"), the Master Trustee subordinated its liens and security interests, including the Gross Revenue pledge, to the Series 2015 Notes Trustee and Series 2017 Notes Trustee with respect to the Senior Note Collateral.⁶

Summary of Claim

6. Pursuant to the Series 2015 Notes Documents and as of the Petition Date, the Debtors are obligated to and owe the Series 2015 Notes Trustee, for the benefit of the holders of the Series

("UCC"), any accounts receivable, whether in the form of payments for services rendered or goods sold, rents, license fees or otherwise, any Health-Care-Insurance Receivables and any Payment Intangibles (each as defined in the UCC), (c) all General Intangibles, Intellectual Property (each as defined in the UCC), rights, remedies, guarantees, supporting obligations and letter of credit rights relating to or arising out of the foregoing assets described in clauses (a) and (b), (d) all information and data compiled or derived by any Member or to which any Member is entitled in respect of or related to the foregoing assets described in clauses (a) and (b) and (e) and all proceeds of any of the foregoing. See Amended and Restated Supplemental Master Indenture Number 20 dated as of January 1, 2016, between VHS and the prior Master Trustee.

⁴ The Senior Note Collateral was pledged pursuant to (i) certain Security Agreements dated as of December 11, 2015, Amended and Restated Security Agreements dated as of September 1, 2017, and Second Amended and Restated Security Agreements dated as of December 1, 2017, between the members of the Obligated Group and the Series 2015 Notes Trustee and Series 2017 Notes Trustee and (ii) certain Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of December 11, 2015, Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of September 15, 2017, and Second Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of December 28, 2017, by the members of the Obligated Group in favor of the Series 2015 Notes Trustee and Series 2017 Notes Trustee. True and correct copies of the Second Amended and Restated Security Agreements were attached to docket number 367-1 as Exhibits A through F, and true and correct copies of the Second Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents were attached to docket number 367-1 as Exhibits H through K.

⁵ In addition to the Series 2015 Notes, the Obligations also include the California Statewide Communities Development Authority Revenue Bonds (Daughters of Charity Health System) Series 2005A, F, G and H (collectively, the "Series 2005 Bonds") and the \$42,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2017 A and B (collectively, the "Series 2017 Notes").

 $^{^{\}circ}$ A true and correct copy of the Seconded Amended and Restated Intercreditor Agreement was attached to docket number 367-1 as Exhibit G.

2015 Notes, a total principal amount of \$160,000,000.00, together with interest as it continues to accrue plus all redemption and other premiums, costs, charges, expenses, and fees accrued and accruing post-Petition Date pursuant to the terms of the Series 2015 Notes Documents and applicable law.

Reservation of Other Claims and Rights

- 7. The filing of the Proof of Claim and Addendum is not intended as and should not be construed as an election of remedies, waiver of any past, present or future defaults or events of default, or a waiver or limitation of any rights, remedies, claims or interests of the Series 2015 Notes Trustee. The Series 2015 Notes Trustee hereby reserves all of its rights, remedies and claims accruing at law or in equity, including, without limitation, all rights, remedies and claims against the Debtors, all of their affiliates and creditors, and all other parties in interest in the Debtors' bankruptcy cases.
- 8. The Series 2015 Notes Trustee has incurred and will continue to incur additional amounts for its compensation and expenses, including attorneys' and advisors' fees and expenses, as to which sums the Series 2015 Notes Trustee is entitled to payment.
- 9. The Series 2015 Notes Trustee expressly includes a claim against the Debtors and all others purporting to act on the Debtors' behalf (including any recipient directly or indirectly of the proceeds of the Series 2015 Notes) for the benefit derived from the use of any such proceeds traceable to such person, and for imposition of constructive trusts or equitable liens thereon, subrogation and all other claims thereto, and for any and all other legal or equitable remedies, rights, and interests to which the Series 2015 Notes Trustee may be entitled by virtue of the use, possession and enjoyment by the Debtors or any other recipient directly or indirectly of the proceeds of the Series 2015 Notes. The Series 2015 Notes Trustee expressly reserves all other rights and claims against the Debtors and their estates, including claims for constructive trust and equitable liens, and all rights of setoff and recoupment. The Series 2015 Notes Trustee further reserves all rights and claims against parties other than the Debtors.
- 10. The Series 2015 Notes Trustee reserves its right to amend or supplement the Proof of Claim and Addendum or to file additional proofs of claims for additional claims, including, without limitation, claims for administrative expenses and all other claims, at law or in equity, arising prior to, on, or after the Petition Date. The Series 2015 Notes Trustee also reserves its right to amend or supplement the Proof of Claim and Addendum if it deems such amendment or supplement to be necessary or appropriate for any reason, including an updated statement of the amount due, or for any other purpose for which a proof of claim may be amended.

Claim #3392 Date Filed: 3/14/2019 Desc Exhibit so rage 9 01 310

the appropriate box below. (Check only one Debtor per claim form.)						
☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)						
☐ St. Louise Regional Hospital (Case No.18-20162)						
St. Vincent Dialysis Center, Inc. (Case No. 18-20171)						
☐ St. Vincent Foundation (Case No. 18-20180)						
St. Vincent Medical Center (Case No. 18-20164)						
■ Verity Business Services (Case No. 18-20173)						
■ Verity Holdings, LLC (Case No. 18-20163)						
■ Verity Medical Foundation (Case No. 18-20169)						

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

1.	Who is the current creditor?	Name of the cur		as Series 2015 Notes or entity to be paid for this claimbtor	m)		
2.	Has this claim been acquired from someone else?	✓ No Yes. F	rom whom?				
3.	Where should notices and	Where shoul	d notices to the credi	tor be sent?	Where shoul different)	d payments to the creditor I	oe sent? (if
	payments to the creditor be sent?	c/o McDermo	ott Will & Emery LLP (A	ttn: Megan Preusker)	U.S. Bank N	lational Association (Attn: S	andra Spive
	creditor be sent?	Name			Name		
	Federal Rule of		N. Lake Street	4.		W. Sahara, Ste 200	
	Bankruptcy Procedure		treet	00000		Street	89102
	(FRBP) 2002(g)	Chicago	IL State	60606 ZIP Code	Las Vegas City	NV State	ZIP Cod
		City USA	State	ZIF Code	USA	State	237 000
		Country			Country		
		Contact phone	312.984.3668		Contact phone	702.251.1656	
	MAR 1 4 2019	Contact priorie	mpreusker@mwe.d	com	Contact email	sandra.spivey@usbank.com	
ZM,	AN CARSON CONSULANT	Uniform claim id		nents in chapter 13 (if you us			
4.	Does this claim amend one already	☑ No	No. Africa della Rif				
	filed?	Yes. (Claim number on court	claims registry (if known)		Filed on	/ YYYY
5.	Do you know if anyone else has filed	✓ No					
	a proof of claim for	T Yes Wh	o made the earlier filing	n2			



Proof of Claim page 1

18201651903140000000000004

Cas**@**a**\$4**2**2-1118-20142615** R-ERClai**D**70**6 13663**4-3**-**ilefile**6**/**30/19**/19De**\$**con**14 a**ccind **d**.0*d***118**/**129**/**15** R-ERClai**D**70**6 13663**4-3**-**ilefile**6**/**30/19**/19De**\$**con**14 a**ccind **d**.0*d***118**/**129**/**15** R-ERClai**D**70**6 13663**4-3**-**ilefile**6**/**30/19**/19De**\$**con**14 a**ccind **d**.0*d***118**/**129**/**15** R-ERClai**D**70**6 13663**4-3**-**ilefile**6**/**30/19**/**19**De**\$**con**14 a**ccind **d**.0*d***118**/**129**/**15** R-ERClai**D**70**6 13663**4-3**-**ilefile**6**/**30/19**/**19**De**\$**con**14 a**ccind **d**.0*d***118**/**129**/**15** R-ERClai**D**70**6 13663**4-3**-**ilefile**6**/**30/19**/**19**De**\$**con**14 a**ccind **d**.0*d***118**/**129**/**1**16 **a**Ccind **a**

Pa	art 2: Give Information Abo	out the Claim as of the Date the Case Was Filed							
6.	Do you have any number you use to identify the	☑ No							
	debtor?	Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:							
7.	How much is the claim?	\$ 160,000,000.00 Does this amount include interest or other charges? No Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).							
8.	What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. See attached addendum							
9.	Is all or part of the claim secured?	No Yes. The claim is secured by a lien on property. Nature of property: Real estate: If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A) with this Proof of Claim. Motor vehicle Other. Describe: See attached addendum Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.) Value of property: Amount of the claim that is secured: \$ 160,000,000.00 Amount of the claim that is unsecured: (The sum of the secured and unsecured							
	RECEIVED MAR 1 4 2019 KURTZMAN CARSON CONSAGE	Amount necessary to cure any default as of the date of the petition: Annual Interest Rate (when case was filed)% Fixed Variable							
	ls this claim based on a lease? Is this claim subject to a right of setoff?	✓ No Yes. Amount necessary to cure any default as of the date of the petition. No Yes. Identify the property:							

Cas**@**as**4** 2-1118-20142615 R-ERClaiDro613634-3-ilefdl**@**6/30/19/19De 5cn 144 aind d.0.6118/12911619369193 of Desc Exhibit 3 6 Page 11 of 310

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?	✓ No ☐ Yes. Che	ck all that apply:				Amount entitled to priority				
A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.	Dom 11 U	estic support obligation S.C. § 507(a)(1)(A) or	s (including alimony a (a)(1)(B).	and child support	t) under \$					
	Up to servi	\$2,850* of deposits to ces for personal, family	oward purchase, leas y, or household use.	se, or rental of p 11 U.S.C. § 507	roperty or (a)(7). \$					
chance to phonty.	days	es, salaries, or commis before the bankruptcy never is earlier. 11 U.S	petition is filed or the							
	☐ Taxe	s or penalties owed to	governmental units. 1	1 U.S.C. § 507(a)(8). \$					
	☐ Cont	ributions to an employe	ee benefit plan. 11 U	.S.C. § 507(a)(5	5). \$					
	☐ Othe	r. Specify subsection o	of 11 U.S.C. § 507(a)	() that applies	s. \$					
		•				or after the date of adjustment.				
Part 3: Sign Below				·						
The person completing	Check the appro	priate box:			· · · · · · · · · · · · · · · · · · ·					
this proof of claim must sign and date it.	I am the cre	•								
FRBP 9011(b).	I am the cre	editor's attorney or auth	orized agent.							
If you file this claim	I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.									
electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature	I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.									
is.										
A person who files a fraudulent claim could be fined up to \$500,000,	I understand that an authorized signature on this <i>Proof of Claim</i> serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.									
imprisoned for up to 5 years, or both.	I have examined the information in this <i>Proof of Claim</i> and have reasonable belief that the information is true and correct.									
18 U.S.C. §§ 152, 157, and 3571.	I declare under penalty of perjury that the foregoing is true and correct. $\frac{3}{2} \frac{1}{2} \frac{1}{2} \frac{1}{6} $									
	Executed on dat	MM/I DD / /YYY	2017							
	Signature	mara	Sprva							
	Print the name	of the person who is o	/ completing and sign	ing this claim:						
		Sandra			Spive	v				
DECEMEN	Name	First name	Middle na	me	Last nam	<u> </u>				
	Title	Vice President								
MAR 1 4 2019	Company	U.S. Bank Natio	onal Assocation							
		Identify the corporate se	rvicer as the company if t	the authorized ager	nt is a servicer.					
IRTZMAN CARSON CONSULIANTS		2200	(aat Cabaaa Ct	200						
	Address	2300 W Number Stre	est Sahara, Ste.	200						
		Las Vegas		NV	89102	USA				
		City		State	ZIP Code	Country				
	Contact phone	702.251.1656			Email .	sandra.spivey@usbank.com				

Addendum to Proof of Claim

U.S. Bank National Association, not individually but as Trustee (the "Series 2015 Notes Trustee") for the holders of the \$160,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2015 A, B, C, and D (collectively, the "Series 2015 Notes"), hereby submits this Addendum to its Proof of Claim against Verity Health System of California, Inc. ("VHS"), O'Connor Hospital, Seton Medical Center, St. Francis Medical Center, St. Louise Regional Hospital, and St. Vincent Medical Center (collectively, the "Debtors"). This Addendum is incorporated by reference in, and constitutes a part of, the Proof of Claim. In support of its Proof of Claim, the 2015 Notes Trustee states as follows:

Background

- 1. On August 31, 2018 (the "*Petition Date*"), the Debtors and certain of their affiliates each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "*Bankruptcy Code*") in the United States Bankruptcy Court for the Central District of California, Los Angeles Division.
- 2. The claim arises under the following undertakings:
- a. Each series of Series 2015 Notes was issued pursuant to a separate Indenture, each dated as of December 1, 2015, by and between the Series 2015 Notes Trustee, as trustee, and the California Public Finance Authority, as issuer (the "*Authority*"); and ¹
- b. The proceeds of each series of Series 2015 Notes were loaned to the Debtors pursuant to Loan Agreements dated as of December 1, 2015, each between the Authority and VHS, for itself and as a representative of the Verity Health System Obligated Group under the Master Indenture of Trust dated as of December 1, 2001, as supplemented (the "Master Indenture"), between the Obligated Group² and UMB Bank, N.A., as successor Master Trustee. The Indentures and Loan Agreements with respect to the Series 2015 Notes are referred to collectively herein as the "Series 2015 Notes Documents."
- 3. The indebtedness evidenced by the Series 2015 Notes and Series 2017 Notes (defined herein) is jointly secured by senior first priority security interests and liens on certain of the Debtors' assets, including (x) Accounts³ of St. Francis Medical Center, St. Vincent Medical

¹ Copies of the Series 2015 Notes Documents are not attached to the Proof of Claim and this Addendum because they are voluminous. Copies of the Series 2015 Notes Documents are available upon request to counsel to the Series 2015 Notes Trustee (Megan Preusker; mpreusker@mwe.com). Certain of the Series 2015 Notes Documents, including the Second Amended and Restated Security Agreements, the Second Amended and Restated Intercreditor Agreement, the Second Amended and Restated Deeds of Trust, and the Second Amended and Restated Subordination Agreements, were filed as Exhibits A through O to docket number 367-1 in case number 18-20151.

² The Obligated Group consists of VHS and the Hospitals (as defined herein).

³ "Accounts" includes, collectively, (a) any right to payment of a monetary obligation whether or not earned by performance, that relates to or arises out of any services provided or goods rendered by an Obligated Group Member (including, without limitation, payments made by or through a governmental authority to an individual patient assigned to such Member), (b) without duplication, any 'account' (as defined in the Uniform Commercial Code)

Center, O'Connor Hospital, Saint Louise Regional Hospital, and Seton Medical Center, including Seton Medical Center Coastside (collectively, the "*Hospitals*") and (y) real property and certain personal property comprising St. Francis Medical Center and Saint Louise Regional Hospital (collectively, the "*Senior Note Collateral*").⁴

- 4. The Series 2015 Notes and Series 2017 Notes are also jointly secured on a parity basis with the collateral pledged to the other Obligations under the Master Indenture, including the Series 2005 Bonds.⁵ Those Obligations are secured by, *inter alia*, (i) Deeds of Trust on the Hospitals and (ii) the "Gross Revenues" of the Obligated Group, which is broadly defined to include "all revenues, income, receipts and money received by or on behalf of the Members from all sources."
- 5. Pursuant to that certain Intercreditor Agreement dated as of December 1, 2015, as amended by the Amended and Restated Intercreditor Agreement dated as of September 1, 2017, as further amended by the Second Amended and Restated Intercreditor Agreement dated as of December 1, 2017 (as amended, the "Intercreditor Agreement"), the Master Trustee subordinated its liens and security interests, including the Gross Revenue pledge, to the Series 2015 Notes Trustee and Series 2017 Notes Trustee with respect to the Senior Note Collateral.⁶

Summary of Claim

6. Pursuant to the Series 2015 Notes Documents and as of the Petition Date, the Debtors are obligated to and owe the Series 2015 Notes Trustee, for the benefit of the holders of the Series

("UCC"), any accounts receivable, whether in the form of payments for services rendered or goods sold, rents, license fees or otherwise, any Health-Care-Insurance Receivables and any Payment Intangibles (each as defined in the UCC), (c) all General Intangibles, Intellectual Property (each as defined in the UCC), rights, remedies, guarantees, supporting obligations and letter of credit rights relating to or arising out of the foregoing assets described in clauses (a) and (b), (d) all information and data compiled or derived by any Member or to which any Member is entitled in respect of or related to the foregoing assets described in clauses (a) and (b) and (e) and all proceeds of any of the foregoing. See Amended and Restated Supplemental Master Indenture Number 20 dated as of January 1, 2016, between VHS and the prior Master Trustee.

⁴ The Senior Note Collateral was pledged pursuant to (i) certain Security Agreements dated as of December 11, 2015, Amended and Restated Security Agreements dated as of September 1, 2017, and Second Amended and Restated Security Agreements dated as of December 1, 2017, between the members of the Obligated Group and the Series 2015 Notes Trustee and Series 2017 Notes Trustee and (ii) certain Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of December 11, 2015, Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of September 15, 2017, and Second Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of December 28, 2017, by the members of the Obligated Group in favor of the Series 2015 Notes Trustee and Series 2017 Notes Trustee. True and correct copies of the Second Amended and Restated Security Agreements were attached to docket number 367-1 as Exhibits A through F, and true and correct copies of the Second Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents were attached to docket number 367-1 as Exhibits H through K.

⁵ In addition to the Series 2015 Notes, the Obligations also include the California Statewide Communities Development Authority Revenue Bonds (Daughters of Charity Health System) Series 2005A, F, G and H (collectively, the "Series 2005 Bonds") and the S42,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2017 A and B (collectively, the "Series 2017 Notes").

⁶ A true and correct copy of the Seconded Amended and Restated Intercreditor Agreement was attached to docket number 367-1 as Exhibit G.

2015 Notes, a total principal amount of \$160,000,000.00, together with interest as it continues to accrue plus all redemption and other premiums, costs, charges, expenses, and fees accrued and accruing post-Petition Date pursuant to the terms of the Series 2015 Notes Documents and applicable law.

Reservation of Other Claims and Rights

- 7. The filing of the Proof of Claim and Addendum is not intended as and should not be construed as an election of remedies, waiver of any past, present or future defaults or events of default, or a waiver or limitation of any rights, remedies, claims or interests of the Series 2015 Notes Trustee. The Series 2015 Notes Trustee hereby reserves all of its rights, remedies and claims accruing at law or in equity, including, without limitation, all rights, remedies and claims against the Debtors, all of their affiliates and creditors, and all other parties in interest in the Debtors' bankruptcy cases.
- 8. The Series 2015 Notes Trustee has incurred and will continue to incur additional amounts for its compensation and expenses, including attorneys' and advisors' fees and expenses, as to which sums the Series 2015 Notes Trustee is entitled to payment.
- 9. The Series 2015 Notes Trustee expressly includes a claim against the Debtors and all others purporting to act on the Debtors' behalf (including any recipient directly or indirectly of the proceeds of the Series 2015 Notes) for the benefit derived from the use of any such proceeds traceable to such person, and for imposition of constructive trusts or equitable liens thereon, subrogation and all other claims thereto, and for any and all other legal or equitable remedies, rights, and interests to which the Series 2015 Notes Trustee may be entitled by virtue of the use, possession and enjoyment by the Debtors or any other recipient directly or indirectly of the proceeds of the Series 2015 Notes. The Series 2015 Notes Trustee expressly reserves all other rights and claims against the Debtors and their estates, including claims for constructive trust and equitable liens, and all rights of setoff and recoupment. The Series 2015 Notes Trustee further reserves all rights and claims against parties other than the Debtors.
- 10. The Series 2015 Notes Trustee reserves its right to amend or supplement the Proof of Claim and Addendum or to file additional proofs of claims for additional claims, including, without limitation, claims for administrative expenses and all other claims, at law or in equity, arising prior to, on, or after the Petition Date. The Series 2015 Notes Trustee also reserves its right to amend or supplement the Proof of Claim and Addendum if it deems such amendment or supplement to be necessary or appropriate for any reason, including an updated statement of the amount due, or for any other purpose for which a proof of claim may be amended.

Case 2018:18-180:1501-5ERERClaim 1.843413 F#dd 1 AM AM AM AM AM Desc Exhibit வடாவுடி பல பல Claim #3393 Date Filed: 3/14/2019

United States Bankruptcy Co	urt for the Central District of California						
Indicate Debtor against which you assert a claim by checking the appropriate box below. (Check only one Debtor per claim form.)							
☑ Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-2017						
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	☐ St. Louise Regional Hospital (Case No.18-20162)						
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)						
☐ O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)						
O'Connor Hospital Foundation (Case No. 18-20179)	St. Vincent Medical Center (Case No. 18-20164)						
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	□ Verity Business Services (Case No. 18-20173)						
☐ Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)						
☐ Seton Medical Center Foundation (Case No. 18-20175)	□ Verity Medical Foundation (Case No. 18-20169)						
☐ St. Francis Medical Center (Case No. 18-20165)							

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

1.	Who is the current creditor? U. S. Bank National Association, as Series 2015 Notes Trustee Name of the current creditor (the person or entity to be paid for this claim)									
		Other names the	e creditor used v	vith the debtor						
2.	Has this claim been acquired from	✓ No								
	someone else?	Yes. F	rom whom?							
3.	Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent?				Where should payments to the creditor be sent? (if different)				
		c/o McDerm	ott Will & Em	ery LLP		U.S. Bank National Association				
	Creditor be sent:	Name	_			Name				
1	Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	(Attn: Megan Preusker), 444 W. Lake Street				(Attn: Sandra Spivey) 2300 W. Sahara, Ste 20				
			treet	IL	60606		reet NV	89102		
		Chicago City		State	ZIP Code	Las Vegas Citv	State	ZIP Code		
		USA		State	ZIP Code	USA	State	ZIF Code		
	RECEIVED	Country				Country				
		Contact phone	312.984.36	668		Contact phone	702.251.1656			
	0.0 m	•	moreusker	@mwe.com	-	•	sandra.spivey@usbank.com			
10	IAR 1 4 2019	Contact email	mprodono.	<u>@</u>	-	Contact email				
		Uniform claim id	lentifier for electi	ronic payments ir	chapter 13 (if you use	one):				
PΩ	N CARSON CONSULTANTS					·				
	Character Continue 2									
4.	Does this claim amend one already filed?	✓ No								
		_								
		☐ Yes. C	Claim number	on court claims	registry (if known)		Filed on	/ YYYY		
_	De vou know if		*							
5.	Do you know if anyone else has filed a proof of claim for this claim?	✓ No								
		Yes, Who	o made the ea	arlier filing?						

Case 2e12:108-1201-12511-121RERClaim of 1863.41:3 Fffield 06/1308/199 Dieste Neal in 11/0.03/109e106:012:41.9e 2 Desc Exhibit 3of 7Page 16 of 310

Pa	art 2: Give Information Abo	out the Cla	im as of the Date the Case Was	Filed					
6.	Do you have any number	✓ No							
	you use to identify the debtor?	Yes.	Last 4 digits of the debtor's accou	ınt or any nu	imber you use to identify th	e debtor:			
7.	How much is the claim?	\$ 160,00	0,000.00	. Does this a	amount include interest o	or other charges?			
						g interest, fees, expenses, or other ruptcy Rule 3001(c)(2)(A).			
8.	What is the basis of the claim?					or wrongful death, or credit card.			
	ordini.		lacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).						
		Limit discl	osing information that is entitled t	o privacy, su	ich as health care informat	ion.			
		See atta	ached addendum			_			
9.	-	□ No							
	secured?	✓ Yes.	The claim is secured by a lien of	n property.					
			Nature of property:						
			Real estate: If the claim is Claim Attachment (Official			ence, file a Mortgage Proof of			
			Motor vehicle						
			✓ Other. Describe:	See attach	ed addendum				
			Basis for perfection:	See attach	ed addendum				
						rfection of a security interest (for her document that shows the lien			
			Value of property:		\$				
			Amount of the claim that is s	ecured:	\$ 160,000,000.00				
			Amount of the claim that is u	nsecured:		e sum of the secured and unsecured			
					anic	ount should match the amount in line 7.)			
			Amount necessary to cure an	: \$					
	MAR 1 4 2019	}							
	eterne (" source	•	Annual Interest Rate (when case was filed)%						
	KURTZIMAN CARSON CONSU	ITAMES	Fixed						
			☐ Variable						
10	. Is this claim based on a	✓ No							
	lease?	Yes.	Amount necessary to cure any	y default as	of the date of the petition	n. \$			
11	. Is this claim subject to a	✓ No	342-7	· · /c, ·					
	right of setoff?		Identify the property						
			Identify the property:						

Case 2e12:108-1201-12511-121RERClaim of 1803.413 Fifted of 1308/199 Dieste Medin 1.11/1.03/109e106:02:1.09e 3 Desc Exhibit 3 of 7 page 17 of 310

12. Is all or part of the claim	V	No							
entitled to priority under 11 U.S.C. § 507(a)?		Yes. Chec	ck all that apply:				Amo	ount entitled to priority	
A claim may be partly priority and partly			estic support obliga S.C. § 507(a)(1)(/		ng alimony and child	support) under	\$		
nonpriority. For example, in some categories, the law limits the amount					rchase, lease, or ren sehold use. 11 U.S.C		\$ \$		
entitled to priority.		Wage days	es, salaries, or co before the bankru	mmissions (up	p to \$12,850*) earned is filed or the debtor's	d within 180	\$		
		_	ever is earlier. 11	-	. , , ,	0.507/-\/0\			
		_	•	_	ental units. 11 U.S.C.				
		_		-	it plan. 11 U.S.C. § 50		\$		
		U Other	. Specify subsect	ion of 11 U.S.	.C. § 507(a)() that	applies.	\$		
		* Amounts	are subject to adjus	tment on 4/01/1	9 and every 3 years afte	r that for cases begu	ın on or af	fter the date of adjustment.	
			****			- Parameter Communication of the Communication of t			
Part 3: Sign Below									
The person completing	Check	the approp	oriate box:						
this proof of claim must sign and date it.	 ✓ 1:	am the cre	ditor.						
FRBP 9011(b).		am the cre	ditor's attorney or	authorized ag	ent.				
If you file this claim electronically, FRBP		am the trus	stee, or the debtor	, or their autho	orized agent. Bankrup	tcy Rule 3004.			
5005(a)(2) authorizes courts to establish local rules	☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.								
specifying what a signature									
is.	Lundor	estand that	an authorized eig	nature on this	Proof of Claim serve	s as an acknowler	daement	that when calculating	
A person who files a fraudulent claim could be	I understand that an authorized signature on this <i>Proof of Claim</i> serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.								
fined up to \$500,000, imprisoned for up to 5	I have examined the information in this <i>Proof of Claim</i> and have reasonable belief that the information is true and correct.								
years, or both. 18 U.S.C. §§ 152, 157, and	مام مام	I declare under penalty of perjury that the foregoing is true and correct.							
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	Execut	ted on date	MM// DD /	<u> </u>	•				
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		\times							
			ndpa	_\Jk	Tweey				
	51	gnature			()				
	Print t	Print the name of the person who is completing and signing this claim:							
RECEIVED	Name		Sandra			Sp	oivey		
	rano		First name		Middle name	Last	name		
MAR 1 4 2019	Title		Vice Presid	ent					
	Commo		U.S. Bank N	National As	socation				
ITZMAN CARSON CONSULTANTS	Compai	ny	Identify the corpor	orporate servicer as the company if the authorized agent is a servicer.					
			0000	144- 10 :	04- 000				
	Address	s	2300 Number	West Sal	nara, Ste. 200				
			Las Vegas	Ollect	NV	891	02		
			City		State	ZIP C	ode	Country	
	Contact	t phone	702.251.16	56		Email	sand	lra.spivey@usbank.com	

Casease12:108-1210-125011-5ERERClaiDroc162341:3 FHidelc06/1308/199 Dieste Medin 1:10/108/109e106:02:14.9e 4 Desc Exhibit 3of 7Page 18 of 310



mwe.com

Megan Preusker
Associate
mpreusker@mwe.com
+1 312 984 3668

March 12, 2019

VIA FEDERAL EXPRESS

Verity Claims Processing Center c/o KCC 2335 Alaska Avenue El Segundo, CA 90245

To whom it may concern:

Enclosed herein are six proofs of claim on behalf of U.S. Bank National Association, as Series 2015 Notes Trustee, for filing in the bankruptcy cases of (i) Verity Health System of California, Inc. (Case No. 18-20151), (ii) St. Vincent Medical Center (Case No. 18-20164), (iii) St. Louise Regional Hospital (Case No. 18-20162), (iv) St. Francis Medical Center (Case No. 18-20165), (v) Seton Medical Center (Case No. 18-20167) and (vi) O'Connor Hospital (Case No. 18-20168).

If you have any questions, please do not hesitate to contact me.

Sincerely,

Megan Preusker

Mugan Precoker

MP/ns Enclosures

DM US 158796036-1.066372.0077



Addendum to Proof of Claim

U.S. Bank National Association, not individually but as Trustee (the "Series 2015 Notes Trustee") for the holders of the \$160,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2015 A, B, C, and D (collectively, the "Series 2015 Notes"), hereby submits this Addendum to its Proof of Claim against Verity Health System of California, Inc. ("VHS"), O'Connor Hospital, Seton Medical Center, St. Francis Medical Center, St. Louise Regional Hospital, and St. Vincent Medical Center (collectively, the "Debtors"). This Addendum is incorporated by reference in, and constitutes a part of, the Proof of Claim. In support of its Proof of Claim, the 2015 Notes Trustee states as follows:

Background

- 1. On August 31, 2018 (the "*Petition Date*"), the Debtors and certain of their affiliates each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "*Bankruptcy Code*") in the United States Bankruptcy Court for the Central District of California, Los Angeles Division.
- 2. The claim arises under the following undertakings:
- a. Each series of Series 2015 Notes was issued pursuant to a separate Indenture, each dated as of December 1, 2015, by and between the Series 2015 Notes Trustee, as trustee, and the California Public Finance Authority, as issuer (the "*Authority*"); and ¹
- b. The proceeds of each series of Series 2015 Notes were loaned to the Debtors pursuant to Loan Agreements dated as of December 1, 2015, each between the Authority and VHS, for itself and as a representative of the Verity Health System Obligated Group under the Master Indenture of Trust dated as of December 1, 2001, as supplemented (the "*Master Indenture*"), between the Obligated Group² and UMB Bank, N.A., as successor Master Trustee. The Indentures and Loan Agreements with respect to the Series 2015 Notes are referred to collectively herein as the "Series 2015 Notes Documents."
- 3. The indebtedness evidenced by the Series 2015 Notes and Series 2017 Notes (defined herein) is jointly secured by senior first priority security interests and liens on certain of the Debtors' assets, including (x) Accounts³ of St. Francis Medical Center, St. Vincent Medical

¹ Copies of the Series 2015 Notes Documents are not attached to the Proof of Claim and this Addendum because they are voluminous. Copies of the Series 2015 Notes Documents are available upon request to counsel to the Series 2015 Notes Trustee (Megan Preusker; mpreusker@mwe.com). Certain of the Series 2015 Notes Documents, including the Second Amended and Restated Security Agreements, the Second Amended and Restated Intercreditor Agreement, the Second Amended and Restated Deeds of Trust, and the Second Amended and Restated Subordination Agreements, were filed as Exhibits A through O to docket number 367-1 in case number 18-20151.

² The Obligated Group consists of VHS and the Hospitals (as defined herein).

³ "Accounts" includes, collectively, (a) any right to payment of a monetary obligation whether or not earned by performance, that relates to or arises out of any services provided or goods rendered by an Obligated Group Member (including, without limitation, payments made by or through a governmental authority to an individual patient assigned to such Member), (b) without duplication, any 'account' (as defined in the Uniform Commercial Code)

Center, O'Connor Hospital, Saint Louise Regional Hospital, and Seton Medical Center, including Seton Medical Center Coastside (collectively, the "*Hospitals*") and (y) real property and certain personal property comprising St. Francis Medical Center and Saint Louise Regional Hospital (collectively, the "*Senior Note Collateral*").⁴

- 4. The Series 2015 Notes and Series 2017 Notes are also jointly secured on a parity basis with the collateral pledged to the other Obligations under the Master Indenture, including the Series 2005 Bonds.⁵ Those Obligations are secured by, *inter alia*, (i) Deeds of Trust on the Hospitals and (ii) the "Gross Revenues" of the Obligated Group, which is broadly defined to include "all revenues, income, receipts and money received by or on behalf of the Members from all sources."
- 5. Pursuant to that certain Intercreditor Agreement dated as of December 1, 2015, as amended by the Amended and Restated Intercreditor Agreement dated as of September 1, 2017, as further amended by the Second Amended and Restated Intercreditor Agreement dated as of December 1, 2017 (as amended, the "Intercreditor Agreement"), the Master Trustee subordinated its liens and security interests, including the Gross Revenue pledge, to the Series 2015 Notes Trustee and Series 2017 Notes Trustee with respect to the Senior Note Collateral.⁶

Summary of Claim

6. Pursuant to the Series 2015 Notes Documents and as of the Petition Date, the Debtors are obligated to and owe the Series 2015 Notes Trustee, for the benefit of the holders of the Series

("UCC"), any accounts receivable, whether in the form of payments for services rendered or goods sold, rents, license fees or otherwise, any Health-Care-Insurance Receivables and any Payment Intangibles (each as defined in the UCC), (c) all General Intangibles, Intellectual Property (each as defined in the UCC), rights, remedies, guarantees, supporting obligations and letter of credit rights relating to or arising out of the foregoing assets described in clauses (a) and (b). (d) all information and data compiled or derived by any Member or to which any Member is entitled in respect of or related to the foregoing assets described in clauses (a) and (b) and (e) and all proceeds of any of the foregoing. See Amended and Restated Supplemental Master Indenture Number 20 dated as of January 1, 2016, between VHS and the prior Master Trustee.

The Senior Note Collateral was pledged pursuant to (i) certain Security Agreements dated as of December 11, 2015, Amended and Restated Security Agreements dated as of September 1, 2017, and Second Amended and Restated Security Agreements dated as of December 1, 2017, between the members of the Obligated Group and the Series 2015 Notes Trustee and Series 2017 Notes Trustee and (ii) certain Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of December 11, 2015, Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of September 15, 2017, and Second Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of December 28, 2017, by the members of the Obligated Group in tavor of the Series 2015 Notes Trustee and Series 2017 Notes Trustee. True and correct copies of the Second Amended and Restated Security Agreements were attached to docket number 367-1 as Exhibits A through F, and true and correct copies of the Second Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents were attached to docket number 367-1 as Exhibits H through K.

⁴ In addition to the Series 2015 Notes, the Obligations also include the California Statewide Communities Development Authority Revenue Bonds (Daughters of Charity Health System) Series 2005A, F, G and H (collectively, the "Series 2005 Bonds") and the \$42,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2017 A and B (collectively, the "Series 2017 Notes").

⁶ A true and correct copy of the Seconded Amended and Restated Intercreditor Agreement was attached to docket number 367-1 as Exhibit G.

2015 Notes, a total principal amount of \$160,000,000.00, together with interest as it continues to accrue plus all redemption and other premiums, costs, charges, expenses, and fees accrued and accruing post-Petition Date pursuant to the terms of the Series 2015 Notes Documents and applicable law.

Reservation of Other Claims and Rights

- 7. The filing of the Proof of Claim and Addendum is not intended as and should not be construed as an election of remedies, waiver of any past, present or future defaults or events of default, or a waiver or limitation of any rights, remedies, claims or interests of the Series 2015 Notes Trustee. The Series 2015 Notes Trustee hereby reserves all of its rights, remedies and claims accruing at law or in equity, including, without limitation, all rights, remedies and claims against the Debtors, all of their affiliates and creditors, and all other parties in interest in the Debtors' bankruptcy cases.
- 8. The Series 2015 Notes Trustee has incurred and will continue to incur additional amounts for its compensation and expenses, including attorneys' and advisors' fees and expenses, as to which sums the Series 2015 Notes Trustee is entitled to payment.
- 9. The Series 2015 Notes Trustee expressly includes a claim against the Debtors and all others purporting to act on the Debtors' behalf (including any recipient directly or indirectly of the proceeds of the Series 2015 Notes) for the benefit derived from the use of any such proceeds traceable to such person, and for imposition of constructive trusts or equitable liens thereon, subrogation and all other claims thereto, and for any and all other legal or equitable remedies, rights, and interests to which the Series 2015 Notes Trustee may be entitled by virtue of the use, possession and enjoyment by the Debtors or any other recipient directly or indirectly of the proceeds of the Series 2015 Notes. The Series 2015 Notes Trustee expressly reserves all other rights and claims against the Debtors and their estates, including claims for constructive trust and equitable liens, and all rights of setoff and recoupment. The Series 2015 Notes Trustee further reserves all rights and claims against parties other than the Debtors.
- 10. The Series 2015 Notes Trustee reserves its right to amend or supplement the Proof of Claim and Addendum or to file additional proofs of claims for additional claims, including, without limitation, claims for administrative expenses and all other claims, at law or in equity, arising prior to, on, or after the Petition Date. The Series 2015 Notes Trustee also reserves its right to amend or supplement the Proof of Claim and Addendum if it deems such amendment or supplement to be necessary or appropriate for any reason, including an updated statement of the amount due, or for any other purpose for which a proof of claim may be amended.

Case 25:42:118-2012-15-EPC | a 1000 23634-3-i | a 11 | a 12 | a 12 | a 14 | a 1 Claim #3394 Date Filed: 3/14/2019 Desc Exhibit 3 / raye 22 01 310

United States Bankruptcy Co	urt for the Central District of California
Indicate Debtor against which you assert a claim by checking	the appropriate box below. (Check only one Debtor per claim form.)
☐ Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	☐ St. Louise Regional Hospital (Case No.18-20162)
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)
O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)
☐ O'Connor Hospital Foundation (Case No. 18-20179)	St. Vincent Medical Center (Case No. 18-20164)
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)
☑ Seton Medical Center (Case No. 18-20167)	■ Verity Holdings, LLC (Case No. 18-20163)
☐ Seton Medical Center Foundation (Case No. 18-20175)	□ Verity Medical Foundation (Case No. 18-20169)
☐ St. Francis Medical Center (Case No. 18-20165)	

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

	out the claim as of the date the case wa	as niea.						
Part 1: Identify the Clai	m							
Who is the current creditor?	U. S. Bank National Association, as Series 2015 Notes Trustee Name of the current creditor (the person or entity to be paid for this claim)							
Has this claim been acquired from someone else?	Other names the creditor used with the debtor No Yes. From whom?							
Where should notices and payments to the creditor be sent?	Where should notices to the creditor c/o McDermott Will & Emery LLP (Attn: Name		Where should payments to the creditor be sent? (if different) U.S. Bank National Association (Attn: Sandra Spive Name					
Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	444 W. Lake Street Number Street Chicago IL City State	60606 ZIP Code	Number S Las Vegas City	V. Sahara, Ste 200 treet NV State	89102 ZIP Code			
RECENED	Country Contact phone 312.984.3668		USA Country Contact phone	702.251.1656 sandra.spivey@usbank.com				
MAR 1 4 2019 RTZMAN CARSON CONSULTN	Contact email mpreusker@mwe.con Uniform claim identifier for electronic payment		Contact email	Sanura.spivey@usbank.com				
4. Does this claim amend one already filed?	✓ No Yes. Claim number on court clair	ms registry (if known)		Filed on	7 7777			
5. Do you know if anyone else has filed a proof of claim for this claim?	✓ No Yes. Who made the earlier filing?							



1820167190314000000000001

Cas**@**a**\$4**2**2-1118-2011-15**7**15**7**R**-ERClaiDro2137634-3**-**ilefdl**@**6/310/19/19De5501**14**26601 ddd**1**18711291161936292 of Desc Exhibit 3 7 Page 23 of 310

Pá	art 2: Gi	ve Information	About the Clai	m as of the Date the Case Was	Filed					
6.		ave any numb	er 🗸 No							
	you use t debtor?	o identify the	Yes. I	Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:						
7.	How muc	th is the claim	160,00°s	0,000.00	Does this	amount include intere	st or other charges?			
					✓ Yes.		zing interest, fees, expenses, or other ankruptcy Rule 3001(c)(2)(A).			
8.		he basis of the	Examples:	Goods sold, money loaned, lease	e, services _l	performed, personal inj	ury or wrongful death, or credit card.			
	claim?		Attach red	acted copies of any documents su	upporting th	e claim required by Bar	nkruptcy Rule 3001(c).			
			Limit disclo	osing information that is entitled to	privacy, su	ich as health care inforr	nation.			
			See atta	ched addendum						
9.		art of the clair	n 🔲 No							
	secured?	•	✓ Yes.	The claim is secured by a lien or	n property.					
				Nature of property:						
				Real estate: If the claim is s Claim Attachment (Official			sidence, file a <i>Mortgage Proof of</i> m.			
				Motor vehicle						
				Other. Describe:	ee attach	ed addendum				
				Basis for perfection:	ee attach	ed addendum				
							f perfection of a security interest (for r other document that shows the lien			
				Value of property:		\$				
				Amount of the claim that is se	cured:	\$ 160,000,000.00				
				Amount of the claim that is un	secured:	·	The sum of the secured and unsecured amount should match the amount in line 7.)			
		RECEIVE	D	Amount necessary to cure any	default as	of the date of the petit	ion: \$			
	(MAR 1 4 2	019	Annual Interest Rate (when car	se was filed)%				
		AN CARSON CO	MSILITANTS	☐ Variable						
	ARTABARA TEM	Lifted Can ling Co. 1 000								
10	ls this classe?	aim based on a		Amount necessary to cure any	default as	of the date of the peti	tion. \$			
11		aim subject to	a ☑ No							
	right of s	eion r	Yes.	Identify the property:						

Cas**e** 42-1118-2014267151R-ERClaiDro 2.136-34-3-ilefdl 06/30/19/19De 550114 aind d.0.01161106112611263 of Desc Exhibit 3 7 Page 24 of 310

Other. Specify subsection of 11 U.S.C. § 507(a) that applies. \$ * Amounts are subject to adjustment on 4/01/19 and every 3 years after that for cases begun on or after the date of act of the state it. FRBP 9011(b). If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is. A person who files a fraudulent claim could be fired up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571. I understand that an authorized signature on this Proof of Claim serves as an acknowledgement that when calc the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt. I have examined the information in this Proof of Claim and have reasonable belief that the information is true and structured of the state of the claim. It is completely that the foregoing is true and correct.	12. Is all or part of the claim entitled to priority under	☑ No					A	nt ontitled to act
priority and partly monpriority. For example, in some categories, the law limits the amount entitled to priority. 11 U.S.C. § 597(a)(1)(A) or (a)(1)(B). \$\$	11 U.S.C. § 507(a)?	Yes.	Check all that apply:				Amou	nt entitied to pric
in some categories, the law limits the amount entitled to priority. Wages, salaries, or commissions (up to \$12,850") earned within 180 days before the bankruptcy petition is filled or the debtor's business ends, whickever is earlier. 1 U.S.C. § 507(a)(%). Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(\$). \$	priority and partly				g alimony and child so	upport) under	\$	
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Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5). §	entitied to priority.	d	ays before the bankru	ptcy petition is	filed or the debtor's	within 180 business ends,	\$	
Other, Specify subsection of 11 U.S.C. § 507(a) that applies. \$		П т	axes or penalties owe	d to governmer	ntal units. 11 U.S.C. §	507(a)(8).	\$	
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I am the creditor's attorney or authorized agent. I am the trustee, or the debtor, or their authorized agent. I am the trustee, or the debtor, or their authorized agent. I am the trustee, or the debtor, or their authorized agent. I am the trustee, or the debtor, or their authorized agent. I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3004. I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005. I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005. I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005. I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005. I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005. I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005. I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3004. I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3004. I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3004. I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3004. I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3004. I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3004. I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3004. I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3004. I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3004. I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3004. I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3004. I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3004. I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3004. I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3004. I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3004. I am a	this proof of claim must		• •					
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Address 2300 West Sahara, Ste. 200 Number Street	MANI CARSON CONSULTANTS	Company						
Number Street			Identify the corpor	ate servicer as the	company if the authorize	ed agent is a service	r.	
Number Street			2300	West Sah	ara Ste 200			
Las Vegas NV 89102 USA		Address			u.u., Otc. 200			
			Las Vegas					
City State ZIP Code Country 702.251.1656 Sandra.spivey@usba			-		State	ZIP Co		•



mwe.com

Megan Preusker Associate mpreusker@mwe.com +1 312 984 3668

March 12, 2019

VIA FEDERAL EXPRESS

Verity Claims Processing Center c/o KCC 2335 Alaska Avenue El Segundo, CA 90245

To whom it may concern:

Enclosed herein are six proofs of claim on behalf of U.S. Bank National Association, as Series 2015 Notes Trustee, for filing in the bankruptcy cases of (i) Verity Health System of California, Inc. (Case No. 18-20151), (ii) St. Vincent Medical Center (Case No. 18-20164), (iii) St. Louise Regional Hospital (Case No. 18-20162), (iv) St. Francis Medical Center (Case No. 18-20165), (v) Seton Medical Center (Case No. 18-20167) and (vi) O'Connor Hospital (Case No. 18-20168).

If you have any questions, please do not hesitate to contact me.

Sincerely,

Megan Preusker

Mugan Preuden

MP/ns
Enclosures

DM_US 158796036-1.066372.0077



Addendum to Proof of Claim

U.S. Bank National Association, not individually but as Trustee (the "Series 2015 Notes Trustee") for the holders of the \$160,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2015 A, B, C, and D (collectively, the "Series 2015 Notes"), hereby submits this Addendum to its Proof of Claim against Verity Health System of California, Inc. ("VHS"), O'Connor Hospital, Seton Medical Center, St. Francis Medical Center, St. Louise Regional Hospital, and St. Vincent Medical Center (collectively, the "Debtors"). This Addendum is incorporated by reference in, and constitutes a part of, the Proof of Claim. In support of its Proof of Claim, the 2015 Notes Trustee states as follows:

Background

- 1. On August 31, 2018 (the "*Petition Date*"), the Debtors and certain of their affiliates each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "*Bankruptcy Code*") in the United States Bankruptcy Court for the Central District of California, Los Angeles Division.
- 2. The claim arises under the following undertakings:
- a. Each series of Series 2015 Notes was issued pursuant to a separate Indenture, each dated as of December 1, 2015, by and between the Series 2015 Notes Trustee, as trustee, and the California Public Finance Authority, as issuer (the "*Authority*"); and ¹
- b. The proceeds of each series of Series 2015 Notes were loaned to the Debtors pursuant to Loan Agreements dated as of December 1, 2015, each between the Authority and VHS, for itself and as a representative of the Verity Health System Obligated Group under the Master Indenture of Trust dated as of December 1, 2001, as supplemented (the "Master Indenture"), between the Obligated Group² and UMB Bank, N.A., as successor Master Trustee. The Indentures and Loan Agreements with respect to the Series 2015 Notes are referred to collectively herein as the "Series 2015 Notes Documents."
- 3. The indebtedness evidenced by the Series 2015 Notes and Series 2017 Notes (defined herein) is jointly secured by senior first priority security interests and liens on certain of the Debtors' assets, including (x) Accounts³ of St. Francis Medical Center, St. Vincent Medical

¹ Copies of the Series 2015 Notes Documents are not attached to the Proof of Claim and this Addendum because they are voluminous. Copies of the Series 2015 Notes Documents are available upon request to counsel to the Series 2015 Notes Trustee (Megan Preusker; mpreusker@mwe.com). Certain of the Series 2015 Notes Documents, including the Second Amended and Restated Security Agreements, the Second Amended and Restated Intercreditor Agreement, the Second Amended and Restated Deeds of Trust, and the Second Amended and Restated Subordination Agreements, were filed as Exhibits A through O to docket number 367-1 in case number 18-20151.

² The Obligated Group consists of VHS and the Hospitals (as defined herein).

³ "Accounts" includes, collectively, (a) any right to payment of a monetary obligation whether or not earned by performance, that relates to or arises out of any services provided or goods rendered by an Obligated Group Member (including, without limitation, payments made by or through a governmental authority to an individual patient assigned to such Member), (b) without duplication, any 'account' (as defined in the Uniform Commercial Code)

Case 25:4:22-11/8-2004260715-R-ERClaiDro 2:136-34-3-ile-file-6/3:0/19/19De-ficont/decircle/3:11/8-2004260116:128/19/19 of Desc Exhibit 3 7 Page 27 of 310

Center, O'Connor Hospital, Saint Louise Regional Hospital, and Seton Medical Center, including Seton Medical Center Coastside (collectively, the "*Hospitals*") and (y) real property and certain personal property comprising St. Francis Medical Center and Saint Louise Regional Hospital (collectively, the "*Senior Note Collateral*").⁴

- 4. The Series 2015 Notes and Series 2017 Notes are also jointly secured on a parity basis with the collateral pledged to the other Obligations under the Master Indenture, including the Series 2005 Bonds.⁵ Those Obligations are secured by, *inter alia*, (i) Deeds of Trust on the Hospitals and (ii) the "Gross Revenues" of the Obligated Group, which is broadly defined to include "all revenues, income, receipts and money received by or on behalf of the Members from all sources."
- 5. Pursuant to that certain Intercreditor Agreement dated as of December 1, 2015, as amended by the Amended and Restated Intercreditor Agreement dated as of September 1, 2017, as further amended by the Second Amended and Restated Intercreditor Agreement dated as of December 1, 2017 (as amended, the "Intercreditor Agreement"), the Master Trustee subordinated its liens and security interests, including the Gross Revenue pledge, to the Series 2015 Notes Trustee and Series 2017 Notes Trustee with respect to the Senior Note Collateral.⁶

Summary of Claim

6. Pursuant to the Series 2015 Notes Documents and as of the Petition Date, the Debtors are obligated to and owe the Series 2015 Notes Trustee, for the benefit of the holders of the Series

("UCC"), any accounts receivable, whether in the form of payments for services rendered or goods sold, rents, license fees or otherwise, any Health-Care-Insurance Receivables and any Payment Intangibles (each as defined in the UCC), (e) all General Intangibles. Intellectual Property (each as defined in the UCC), rights, remedies, guarantees, supporting obligations and letter of credit rights relating to or arising out of the foregoing assets described in clauses (a) and (b), (d) all information and data compiled or derived by any Member or to which any Member is entitled in respect of or related to the foregoing assets described in clauses (a) and (b) and (e) and all proceeds of any of the foregoing. See Amended and Restated Supplemental Master Indenture Number 20 dated as of January 1, 2016, between VHS and the prior Master Trustee.

The Senior Note Collateral was pledged pursuant to (i) certain Security Agreements dated as of December 11, 2015, Amended and Restated Security Agreements dated as of September 1, 2017, and Second Amended and Restated Security Agreements dated as of December 1, 2017, between the members of the Obligated Group and the Series 2015 Notes Trustee and Series 2017 Notes Trustee and (ii) certain Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of December 11, 2015, Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of September 15, 2017, and Second Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of December 28, 2017, by the members of the Obligated Group in favor of the Series 2015 Notes Trustee and Series 2017 Notes Trustee. True and correct copies of the Second Amended and Restated Security Agreements were attached to docket number 367-1 as Exhibits A through F, and true and correct copies of the Second Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents were attached to docket number 367-1 as Exhibits H through K.

⁵ In addition to the Series 2015 Notes, the Obligations also include the California Statewide Communities Development Authority Revenue Bonds (Daughters of Charity Health System) Series 2005A, F, G and H (collectively, the "Series 2005 Bonds") and the \$42,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2017 A and B (collectively, the "Series 2017 Notes").

⁶ A true and correct copy of the Seconded Amended and Restated Intercreditor Agreement was attached to docket number 367-1 as Exhibit G.

2015 Notes, a total principal amount of \$160,000,000.00, together with interest as it continues to accrue plus all redemption and other premiums, costs, charges, expenses, and fees accrued and accruing post-Petition Date pursuant to the terms of the Series 2015 Notes Documents and applicable law.

Reservation of Other Claims and Rights

- 7. The filing of the Proof of Claim and Addendum is not intended as and should not be construed as an election of remedies, waiver of any past, present or future defaults or events of default, or a waiver or limitation of any rights, remedies, claims or interests of the Series 2015 Notes Trustee. The Series 2015 Notes Trustee hereby reserves all of its rights, remedies and claims accruing at law or in equity, including, without limitation, all rights, remedies and claims against the Debtors, all of their affiliates and creditors, and all other parties in interest in the Debtors' bankruptcy cases.
- 8. The Series 2015 Notes Trustee has incurred and will continue to incur additional amounts for its compensation and expenses, including attorneys' and advisors' fees and expenses, as to which sums the Series 2015 Notes Trustee is entitled to payment.
- 9. The Series 2015 Notes Trustee expressly includes a claim against the Debtors and all others purporting to act on the Debtors' behalf (including any recipient directly or indirectly of the proceeds of the Series 2015 Notes) for the benefit derived from the use of any such proceeds traceable to such person, and for imposition of constructive trusts or equitable liens thereon, subrogation and all other claims thereto, and for any and all other legal or equitable remedies, rights, and interests to which the Series 2015 Notes Trustee may be entitled by virtue of the use, possession and enjoyment by the Debtors or any other recipient directly or indirectly of the proceeds of the Series 2015 Notes. The Series 2015 Notes Trustee expressly reserves all other rights and claims against the Debtors and their estates, including claims for constructive trust and equitable liens, and all rights of setoff and recoupment. The Series 2015 Notes Trustee further reserves all rights and claims against parties other than the Debtors.
- 10. The Series 2015 Notes Trustee reserves its right to amend or supplement the Proof of Claim and Addendum or to file additional proofs of claims for additional claims, including, without limitation, claims for administrative expenses and all other claims, at law or in equity, arising prior to, on, or after the Petition Date. The Series 2015 Notes Trustee also reserves its right to amend or supplement the Proof of Claim and Addendum if it deems such amendment or supplement to be necessary or appropriate for any reason, including an updated statement of the amount due, or for any other purpose for which a proof of claim may be amended.

Casease இ-1118-200428815R-ERClaiDto243634-3-ilaFileA/RM/19/1 நடி சொல்கள் 4.4/119/19/19 Claim #3396 Date Filed: 3/14/2019

Indicate Debtor against which you assert a claim by checking	the appropriate box below. (Check only one Debtor per claim form.)
☐ Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	☐ St. Louise Regional Hospital (Case No.18-20162)
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)
☑ O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)
O'Connor Hospital Foundation (Case No. 18-20179)	St. Vincent Medical Center (Case No. 18-20164)
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	□ Verity Business Services (Case No. 18-20173)
☐ Seton Medical Center (Case No. 18-20167)	■ Verity Holdings, LLC (Case No. 18-20163)
☐ Seton Medical Center Foundation (Case No. 18-20175)	□ Verity Medical Foundation (Case No. 18-20169)

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

Part 1: Identify	the Claim	1					w		
Who is the cu creditor?	errent	U. S. Bank National Association, as Series 2015 Notes Trustee Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor							
Has this claim acquired from someone else	n	✓ No ✓ Yes. Fro	om whom?						
Where should notices and payments to t	-		notices to the creditor b		Where should payments to the creditor be sent? (if different)				
creditor be se	ent?	Name	Will & Emery LLP (Attn: No. 1) Lake Street	legan Preusker)	U.S. Bank National Association (Attn: Sandra Spive Name 2300 W. Sahara, Ste 200				
Federal Rule o Bankruptcy Pro (FRBP) 2002(g	ocedure	Number Stree Chicago City	eet IL State	60606 ZIP Code	Number Si Las Vegas City	reet NV State	89102 ZIP Code		
RECEIVE		USA Country	Sidie	ZIP Gode	USA Country	State	Zij Code		
MAR 1 4 20)19	Contact phone Contact email	312.984.3668 mpreusker@mwe.com		Contact phone Contact email	702.251.1656 sandra.spivey@usbank.com			
ZMAN CARSON CON	SETANTS	Uniform claim ide	ntifier for electronic payments	in chapter 13 (if you use	e one):				
Does this clai amend one al filed?		✓ No Yes. Cla	aim number on court claim	s registry (if known)		Filed on	/ YYYY		
5. Do you know anyone else h a proof of clai this claim?	nas filed	✓ No Yes. Who	made the earlier filing?						

Cas**@**a**S4 22-1118-2014 28815 R**-ERClaiDro**2 4263 4**-3**-**iletil**@6**/**3 0**/**19**/19De **Sc**n**14 eeind d d d d b3 n1 1 6 P3 og t 9**2 of Desc Exhibit 3 7 Page 30 of 310

Pa	art 2: Give	Information Abo	out the Clai	m as of the Date the Case Was Filed					
6.		e any number	☑ No						
	you use to debtor?	identify the	Yes.	Last 4 digits of the debtor's account or any number you use to identify the debtor:					
7.	How much	is the claim?	\$ 160,00	0,000.00 Does this	s amount include interest or o	other charges?			
				☐ No	1				
				✓ Ye	 Attach statement itemizing in charges required by Bankrup 	terest, fees, expenses, or other tcy Rule 3001(c)(2)(A).			
8.	What is the	basis of the	Examples	Goods sold, money loaned, lease, service	s performed, personal injury or	wrongful death, or credit card.			
	Claim:			acted copies of any documents supporting					
			Limit discle	osing information that is entitled to privacy,	such as health care information				
			See atta	ched addendum					
9.		t of the claim	□ No						
	secured?		✓ Yes.	The claim is secured by a lien on property	:				
				Nature of property:					
				Real estate: If the claim is secured by Claim Attachment (Official Form 410		e, file a Mortgage Proof of			
				Motor vehicle					
				Other. Describe: See attac	ched addendum				
				Basis for perfection: See attack Attach redacted copies of documents, if an example, a mortgage, lien, certificate of tit has been filed or recorded.)					
				Value of property:	\$				
				Amount of the claim that is secured:	\$ 160,000,000.00				
				Amount of the claim that is unsecured:	\$(The su	ım of the secured and unsecured			
	R	ECEIVED			amoun	t should match the amount in line 7.)			
	M	NR 1 4 2019		Amount necessary to cure any default a	s of the date of the petition:	\$			
		CHECON CONRU	TANTS	Annual Interest Rate (when case was file	ed)%				
	KINKINEE	Chill Town or trees.		☐ Fixed					
				■ Variable					
10.		n based on a	✓ No						
	lease?		Yes.	Amount necessary to cure any default a	s of the date of the petition.	\$			
11.		n subject to a	✓ No						
	right of set	off?		Identify the property:					
			□ 1¢3.	adding the property.					

12. Is all or part of the claim entitled to priority under	✓	No						
11 U.S.C. § 507(a)?		Yes. Che	eck all that apply:				Am	ount entitled to prior
A claim may be partly priority and partly nonpriority. For example,		Dom 11 U	estic support oblig I.S.C. § 507(a)(1)(ations (includi A) or (a)(1)(B)	ng alimony and ch	ld support) under	\$	
in some categories, the law limits the amount entitled to priority.					rchase, lease, or r sehold use. 11 U.S		or \$	
entitled to priority.		days	es, salaries, or co before the bankn hever is earlier. 1	uptcy petition	o to \$12,850*) ear is filed or the debt '(a)(4).	ned within 180 or's business end	s, \$	
		☐ Taxe	es or penalties owe	ed to governme	ental units. 11 U.S.	C. § 507(a)(8).	\$	
		Con	tributions to an em	nployee benef	t plan. 11 U.S.C. §	507(a)(5).	\$	
		Othe	er. Specify subsec	tion of 11 U.S.	C. § 507(a)() th	at applies.	\$	
		* Amoun	ts are subject to adju	stment on 4/01/1	9 and every 3 years	after that for cases be	egun on or a	after the date of adjustme
Part 3: Sign Below								
The person completing	Check	the appro	priate box:				· ·	
this proof of claim must sign and date it.	✓ ı	am the cr	editor.					
FRBP 9011(b).		am the cr	editor's attorney or	authorized ag	ent.			
If you file this claim electronically, FRBP		am the tru	istee, or the debtoi	r, or their autho	orized agent. Bank	ruptcy Rule 3004.		
5005(a)(2) authorizes courts to establish local rules specifying what a signature is.		am a gua	rantor, surety, end	orser, or other	codebtor. Bankrup	tcy Rule 3005.		
A person who files a fraudulent claim could be fined up to \$500,000,					Proof of Claim serotor credit for any p			t that when calculating e debt.
imprisoned for up to 5 years, or both.	l have	examined	the information in	this Proof of C	Claim and have rea	sonable belief tha	t the inform	nation is true and com
18 U.S.C. §§ 152, 157, and 3571.	l decla	are under p	penalty of perjury the	hat the foregoi	ng is true and com	ect.		
	Execu	ited on dat	$e \frac{3/8}{MM/DD/}$	2019				
	(ignature	ancha	Sp	Wly	2		
icheria region programa	Print t	the name	of the person wh	/ o is completi	ng and signing th	is claim:		
KECEVED	Name		Sandra			(Spivey	
MAR 1 4 2019			First name Vice Presid	ent	Middle name	Li	ast name	
THE ARM OF COMMENTS OF THE PROPERTY OF THE ARMS OF THE PROPERTY OF THE PROPERT	Title		A CONTRACTOR OF THE PARTY OF TH					
ZMAN CARSON CONSULTANTS	Compa	iny	U.S. Bank No.		SOCATION e company if the auth	orized agent is a serv	ricer.	
	Addres	s	2300	West Sah	ara, Ste. 200			
		-	Number	Street	KIV /	00	102	LICA
			Las Vegas City		NV State		9102 Code	Country
			702.251.16	EC.	Cidlo	Z.ii		dra.spivey@usbank.com

Case 25:4:22-11/8-200426315-R-ERClaiDro 242634-3File 16/80/19/19De 15:01/44:01 dd. club/12/116/12/2019 of Desc Exhibit 3 7 Page 32 of 310



mwe.com

Megan Preusker
Associate
mpreusker@mwe.com
+1 312 984 3668

March 12, 2019

VIA FEDERAL EXPRESS

Verity Claims Processing Center c/o KCC 2335 Alaska Avenue El Segundo, CA 90245

To whom it may concern:

Enclosed herein are six proofs of claim on behalf of U.S. Bank National Association, as Series 2015 Notes Trustee, for filing in the bankruptcy cases of (i) Verity Health System of California, Inc. (Case No. 18-20151), (ii) St. Vincent Medical Center (Case No. 18-20164), (iii) St. Louise Regional Hospital (Case No. 18-20162), (iv) St. Francis Medical Center (Case No. 18-20165), (v) Seton Medical Center (Case No. 18-20167) and (vi) O'Connor Hospital (Case No. 18-20168).

If you have any questions, please do not hesitate to contact me.

Sincerely,

Megan Preusker

Mugan Preciolos

MP/ns Enclosures

DM US 158796036-1.066372.0077



Addendum to Proof of Claim

U.S. Bank National Association, not individually but as Trustee (the "Series 2015 Notes Trustee") for the holders of the \$160,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2015 A, B, C, and D (collectively, the "Series 2015 Notes"), hereby submits this Addendum to its Proof of Claim against Verity Health System of California, Inc. ("VHS"), O'Connor Hospital, Seton Medical Center, St. Francis Medical Center, St. Louise Regional Hospital, and St. Vincent Medical Center (collectively, the "Debtors"). This Addendum is incorporated by reference in, and constitutes a part of, the Proof of Claim. In support of its Proof of Claim, the 2015 Notes Trustee states as follows:

Background

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6. Pursuant to the Series 2015 Notes Documents and as of the Petition Date, the Debtors are obligated to and owe the Series 2015 Notes Trustee, for the benefit of the holders of the Series

("UCC"), any accounts receivable, whether in the form of payments for services rendered or goods sold, rents, license fees or otherwise, any Health-Care-Insurance Receivables and any Payment Intangibles (each as defined in the UCC), (c) all General Intangibles. Intellectual Property (each as defined in the UCC), rights, remedies, guarantees, supporting obligations and letter of credit rights relating to or arising out of the foregoing assets described in clauses (a) and (b), (d) all information and data compiled or derived by any Member or to which any Member is entitled in respect of or related to the foregoing assets described in clauses (a) and (b) and (e) and all proceeds of any of the foregoing. See Amended and Restated Supplemental Master Indenture Number 20 dated as of January 1, 2016, between VHS and the prior Master Trustee.

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United States Bankruptcy Co	urt for the Central District of California
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O'Connor Hospital Foundation (Case No. 18-20179)	St. Vincent Medical Center (Case No. 18-20164)
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St. Francis Medical Center (Case No. 18-20165)	

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

Part 1: Identify the Claim	m							
Who is the current creditor?	U. S. Bank National Association, as Series 2015 Notes Trustee Name of the current creditor (the person or entity to be paid for this claim)							
				•				
	Other names the	e creditor used with the debtor						
2. Has this claim been acquired from	✓ No							
someone else?	Yes. F	rom whom?						
Where should notices and	Where should	I notices to the creditor be	sent?	Where should different)	d payments to the creditor b	e sent? (if		
payments to the creditor be sent?	c/o McDermo	tt Will & Emery LLP (Attn: M	egan Preusker)	U.S. Bank N	ational Association (Attn: Sa	ndra Spivey)		
creditor be sent?	Name			Name				
Federal Rule of		V. Lake Street		2300 W. Sahara, Ste 200 Number Street				
Bankruptcy Procedure	Number St Chicago	reet IL	60606	Las Vegas	rreet NV	89102		
(FRBP) 2002(g)	City	State	ZIP Code	City	State	ZIP Code		
DECEMEN	USA			USA				
MEDITALE	Country	, , , , , , , , , , , , , , , , , , , 	****	Country				
2000 4 4 2010	Contact phone	312.984.3668	-	Contact phone	702.251.1656			
MAR 1 4 2019	Contact email	mpreusker@mwe.com	_	Contact email	sandra.spivey@usbank.com			
THEN CARSON CONSULTANTS	Uniform claim id	entifier for electronic payments i	n chapter 13 (if you use	•				
4. Does this claim	✓ No							
amend one already filed?		laim number on court claims	registry (if known)		Filed on	/ YYYY		
5. Do you know if anyone else has filed	✓ No				, 65			
a proof of claim for	Yes. Who	o made the earlier filing?						
this claim?		_						

Cas**e** 42-1118-2014264151R-ERClaiDro 61376-314-3-ilefdl 66/310/19/19De 5501144 aind d.1161118/11611936192 of Desc Exhibit 3 7 Page 37 of 310

P	art 2: Give Information Ab	out the Claim as of the Date the Case Was Filed
6.	Do you have any number	☑ No
	you use to identify the debtor?	Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:
7.	How much is the claim?	\$ 160,000,000.00 Does this amount include interest or other charges?
:		Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
8.	What is the basis of the	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.
	claim?	Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
		Limit disclosing information that is entitled to privacy, such as health care information.
		See attached addendum
9.	Is all or part of the claim	□ No
	secured?	Yes. The claim is secured by a lien on property.
		Nature of property:
		Real estate: If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A) with this Proof of Claim.
		Motor vehicle
		✓ Other. Describe: See attached addendum
		Basis for perfection: See attached addendum
		Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)
		Value of property: \$
		Amount of the claim that is secured: \$160,000,000.00
		Amount of the claim that is unsecured: \$(The sum of the secured and unsecured
	RECEIVED	amount should match the amount in line 7.)
	MAR 1 4 2019	Amount necessary to cure any default as of the date of the petition: \$
	KURTZMAN CARSON CONSULI	Annual Interest Rate (when case was filed)%
		☐ Variable
10	ls this claim based on a	
10	lease?	✓ No
		Yes. Amount necessary to cure any default as of the date of the petition.
11	. Is this claim subject to a right of setoff?	✓ No
	Highit of actors	Yes. Identify the property:

Cas**@as4.22-1118-2014.1841.15.IR**-ERClaiDro**813763.**4-3-ilefdl**-66/30/19**/19De**s**con**144** evind **d.0.6118**/112911619362193 of Desc Exhibit 3 7 Page 38 of 310

12. Is all or part of the claim entitled to priority under	7	No			
11 U.S.C. § 507(a)?		Yes. Check all that apply:			Amount entitled to prio
A claim may be partly priority and partly		Domestic support obliq 11 U.S.C. § 507(a)(1)	gations (including alimony and child s (A) or (a)(1)(B).	support) under	\$
nonpriority. For example, in some categories, the law limits the amount			osits toward purchase, lease, or rent family, or household use. 11 U.S.C		\$
entitled to priority.		Wages, salaries, or condays before the banks whichever is earlier. 1	ommissions (up to \$12,850*) eamed ruptcy petition is filed or the debtor's 1 U.S.C. § 507(a)(4).	d within 180 business ends,	\$
		☐ Taxes or penalties ow	ed to governmental units. 11 U.S.C.	§ 507(a)(8).	\$
		Contributions to an er	mployee benefit plan. 11 U.S.C. § 50	07(a)(5).	\$
		Other. Specify subsec	ction of 11 U.S.C. § 507(a)() that a	applies.	\$
		* Amounts are subject to adju	istment on 4/01/19 and every 3 years after	r that for cases begun o	on or after the date of adjustm
Part 3: Sign Below	1				
The person completing	Check	the appropriate box:		· · · · · · · · · · · · · · · · · · ·	
this proof of claim must	_	am the creditor.			
sign and date it. FRBP 9011(b).			r authorized agent		
If you file this claim	⊔ '	am the creditor's attorney of	и ационией адент.		
electronically, FRBP		am the trustee, or the debto	or, or their authorized agent. Bankrup	tcy Rule 3004.	
5005(a)(2) authorizes courts to establish local rules specifying what a signature is.		am a guarantor, surety, end	dorser, or other codebtor. Bankruptcy	Rule 3005.	
A person who files a fraudulent claim could be fined up to \$500,000,	I unde the an	erstand that an authorized sinount of the claim, the credit	gnature on this <i>Proof of Claim</i> serves tor gave the debtor credit for any pay	s as an acknowledge ments received towa	ement that when calculating ard the debt.
imprisoned for up to 5 years, or both.	I have	examined the information in	n this <i>Proof of Claim</i> and have reason	nable belief that the	information is true and co
18 U.S.C. §§ 152, 157, and 3571.	l decla	are under penalty of perjury	that the foregoing is true and correct.		
	Execu	ited on date $\frac{3/8}{}$	12019		
		MM// DD/	YYYY /	_	
	<u></u>	Handa ignature	Spivley		
	Print	the name of the person w	ho is completing and signing this	claim:	
	Name	Sandra		Spiv	еу
MAD 1 1 2019	IVallic	First name	Middle name	Last na	me
falls-file t at move	Title	Vice Presid	dent		
ZHAN CARSON CONSULTANTS	Compa	u.S. Bank	National Assocation		
	201190	Identify the corpo	orate servicer as the company if the authoriz	red agent is a servicer.	
		2300	West Sahara, Ste. 200		
	Addres	Number	Street		
		1 101 1001			
		Las Vegas	, NV	89102	2 USA
		Las Vegas City	NV State	89102 ZIP Code	

Case 25:4:22-11/8-2004260115-R-ERClaiDro 6:1376-34-3File file 6/3:0/19/19De ficon 144:00 dd. 61/20/19/116:1923 gt 94 of Desc Exhibit 3 7 Page 39 of 310



mwe.com

Megan Preusker Associate mpreusker@mwe.com +1 312 984 3668

March 12, 2019

VIA FEDERAL EXPRESS

Verity Claims Processing Center c/o KCC 2335 Alaska Avenue El Segundo, CA 90245

To whom it may concern:

Enclosed herein are six proofs of claim on behalf of U.S. Bank National Association, as Series 2015 Notes Trustee, for filing in the bankruptcy cases of (i) Verity Health System of California, Inc. (Case No. 18-20151), (ii) St. Vincent Medical Center (Case No. 18-20164), (iii) St. Louise Regional Hospital (Case No. 18-20162), (iv) St. Francis Medical Center (Case No. 18-20165), (v) Seton Medical Center (Case No. 18-20167) and (vi) O'Connor Hospital (Case No. 18-20168).

If you have any questions, please do not hesitate to contact me.

Sincerely,

Megan Preusker

MP/ns Enclosures

DM US 158796036-1.066372.0077

Mugan Precoker



Addendum to Proof of Claim

U.S. Bank National Association. not individually but as Trustee (the "Series 2015 Notes Trustee") for the holders of the \$160,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2015 A, B, C, and D (collectively, the "Series 2015 Notes"), hereby submits this Addendum to its Proof of Claim against Verity Health System of California, Inc. ("VIIS"), O'Connor Hospital, Seton Medical Center, St. Francis Medical Center, St. Louise Regional Hospital, and St. Vincent Medical Center (collectively, the "Debtors"). This Addendum is incorporated by reference in, and constitutes a part of, the Proof of Claim. In support of its Proof of Claim, the 2015 Notes Trustee states as follows:

Background

- 1. On August 31, 2018 (the "Petition Date"), the Debtors and certain of their affiliates each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Central District of California, Los Angeles Division.
- 2. The claim arises under the following undertakings:
- a. Each series of Series 2015 Notes was issued pursuant to a separate Indenture, each dated as of December 1, 2015, by and between the Series 2015 Notes Trustee, as trustee, and the California Public Finance Authority, as issuer (the "Authority"); and 1
- b. The proceeds of each series of Series 2015 Notes were loaned to the Debtors pursuant to Loan Agreements dated as of December 1, 2015, each between the Authority and VHS, for itself and as a representative of the Verity Health System Obligated Group under the Master Indenture of Trust dated as of December 1, 2001, as supplemented (the "Master Indenture"), between the Obligated Group² and UMB Bank, N.A., as successor Master Trustee. The Indentures and Loan Agreements with respect to the Series 2015 Notes are referred to collectively herein as the "Series 2015 Notes Documents."
- 3. The indebtedness evidenced by the Series 2015 Notes and Series 2017 Notes (defined herein) is jointly secured by senior first priority security interests and liens on certain of the Debtors' assets, including (x) Accounts³ of St. Francis Medical Center, St. Vincent Medical

¹ Copies of the Series 2015 Notes Documents are not attached to the Proof of Claim and this Addendum because they are voluminous. Copies of the Series 2015 Notes Documents are available upon request to counsel to the Series 2015 Notes Trustee (Megan Preusker; mpreusker@mwe.com). Certain of the Series 2015 Notes Documents, including the Second Amended and Restated Security Agreements, the Second Amended and Restated Intercreditor Agreement, the Second Amended and Restated Deeds of Trust, and the Second Amended and Restated Subordination Agreements, were filed as Exhibits A through O to docket number 367-1 in case number 18-20151.

³ The Obligated Group consists of VHS and the Hospitals (as defined herein).

³ "Accounts" includes, collectively, (a) any right to payment of a monetary obligation whether or not earned by performance, that relates to or arises out of any services provided or goods rendered by an Obligated Group Member (including, without limitation, payments made by or through a governmental authority to an individual patient assigned to such Member), (b) without duplication, any 'account' (as defined in the Uniform Commercial Code)

Center, O'Connor Hospital, Saint Louise Regional Hospital, and Seton Medical Center, including Seton Medical Center Coastside (collectively, the "*Hospitals*") and (y) real property and certain personal property comprising St. Francis Medical Center and Saint Louise Regional Hospital (collectively, the "*Senior Note Collateral*").⁴

- 4. The Series 2015 Notes and Series 2017 Notes are also jointly secured on a parity basis with the collateral pledged to the other Obligations under the Master Indenture, including the Series 2005 Bonds.⁵ Those Obligations are secured by, *inter alia*, (i) Deeds of Trust on the Hospitals and (ii) the "Gross Revenues" of the Obligated Group, which is broadly defined to include "all revenues, income, receipts and money received by or on behalf of the Members from all sources."
- 5. Pursuant to that certain Intercreditor Agreement dated as of December 1, 2015, as amended by the Amended and Restated Intercreditor Agreement dated as of September 1, 2017, as further amended by the Second Amended and Restated Intercreditor Agreement dated as of December 1, 2017 (as amended, the "Intercreditor Agreement"), the Master Trustee subordinated its liens and security interests, including the Gross Revenue pledge, to the Series 2015 Notes Trustee and Series 2017 Notes Trustee with respect to the Senior Note Collateral.⁶

Summary of Claim

6. Pursuant to the Series 2015 Notes Documents and as of the Petition Date, the Debtors are obligated to and owe the Series 2015 Notes Trustee, for the benefit of the holders of the Series

("UCC"), any accounts receivable, whether in the form of payments for services rendered or goods sold, rents, license fees or otherwise, any Health-Care-Insurance Receivables and any Payment Intangibles (each as defined in the UCC), (c) all General Intangibles, Intellectual Property (each as defined in the UCC), rights, remedies, guarantees, supporting obligations and letter of credit rights relating to or arising out of the foregoing assets described in clauses (a) and (b), (d) all information and data compiled or derived by any Member or to which any Member is entitled in respect of or related to the foregoing assets described in clauses (a) and (b) and (c) and all proceeds of any of the foregoing. See Amended and Restated Supplemental Master Indenture Number 20 dated as of January 1, 2016, between VHS and the prior Master Trustee.

The Senior Note Collateral was pledged pursuant to (i) certain Security Agreements dated as of December 11, 2015, Amended and Restated Security Agreements dated as of September 1, 2017, and Second Amended and Restated Security Agreements dated as of December 1, 2017, between the members of the Obligated Group and the Series 2015 Notes Trustee and Series 2017 Notes Trustee and (ii) certain Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of December 11, 2015, Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of September 15, 2017, and Second Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of December 28, 2017, by the members of the Obligated Group in favor of the Series 2015 Notes Trustee and Series 2017 Notes Trustee. True and correct copies of the Second Amended and Restated Security Agreements were attached to docket number 367-1 as Exhibits A through F, and true and correct copies of the Second Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents were attached to docket number 367-1 as Exhibits H through K.

⁵ In addition to the Series 2015 Notes, the Obligations also include the California Statewide Communities Development Authority Revenue Bonds (Daughters of Charity Health System) Series 2005A, F, G and H (collectively, the "Series 2005 Bonds") and the \$42,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2017 A and B (collectively, the "Series 2017 Notes").

^a A true and correct copy of the Seconded Amended and Restated Intercreditor Agreement was attached to docket number 367-1 as Exhibit G.

2015 Notes, a total principal amount of \$160,000,000.00, together with interest as it continues to accrue plus all redemption and other premiums, costs, charges, expenses, and fees accrued and accruing post-Petition Date pursuant to the terms of the Series 2015 Notes Documents and applicable law.

Reservation of Other Claims and Rights

- 7. The filing of the Proof of Claim and Addendum is not intended as and should not be construed as an election of remedies, waiver of any past, present or future defaults or events of default, or a waiver or limitation of any rights, remedies, claims or interests of the Series 2015 Notes Trustee. The Series 2015 Notes Trustee hereby reserves all of its rights, remedies and claims accruing at law or in equity, including, without limitation, all rights, remedies and claims against the Debtors, all of their affiliates and creditors, and all other parties in interest in the Debtors' bankruptcy cases.
- 8. The Series 2015 Notes Trustee has incurred and will continue to incur additional amounts for its compensation and expenses, including attorneys' and advisors' fees and expenses, as to which sums the Series 2015 Notes Trustee is entitled to payment.
- 9. The Series 2015 Notes Trustee expressly includes a claim against the Debtors and all others purporting to act on the Debtors' behalf (including any recipient directly or indirectly of the proceeds of the Series 2015 Notes) for the benefit derived from the use of any such proceeds traceable to such person, and for imposition of constructive trusts or equitable liens thereon, subrogation and all other claims thereto, and for any and all other legal or equitable remedies, rights, and interests to which the Series 2015 Notes Trustee may be entitled by virtue of the use, possession and enjoyment by the Debtors or any other recipient directly or indirectly of the proceeds of the Series 2015 Notes. The Series 2015 Notes Trustee expressly reserves all other rights and claims against the Debtors and their estates, including claims for constructive trust and equitable liens, and all rights of setoff and recoupment. The Series 2015 Notes Trustee further reserves all rights and claims against parties other than the Debtors.
- 10. The Series 2015 Notes Trustee reserves its right to amend or supplement the Proof of Claim and Addendum or to file additional proofs of claims for additional claims, including, without limitation, claims for administrative expenses and all other claims, at law or in equity, arising prior to, on, or after the Petition Date. The Series 2015 Notes Trustee also reserves its right to amend or supplement the Proof of Claim and Addendum if it deems such amendment or supplement to be necessary or appropriate for any reason, including an updated statement of the amount due, or for any other purpose for which a proof of claim may be amended.

United States Bankruptcy Court for the Central District of California							
Indicate Debtor against which you assert a claim by checking the appropriate box below. (Check only one Debtor per claim form.)							
☐ Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)						
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	☐ St. Louise Regional Hospital (Case No.18-20162)						
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)						
☐ O'Connor Hospital (Case No. 18-20168) ☐ St. Vincent Foundation (Case No. 18-20180)							
☐ O'Connor Hospital Foundation (Case No. 18-20179)	St. Vincent Medical Center (Case No. 18-20164)						
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)						
☑ Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)						
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)						
☐ St. Francis Medical Center (Case No. 18-20165)							

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

					· ·				
1.	 Who is the current creditor? 	U. S. Bank National Association, as Notes Trustee							
	ordano.	Name of the cun	rent creditor (the person or en	tity to be paid for this clai	im)				
		Other names the	creditor used with the debtor		•				
2.	Has this claim been	✓ No							
	acquired from someone else?	Yes. F	rom whom?						
3.	Where should notices and	Where should notices to the creditor be sent?			Where should payments to the creditor be sent? (if different)				
	payments to the creditor be sent?	c/o Maslon LLP (Attn: Clark Whitmore)			U.S. Bank National Association				
	Federal Rule of		South 7th Street,	Suite 3300		Sandra Spivey) 2300 W. S	Sahara, Ste 200		
	Bankruptcy Procedure (FRBP) 2002(g)	Number St Minneap	reet Olis MN	55402	Number S Las Vegas	Street NV	89102		
R		City USA	State	ZIP Code	City USA	State	ZIP Code		
МΔ	AR 2 6 2019	Country Contact phone	(612)672-8335		Country Contact phone	(702) 251-1656			
3 50	11/ 2 0 2010	Contact email	clark.whitmore@maslon.co	om 	Contact email	sandra.spivey@usbank.cor	<u>n</u>		
ian (CARSON CONSULTANTS	Uniform claim ide	entifier for electronic payments	s in chapter 13 (if you us	e one):				
4.	Does this claim amend one already	√ No							
	filed?	Yes. C	laim number on court clair	ms registry (if known)		Filed on	DD / YYYY		
5.	Do you know if	□ No				Date Stamped Copy F			
anyone else has filed a proof of claim for this claim?		Yes. Who	made the earlier filing?	See attached addendum regardi		I No self addressed sta I No copy to return	imped envelop		

Cas**e** 42-1118-2014267151R-ERClaiDro 4236-34-3-ilefdl 07/14/19/19De 5501144:00 d.0.6118/112011619369192 of Desc Exhibit 3 8 Page 44 of 310

6.	Do you have any number you use to identify the debtor?	✓ No				
		Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: \$\frac{42,000,000 \text{ and amounts reflected on addendum}}{\text{No}}\$. Does this amount include interest or other charges?				
7.	How much is the claim?					
		Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).				
8.	What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.				
		Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information.				
		See attached addendum				
9.	Is all or part of the claim	□ No				
	secured?	Yes. The claim is secured by a lien on property.				
		Nature of property:				
		Real estate: If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A) with this Proof of Claim.				
		Motor vehicle				
		Other. Describe: See attached addendum				
		Basis for perfection: See attached addendum				
		Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)				
		Value of property: \$				
		Amount of the claim that is secured: \$\(\frac{\text{Entire Claim is secured}}{} \)				
	State Maria con	Amount of the claim that is unsecured: \$(The sum of the secured and unsecure amount should match the amount in line.				
	RECEIVED	Amount necessary to cure any default as of the date of the petition:				
	MAR 2 6 2019	Amount necessary to cure any default as of the date of the petition: \$				
(inuv « O salà	Annual Interest Rate (when case was filed) 7.25 %				
MA	N CARSON CONSULTANTS	✓ Fixed				
		☐ Variable				
10.	Is this claim based on a lease?	✓ No				
	icase:	Yes. Amount necessary to cure any default as of the date of the petition.				
	Is this claim subject to a right of setoff?	☑ No				
	ngnt or seton?	Yes. Identify the property:				

Cas**@** 42-11/8-20/15/R-ERClaiDro 423634-3-ile-dl@d/14/19/19De 5cn 1/4 abrid d.1.6/10/19/19 of Desc Exhibit 3 8 Page 45 of 310

12. Is all or part of the clain entitled to priority undo 11 U.S.C. § 507(a)?		Amount entitled to priority					
A claim may be partly priority and partly nonpriority. For example	Domestic support obligations (including alimony and child support) under	\$					
in some categories, the law limits the amount entitled to priority.	Up to \$2,850* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).	\$					
	Wages, salaries, or commissions (up to \$12,850*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).	\$					
	Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	\$					
	Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	\$					
	Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.	\$					
	* Amounts are subject to adjustment on 4/01/19 and every 3 years after that for cases begu	ın on or after the date of adjustment.					
Part 3: Sign Below							
The person completing	Check the appropriate box:	***					
this proof of claim must sign and date it.	✓ I am the creditor.						
FRBP 9011(b).	I am the creditor's attorney or authorized agent.						
If you file this claim electronically, FRBP	am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.						
5005(a)(2) authorizes courts to establish local rules specifying what a signature is.	I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.						
A person who files a fraudulent claim could be fined up to \$500,000,	I understand that an authorized signature on this <i>Proof of Claim</i> serves as an acknowled the amount of the claim, the creditor gave the debtor credit for any payments received to	gement that when calculating ward the debt.					
imprisoned for up to 5 years, or both.	I have examined the information in this <i>Proof of Claim</i> and have reasonable belief that the information is true and correct. I declare under penalty of perjury that the foregoing is true and correct.						
18 U.S.C. §§ 152, 157, and 3571.							
0071.	Executed on date 03/21/7019						
	Signature Signature						
	Print the name of the person who is completing and signing this claim:						
	Name Sandra Sp	ivey					
	First name Middle name Last Vice President	name					
RECEIVED	Company U.S. Bank National Association, in its capacit Identify the corporate servicer as the company if the authorized agent is a servicer	<u> </u>					
MAR 2 6 2019	Address 2300 West Sahara, Ste. 200						
MAN CARSON CONSULTANTS	Number Street Las Vegas NV 8910 City State ZIP Co						
	(702) 251-1656	de Country sandra.spivey@usbank.com					



Erin Snyder Direct Dial: (612) 672-8399 Erin.Snyder@maslon.com

March 25, 2019

Verity Claims Processing Center c/o KCC 2335 Alaska Avenue El Segundo, CA 90245

VIA FEDERAL EXPRESS

In Re Verity Health Systems of California, Inc. Re:

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

To Whom it May Concern:

Pursuant to the Bar Date Order entered by the Court, enclosed please find Proof of Claim forms to be filed on behalf of U.S. Bank National Association, as Trustee (in such capacity, the "2017 Notes Trustee") under those certain indentures dated as of September 1, 2017 and December 1 2017, each by and between the California Public Finance Authority, as Issuer and the 2017 Notes Trustee, against the following Debtors, as applicable:

- Verity Health Systems of California, Inc. (Case No. 2:18-bk-20151-ER); 1.
- 2. O'Connor Hospital (Case No. 2:18-bk-20168-ER);
- 3. Seton Medical Center (Case No. 2:18-bk-20167-ER);
- 4. St. Francis Medical Center (Case No. 2:18-bk-20165-ER);
- 5. St. Louise Regional Hospital (Case No. 2:18-bk-20162-ER);
- 6. St. Vincent Medical Center (Case No. 2:18-bk-20164-ER); and
- 7. Verity Holdings, LLC (Case No. 2:18-bk-20163-ER).

Pursuant to paragraph 10 of the Bar Date Order these Proofs of Claim are being submitted without exhibits because such documentation is voluminous. Such exhibits are in my possession and can be obtained by contacting me at the number above.

We have also enclosed a copies of the Proof of Claim forms to be date-stamped and returned to us in the enclosed self-addressed stamped envelope.

Sincerely.

Erin Snyder 4851-8301-0958

Enclosures

Addendum to Proof of Claim

U.S. Bank National Association, not individually but as Trustee (the "Series 2017 Notes Trustee") for the holders of the \$42,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2017 (the "2017 Notes") and 2017B (the "2017B Notes" and together with the 2017 Notes, the "Notes"), hereby submits this Addendum to its Proof of Claim against Verity Health System of California, Inc. ("VHS"), O'Connor Hospital, Seton Medical Center, St. Francis Medical Center, St. Louise Regional Hospital, St. Vincent Medical Center, and Verity Holdings, LLC (collectively, the "Debtors"). This Addendum is incorporated by reference in, and constitutes a part of, the Proof of Claim. In support of its Proof of Claim, the Series 2017 Notes Trustee states as follows:

Background

- 1. On August 31, 2018 (the "*Petition Date*"), the Debtors and certain of their affiliates each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "*Bankruptcy Code*") in the United States Bankruptcy Court for the Central District of California, Los Angeles Division.
- 2. The claim arises under the following undertakings:
- a. The 2017 Notes and 2017B Notes were issued pursuant to separate Indentures dated as of September 1, 2017 and December 1, 2017, respectively, each by and between the Series 2017 Notes Trustee, as trustee, and the California Public Finance Authority, as issuer (the "Authority"); and ¹
- b. The proceeds of 2017 Notes and 2017B Notes were loaned to the Debtors pursuant to separate Loan Agreements dated as of September 1, 2017 and December 1, 2017, respectively, each between the Authority and VHS, for itself and as a representative of the Verity Health System Obligated Group under the Master Indenture of Trust dated as of December 1, 2001, as supplemented (the "*Master Indenture*"), between the Obligated Group² and UMB Bank, N.A., as successor Master Trustee. The Indentures and Loan Agreements, together with all documents and agreements thereto granting or evidencing rights relating thereto as the same may be amended from time to time are referred to collectively herein as the "Notes Documents."
- 3. The indebtedness evidenced by the 2015 Notes (defined herein) and the Notes is jointly secured by senior first priority security interests and liens on certain of the Debtors' assets,

¹ Copies of the Notes Documents are not attached to the Proof of Claim and this Addendum because they are voluminous. Copies of the Notes Documents are available upon request to counsel to the Series 2017 Notes Trustee (Jason Reed; Jason.Reed@maslon.com). Certain of the Notes Documents, including the Second Amended and Restated Security Agreements, the Second Amended and Restated Intercreditor Agreement, the Second Amended and Restated Deeds of Trust, and the Second Amended and Restated Subordination Agreements, were filed as Exhibits A through O to docket number 367-1 in case number 18-20151.

² The Obligated Group consists of VHS and the Hospitals (as defined herein).

including (x) Accounts³ of St. Francis Medical Center, St. Vincent Medical Center, O'Connor Hospital, Saint Louise Regional Hospital, and Seton Medical Center, including Seton Medical Center Coastside (collectively, the "*Hospitals*") and (y) real property and certain personal property comprising St. Francis Medical Center and Saint Louise Regional Hospital (collectively, the "*Senior Note Collateral*").⁴

- 4. The 2015 Notes and the Notes are also jointly secured on a parity basis with the collateral pledged to the other Obligations under the Master Indenture, including the Series 2005 Bonds.⁵ Those Obligations are secured by, *inter alia*, (i) Deeds of Trust on the Hospitals and (ii) the "Gross Revenues" of the Obligated Group, which is broadly defined to include "all revenues, income, receipts and money received by or on behalf of the Members from all sources."
- 5. Pursuant to that certain Intercreditor Agreement dated as of December 1, 2015, as amended by the Amended and Restated Intercreditor Agreement dated as of September 1, 2017,

[&]quot;Accounts" includes, collectively, (a) any right to payment of a monetary obligation whether or not earned by performance, that relates to or arises out of any services provided or goods rendered by an Obligated Group Member (including, without limitation, payments made by or through a governmental authority to an individual patient assigned to such Member), (b) without duplication, any 'account' (as defined in the Uniform Commercial Code) ("UCC"), any accounts receivable, whether in the form of payments for services rendered or goods sold, rents, license fees or otherwise, any Health-Care-Insurance Receivables and any Payment Intangibles (each as defined in the UCC), (c) all General Intangibles, Intellectual Property (each as defined in the UCC), rights, remedies, guarantees, supporting obligations and letter of credit rights relating to or arising out of the foregoing assets described in clauses (a) and (b), (d) all information and data compiled or derived by any Member or to which any Member is entitled in respect of or related to the foregoing assets described in clauses (a) and (b) and (e) and all proceeds of any of the foregoing. See Amended and Restated Supplemental Master Indenture Number 20 dated as of January 1, 2016, between VHS and the prior Master Trustee.

⁴ The Senior Note Collateral was pledged pursuant to (i) certain Security Agreements dated as of December 11, 2015, Amended and Restated Security Agreements dated as of September 1, 2017, and Second Amended and Restated Security Agreements dated as of December 1, 2017, between the members of the Obligated Group and the Series 2015 Notes Trustee and Series 2017 Notes Trustee and (ii) certain Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of December 11, 2015, Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of September 15, 2017, and Second Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of December 28, 2017, by the members of the Obligated Group in favor of the Series 2015 Notes Trustee and Series 2017 Notes Trustee. True and correct copies of the Second Amended and Restated Security Agreements were attached to docket number 367-1 as Exhibits A through F. and true and correct copies of the Second Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents were attached to docket number 367-1 as Exhibits H through K. (Collectively, the Security Agreement, the Pledge Agreements and other documents which secure the repayment of the Notes, the "Security Documents") In addition to its rights under the Security Documents, the Notes Trustee has rights relating to this claim and the collateral security therefor arising under various orders of the Bankruptcy Court including but not limited to that certain 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 at docket number 409 (the "Financing Order"), describing, among other things, adequate protection replacement liens and liens which attach to the proceeds of collateral which may be sold during the Bankruptcy Cases.

⁵ In addition to the Notes, the Obligations also include the California Statewide Communities Development Authority Revenue Bonds (Daughters of Charity Health System) Series 2005A, F, G and H (collectively, the "Series 2005 Bonds") and the \$160,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2015 A, B, C and D (collectively, the "2015 Notes").

as further amended by the Second Amended and Restated Intercreditor Agreement dated as of December 1, 2017 (as amended, the "*Intercreditor Agreement*"), the Master Trustee subordinated its liens and security interests, including the Gross Revenue pledge, to the 2015 Notes Trustee and Notes Trustee with respect to the Senior Note Collateral.⁶

6. The Notes are also secured by that certain Deed of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of September 15, 2017 granted from Verity Holdings, LLC, to the Series 2017 Notes Trustee as Deed of Trust Beneficiary covering the real property and certain personal property at 600 Marine Blvd., Moss Beach California.

Summary of Claim

7. Pursuant to the Notes Documents on the Petition Date, the Debtors owed the Notes Trustee, for the benefit of the holders of the Notes, a total principal amount of \$42,000,000.00 on the Notes, plus all post-petition interest and any fees and expense and other charges under the Note Documents to the extent allowable under 11 U.S.C. § 506 (b), including without limitation any make whole or redemption premium or payment required thereby.⁷

Reservation of Other Claims and Rights

- 8. The filing of the Proof of Claim and Addendum is not intended as and should not be construed as an election of remedies, acceleration of any indebtedness evidenced by the Notes or the Indentures, waiver of any past, present or future defaults or events of default, or a waiver or limitation of any rights, remedies, claims or interests of the Series 2017 Notes Trustee, including any right to the payment of any additional amount due upon the payment of the Notes prior to their stated maturity. The Series 2017 Notes Trustee hereby reserves all of its rights, remedies and claims accruing at law or in equity, including, without limitation, all rights, remedies and claims against the Debtors, all of their affiliates and creditors, and all other parties in interest in the Debtors' bankruptcy cases.
- 9. The Series 2017 Notes Trustee has incurred and will continue to incur additional amounts for its compensation and expenses, including attorneys' and advisors' fees and expenses, as to which sum the Series 2017 Notes Trustee is entitled to payment.
- 10. The Series 2017 Notes Trustee expressly includes a claim against the Debtors and all others purporting to act on the Debtors' behalf (including any recipient directly or indirectly of the proceeds of the Notes) for the benefit derived from the use of any such proceeds traceable to such person, and for imposition of constructive trusts or equitable liens thereon, subrogation and all other claims thereto, and for any and all other legal or equitable remedies, rights, and interests to which the Series 2017 Notes Trustee may be entitled by virtue of the use, possession and enjoyment by the Debtors or any other recipient directly or indirectly of the proceeds of the Notes. The Series 2017 Notes Trustee expressly reserves all other rights and claims against the

⁷ The Debtors are currently paying the Notes Trustee's fees and expenses on a monthly basis pursuant to ¶5(b) of the Financing Order, however, the Notes Trustee reserves the right to amend this Proof of Claim to include post-petition fees and expenses if such payments should ever cease.

⁶ A true and correct copy of the Seconded Amended and Restated Intercreditor Agreement was attached to docket number 367-1 as Exhibit G.

Debtors and their estates, including claims for constructive trust and equitable liens, and all rights of setoff and recoupment. The Series 2017 Notes Trustee further reserves all rights and claims against parties other than the Debtors.

11. The Series 2017 Notes Trustee reserves its right to amend or supplement the Proof of Claim and Addendum or to file additional proofs of claims for additional claims, including, without limitation, claims for administrative expenses and all other claims, at law or in equity, arising prior to, on, or after the Petition Date. The Series 2017 Notes Trustee also reserves its right to amend or supplement the Proof of Claim and Addendum if it deems such amendment or supplement to be necessary or appropriate for any reason, including an updated statement of the amount due, or for any other purpose for which a proof of claim may be amended.

United States Bankruptcy Court for the Central District of California							
Indicate Debtor against which you assert a claim by checking the appropriate box below. (Check only one Debtor per claim form.)							
☐ Verity Health System of California, Inc. (Case No.18-20151) ☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)							
☐ De Paul Ventures - San Jose Dialysis, LLC (Case No. 18-20181)	☑ St. Louise Regional Hospital (Case No.18-20162)						
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)						
O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)						
O'Connor Hospital Foundation (Case No. 18-20179)	St. Vincent Medical Center (Case No. 18-20164)						
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)						
☐ Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)						
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)						
☐ St. Francis Medical Center (Case No. 18-20165)							

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

1.	Who is the current creditor?	U. S. Bank National Association, as Notes Trustee Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor					
2.	Has this claim been acquired from someone else?	✓ No Yes. From who	m?				
3.	Where should notices and payments to the creditor be sent?	where should notices to the creditor be sent? c/o Maslon LLP (Attn: Clark Whitmore) Name 90 South 7th Street, Suite 3300		Where should payments to the creditor be sent? (indifferent) U.S. Bank National Association Name (Attn: Sandra Spivey) 2300 W. Sahara, Ste			
	Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Number Street Minneapolis City	MN	55402 ZIP Code		treet NV State	89102 ZIP Cod
	RECEIVED MAR 2 6 2019	USA Country Contact phone (612	2)672-8335 hitmore@maslon.com		USA Country Contact phone Contact email	(702) 251-1656 sandra.spivey@usbank.com	
ZMA	IN CARSON CONSULTANTS	Uniform claim identifier for	electronic payments in	chapter 13 (if you use	e one):		
4.	Does this claim amend one already filed?	☑ No ☐ Yes. Claim nun	nber on court claims	registry (if known)		Filed on	/ YYYY
5.	Do you know if anyone else has filed a proof of claim for	No Yes. Who made to	he earlier filing?	ee attached addendum regardii	ng Master Trustee	Date Stamped Copy Re No self addressed star No copy to return	



7. H	vou use to identify the debtor? How much is the claim? What is the basis of the claim?			Does this		entify the debtor:					
 3. V \	What is the basis of the	\$ 42,000,000 and amo	unts reflected on addendum		amount include in						
				☐ No	\$ \(\frac{42,000,000 \text{ and amounts reflected on addendum}}{\text{Does this amount include interest or other charges?}}\)						
				✓ Yes		temizing interest, fees, expenses, or other by Bankruptcy Rule 3001(c)(2)(A).					
Ü	iaiii:	Examples: Goods s	old, money loaned, lea	ise, services	performed, persona	al injury or wrongful death, or credit card.					
						Bankruptcy Rule 3001(c).					
		Limit disclosing info	rmation that is entitled t	to privacy, s	uch as health care ir	nformation.					
		See attached ac	ddendum								
	s all or part of the claim	□ No									
se	ecured?	✓ Yes. The clai	m is secured by a lien o	on property.							
		Nature o	of property:								
		✓ Re	al estate: If the claim is aim Attachment (Official	secured by	the debtor's principa	al residence, file a <i>Mortgage Proof of</i>					
			tor vehicle	. 1 01111 4 10 7	() With this 7 7007 07 (Jann.					
		_	,	See attach	ned addendum						
		∠ Oth	ner. Describe:	- ditaoi	ica addendam						
				See attach	ned addendum						
			pericetion.			e of perfection of a security interest (for					
		example	, a mortgage, lien, certi n filed or recorded.)	ificate of title	, financing statemen	t, or other document that shows the lien					
		Value of	property:		\$	_					
		Amount	of the claim that is se	ecured:	\$ Entire Claim is secure	d					
	RECEIVED	Amount	of the claim that is ur	nsecured:	\$	(The sum of the secured and unsecured amount should match the amount in line					
M	1AR 2 6 2019	Amount	necessary to cure any	y default as	of the date of the pe	etition: \$					
ZMAP	N CARSON CONSULTANTS	Annual I	nterest Rate (when ca	se was filed	7.25 _%						
		✓ Fixe	ed								
		☐ Var	iable								
	this claim based on a ase?	✓ No									
166	ase:	Yes. Amount r	necessary to cure any	default as	of the date of the p	etition. \$					
	this claim subject to a	✓ No									
rig	ght of setoff?	Yes. Identify the	e property:								

12. Is all or part of the claim entitled to priority under	✓ No							
11 U.S.C. § 507(a)?		heck all that apply:			Amount entitled to priority			
A claim may be partly priority and partly nonpriority. For example,	Doi 11	mestic support obligations U.S.C. § 507(a)(1)(A) or (a	(including alimony and child a)(1)(B).	d support) under	\$			
in some categories, the law limits the amount entitled to priority.	Up ser	to \$2,850* of deposits tov vices for personal, family,	ward purchase, lease, or re or household use. 11 U.S.	ntal of property or C. § 507(a)(7).	\$			
	day	ages, salaries, or commiss ys before the bankruptcy p ichever is earlier, 11 U.S.C	sions (up to \$12,850*) earned tition is filed or the debtor C. § 507(a)(4).	ed within 180 's business ends,	\$			
	☐ Tax	kes or penalties owed to go	overnmental units. 11 U.S.C	. § 507(a)(8).	\$			
	Cor	ntributions to an employee	e benefit plan. 11 U.S.C. § 5	507(a)(5).	\$			
	☐ Oth	ner. Specify subsection of	11 U.S.C. § 507(a)() that	t applies.	\$			
	* Amou	nts are subject to adjustment c	on 4/01/19 and every 3 years aft	er that for cases begun o	on or after the date of adjustment.			
Part 3: Sign Below								
The person completing	Check the appr	ropriate box:		****				
this proof of claim must sign and date it.	☑ I am the c	reditor.						
FRBP 9011(b).	I am the c	reditor's attorney or author	ized agent.					
If you file this claim electronically, FRBP	am the tr	ustee, or the debtor, or the	eir authorized agent. Bankru	ptcy Rule 3004.				
5005(a)(2) authorizes courts to establish local rules specifying what a signature is.	I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.							
A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5	the amount of th	he claim, the creditor gave	on this <i>Proof of Claim</i> serve the debtor credit for any pa	yments received towa	ard the debt.			
years, or both. 18 U.S.C. §§ 152, 157, and	I have examined the information in this <i>Proof of Claim</i> and have reasonable belief that the information is true and correct. I declare under penalty of perjury that the foregoing is true and correct.							
3571.	r declare under	penalty of perjury that the	roregoing is true and correc	t.				
	Executed on da	te <u>05/2/2/</u>	2/9					
	Signatura	andra	-Spille					
	Print the name	of the person who is co	mpleting and signing this	claim:				
	Name	Sandra		Spive	ey			
	Title	First name Vice Preside	Middle name	Last nar	ne			
	Tiue	II S. Pank Nati	ional Association	in its some site.	Nata - Tarata			
	Company		onal Association, i	•	as Notes Trustee			
RECEIVED			, ,					
	Address		st Sahara, Ste. 200					
MAR 2 6 2019		Number Street Las Vegas	NV	89102				
MAN CARSON CONSULTANTS		(702) 251-10	State State	ZIP Code	Country			
min autoria originarium a	Contact phone	$(I\cup Z) Z\cup I-I$	JJ0	Email	sandra.spivey@usbank.com			



Erin Snyder Direct Dial: (612) 672-8399 Erin.Snyder@maslon.com

March 25, 2019

Verity Claims Processing Center c/o KCC 2335 Alaska Avenue El Segundo, CA 90245 VIA FEDERAL EXPRESS

Re:

In Re Verity Health Systems of California, Inc.

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

To Whom it May Concern:

Pursuant to the Bar Date Order entered by the Court, enclosed please find Proof of Claim forms to be filed on behalf of U.S. Bank National Association, as Trustee (in such capacity, the "2017 Notes Trustee") under those certain indentures dated as of September 1, 2017 and December 1 2017, each by and between the California Public Finance Authority, as Issuer and the 2017 Notes Trustee, against the following Debtors, as applicable:

- 1. Verity Health Systems of California, Inc. (Case No. 2:18-bk-20151-ER);
- 2. O'Connor Hospital (Case No. 2:18-bk-20168-ER);
- 3. Seton Medical Center (Case No. 2:18-bk-20167-ER);
- 4. St. Francis Medical Center (Case No. 2:18-bk-20165-ER);
- 5. St. Louise Regional Hospital (Case No. 2:18-bk-20162-ER);
- 6. St. Vincent Medical Center (Case No. 2:18-bk-20164-ER); and
- 7. Verity Holdings, LLC (Case No. 2:18-bk-20163-ER).

Pursuant to paragraph 10 of the Bar Date Order these Proofs of Claim are being submitted without exhibits because such documentation is voluminous. Such exhibits are in my possession and can be obtained by contacting me at the number above.

We have also enclosed a copies of the Proof of Claim forms to be date-stamped and returned to us in the enclosed self-addressed stamped envelope.

Sincerely

Erin Snyder 4851-8301-0958 Enclosures

Addendum to Proof of Claim

U.S. Bank National Association, not individually but as Trustee (the "Series 2017 Notes Trustee") for the holders of the \$42,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2017 (the "2017 Notes") and 2017B (the "2017B Notes" and together with the 2017 Notes, the "Notes"), hereby submits this Addendum to its Proof of Claim against Verity Health System of California, Inc. ("VHS"), O'Connor Hospital, Seton Medical Center, St. Francis Medical Center, St. Louise Regional Hospital, St. Vincent Medical Center, and Verity Holdings, LLC (collectively, the "Debtors"). This Addendum is incorporated by reference in, and constitutes a part of, the Proof of Claim. In support of its Proof of Claim, the Series 2017 Notes Trustee states as follows:

Background

- 1. On August 31, 2018 (the "*Petition Date*"), the Debtors and certain of their affiliates each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "*Bankruptcy Code*") in the United States Bankruptcy Court for the Central District of California, Los Angeles Division.
- 2. The claim arises under the following undertakings:
- a. The 2017 Notes and 2017B Notes were issued pursuant to separate Indentures dated as of September 1, 2017 and December 1, 2017, respectively, each by and between the Series 2017 Notes Trustee, as trustee, and the California Public Finance Authority, as issuer (the "Authority"); and ¹
- b. The proceeds of 2017 Notes and 2017B Notes were loaned to the Debtors pursuant to separate Loan Agreements dated as of September 1, 2017 and December 1, 2017, respectively, each between the Authority and VHS, for itself and as a representative of the Verity Health System Obligated Group under the Master Indenture of Trust dated as of December 1, 2001, as supplemented (the "*Master Indenture*"), between the Obligated Group² and UMB Bank, N.A., as successor Master Trustee. The Indentures and Loan Agreements, together with all documents and agreements thereto granting or evidencing rights relating thereto as the same may be amended from time to time are referred to collectively herein as the "Notes Documents."
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- 4. The 2015 Notes and the Notes are also jointly secured on a parity basis with the collateral pledged to the other Obligations under the Master Indenture, including the Series 2005 Bonds. Those Obligations are secured by, *inter alia*, (i) Deeds of Trust on the Hospitals and (ii) the "Gross Revenues" of the Obligated Group, which is broadly defined to include "all revenues, income, receipts and money received by or on behalf of the Members from all sources."
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³ "Accounts" includes, collectively, (a) any right to payment of a monetary obligation whether or not earned by performance, that relates to or arises out of any services provided or goods rendered by an Obligated Group Member (including, without limitation, payments made by or through a governmental authority to an individual patient assigned to such Member), (b) without duplication, any 'account' (as defined in the Uniform Commercial Code) ("*UCC*"), any accounts receivable, whether in the form of payments for services rendered or goods sold, rents, license fees or otherwise, any Health-Care-Insurance Receivables and any Payment Intangibles (each as defined in the UCC), (c) all General Intangibles, Intellectual Property (each as defined in the UCC), rights, remedies, guarantees, supporting obligations and letter of credit rights relating to or arising out of the foregoing assets described in clauses (a) and (b), (d) all information and data compiled or derived by any Member or to which any Member is entitled in respect of or related to the foregoing assets described in clauses (a) and (b) and (e) and all proceeds of any of the foregoing. *See* Amended and Restated Supplemental Master Indenture Number 20 dated as of January 1, 2016, between VHS and the prior Master Trustee.

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Summary of Claim

7. Pursuant to the Notes Documents on the Petition Date, the Debtors owed the Notes Trustee, for the benefit of the holders of the Notes, a total principal amount of \$42,000,000.00 on the Notes, plus all post-petition interest and any fees and expense and other charges under the Note Documents to the extent allowable under 11 U.S.C. § 506 (b), including without limitation any make whole or redemption premium or payment required thereby.⁷

Reservation of Other Claims and Rights

- 8. The filing of the Proof of Claim and Addendum is not intended as and should not be construed as an election of remedies, acceleration of any indebtedness evidenced by the Notes or the Indentures, waiver of any past, present or future defaults or events of default, or a waiver or limitation of any rights, remedies, claims or interests of the Series 2017 Notes Trustee, including any right to the payment of any additional amount due upon the payment of the Notes prior to their stated maturity. The Series 2017 Notes Trustee hereby reserves all of its rights, remedies and claims accruing at law or in equity, including, without limitation, all rights, remedies and claims against the Debtors, all of their affiliates and creditors, and all other parties in interest in the Debtors' bankruptcy cases.
- 9. The Series 2017 Notes Trustee has incurred and will continue to incur additional amounts for its compensation and expenses, including attorneys' and advisors' fees and expenses, as to which sum the Series 2017 Notes Trustee is entitled to payment.
- 10. The Series 2017 Notes Trustee expressly includes a claim against the Debtors and all others purporting to act on the Debtors' behalf (including any recipient directly or indirectly of the proceeds of the Notes) for the benefit derived from the use of any such proceeds traceable to such person, and for imposition of constructive trusts or equitable liens thereon, subrogation and all other claims thereto, and for any and all other legal or equitable remedies, rights, and interests to which the Series 2017 Notes Trustee may be entitled by virtue of the use, possession and enjoyment by the Debtors or any other recipient directly or indirectly of the proceeds of the Notes. The Series 2017 Notes Trustee expressly reserves all other rights and claims against the

⁶ A true and correct copy of the Seconded Amended and Restated Intercreditor Agreement was attached to docket number 367-1 as Exhibit G.

⁷ The Debtors are currently paying the Notes Trustee's fees and expenses on a monthly basis pursuant to ¶5(b) of the Financing Order, however, the Notes Trustee reserves the right to amend this Proof of Claim to include post-petition fees and expenses if such payments should ever cease.

Debtors and their estates, including claims for constructive trust and equitable liens, and all rights of setoff and recoupment. The Series 2017 Notes Trustee further reserves all rights and claims against parties other than the Debtors.

11. The Series 2017 Notes Trustee reserves its right to amend or supplement the Proof of Claim and Addendum or to file additional proofs of claims for additional claims, including, without limitation, claims for administrative expenses and all other claims, at law or in equity, arising prior to, on, or after the Petition Date. The Series 2017 Notes Trustee also reserves its right to amend or supplement the Proof of Claim and Addendum if it deems such amendment or supplement to be necessary or appropriate for any reason, including an updated statement of the amount due, or for any other purpose for which a proof of claim may be amended.

United States Bankruptcy Court for the Central District of California									
Indicate Debtor against which you assert a claim by checking	Indicate Debtor against which you assert a claim by checking the appropriate box below. (Check only one Debtor per claim form.)								
☐ Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)								
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	☐ St. Louise Regional Hospital (Case No.18-20162)								
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)								
☐ O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)								
O'Connor Hospital Foundation (Case No. 18-20179)	St. Vincent Medical Center (Case No. 18-20164)								
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)								
☐ Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)								
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)								
☑ St. Francis Medical Center (Case No. 18-20165)									

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

1. Who is the current creditor?	U. S. Bank Nation Name of the current creditor (to Other names the creditor used	he person or entity)				
Has this claim been acquired from someone else?	 ✓ No Yes. From whom?								
3. Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent? c/o Maslon LLP (Attn: Clark Whitmore) Name 90 South 7th Street, Suite 3300			Where should payments to the creditor be sent different) U.S. Bank National Association Name (Attn: Sandra Spivey) 2300 W. Sahara, \$					
Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Number Street Minneapolis City USA	MN State	55402 ZIP Code	Number Si Las Vegas City USA	nV State	89102 ZIP Code			
RECEIVED MAR 2 6 2019 JUNICARSON CONSULTANTS	Country Contact phone (612)6	72-8335 ore@maslon.com	-	Country Contact phone Contact email	(702) 251-1656 sandra.spivey@usbank.com	 1			
Does this claim amend one already filed?	✓ No ✓ Yes. Claim numbe	r on court claims	s registry (if known)		Filed on	D / YYYY			
5. Do you know if anyone else has filed a proof of claim for this claim?	No Yes. Who made the e	earlier filing?	See attached addendum regardi	ng Master Trustee	Date Stamped Copy F I No self addressed sta I No copy to return				

Cas**e** 42-1118-20142615 R-ERClaiDro 673634-3-ilefdle7d/14/19/19De 5cn 144-2010 d.0.6118/119/19De 5cn 144-2010 d.0.6118/119/190e 5cn 144-2010 d.0.6118/190e 5cn 144-20

4- 1-1	☑ No						
you use to identify the debtor?	Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:						
much is the claim?	\$ 42,000,000 and amounts reflected on addendum. Does this amount include interest or other charges?						
	Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).						
is the basis of the	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.						
	Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information.						
	See attached addendum						
or part of the claim	□ No						
eu:	Yes. The claim is secured by a lien on property. Nature of property:						
	Real estate: If the claim is secured by the debtor's principal residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i> .						
	Motor vehicle						
	Other. Describe: See attached addendum						
	Basis for perfection: See attached addendum						
	Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)						
	Value of property: \$						
	Amount of the claim that is secured: \$\frac{\text{Entire Claim is secured}}{\text{The sum of the secured and unsecured:}}\$						
- 0000000	amount should match the amount in line						
	Amount necessary to cure any default as of the date of the petition: \$						
6 2019	Annual Interest Rate (when case was filed) $\frac{7.25}{}$ %						
ON CONSULTANTS	Fixed Variable						
s claim based on a ?	 ✓ No ✓ Yes. Amount necessary to cure any default as of the date of the petition. 						
s claim subject to a of setoff?	☑ No						
	is the basis of the part of the claim ed? 6 2019 Claim based on a claim subject to a						

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?	✓ No Yes. Chec	rk all that apply:	Amount entitled to priority					
A claim may be partly priority and partly nonpriority. For example,	☐ Dome 11 U.S	stic support obligations (including alimony and child s $S.C. \S 507(a)(1)(A)$ or $(a)(1)(B)$.	upport) under \$					
in some categories, the law limits the amount entitled to priority.		\$2,850* of deposits toward purchase, lease, or rent es for personal, family, or household use. 11 U.S.C.						
critined to priority.	days	s, salaries, or commissions (up to \$12,850*) earned before the bankruptcy petition is filed or the debtor's ever is earlier. 11 U.S.C. § 507(a)(4).	within 180 business ends, \$					
	☐ Taxes	or penalties owed to governmental units. 11 U.S.C.	§ 507(a)(8). \$					
	Contr	butions to an employee benefit plan. 11 U.S.C. § 50	7(a)(5). \$					
	Other	. Specify subsection of 11 U.S.C. § 507(a)() that a	applies. \$					
	* Amounts	are subject to adjustment on 4/01/19 and every 3 years after	that for cases begun on or after the date of adjustment.					
Part 3: Sign Below The person completing	Check the approp	riate hov:						
this proof of claim must sign and date it.	I am the cred							
FRBP 9011(b).	am the cred	litor's attorney or authorized agent.						
If you file this claim electronically, FRBP	am the trus	tee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.						
5005(a)(2) authorizes courts to establish local rules specifying what a signature is.	I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.							
A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.	I have examined to declare under per Executed on date	an authorized signature on this <i>Proof of Claim</i> serves claim, the creditor gave the debtor credit for any pays the information in this <i>Proof of Claim</i> and have reason shalty of perjury that the foregoing is true and correct. 3 2 20 9	nents received toward the debt. able belief that the information is true and correct. laim: Spivey Last name					
RECEIVED	Company	Identify the corporate servicer as the company if the authorize						
MAR 2 6 2019	Address	2300 West Sahara, Ste. 200 Number Street Las Vegas NV	89102					
CONTROL AND ALGORITH CONTROL C		Las Vegas NV City State	89102 ZIP Code Country					
KURTZMAN CARSON CONSULTANTS	Contact phone	(702) 251-1656	sandra.spivey@usbank.com					



Erin Snyder Direct Dial: (612) 672-8399 Erin.Snyder@maslon.com

March 25, 2019

Re:

Verity Claims Processing Center c/o KCC 2335 Alaska Avenue El Segundo, CA 90245 VIA FEDERAL EXPRESS

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

To Whom it May Concern:

Pursuant to the Bar Date Order entered by the Court, enclosed please find Proof of Claim forms to be filed on behalf of U.S. Bank National Association, as Trustee (in such capacity, the "2017 Notes Trustee") under those certain indentures dated as of September 1, 2017 and December 1 2017, each by and between the California Public Finance Authority, as Issuer and the 2017 Notes Trustee, against the following Debtors, as applicable:

- 1. Verity Health Systems of California, Inc. (Case No. 2:18-bk-20151-ER);
- 2. O'Connor Hospital (Case No. 2:18-bk-20168-ER);

In Re Verity Health Systems of California, Inc.

- 3. Seton Medical Center (Case No. 2:18-bk-20167-ER);
- 4. St. Francis Medical Center (Case No. 2:18-bk-20165-ER);
- 5. St. Louise Regional Hospital (Case No. 2:18-bk-20162-ER);
- 6. St. Vincent Medical Center (Case No. 2:18-bk-20164-ER); and
- 7. Verity Holdings, LLC (Case No. 2:18-bk-20163-ER).

Pursuant to paragraph 10 of the Bar Date Order these Proofs of Claim are being submitted without exhibits because such documentation is voluminous. Such exhibits are in my possession and can be obtained by contacting me at the number above.

We have also enclosed a copies of the Proof of Claim forms to be date-stamped and returned to us in the enclosed self-addressed stamped envelope.

Sincerely

Erin Snyder 4851-8301-0958 Enclosures

Addendum to Proof of Claim

U.S. Bank National Association, not individually but as Trustee (the "Series 2017 Notes Trustee") for the holders of the \$42,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2017 (the "2017 Notes") and 2017B (the "2017B Notes" and together with the 2017 Notes, the "Notes"), hereby submits this Addendum to its Proof of Claim against Verity Health System of California, Inc. ("VHS"), O'Connor Hospital, Seton Medical Center, St. Francis Medical Center, St. Louise Regional Hospital, St. Vincent Medical Center, and Verity Holdings, LLC (collectively, the "Debtors"). This Addendum is incorporated by reference in, and constitutes a part of, the Proof of Claim. In support of its Proof of Claim, the Series 2017 Notes Trustee states as follows:

Background

- 1. On August 31, 2018 (the "*Petition Date*"), the Debtors and certain of their affiliates each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "*Bankruptcy Code*") in the United States Bankruptcy Court for the Central District of California, Los Angeles Division.
- 2. The claim arises under the following undertakings:
- a. The 2017 Notes and 2017B Notes were issued pursuant to separate Indentures dated as of September 1, 2017 and December 1, 2017, respectively, each by and between the Series 2017 Notes Trustee, as trustee, and the California Public Finance Authority, as issuer (the "Authority"); and ¹
- b. The proceeds of 2017 Notes and 2017B Notes were loaned to the Debtors pursuant to separate Loan Agreements dated as of September 1, 2017 and December 1, 2017, respectively, each between the Authority and VHS, for itself and as a representative of the Verity Health System Obligated Group under the Master Indenture of Trust dated as of December 1, 2001, as supplemented (the "*Master Indenture*"), between the Obligated Group² and UMB Bank, N.A., as successor Master Trustee. The Indentures and Loan Agreements, together with all documents and agreements thereto granting or evidencing rights relating thereto as the same may be amended from time to time are referred to collectively herein as the "Notes Documents."
- 3. The indebtedness evidenced by the 2015 Notes (defined herein) and the Notes is jointly secured by senior first priority security interests and liens on certain of the Debtors' assets,

¹ Copies of the Notes Documents are not attached to the Proof of Claim and this Addendum because they are voluminous. Copies of the Notes Documents are available upon request to counsel to the Series 2017 Notes Trustee (Jason Reed; Jason Reed@maslon.com). Certain of the Notes Documents, including the Second Amended and Restated Security Agreements, the Second Amended and Restated Intercreditor Agreement, the Second Amended and Restated Deeds of Trust, and the Second Amended and Restated Subordination Agreements, were filed as Exhibits A through O to docket number 367-1 in case number 18-20151.

² The Obligated Group consists of VHS and the Hospitals (as defined herein).

including (x) Accounts³ of St. Francis Medical Center, St. Vincent Medical Center, O'Connor Hospital, Saint Louise Regional Hospital, and Seton Medical Center, including Seton Medical Center Coastside (collectively, the "*Hospitals*") and (y) real property and certain personal property comprising St. Francis Medical Center and Saint Louise Regional Hospital (collectively, the "*Senior Note Collateral*").⁴

- 4. The 2015 Notes and the Notes are also jointly secured on a parity basis with the collateral pledged to the other Obligations under the Master Indenture, including the Series 2005 Bonds. Those Obligations are secured by, *inter alia*, (i) Deeds of Trust on the Hospitals and (ii) the "Gross Revenues" of the Obligated Group, which is broadly defined to include "all revenues, income, receipts and money received by or on behalf of the Members from all sources."
- 5. Pursuant to that certain Intercreditor Agreement dated as of December 1, 2015, as amended by the Amended and Restated Intercreditor Agreement dated as of September 1, 2017,

³ "Accounts" includes, collectively, (a) any right to payment of a monetary obligation whether or not earned by performance, that relates to or arises out of any services provided or goods rendered by an Obligated Group Member (including, without limitation, payments made by or through a governmental authority to an individual patient assigned to such Member), (b) without duplication, any 'account' (as defined in the Uniform Commercial Code) ("*UCC*"), any accounts receivable, whether in the form of payments for services rendered or goods sold, rents, license fees or otherwise, any Health-Care-Insurance Receivables and any Payment Intangibles (each as defined in the UCC), (c) all General Intangibles, Intellectual Property (each as defined in the UCC), rights, remedies, guarantees, supporting obligations and letter of credit rights relating to or arising out of the foregoing assets described in clauses (a) and (b), (d) all information and data compiled or derived by any Member or to which any Member is entitled in respect of or related to the foregoing assets described in clauses (a) and (b) and (e) and all proceeds of any of the foregoing. *See* Amended and Restated Supplemental Master Indenture Number 20 dated as of January 1, 2016, between VHS and the prior Master Trustee.

⁴ The Senior Note Collateral was pledged pursuant to (i) certain Security Agreements dated as of December 11, 2015, Amended and Restated Security Agreements dated as of September 1, 2017, and Second Amended and Restated Security Agreements dated as of December 1, 2017, between the members of the Obligated Group and the Series 2015 Notes Trustee and Series 2017 Notes Trustee and (ii) certain Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of December 11, 2015, Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of September 15, 2017, and Second Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of December 28, 2017, by the members of the Obligated Group in favor of the Series 2015 Notes Trustee and Series 2017 Notes Trustee. True and correct copies of the Second Amended and Restated Security Agreements were attached to docket number 367-1 as Exhibits A through F, and true and correct copies of the Second Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents were attached to docket number 367-1 as Exhibits H through K. (Collectively, the Security Agreement, the Pledge Agreements and other documents which secure the repayment of the Notes, the "Security Documents") In addition to its rights under the Security Documents, the Notes Trustee has rights relating to this claim and the collateral security therefor arising under various orders of the Bankruptcy Court including but not limited to that certain 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 at docket number 409 (the "Financing Order"), describing, among other things, adequate protection replacement liens and liens which attach to the proceeds of collateral which may be sold during the Bankruptcy Cases.

⁵ In addition to the Notes, the Obligations also include the California Statewide Communities Development Authority Revenue Bonds (Daughters of Charity Health System) Series 2005A, F, G and H (collectively, the "Series 2005 Bonds") and the \$160,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2015 A, B, C and D (collectively, the "2015 Notes").

as further amended by the Second Amended and Restated Intercreditor Agreement dated as of December 1, 2017 (as amended, the "*Intercreditor Agreement*"), the Master Trustee subordinated its liens and security interests, including the Gross Revenue pledge, to the 2015 Notes Trustee and Notes Trustee with respect to the Senior Note Collateral.⁶

6. The Notes are also secured by that certain Deed of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of September 15, 2017 granted from Verity Holdings, LLC, to the Series 2017 Notes Trustee as Deed of Trust Beneficiary covering the real property and certain personal property at 600 Marine Blvd., Moss Beach California.

Summary of Claim

7. Pursuant to the Notes Documents on the Petition Date, the Debtors owed the Notes Trustee, for the benefit of the holders of the Notes, a total principal amount of \$42,000,000.00 on the Notes, plus all post-petition interest and any fees and expense and other charges under the Note Documents to the extent allowable under 11 U.S.C. § 506 (b), including without limitation any make whole or redemption premium or payment required thereby.⁷

Reservation of Other Claims and Rights

- 8. The filing of the Proof of Claim and Addendum is not intended as and should not be construed as an election of remedies, acceleration of any indebtedness evidenced by the Notes or the Indentures, waiver of any past, present or future defaults or events of default, or a waiver or limitation of any rights, remedies, claims or interests of the Series 2017 Notes Trustee, including any right to the payment of any additional amount due upon the payment of the Notes prior to their stated maturity. The Series 2017 Notes Trustee hereby reserves all of its rights, remedies and claims accruing at law or in equity, including, without limitation, all rights, remedies and claims against the Debtors, all of their affiliates and creditors, and all other parties in interest in the Debtors' bankruptcy cases.
- 9. The Series 2017 Notes Trustee has incurred and will continue to incur additional amounts for its compensation and expenses, including attorneys' and advisors' fees and expenses, as to which sum the Series 2017 Notes Trustee is entitled to payment.
- 10. The Series 2017 Notes Trustee expressly includes a claim against the Debtors and all others purporting to act on the Debtors' behalf (including any recipient directly or indirectly of the proceeds of the Notes) for the benefit derived from the use of any such proceeds traceable to such person, and for imposition of constructive trusts or equitable liens thereon, subrogation and all other claims thereto, and for any and all other legal or equitable remedies, rights, and interests to which the Series 2017 Notes Trustee may be entitled by virtue of the use, possession and enjoyment by the Debtors or any other recipient directly or indirectly of the proceeds of the Notes. The Series 2017 Notes Trustee expressly reserves all other rights and claims against the

⁷ The Debtors are currently paying the Notes Trustee's fees and expenses on a monthly basis pursuant to ¶5(b) of the Financing Order, however, the Notes Trustee reserves the right to amend this Proof of Claim to include post-petition fees and expenses if such payments should ever cease.

⁶ A true and correct copy of the Seconded Amended and Restated Intercreditor Agreement was attached to docket number 367-1 as Exhibit G.

Debtors and their estates, including claims for constructive trust and equitable liens, and all rights of setoff and recoupment. The Series 2017 Notes Trustee further reserves all rights and claims against parties other than the Debtors.

11. The Series 2017 Notes Trustee reserves its right to amend or supplement the Proof of Claim and Addendum or to file additional proofs of claims for additional claims, including, without limitation, claims for administrative expenses and all other claims, at law or in equity, arising prior to, on, or after the Petition Date. The Series 2017 Notes Trustee also reserves its right to amend or supplement the Proof of Claim and Addendum if it deems such amendment or supplement to be necessary or appropriate for any reason, including an updated statement of the amount due, or for any other purpose for which a proof of claim may be amended.

United States Bankruptcy Co	urt for the Central District of California
Indicate Debtor against which you assert a claim by checking	the appropriate box below. (Check only one Debtor per claim form.)
☑ Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	☐ St. Louise Regional Hospital (Case No.18-20162)
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)
O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)
O'Connor Hospital Foundation (Case No. 18-20179)	☐ St. Vincent Medical Center (Case No. 18-20164)
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)
☐ Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)
☐ St. Francis Medical Center (Case No. 18-20165)	

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

Who is the current creditor?	U. S. Bank National Name of the current creditor (Other names the creditor use	the person or entity	<u></u>		9				
Has this claim been acquired from someone else?	✓ No Yes. From whom?								
Where should notices and payments to the creditor be sent?	where should notices to c/o Maslon LLP (Name 90 South 7	Attn: Clark	Whitmore)	different) U.S. Bank N Name	d payments to the creditor b	· · · · · · · · · · · · · · · · · · ·			
Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Number Street Minneapolis City USA	th Street, S MN State	55402 ZIP Code		Sandra Spivey) 2300 W. Sa treet NV State	89102 ZIP Code			
MAR 2 6 2019	Contact priorite	372-8335 nore@maslon.com	-	Country Contact phone Contact email	(702) 251-1656 sandra.spivey@usbank.com				
MAN CARSON CONSULTANTS 4. Does this claim	Uniform claim identifier for ele	ctronic payments ir	chapter 13 (if you use	e one):					
amend one already filed?	Yes. Claim number	er on court claims	registry (if known)		Filed on MM / DD	/ YYYY			
5. Do you know if anyone else has filed a proof of claim for this claim?	No Yes. Who made the	earlier filing?	iee attached addendum regardi	ng Master Trustee	der Mate Stamped Copy Red No self addressed stared No copy to return				



Case 2 e12:108-12101-125

6.	Do you have any number you use to identify the	✓ No							
	debtor?	Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:							
7.	How much is the claim?	\$ 42,000,000 and amounts reflected on addendum. Does this amount include interest or other charges?							
		□ No							
		Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).							
8.	What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.							
	Claim?	Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).							
		Limit disclosing information that is entitled to privacy, such as health care information.							
		See attached addendum							
9.	Is all or part of the claim secured?	□ No							
	secured?	Yes. The claim is secured by a lien on property.							
		Nature of property:							
		Real estate: If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A) with this Proof of Claim.							
		Motor vehicle							
		Other. Describe: See attached addendum							
		Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)							
		Value of property: \$							
		Amount of the claim that is secured: \$\(\frac{\text{Entire Claim is secured}}{}\)							
		Amount of the claim that is unsecured: \$(The sum of the secured and unsecured amount should match the amount in line 7							
	RECEIVED	Amount necessary to cure any default as of the date of the petition: \$							
	MAR 2 6 2019	Annual Interest Rate (when case was filed) $\frac{7.25}{}$ %							
		Fixed							
uki	ZMAN CARSON CONSULTANTS	☐ Variable							
10.	Is this claim based on a	▼ No							
	lease?	Yes. Amount necessary to cure any default as of the date of the petition.							
11.	Is this claim subject to a	☑ No							
	right of setoff?	Yes. Identify the property:							

Case 2 e 12:108-12101-12501-12

12. Is all or part of the claim entitled to priority under	✓ No			
11 U.S.C. § 507(a)?	Yes. Che	ck all that apply:		Amount entitled to priority
A claim may be partly priority and partly nonpriority. For example,		estic support obligations (including alimony a.S.C. \S 507(a)(1)(A) or (a)(1)(B).	and child support) under	\$
in some categories, the law limits the amount entitled to priority.		s \$2,850* of deposits toward purchase, leas ces for personal, family, or household use.		\$
	days	es, salaries, or commissions (up to \$12,850 before the bankruptcy petition is filed or the never is earlier. 11 U.S.C. § 507(a)(4).		\$
	☐ Taxe	s or penalties owed to governmental units. 1	1 U.S.C. § 507(a)(8).	\$
	Con	ributions to an employee benefit plan. 11 U	.S.C. § 507(a)(5).	\$
	Othe	r. Specify subsection of 11 U.S.C. § 507(a)) that applies.	\$
	* Amoun	s are subject to adjustment on 4/01/19 and every 3	years after that for cases begun	on or after the date of adjustment.
Part 3: Sign Below				
The person completing	Check the appro	priate box:	· · · · · · · · · · · · · · · · · · ·	
this proof of claim must sign and date it.	✓ I am the cre	editor.		
FRBP 9011(b).	I am the cre	ditor's attorney or authorized agent.		
If you file this claim electronically, FRBP	☐ I am the tru	stee, or the debtor, or their authorized agent.	. Bankruptcy Rule 3004.	
5005(a)(2) authorizes courts to establish local rules specifying what a signature	I am a guai	antor, surety, endorser, or other codebtor. Ba	ankruptcy Rule 3005.	
is.				
A person who files a fraudulent claim could be		an authorized signature on this <i>Proof of Cla</i> e claim, the creditor gave the debtor credit fo		
fined up to \$500,000, imprisoned for up to 5	I have examined	the information in this <i>Proof of Claim</i> and ha	ve reasonable belief that the	information is true and correc
years, or both. 18 U.S.C. §§ 152, 157, and	l declare under r	enalty of perjury that the foregoing is true an	d correct	
3571.		02/01/200	u conect.	
	Executed on dat	MIN / DD / YYYY		
		, ,	•	
	Signature	mare Spa	They was	
	Print the name	of the person who is completing and sign	ing this claim:	
	Name	Sandra	Spiv	/ey
		First name Middle nam	ne Last na	ame
	Title	Vice President		
RECEIVED	Company	U.S. Bank National Associal Identify the corporate servicer as the company if the		as Notes Trustee
MAR 2 6 2019		identity the corporate servicer as the company if the	ie authorized agent is a servicer.	
INTIV & U SUICE	Address	2300 West Sahara, Ste.	200	
IRTZMAN CARSON CONSULTANTS	/ 1001033	Number Street	· -	
11/1 17:41Win Autonia Roisenersies		Las Vegas	NV 89103	
	Contact phone	(702) 251-1656	State ZIP Code	e Country sandra.spivey@usbank.com



Erin Snyder Direct Dial: (612) 672-8399 Erin.Snyder@maslon.com

March 25, 2019

Verity Claims Processing Center c/o KCC 2335 Alaska Avenue El Segundo, CA 90245 VIA FEDERAL EXPRESS

Re: In Re Verity Health Systems of California, Inc. Case No. 2:18-bk-20151-ER

To Whom it May Concern:

Pursuant to the Bar Date Order entered by the Court, enclosed please find Proof of Claim forms to be filed on behalf of U.S. Bank National Association, as Trustee (in such capacity, the "2017 Notes Trustee") under those certain indentures dated as of September 1, 2017 and December 1 2017, each by and between the California Public Finance Authority, as Issuer and the 2017 Notes Trustee, against the following Debtors, as applicable:

- 1. Verity Health Systems of California, Inc. (Case No. 2:18-bk-20151-ER);
- 2. O'Connor Hospital (Case No. 2:18-bk-20168-ER);
- 3. Seton Medical Center (Case No. 2:18-bk-20167-ER);
- 4. St. Francis Medical Center (Case No. 2:18-bk-20165-ER);
- 5. St. Louise Regional Hospital (Case No. 2:18-bk-20162-ER);
- 6. St. Vincent Medical Center (Case No. 2:18-bk-20164-ER); and
- 7. Verity Holdings, LLC (Case No. 2:18-bk-20163-ER).

Pursuant to paragraph 10 of the Bar Date Order these Proofs of Claim are being submitted without exhibits because such documentation is voluminous. Such exhibits are in my possession and can be obtained by contacting me at the number above.

We have also enclosed a copies of the Proof of Claim forms to be date-stamped and returned to us in the enclosed self-addressed stamped envelope.

Sincerely

Erin Snyder 4851-8301-0958 Enclosures

Addendum to Proof of Claim

U.S. Bank National Association, not individually but as Trustee (the "Series 2017 Notes Trustee") for the holders of the \$42,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2017 (the "2017 Notes") and 2017B (the "2017B Notes" and together with the 2017 Notes, the "Notes"), hereby submits this Addendum to its Proof of Claim against Verity Health System of California, Inc. ("VHS"), O'Connor Hospital, Seton Medical Center, St. Francis Medical Center, St. Louise Regional Hospital, St. Vincent Medical Center, and Verity Holdings, LLC (collectively, the "Debtors"). This Addendum is incorporated by reference in, and constitutes a part of, the Proof of Claim. In support of its Proof of Claim, the Series 2017 Notes Trustee states as follows:

Background

- 1. On August 31, 2018 (the "*Petition Date*"), the Debtors and certain of their affiliates each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "*Bankruptcy Code*") in the United States Bankruptcy Court for the Central District of California, Los Angeles Division.
- 2. The claim arises under the following undertakings:
- a. The 2017 Notes and 2017B Notes were issued pursuant to separate Indentures dated as of September 1, 2017 and December 1, 2017, respectively, each by and between the Series 2017 Notes Trustee, as trustee, and the California Public Finance Authority, as issuer (the "Authority"); and ¹
- b. The proceeds of 2017 Notes and 2017B Notes were loaned to the Debtors pursuant to separate Loan Agreements dated as of September 1, 2017 and December 1, 2017, respectively, each between the Authority and VHS, for itself and as a representative of the Verity Health System Obligated Group under the Master Indenture of Trust dated as of December 1, 2001, as supplemented (the "*Master Indenture*"), between the Obligated Group² and UMB Bank, N.A., as successor Master Trustee. The Indentures and Loan Agreements, together with all documents and agreements thereto granting or evidencing rights relating thereto as the same may be amended from time to time are referred to collectively herein as the "Notes Documents."
- 3. The indebtedness evidenced by the 2015 Notes (defined herein) and the Notes is jointly secured by senior first priority security interests and liens on certain of the Debtors' assets,

¹ Copies of the Notes Documents are not attached to the Proof of Claim and this Addendum because they are voluminous. Copies of the Notes Documents are available upon request to counsel to the Series 2017 Notes Trustee (Jason Reed; Jason.Reed@maslon.com). Certain of the Notes Documents, including the Second Amended and Restated Security Agreements, the Second Amended and Restated Intercreditor Agreement, the Second Amended and Restated Deeds of Trust, and the Second Amended and Restated Subordination Agreements, were filed as Exhibits A through O to docket number 367-1 in case number 18-20151.

² The Obligated Group consists of VHS and the Hospitals (as defined herein).

including (x) Accounts³ of St. Francis Medical Center, St. Vincent Medical Center, O'Connor Hospital, Saint Louise Regional Hospital, and Seton Medical Center, including Seton Medical Center Coastside (collectively, the "*Hospitals*") and (y) real property and certain personal property comprising St. Francis Medical Center and Saint Louise Regional Hospital (collectively, the "*Senior Note Collateral*").⁴

- 4. The 2015 Notes and the Notes are also jointly secured on a parity basis with the collateral pledged to the other Obligations under the Master Indenture, including the Series 2005 Bonds.⁵ Those Obligations are secured by, *inter alia*, (i) Deeds of Trust on the Hospitals and (ii) the "Gross Revenues" of the Obligated Group, which is broadly defined to include "all revenues, income, receipts and money received by or on behalf of the Members from all sources."
- 5. Pursuant to that certain Intercreditor Agreement dated as of December 1, 2015, as amended by the Amended and Restated Intercreditor Agreement dated as of September 1, 2017,

³ "Accounts" includes, collectively, (a) any right to payment of a monetary obligation whether or not earned by performance, that relates to or arises out of any services provided or goods rendered by an Obligated Group Member (including, without limitation, payments made by or through a governmental authority to an individual patient assigned to such Member), (b) without duplication, any 'account' (as defined in the Uniform Commercial Code) ("*UCC*"), any accounts receivable, whether in the form of payments for services rendered or goods sold, rents, license fees or otherwise, any Health-Care-Insurance Receivables and any Payment Intangibles (each as defined in the UCC), (c) all General Intangibles, Intellectual Property (each as defined in the UCC), rights, remedies, guarantees, supporting obligations and letter of credit rights relating to or arising out of the foregoing assets described in clauses (a) and (b), (d) all information and data compiled or derived by any Member or to which any Member is entitled in respect of or related to the foregoing assets described in clauses (a) and (b) and (e) and all proceeds of any of the foregoing. *See* Amended and Restated Supplemental Master Indenture Number 20 dated as of January 1, 2016, between VHS and the prior Master Trustee.

⁴ The Senior Note Collateral was pledged pursuant to (i) certain Security Agreements dated as of December 11, 2015, Amended and Restated Security Agreements dated as of September 1, 2017, and Second Amended and Restated Security Agreements dated as of December 1, 2017, between the members of the Obligated Group and the Series 2015 Notes Trustee and Series 2017 Notes Trustee and (ii) certain Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of December 11, 2015, Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of September 15, 2017, and Second Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of December 28, 2017, by the members of the Obligated Group in favor of the Series 2015 Notes Trustee and Series 2017 Notes Trustee. True and correct copies of the Second Amended and Restated Security Agreements were attached to docket number 367-1 as Exhibits A through F, and true and correct copies of the Second Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents were attached to docket number 367-1 as Exhibits H through K. (Collectively, the Security Agreement, the Pledge Agreements and other documents which secure the repayment of the Notes, the "Security Documents") In addition to its rights under the Security Documents, the Notes Trustee has rights relating to this claim and the collateral security therefor arising under various orders of the Bankruptcy Court including but not limited to that certain 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 at docket number 409 (the "Financing Order"), describing, among other things, adequate protection replacement liens and liens which attach to the proceeds of collateral which may be sold during the Bankruptcy Cases.

⁵ In addition to the Notes, the Obligations also include the California Statewide Communities Development Authority Revenue Bonds (Daughters of Charity Health System) Series 2005A, F, G and H (collectively, the "Series 2005 Bonds") and the \$160,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2015 A, B, C and D (collectively, the "2015 Notes").

as further amended by the Second Amended and Restated Intercreditor Agreement dated as of December 1, 2017 (as amended, the "*Intercreditor Agreement*"), the Master Trustee subordinated its liens and security interests, including the Gross Revenue pledge, to the 2015 Notes Trustee and Notes Trustee with respect to the Senior Note Collateral.⁶

6. The Notes are also secured by that certain Deed of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of September 15, 2017 granted from Verity Holdings, LLC, to the Series 2017 Notes Trustee as Deed of Trust Beneficiary covering the real property and certain personal property at 600 Marine Blvd., Moss Beach California.

Summary of Claim

7. Pursuant to the Notes Documents on the Petition Date, the Debtors owed the Notes Trustee, for the benefit of the holders of the Notes, a total principal amount of \$42,000,000.00 on the Notes, plus all post-petition interest and any fees and expense and other charges under the Note Documents to the extent allowable under 11 U.S.C. § 506 (b), including without limitation any make whole or redemption premium or payment required thereby.⁷

Reservation of Other Claims and Rights

- 8. The filing of the Proof of Claim and Addendum is not intended as and should not be construed as an election of remedies, acceleration of any indebtedness evidenced by the Notes or the Indentures, waiver of any past, present or future defaults or events of default, or a waiver or limitation of any rights, remedies, claims or interests of the Series 2017 Notes Trustee, including any right to the payment of any additional amount due upon the payment of the Notes prior to their stated maturity. The Series 2017 Notes Trustee hereby reserves all of its rights, remedies and claims accruing at law or in equity, including, without limitation, all rights, remedies and claims against the Debtors, all of their affiliates and creditors, and all other parties in interest in the Debtors' bankruptcy cases.
- 9. The Series 2017 Notes Trustee has incurred and will continue to incur additional amounts for its compensation and expenses, including attorneys' and advisors' fees and expenses, as to which sum the Series 2017 Notes Trustee is entitled to payment.
- 10. The Series 2017 Notes Trustee expressly includes a claim against the Debtors and all others purporting to act on the Debtors' behalf (including any recipient directly or indirectly of the proceeds of the Notes) for the benefit derived from the use of any such proceeds traceable to such person, and for imposition of constructive trusts or equitable liens thereon, subrogation and all other claims thereto, and for any and all other legal or equitable remedies, rights, and interests to which the Series 2017 Notes Trustee may be entitled by virtue of the use, possession and enjoyment by the Debtors or any other recipient directly or indirectly of the proceeds of the Notes. The Series 2017 Notes Trustee expressly reserves all other rights and claims against the

⁶ A true and correct copy of the Seconded Amended and Restated Intercreditor Agreement was attached to docket number 367-1 as Exhibit G.

⁷ The Debtors are currently paying the Notes Trustee's fees and expenses on a monthly basis pursuant to ¶5(b) of the Financing Order, however, the Notes Trustee reserves the right to amend this Proof of Claim to include post-petition fees and expenses if such payments should ever cease.

Casease128:108-12101-125011-15ERERClaiDroc1.86241:3 FiftedcD7101481/199 Dieste Medin 1.10/0.80/109e106:029:1.09e 8 Desc Exhibit 3 of 3 Page 74 of 3 1 0

Debtors and their estates, including claims for constructive trust and equitable liens, and all rights of setoff and recoupment. The Series 2017 Notes Trustee further reserves all rights and claims against parties other than the Debtors.

11. The Series 2017 Notes Trustee reserves its right to amend or supplement the Proof of Claim and Addendum or to file additional proofs of claims for additional claims, including, without limitation, claims for administrative expenses and all other claims, at law or in equity, arising prior to, on, or after the Petition Date. The Series 2017 Notes Trustee also reserves its right to amend or supplement the Proof of Claim and Addendum if it deems such amendment or supplement to be necessary or appropriate for any reason, including an updated statement of the amount due, or for any other purpose for which a proof of claim may be amended.

United States Bankruptcy Co	ourt for the Central District of California
Indicate Debtor against which you assert a claim by checking	the appropriate box below. (Check only one Debtor per claim form.)
☐ Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	☐ St. Louise Regional Hospital (Case No.18-20162)
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)
O'Connor Hospital (Case No. 18-20168)	St. Vincent Foundation (Case No. 18-20180)
☐ O'Connor Hospital Foundation (Case No. 18-20179)	☑ St. Vincent Medical Center (Case No. 18-20164)
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)
☐ Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)
☐ St. Francis Medical Center (Case No. 18-20165)	

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

1.	Who is the current creditor?	Name of the current of	National Associated to the person or entity litter used with the debtor		m)		
2.	Has this claim been acquired from someone else?	✓ No ✓ Yes. From	whom?				
-	Where should notices and payments to the creditor be sent?	where should notices to the creditor be sent? c/o Maslon LLP (Attn: Clark Whitmore) Name 90 South 7th Street, Suite 3300			Where should payments to the creditor be sent? (i different) U.S. Bank National Association Name (Attn: Sandra Spivey) 2300 W. Sahara, Ste		
	Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Number Street Minneapolis City USA		55402 ZIP Code		treet NV State	89102 ZIP Code
M	1AR 2 6 2019		12)672-8335 k.whitmore@maslon.com		Country Contact phone Contact email	(702) 251-1656 sandra.spivey@usbank.com	
MAI	N CARSON CONSULTANTS	Uniform claim identifie	er for electronic payments in	chapter 13 (if you use	e one):		
	Does this claim amend one already filed?	☑ No ☐ Yes. Claim	number on court claims	registry (if known)		Filed on	/ YYYY
	Do you know if anyone else has filed a proof of claim for this claim?	No Yes. Who ma	de the earlier filing? $\frac{s_0}{s_0}$	ee attached addendum regardi	ng Master Trustee	Date Stamped Copy Re No self addressed stam	turned

Official Form 410

Proof of Claim page 1



Pá	Give Information Abo	t the Claim as of the Date the Case Was Filed								
6.	Do you have any number	☑ No								
	you use to identify the debtor?	Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:								
7.	How much is the claim?	\$ \frac{42,000,000 and amounts reflected on addendum}{\overline{\o								
		Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).								
8.	What is the basis of the claim?	examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.								
	·····	attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).								
		imit disclosing information that is entitled to privacy, such as health care information.								
		See attached addendum								
9.	Is all or part of the claim	□ No								
٥.	secured?	-								
		Nature of property:								
		Real estate: If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A) with this Proof of Claim.								
		Motor vehicle								
		Other. Describe: See attached addendum								
		Basis for perfection: See attached addendum								
		Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)								
		Value of property: \$								
		Amount of the claim that is secured: \$ Entire Claim is secured								
	RECEIVED	Amount of the claim that is unsecured: \$(The sum of the secured and unsecured amount should match the amount in line 7.)								
	MAR 2 6 2019	Amount necessary to cure any default as of the date of the petition: \$								
KU	IRTZMAN CARSON CONSULTANI	Annual Interest Rate (when case was filed) $\frac{7.25}{\%}$								
		☐ Variable								
10.	Is this claim based on a	√ No								
	lease?	Yes. Amount necessary to cure any default as of the date of the petition.								
11.	Is this claim subject to a	☑ No								
	right of setoff?									
		Yes. Identify the property:								

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?	✓	No Yes. Chec	k all that apply:				Amount entitled to priority			
A claim may be partly priority and partly nonpriority. For example,		Domes	stic support oblig 3.C. § 507(a)(1)	gations (includin (A) or (a)(1)(B).	g alimony and child s	support) under	\$			
in some categories, the law limits the amount entitled to priority.					ourchase, lease, or rental of property or usehold use. 11 U.S.C. § 507(a)(7).		\$			
		days b		uptcy petition is	to \$12,850*) earned s filed or the debtor's (a)(4).		\$			
		☐ Taxes	or penalties ow	ed to governme	ntal units. 11 U.S.C. {	§ 507(a)(8).	\$			
		Contril	outions to an er	nployee benefit	plan. 11 U.S.C. § 50	7(a)(5).	\$			
		Other.	Specify subsec	ction of 11 U.S.	C. § 507(a)() that a	applies.	\$			
		* Amounts	are subject to adju	stment on 4/01/19	and every 3 years after	that for cases begur	on or after the date of adjustment.			
						¥14				
Part 3: Sign Below										
The person completing this proof of claim must	Check	the appropr	riate box:							
sign and date it. FRBP 9011(b).		am the cred								
If you file this claim		am the cred	itor's attorney o	r authorized age	ent.					
electronically, FRBP 5005(a)(2) authorizes courts	l	I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.								
to establish local rules specifying what a signature is.		am a guarar	ntor, surety, end	orser, or other o	odebtor. Bankruptcy	Rule 3005.				
A person who files a fraudulent claim could be fined up to \$500,000,	I understand that an authorized signature on this <i>Proof of Claim</i> serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.									
imprisoned for up to 5 years, or both.	I have examined the information in this <i>Proof of Claim</i> and have reasonable belief that the information is true and correct.									
18 U.S.C. §§ 152, 157, and 3571.	l decla	I declare under penalty of perjury that the foregoing is true and correct.								
	Execut	ted on date	03/2/	12019						
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		//4	WILL	Ch &	101 V le					
	SI	gnature		•	, C)				
	Print t	he name of	the person wh	o is completing	g and signing this c	laim:				
	Name		Sandra			Spiv				
			Vice Pre	esident	Middle name	Last n	ame			
RECEIVED	Title					<u></u>				
() () () () () () () () () ()	Compar	ıy			Association, in company if the authorize		as Notes Trustee			
MAR 2 6 2019			raditary and corpor	ate servicer as are	company if the authorize	d agent is a servicer.				
	Address	\$	2300		ara, Ste. 200	- No. 10				
KURTZMAN CARSON CONSULTAI	MIS		Number Las Vegas	Street	NV	8910	2			
			City (702) 25	51-1656	State	ZIP Cod	· ·····• ,			
	Contact	phone	1102120	71 1000		Fmail	sandra.spivey@usbank.com			



Erin Snyder Direct Dial: (612) 672-8399 Erin.Snyder@maslon.com

March 25, 2019

Re:

Verity Claims Processing Center c/o KCC 2335 Alaska Avenue El Segundo, CA 90245 VIA FEDERAL EXPRESS

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

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- 1. Verity Health Systems of California, Inc. (Case No. 2:18-bk-20151-ER);
- 2. O'Connor Hospital (Case No. 2:18-bk-20168-ER);

In Re Verity Health Systems of California, Inc.

- 3. Seton Medical Center (Case No. 2:18-bk-20167-ER);
- 4. St. Francis Medical Center (Case No. 2:18-bk-20165-ER);
- 5. St. Louise Regional Hospital (Case No. 2:18-bk-20162-ER);
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Sincerely

Erin Snyder 4851-8301-0958 Enclosures

Addendum to Proof of Claim

U.S. Bank National Association, not individually but as Trustee (the "Series 2017 Notes Trustee") for the holders of the \$42,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2017 (the "2017 Notes") and 2017B (the "2017B Notes" and together with the 2017 Notes, the "Notes"), hereby submits this Addendum to its Proof of Claim against Verity Health System of California, Inc. ("VHS"), O'Connor Hospital, Seton Medical Center, St. Francis Medical Center, St. Louise Regional Hospital, St. Vincent Medical Center, and Verity Holdings, LLC (collectively, the "Debtors"). This Addendum is incorporated by reference in, and constitutes a part of, the Proof of Claim. In support of its Proof of Claim, the Series 2017 Notes Trustee states as follows:

Background

- 1. On August 31, 2018 (the "*Petition Date*"), the Debtors and certain of their affiliates each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "*Bankruptcy Code*") in the United States Bankruptcy Court for the Central District of California, Los Angeles Division.
- 2. The claim arises under the following undertakings:
- a. The 2017 Notes and 2017B Notes were issued pursuant to separate Indentures dated as of September 1, 2017 and December 1, 2017, respectively, each by and between the Series 2017 Notes Trustee, as trustee, and the California Public Finance Authority, as issuer (the "Authority"); and 1
- b. The proceeds of 2017 Notes and 2017B Notes were loaned to the Debtors pursuant to separate Loan Agreements dated as of September 1, 2017 and December 1, 2017, respectively, each between the Authority and VHS, for itself and as a representative of the Verity Health System Obligated Group under the Master Indenture of Trust dated as of December 1, 2001, as supplemented (the "*Master Indenture*"), between the Obligated Group² and UMB Bank, N.A., as successor Master Trustee. The Indentures and Loan Agreements, together with all documents and agreements thereto granting or evidencing rights relating thereto as the same may be amended from time to time are referred to collectively herein as the "Notes Documents."
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² The Obligated Group consists of VHS and the Hospitals (as defined herein).

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- 4. The 2015 Notes and the Notes are also jointly secured on a parity basis with the collateral pledged to the other Obligations under the Master Indenture, including the Series 2005 Bonds. Those Obligations are secured by, *inter alia*, (i) Deeds of Trust on the Hospitals and (ii) the "Gross Revenues" of the Obligated Group, which is broadly defined to include "all revenues, income, receipts and money received by or on behalf of the Members from all sources."
- 5. Pursuant to that certain Intercreditor Agreement dated as of December 1, 2015, as amended by the Amended and Restated Intercreditor Agreement dated as of September 1, 2017,

[&]quot;Accounts" includes, collectively, (a) any right to payment of a monetary obligation whether or not earned by performance, that relates to or arises out of any services provided or goods rendered by an Obligated Group Member (including, without limitation, payments made by or through a governmental authority to an individual patient assigned to such Member), (b) without duplication, any 'account' (as defined in the Uniform Commercial Code) ("UCC"), any accounts receivable, whether in the form of payments for services rendered or goods sold, rents, license fees or otherwise, any Health-Care-Insurance Receivables and any Payment Intangibles (each as defined in the UCC), (c) all General Intangibles, Intellectual Property (each as defined in the UCC), rights, remedies, guarantees, supporting obligations and letter of credit rights relating to or arising out of the foregoing assets described in clauses (a) and (b), (d) all information and data compiled or derived by any Member or to which any Member is entitled in respect of or related to the foregoing assets described in clauses (a) and (b) and (e) and all proceeds of any of the foregoing. See Amended and Restated Supplemental Master Indenture Number 20 dated as of January 1, 2016, between VHS and the prior Master Trustee.

⁴ The Senior Note Collateral was pledged pursuant to (i) certain Security Agreements dated as of December 11, 2015, Amended and Restated Security Agreements dated as of September 1, 2017, and Second Amended and Restated Security Agreements dated as of December 1, 2017, between the members of the Obligated Group and the Series 2015 Notes Trustee and Series 2017 Notes Trustee and (ii) certain Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of December 11, 2015, Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of September 15, 2017, and Second Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of December 28, 2017, by the members of the Obligated Group in favor of the Series 2015 Notes Trustee and Series 2017 Notes Trustee. True and correct copies of the Second Amended and Restated Security Agreements were attached to docket number 367-1 as Exhibits A through F, and true and correct copies of the Second Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents were attached to docket number 367-1 as Exhibits H through K. (Collectively, the Security Agreement, the Pledge Agreements and other documents which secure the repayment of the Notes, the "Security Documents") In addition to its rights under the Security Documents, the Notes Trustee has rights relating to this claim and the collateral security therefor arising under various orders of the Bankruptcy Court including but not limited to that certain 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 at docket number 409 (the "Financing Order"), describing, among other things, adequate protection replacement liens and liens which attach to the proceeds of collateral which may be sold during the Bankruptcy Cases.

⁵ In addition to the Notes, the Obligations also include the California Statewide Communities Development Authority Revenue Bonds (Daughters of Charity Health System) Series 2005A, F, G and H (collectively, the "Series 2005 Bonds") and the \$160,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2015 A, B, C and D (collectively, the "2015 Notes").

as further amended by the Second Amended and Restated Intercreditor Agreement dated as of December 1, 2017 (as amended, the "*Intercreditor Agreement*"), the Master Trustee subordinated its liens and security interests, including the Gross Revenue pledge, to the 2015 Notes Trustee and Notes Trustee with respect to the Senior Note Collateral.⁶

6. The Notes are also secured by that certain Deed of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of September 15, 2017 granted from Verity Holdings, LLC, to the Series 2017 Notes Trustee as Deed of Trust Beneficiary covering the real property and certain personal property at 600 Marine Blvd., Moss Beach California.

Summary of Claim

7. Pursuant to the Notes Documents on the Petition Date, the Debtors owed the Notes Trustee, for the benefit of the holders of the Notes, a total principal amount of \$42,000,000.00 on the Notes, plus all post-petition interest and any fees and expense and other charges under the Note Documents to the extent allowable under 11 U.S.C. § 506 (b), including without limitation any make whole or redemption premium or payment required thereby.⁷

Reservation of Other Claims and Rights

- 8. The filing of the Proof of Claim and Addendum is not intended as and should not be construed as an election of remedies, acceleration of any indebtedness evidenced by the Notes or the Indentures, waiver of any past, present or future defaults or events of default, or a waiver or limitation of any rights, remedies, claims or interests of the Series 2017 Notes Trustee, including any right to the payment of any additional amount due upon the payment of the Notes prior to their stated maturity. The Series 2017 Notes Trustee hereby reserves all of its rights, remedies and claims accruing at law or in equity, including, without limitation, all rights, remedies and claims against the Debtors, all of their affiliates and creditors, and all other parties in interest in the Debtors' bankruptcy cases.
- 9. The Series 2017 Notes Trustee has incurred and will continue to incur additional amounts for its compensation and expenses, including attorneys' and advisors' fees and expenses, as to which sum the Series 2017 Notes Trustee is entitled to payment.
- 10. The Series 2017 Notes Trustee expressly includes a claim against the Debtors and all others purporting to act on the Debtors' behalf (including any recipient directly or indirectly of the proceeds of the Notes) for the benefit derived from the use of any such proceeds traceable to such person, and for imposition of constructive trusts or equitable liens thereon, subrogation and all other claims thereto, and for any and all other legal or equitable remedies, rights, and interests to which the Series 2017 Notes Trustee may be entitled by virtue of the use, possession and enjoyment by the Debtors or any other recipient directly or indirectly of the proceeds of the Notes. The Series 2017 Notes Trustee expressly reserves all other rights and claims against the

⁷ The Debtors are currently paying the Notes Trustee's fees and expenses on a monthly basis pursuant to ¶5(b) of the Financing Order, however, the Notes Trustee reserves the right to amend this Proof of Claim to include post-petition fees and expenses if such payments should ever cease.

⁶ A true and correct copy of the Seconded Amended and Restated Intercreditor Agreement was attached to docket number 367-1 as Exhibit G.

Debtors and their estates, including claims for constructive trust and equitable liens, and all rights of setoff and recoupment. The Series 2017 Notes Trustee further reserves all rights and claims against parties other than the Debtors.

11. The Series 2017 Notes Trustee reserves its right to amend or supplement the Proof of Claim and Addendum or to file additional proofs of claims for additional claims, including, without limitation, claims for administrative expenses and all other claims, at law or in equity, arising prior to, on, or after the Petition Date. The Series 2017 Notes Trustee also reserves its right to amend or supplement the Proof of Claim and Addendum if it deems such amendment or supplement to be necessary or appropriate for any reason, including an updated statement of the amount due, or for any other purpose for which a proof of claim may be amended.

United States Bankruptcy Court for the Central District of California							
Indicate Debtor against which you assert a claim by checking the appropriate box below. (Check only one Debtor per claim form.)							
☐ Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)						
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	☐ St. Louise Regional Hospital (Case No.18-20162)						
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)						
☑ O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)						
☐ O'Connor Hospital Foundation (Case No. 18-20179)	☐ St. Vincent Medical Center (Case No. 18-20164)						
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)						
☐ Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)						
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)						
☐ St. Francis Medical Center (Case No. 18-20165)							

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

1. Who is the current	U. S. Bank Natio	nal Associ	iation, as No	otes Trustee				
creditor?	Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor							
Has this claim been acquired from	✓ No							
someone else?	Yes. From whom?							
Where should notices and	Where should notices to the creditor be sent?			Where should payments to the creditor be sent? (if different)				
payments to the	c/o Maslon LLP (Attn: Clark Whitmore)			U.S. Bank National Association				
creditor be sent?	Name		<u> </u>	Name		,		
Federal Rule of	90 South 7th Street, Suite 3300			(Attn: Sandra Spivey) 2300 W. Sahara, Ste 20				
Bankruptcy Procedure	Number Street Minneapolis	MN	55402	Number Stree Las Vegas	NV	89102		
(FRBP) 2002(g)	City	State	ZIP Code	City	State	ZIP Code		
RECEIVED	USA		<u>. </u>	USA				
a demonstrate to the their	Country Contact phone (612)6	72-8335		Country Contact phone	(702) 251-1656			
MAR 2 6 2019		ore@maslon.com		_	andra.spivey@usbank.com			
N CARSON CONSULTANTS	Uniform claim identifier for electronic payments in chapter 13 (if you use one):							
4. Does this claim	✓ No							
	_	r on court claims	registry (if known)		Filed on	/ YYYY		
amend one already filed?	Yes. Claim number				MM / DD	/ YYYY		
_	Yes. Claim number				pate Stamped Copy Ref to self addressed stam	urned		



Cas**@**as**4**:2-1118-2014:2815 R-ERClaiDro2:33634-3-ilefdl@d/14/19/19De scn 14 eeind d.0.0118/1129116:19agt=92 of Desc Exhibit 3 8 Page 84 of 310

6.	Do you have any number	☑ No					
	you use to identify the debtor?	Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:					
7.	How much is the claim?	\$ Does this amount include interest or other charges?					
		Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).					
8.	What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.					
		Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information.					
		See attached addendum					
	le all or part of the claim	□ No					
9.	Is all or part of the claim secured?	Yes. The claim is secured by a lien on property.					
		Nature of property:					
		Real estate: If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A) with this Proof of Claim.					
		☐ Motor vehicle					
		Other. Describe: See attached addendum					
		Racis for perfection: See attached addendum					
		Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)					
		Value of property:					
		Amount of the claim that is secured: \$\frac{\text{Entire Claim is secured}}{\text{Claim is secured}}\$					
		Amount of the claim that is unsecured: \$(The sum of the secured and unsecured amount should match the amount in line 7.					
	RECEIVED	Amount necessary to cure any default as of the date of the petition: \$					
	MAR 2 6 2019	Annual Interest Rate (when case was filed) 7.25 %					
(UI	RTZMAN CARSON CONSULTANT	▼ Variable					
10.	Is this claim based on a lease?	✓ No ✓ Yes. Amount necessary to cure any default as of the date of the petition.					
 11.	Is this claim subject to a	✓ No					
	right of setoff?	Yes. Identify the property:					

12. Is all or part of the claim entitled to priority under	✓ No					
11 U.S.C. § 507(a)?	_	eck all that apply:			Amount entitled to priority	
A claim may be partly priority and partly nonpriority. For example,	☐ Dor 11 t	nestic support obligations (inc J.S.C. § 507(a)(1)(A) or (a)(1	uding alimony and child su (B).	pport) under	\$	
in some categories, the law limits the amount entitled to priority.	Up sen	to \$2,850* of deposits toward vices for personal, family, or h	purchase, lease, or rental lousehold use. 11 U.S.C. §	of property or 507(a)(7).	\$	
	day	ges, salaries, or commissions s before the bankruptcy petiti chever is earlier. 11 U.S.C. §	on is filed or the debtor's b	vithin 180 usiness ends,	\$	
	☐ Tax	es or penalties owed to gover	nmental units. 11 U.S.C. §	507(a)(8).	\$	
	☐ Cor	tributions to an employee be	nefit plan. 11 U.S.C. § 507	(a)(5).	\$	
	☐ Oth	er. Specify subsection of 11 t	J.S.C. § 507(a)() that ap	plies.	\$	
	* Amour	nts are subject to adjustment on 4/	01/19 and every 3 years after th	at for cases begun o	on or after the date of adjustment.	
		<u>.</u>				
Part 3: Sign Below						
The person completing	Check the appro	opriate box:		·	· · · · · · · · · · · · · · · · · · ·	
this proof of claim must sign and date it.	✓ I am the cr	editor.				
FRBP 9011(b).	☐ I am the cr	editor's attorney or authorized	agent.			
If you file this claim electronically, FRBP	I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.					
5005(a)(2) authorizes courts to establish local rules specifying what a signature is.	I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.					
A person who files a fraudulent claim could be fined up to \$500,000,	I understand that an authorized signature on this <i>Proof of Claim</i> serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.					
imprisoned for up to 5 years, or both.	I have examined the information in this <i>Proof of Claim</i> and have reasonable belief that the information is true and correct.					
18 U.S.C. §§ 152, 157, and 3571.	I declare under penalty of perjury that the foregoing is true and correct.					
	Executed on date 23/21/20/9					
	Signature	ndia X	i DiVly	<i>_</i>		
	Print the name	of the person who is compl	// eting and signing this clai	im:		
	Name	Sandra		Spive	θγ	
	Hamo	First name	Middle name	Last nar		
	Title	Vice Presiden	<u> </u>			
RECEIVED	Company	U.S. Bank Nation	al Association, in is the company if the authorized a		as Notes Trustee	
MAR 2 6 2019	Address		ahara, Ste. 200			
ZMAN CARSON CONSULTANTS		Number Street Las Vegas	NV	89102		
		City	State	ZIP Code	Country	
	Contact phone	<u>(702)</u> 251-165	р	Email	sandra.spivey@usbank.com	



Erin Snyder Direct Dial: (612) 672-8399 Erin.Snyder@maslon.com

March 25, 2019

Verity Claims Processing Center c/o KCC 2335 Alaska Avenue El Segundo, CA 90245 VIA FEDERAL EXPRESS

Re: In Re Verity Health Systems of California, Inc.

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

To Whom it May Concern:

Pursuant to the Bar Date Order entered by the Court, enclosed please find Proof of Claim forms to be filed on behalf of U.S. Bank National Association, as Trustee (in such capacity, the "2017 Notes Trustee") under those certain indentures dated as of September 1, 2017 and December 1 2017, each by and between the California Public Finance Authority, as Issuer and the 2017 Notes Trustee, against the following Debtors, as applicable:

- 1. Verity Health Systems of California, Inc. (Case No. 2:18-bk-20151-ER);
- 2. O'Connor Hospital (Case No. 2:18-bk-20168-ER);
- 3. Seton Medical Center (Case No. 2:18-bk-20167-ER);
- 4. St. Francis Medical Center (Case No. 2:18-bk-20165-ER);
- 5. St. Louise Regional Hospital (Case No. 2:18-bk-20162-ER);
- 6. St. Vincent Medical Center (Case No. 2:18-bk-20164-ER); and
- 7. Verity Holdings, LLC (Case No. 2:18-bk-20163-ER).

Pursuant to paragraph 10 of the Bar Date Order these Proofs of Claim are being submitted without exhibits because such documentation is voluminous. Such exhibits are in my possession and can be obtained by contacting me at the number above.

We have also enclosed a copies of the Proof of Claim forms to be date-stamped and returned to us in the enclosed self-addressed stamped envelope.

Sincerely

Erin Snyder 4851-8301-0958 Enclosures

Addendum to Proof of Claim

U.S. Bank National Association, not individually but as Trustee (the "Series 2017 Notes Trustee") for the holders of the \$42,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2017 (the "2017 Notes") and 2017B (the "2017B Notes" and together with the 2017 Notes, the "Notes"), hereby submits this Addendum to its Proof of Claim against Verity Health System of California, Inc. ("VHS"), O'Connor Hospital, Seton Medical Center, St. Francis Medical Center, St. Louise Regional Hospital, St. Vincent Medical Center, and Verity Holdings, LLC (collectively, the "Debtors"). This Addendum is incorporated by reference in, and constitutes a part of, the Proof of Claim. In support of its Proof of Claim, the Series 2017 Notes Trustee states as follows:

Background

- 1. On August 31, 2018 (the "*Petition Date*"), the Debtors and certain of their affiliates each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "*Bankruptcy Code*") in the United States Bankruptcy Court for the Central District of California, Los Angeles Division.
- 2. The claim arises under the following undertakings:
- a. The 2017 Notes and 2017B Notes were issued pursuant to separate Indentures dated as of September 1, 2017 and December 1, 2017, respectively, each by and between the Series 2017 Notes Trustee, as trustee, and the California Public Finance Authority, as issuer (the "Authority"); and
- b. The proceeds of 2017 Notes and 2017B Notes were loaned to the Debtors pursuant to separate Loan Agreements dated as of September 1, 2017 and December 1, 2017, respectively, each between the Authority and VHS, for itself and as a representative of the Verity Health System Obligated Group under the Master Indenture of Trust dated as of December 1, 2001, as supplemented (the "*Master Indenture*"), between the Obligated Group² and UMB Bank, N.A., as successor Master Trustee. The Indentures and Loan Agreements, together with all documents and agreements thereto granting or evidencing rights relating thereto as the same may be amended from time to time are referred to collectively herein as the "Notes Documents."
- 3. The indebtedness evidenced by the 2015 Notes (defined herein) and the Notes is jointly secured by senior first priority security interests and liens on certain of the Debtors' assets,

¹ Copies of the Notes Documents are not attached to the Proof of Claim and this Addendum because they are voluminous. Copies of the Notes Documents are available upon request to counsel to the Series 2017 Notes Trustee (Jason Reed; Jason.Reed@maslon.com). Certain of the Notes Documents, including the Second Amended and Restated Security Agreements, the Second Amended and Restated Intercreditor Agreement, the Second Amended and Restated Deeds of Trust, and the Second Amended and Restated Subordination Agreements, were filed as Exhibits A through O to docket number 367-1 in case number 18-20151.

² The Obligated Group consists of VHS and the Hospitals (as defined herein).

including (x) Accounts³ of St. Francis Medical Center, St. Vincent Medical Center, O'Connor Hospital, Saint Louise Regional Hospital, and Seton Medical Center, including Seton Medical Center Coastside (collectively, the "*Hospitals*") and (y) real property and certain personal property comprising St. Francis Medical Center and Saint Louise Regional Hospital (collectively, the "*Senior Note Collateral*").⁴

- 4. The 2015 Notes and the Notes are also jointly secured on a parity basis with the collateral pledged to the other Obligations under the Master Indenture, including the Series 2005 Bonds. Those Obligations are secured by, *inter alia*, (i) Deeds of Trust on the Hospitals and (ii) the "Gross Revenues" of the Obligated Group, which is broadly defined to include "all revenues, income, receipts and money received by or on behalf of the Members from all sources."
- 5. Pursuant to that certain Intercreditor Agreement dated as of December 1, 2015, as amended by the Amended and Restated Intercreditor Agreement dated as of September 1, 2017,

³ "Accounts" includes, collectively, (a) any right to payment of a monetary obligation whether or not earned by performance, that relates to or arises out of any services provided or goods rendered by an Obligated Group Member (including, without limitation, payments made by or through a governmental authority to an individual patient assigned to such Member), (b) without duplication, any 'account' (as defined in the Uniform Commercial Code) ("UCC"), any accounts receivable, whether in the form of payments for services rendered or goods sold, rents, license fees or otherwise, any Health-Care-Insurance Receivables and any Payment Intangibles (each as defined in the UCC), (c) all General Intangibles, Intellectual Property (each as defined in the UCC), rights, remedies, guarantees, supporting obligations and letter of credit rights relating to or arising out of the foregoing assets described in clauses (a) and (b), (d) all information and data compiled or derived by any Member or to which any Member is entitled in respect of or related to the foregoing assets described in clauses (a) and (b) and (e) and all proceeds of any of the foregoing. See Amended and Restated Supplemental Master Indenture Number 20 dated as of January 1, 2016, between VHS and the prior Master Trustee.

⁴ The Senior Note Collateral was pledged pursuant to (i) certain Security Agreements dated as of December 11, 2015, Amended and Restated Security Agreements dated as of September 1, 2017, and Second Amended and Restated Security Agreements dated as of December 1, 2017, between the members of the Obligated Group and the Series 2015 Notes Trustee and Series 2017 Notes Trustee and (ii) certain Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of December 11, 2015, Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of September 15, 2017, and Second Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of December 28, 2017, by the members of the Obligated Group in favor of the Series 2015 Notes Trustee and Series 2017 Notes Trustee. True and correct copies of the Second Amended and Restated Security Agreements were attached to docket number 367-1 as Exhibits A through F, and true and correct copies of the Second Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents were attached to docket number 367-1 as Exhibits H through K. (Collectively, the Security Agreement, the Pledge Agreements and other documents which secure the repayment of the Notes, the "Security Documents") In addition to its rights under the Security Documents, the Notes Trustee has rights relating to this claim and the collateral security therefor arising under various orders of the Bankruptcy Court including but not limited to that certain 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 at docket number 409 (the "Financing Order"), describing, among other things, adequate protection replacement liens and liens which attach to the proceeds of collateral which may be sold during the Bankruptcy Cases.

⁵ In addition to the Notes, the Obligations also include the California Statewide Communities Development Authority Revenue Bonds (Daughters of Charity Health System) Series 2005A, F, G and H (collectively, the "Series 2005 Bonds") and the \$160,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2015 A, B, C and D (collectively, the "2015 Notes").

as further amended by the Second Amended and Restated Intercreditor Agreement dated as of December 1, 2017 (as amended, the "*Intercreditor Agreement*"), the Master Trustee subordinated its liens and security interests, including the Gross Revenue pledge, to the 2015 Notes Trustee and Notes Trustee with respect to the Senior Note Collateral.⁶

6. The Notes are also secured by that certain Deed of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of September 15, 2017 granted from Verity Holdings, LLC, to the Series 2017 Notes Trustee as Deed of Trust Beneficiary covering the real property and certain personal property at 600 Marine Blvd., Moss Beach California.

Summary of Claim

7. Pursuant to the Notes Documents on the Petition Date, the Debtors owed the Notes Trustee, for the benefit of the holders of the Notes, a total principal amount of \$42,000,000.00 on the Notes, plus all post-petition interest and any fees and expense and other charges under the Note Documents to the extent allowable under 11 U.S.C. § 506 (b), including without limitation any make whole or redemption premium or payment required thereby.⁷

Reservation of Other Claims and Rights

- 8. The filing of the Proof of Claim and Addendum is not intended as and should not be construed as an election of remedies, acceleration of any indebtedness evidenced by the Notes or the Indentures, waiver of any past, present or future defaults or events of default, or a waiver or limitation of any rights, remedies, claims or interests of the Series 2017 Notes Trustee, including any right to the payment of any additional amount due upon the payment of the Notes prior to their stated maturity. The Series 2017 Notes Trustee hereby reserves all of its rights, remedies and claims accruing at law or in equity, including, without limitation, all rights, remedies and claims against the Debtors, all of their affiliates and creditors, and all other parties in interest in the Debtors' bankruptcy cases.
- 9. The Series 2017 Notes Trustee has incurred and will continue to incur additional amounts for its compensation and expenses, including attorneys' and advisors' fees and expenses, as to which sum the Series 2017 Notes Trustee is entitled to payment.
- 10. The Series 2017 Notes Trustee expressly includes a claim against the Debtors and all others purporting to act on the Debtors' behalf (including any recipient directly or indirectly of the proceeds of the Notes) for the benefit derived from the use of any such proceeds traceable to such person, and for imposition of constructive trusts or equitable liens thereon, subrogation and all other claims thereto, and for any and all other legal or equitable remedies, rights, and interests to which the Series 2017 Notes Trustee may be entitled by virtue of the use, possession and enjoyment by the Debtors or any other recipient directly or indirectly of the proceeds of the Notes. The Series 2017 Notes Trustee expressly reserves all other rights and claims against the

⁶ A true and correct copy of the Seconded Amended and Restated Intercreditor Agreement was attached to docket number 367-1 as Exhibit G.

⁷ The Debtors are currently paying the Notes Trustee's fees and expenses on a monthly basis pursuant to ¶5(b) of the Financing Order, however, the Notes Trustee reserves the right to amend this Proof of Claim to include post-petition fees and expenses if such payments should ever cease.

Debtors and their estates, including claims for constructive trust and equitable liens, and all rights of setoff and recoupment. The Series 2017 Notes Trustee further reserves all rights and claims against parties other than the Debtors.

11. The Series 2017 Notes Trustee reserves its right to amend or supplement the Proof of Claim and Addendum or to file additional proofs of claims for additional claims, including, without limitation, claims for administrative expenses and all other claims, at law or in equity, arising prior to, on, or after the Petition Date. The Series 2017 Notes Trustee also reserves its right to amend or supplement the Proof of Claim and Addendum if it deems such amendment or supplement to be necessary or appropriate for any reason, including an updated statement of the amount due, or for any other purpose for which a proof of claim may be amended.

Page 91 of 310 Desc Exhibit 3

United States Bankruptcy Co	urt for the Central District of California
Indicate Debtor against which you assert a claim by checking	the appropriate box below. (Check only one Debtor per claim form.)
☐ Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	☐ St. Louise Regional Hospital (Case No.18-20162)
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)
O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)
O'Connor Hospital Foundation (Case No. 18-20179)	☐ St. Vincent Medical Center (Case No. 18-20164)
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)
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☐ St. Francis Medical Center (Case No. 18-20165)	

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

1. Who is the current creditor?	U. S. Bank National Association, as Notes Trustee Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor							
Has this claim been acquired from someone else?	✓ No ✓ Yes. From whom?							
3. Where should notices and payments to the creditor be sent?	Where should notices to to C/O Masion LLP (A		Where should payments to the creditor be sent? (if different) U.S. Bank National Association					
Federal Rule of Bankruptcy Procedure		Street, Sui	te 3300 55402	(Attn: S	Sandra Spivey) 2300 W. street NV	Sahara, Ste 200 89102		
RECEIVED	City USA	State	ZIP Code	City USA	State	ZIP Code		
MAR 2 6 2019	Contact priorite 1	72-8335 re@maslon.com		Country Contact phone Contact email	(702) 251-1656 sandra.spivey@usbank.co	_		
MAN CARSON CONSULTANTS	Uniform claim identifier for elect	ronic payments in cha	pter 13 (if you use	one):				
Does this claim amend one already	☑ No							
filed?	Yes. Claim number	on court claims reg	istry (if known)		Filed on	DD / YYYY		
5. Do you know if	□ No			ſ.	Date Stamped Copy			

Case 25:14:82:1014-2014-2014-2014-2014-2014-2014-2016-3:16:34F3 led F0/F2/14/11/9.8/129es d=Mittaired old:1/1018/1019 119:3039e:129 of 8 Desc Exhibit 3 Page 92 of 310

6.	Do you have any number	☑ No					
	you use to identify the debtor?	Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:					
7.	How much is the claim?	\$ 42,000,000 and amounts reflected on addendum. Does this amount include interest or other charges?					
		No					
		Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).					
8.	What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.					
		Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).					
		Limit disclosing information that is entitled to privacy, such as health care information.					
		See attached addendum					
 9.	Is all or part of the claim	□ No					
	secured?	Yes. The claim is secured by a lien on property.					
		Nature of property:					
		<u> </u>					
		Real estate: If the claim is secured by the debtor's principal residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i> .					
		Motor vehicle					
		Other, Describe: See attached addendum					
		Rasis for portoction See attached addendum					
		Basis for perfection: Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for					
		example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)					
		Value of property:					
		Amount of the claim that is secured: \$_Entire Claim is secured					
		Amount of the claim that is unsecured: \$(The sum of the secured and unsecured amount should match the amount in line 7.					
	RECEIVED	Amount necessary to cure any default as of the date of the petition: \$					
A	1AR 2 6 2019	Annual Interest Rate (when case was filed) 7.25 %					
9	IWIL & A PASS	Fixed					
RAA	N CARSON CONSULTANTS						
.IVIH	II ONIGON GONGO EL PROPERTIES	✓ Variable					
10.	Is this claim based on a	✓ No					
	lease?	Yes. Amount necessary to cure any default as of the date of the petition.					
11.	Is this claim subject to a	☑ No					
	right of setoff?	Yes. Identify the property:					
		1 cost identity the property.					

·			
12. Is all or part of the claim entitled to priority under	✓ No		
11 U.S.C. § 507(a)?	Yes. Che	ck all that apply:	Amount entitled to priorit
A claim may be partly priority and partly nonpriority. For example,		estic support obligations (including alimony and child support) under S.C. § 507(a)(1)(A) or (a)(1)(B).	\$
in some categories, the law limits the amount entitled to priority.		\$2,850* of deposits toward purchase, lease, or rental of property or ces for personal, family, or household use. 11 U.S.C. § 507(a)(7).	\$
ontided to priority.	days	es, salaries, or commissions (up to \$12,850*) earned within 180 before the bankruptcy petition is filed or the debtor's business ends, never is earlier. 11 U.S.C. § 507(a)(4).	\$
	☐ Taxe	s or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	\$
	☐ Cont	ributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	\$
	☐ Othe	r. Specify subsection of 11 U.S.C. § 507(a)() that applies.	\$
	* Amount	s are subject to adjustment on 4/01/19 and every 3 years after that for cases begu	ın on or after the date of adjustmen
Part 3: Sign Below			
The person completing this proof of claim must	Check the appro		
sign and date it. FRBP 9011(b).	I am the cre		
If you file this claim	_	ditor's attorney or authorized agent.	
electronically, FRBP 5005(a)(2) authorizes courts	am the tru	stee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.	
to establish local rules specifying what a signature is.	l am a guar	antor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.	
A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5	the amount of the	an authorized signature on this <i>Proof of Claim</i> serves as an acknowled claim, the creditor gave the debtor credit for any payments received to the information in this <i>Proof of Claim</i> and have reasonable belief that the	oward the debt.
years, or both. 18 U.S.C. §§ 152, 157, and 3571.	l declare under p	enalty of perjury that the foregoing is true and correct.	
	Executed on date	03/21/2019	
		MM DD / YYYY	
	Signature	andra Spirey	
		of the person who is completing and signing this claim:	
	Name		ivey
	Title	First name Middle name Last Vice President	name
orocu/EN	0	U.S. Bank National Association, in its capaci	tv as Notes Trustee
RECEIVED	Company	Identify the corporate servicer as the company if the authorized agent is a service	
MAR 2 6 2019	Address	2300 West Sahara, Ste. 200	
RTZMAN CARSON CONSULTANTS		Number Street Las Vegas NV 891	02

MASLON

Erin Snyder
Direct Dial: (612) 672-8399
Erin.Snyder@maslon.com

March 25, 2019

Re:

Verity Claims Processing Center c/o KCC 2335 Alaska Avenue El Segundo, CA 90245 VIA FEDERAL EXPRESS

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

To Whom it May Concern:

Pursuant to the Bar Date Order entered by the Court, enclosed please find Proof of Claim forms to be filed on behalf of U.S. Bank National Association, as Trustee (in such capacity, the "2017 Notes Trustee") under those certain indentures dated as of September 1, 2017 and December 1 2017, each by and between the California Public Finance Authority, as Issuer and the 2017 Notes Trustee, against the following Debtors, as applicable:

- 1. Verity Health Systems of California, Inc. (Case No. 2:18-bk-20151-ER);
- 2. O'Connor Hospital (Case No. 2:18-bk-20168-ER);

In Re Verity Health Systems of California, Inc.

- 3. Seton Medical Center (Case No. 2:18-bk-20167-ER);
- 4. St. Francis Medical Center (Case No. 2:18-bk-20165-ER);
- 5. St. Louise Regional Hospital (Case No. 2:18-bk-20162-ER);
- 6. St. Vincent Medical Center (Case No. 2:18-bk-20164-ER); and
- 7. Verity Holdings, LLC (Case No. 2:18-bk-20163-ER).

Pursuant to paragraph 10 of the Bar Date Order these Proofs of Claim are being submitted without exhibits because such documentation is voluminous. Such exhibits are in my possession and can be obtained by contacting me at the number above.

We have also enclosed a copies of the Proof of Claim forms to be date-stamped and returned to us in the enclosed self-addressed stamped envelope.

Sincerely

Erin Snyder 4851-8301-0958 Enclosures

Addendum to Proof of Claim

U.S. Bank National Association, not individually but as Trustee (the "Series 2017 Notes Trustee") for the holders of the \$42,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2017 (the "2017 Notes") and 2017B (the "2017B Notes" and together with the 2017 Notes, the "Notes"), hereby submits this Addendum to its Proof of Claim against Verity Health System of California, Inc. ("VHS"), O'Connor Hospital, Seton Medical Center, St. Francis Medical Center, St. Louise Regional Hospital, St. Vincent Medical Center, and Verity Holdings, LLC (collectively, the "Debtors"). This Addendum is incorporated by reference in, and constitutes a part of, the Proof of Claim. In support of its Proof of Claim, the Series 2017 Notes Trustee states as follows:

Background

- 1. On August 31, 2018 (the "*Petition Date*"), the Debtors and certain of their affiliates each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "*Bankruptcy Code*") in the United States Bankruptcy Court for the Central District of California, Los Angeles Division.
- 2. The claim arises under the following undertakings:
- a. The 2017 Notes and 2017B Notes were issued pursuant to separate Indentures dated as of September 1, 2017 and December 1, 2017, respectively, each by and between the Series 2017 Notes Trustee, as trustee, and the California Public Finance Authority, as issuer (the "Authority"); and ¹
- b. The proceeds of 2017 Notes and 2017B Notes were loaned to the Debtors pursuant to separate Loan Agreements dated as of September 1, 2017 and December 1, 2017, respectively, each between the Authority and VHS, for itself and as a representative of the Verity Health System Obligated Group under the Master Indenture of Trust dated as of December 1, 2001, as supplemented (the "*Master Indenture*"), between the Obligated Group² and UMB Bank, N.A., as successor Master Trustee. The Indentures and Loan Agreements, together with all documents and agreements thereto granting or evidencing rights relating thereto as the same may be amended from time to time are referred to collectively herein as the "Notes Documents."
- 3. The indebtedness evidenced by the 2015 Notes (defined herein) and the Notes is jointly secured by senior first priority security interests and liens on certain of the Debtors' assets,

¹ Copies of the Notes Documents are not attached to the Proof of Claim and this Addendum because they are voluminous. Copies of the Notes Documents are available upon request to counsel to the Series 2017 Notes Trustee (Jason Reed; Jason.Reed@maslon.com). Certain of the Notes Documents, including the Second Amended and Restated Security Agreements, the Second Amended and Restated Intercreditor Agreement, the Second Amended and Restated Deeds of Trust, and the Second Amended and Restated Subordination Agreements, were filed as Exhibits A through O to docket number 367-1 in case number 18-20151.

² The Obligated Group consists of VHS and the Hospitals (as defined herein).

including (x) Accounts³ of St. Francis Medical Center, St. Vincent Medical Center, O'Connor Hospital, Saint Louise Regional Hospital, and Seton Medical Center, including Seton Medical Center Coastside (collectively, the "*Hospitals*") and (y) real property and certain personal property comprising St. Francis Medical Center and Saint Louise Regional Hospital (collectively, the "*Senior Note Collateral*").⁴

- 4. The 2015 Notes and the Notes are also jointly secured on a parity basis with the collateral pledged to the other Obligations under the Master Indenture, including the Series 2005 Bonds. Those Obligations are secured by, *inter alia*, (i) Deeds of Trust on the Hospitals and (ii) the "Gross Revenues" of the Obligated Group, which is broadly defined to include "all revenues, income, receipts and money received by or on behalf of the Members from all sources."
- 5. Pursuant to that certain Intercreditor Agreement dated as of December 1, 2015, as amended by the Amended and Restated Intercreditor Agreement dated as of September 1, 2017,

[&]quot;Accounts" includes, collectively, (a) any right to payment of a monetary obligation whether or not earned by performance, that relates to or arises out of any services provided or goods rendered by an Obligated Group Member (including, without limitation, payments made by or through a governmental authority to an individual patient assigned to such Member), (b) without duplication, any 'account' (as defined in the Uniform Commercial Code) ("UCC"), any accounts receivable, whether in the form of payments for services rendered or goods sold, rents, license fees or otherwise, any Health-Care-Insurance Receivables and any Payment Intangibles (each as defined in the UCC), (c) all General Intangibles, Intellectual Property (each as defined in the UCC), rights, remedies, guarantees, supporting obligations and letter of credit rights relating to or arising out of the foregoing assets described in clauses (a) and (b), (d) all information and data compiled or derived by any Member or to which any Member is entitled in respect of or related to the foregoing assets described in clauses (a) and (b) and (e) and all proceeds of any of the foregoing. See Amended and Restated Supplemental Master Indenture Number 20 dated as of January 1, 2016, between VHS and the prior Master Trustee.

⁴ The Senior Note Collateral was pledged pursuant to (i) certain Security Agreements dated as of December 11, 2015, Amended and Restated Security Agreements dated as of September 1, 2017, and Second Amended and Restated Security Agreements dated as of December 1, 2017, between the members of the Obligated Group and the Series 2015 Notes Trustee and Series 2017 Notes Trustee and (ii) certain Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of December 11, 2015, Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of September 15, 2017, and Second Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of December 28, 2017, by the members of the Obligated Group in favor of the Series 2015 Notes Trustee and Series 2017 Notes Trustee. True and correct copies of the Second Amended and Restated Security Agreements were attached to docket number 367-1 as Exhibits A through F, and true and correct copies of the Second Amended and Restated Deeds of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents were attached to docket number 367-1 as Exhibits H through K. (Collectively, the Security Agreement, the Pledge Agreements and other documents which secure the repayment of the Notes, the "Security Documents") In addition to its rights under the Security Documents, the Notes Trustee has rights relating to this claim and the collateral security therefor arising under various orders of the Bankruptcy Court including but not limited to that certain 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 at docket number 409 (the "Financing Order"), describing, among other things, adequate protection replacement liens and liens which attach to the proceeds of collateral which may be sold during the Bankruptcy Cases.

⁵ In addition to the Notes, the Obligations also include the California Statewide Communities Development Authority Revenue Bonds (Daughters of Charity Health System) Series 2005A, F, G and H (collectively, the "Series 2005 Bonds") and the \$160,000,000 California Public Finance Authority Revenue Notes (Verity Health System) Series 2015 A, B, C and D (collectively, the "2015 Notes").

as further amended by the Second Amended and Restated Intercreditor Agreement dated as of December 1, 2017 (as amended, the "*Intercreditor Agreement*"), the Master Trustee subordinated its liens and security interests, including the Gross Revenue pledge, to the 2015 Notes Trustee and Notes Trustee with respect to the Senior Note Collateral.⁶

6. The Notes are also secured by that certain Deed of Trust with Fixture Filing and Security Agreement and Assignment of Leases and Rents dated as of September 15, 2017 granted from Verity Holdings, LLC, to the Series 2017 Notes Trustee as Deed of Trust Beneficiary covering the real property and certain personal property at 600 Marine Blvd., Moss Beach California.

Summary of Claim

7. Pursuant to the Notes Documents on the Petition Date, the Debtors owed the Notes Trustee, for the benefit of the holders of the Notes, a total principal amount of \$42,000,000.00 on the Notes, plus all post-petition interest and any fees and expense and other charges under the Note Documents to the extent allowable under 11 U.S.C. § 506 (b), including without limitation any make whole or redemption premium or payment required thereby.⁷

Reservation of Other Claims and Rights

- 8. The filing of the Proof of Claim and Addendum is not intended as and should not be construed as an election of remedies, acceleration of any indebtedness evidenced by the Notes or the Indentures, waiver of any past, present or future defaults or events of default, or a waiver or limitation of any rights, remedies, claims or interests of the Series 2017 Notes Trustee, including any right to the payment of any additional amount due upon the payment of the Notes prior to their stated maturity. The Series 2017 Notes Trustee hereby reserves all of its rights, remedies and claims accruing at law or in equity, including, without limitation, all rights, remedies and claims against the Debtors, all of their affiliates and creditors, and all other parties in interest in the Debtors' bankruptcy cases.
- 9. The Series 2017 Notes Trustee has incurred and will continue to incur additional amounts for its compensation and expenses, including attorneys' and advisors' fees and expenses, as to which sum the Series 2017 Notes Trustee is entitled to payment.
- 10. The Series 2017 Notes Trustee expressly includes a claim against the Debtors and all others purporting to act on the Debtors' behalf (including any recipient directly or indirectly of the proceeds of the Notes) for the benefit derived from the use of any such proceeds traceable to such person, and for imposition of constructive trusts or equitable liens thereon, subrogation and all other claims thereto, and for any and all other legal or equitable remedies, rights, and interests to which the Series 2017 Notes Trustee may be entitled by virtue of the use, possession and enjoyment by the Debtors or any other recipient directly or indirectly of the proceeds of the Notes. The Series 2017 Notes Trustee expressly reserves all other rights and claims against the

⁶ A true and correct copy of the Seconded Amended and Restated Intercreditor Agreement was attached to docket number 367-1 as Exhibit G.

⁷ The Debtors are currently paying the Notes Trustee's fees and expenses on a monthly basis pursuant to ¶5(b) of the Financing Order, however, the Notes Trustee reserves the right to amend this Proof of Claim to include post-petition fees and expenses if such payments should ever cease.

Case 2cste821118-21011-263-115-113-ERC laiDnot:631634F3ledF0176/11-4/11/19.8/129esdEndteired out:1/11/18/119 119:3039e139 of 8 Desc Exhibit 3 Page 98 of 310

Debtors and their estates, including claims for constructive trust and equitable liens, and all rights of setoff and recoupment. The Series 2017 Notes Trustee further reserves all rights and claims against parties other than the Debtors.

11. The Series 2017 Notes Trustee reserves its right to amend or supplement the Proof of Claim and Addendum or to file additional proofs of claims for additional claims, including, without limitation, claims for administrative expenses and all other claims, at law or in equity, arising prior to, on, or after the Petition Date. The Series 2017 Notes Trustee also reserves its right to amend or supplement the Proof of Claim and Addendum if it deems such amendment or supplement to be necessary or appropriate for any reason, including an updated statement of the amount due, or for any other purpose for which a proof of claim may be amended.

Caseasea: 42:1118-200428915R-ERClaiDro853634-3-ila-alla-al/1 ร./1 9/1 (การ ครามสาระเทศ สำหรับคนา ครามสาระเทศ สาระเทศ #5941 Date Filed: 4/1/2019

United States Bankruptcy Co	ourt for the Central District of California
Indicate Debtor against which you assert a claim by checking	the appropriate box below. (Check only one Debtor per claim form.)
☐ Verity Health System of California, Inc. (Case No.18-20151)	St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	☐ St. Louise Regional Hospital (Case No.18-20162)
☐ De Paul Ventures, LLC (Case No. 18-20176)	St. Vincent Dialysis Center, Inc. (Case No. 18-20171)
O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)
☐ O'Connor Hospital Foundation (Case No. 18-20179)	☐ St. Vincent Medical Center (Case No. 18-20164)
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)
☐ Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)
☐ St. Francis Medical Center (Case No. 18-20165)	

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

1.	Who is the current	Wells Far	go Bank, N	ational Associa	ation, as Trustee				
	creditor?	Name of the current creditor (the person or entity to be paid for this claim)							
		Other names	the creditor us	ed with the debtor					···
2.	Has this claim been acquired from	X No							
	someone else?	Yes.	From whom	າ?					
3.	3. Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where sho	uld notices	to the creditor b	oe sent?	Where should payments to the creditor be sent? (if different)			
		Daniel S.	Bleck, Esq.			Corbin B. C	Connell		
		Name				Name			
E		One Financial Center				600 S. 4th Street, 6th Floor			
		Number Boston	Street	MA	02111	Number : Minneapolis	Street	MN	55479
Í		City		State	ZIP Code	City		State	ZIP Co
8	<i>I</i> LULIYLU	UŠA				USA			
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F	APR 0 1 2019	Contact phon	e 617.542	2.6000		Contact phone	612.66	7.4076	_
		Contact email	DSBlec	k@mintz.com		Contact email	Corbin.	.B.Connell@wel	sfargo.com
AAR	CARSON CONSULTANTS	Uniform claim	identifier for e		in chapter 13 (if you use	one):			
4.	Does this claim	X No							
	filed?	Yes.	Claim numb	er on court claim	ns registry (if known)		Fi	led on) / YYYY
5.	Do you know if anyone else has filed	X No						Stamped Copy If addressed st	
	a proof of claim for	T Yes W	ho made the	e earlier filing?				py to return	ampou one

Official Form 410

Proof of Claim page 1



6.	Do you have any number you use to identify the debtor?	No Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:
7.	How much is the claim?	See addendum. Does this amount include interest or other charges? No X Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
8.	What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. See addendum.
9.	Is all or part of the claim secured?	Yes. The claim is secured by a lien on property. Nature of property: Real estate: If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A) with this Proof of Claim. Motor vehicle Other. Describe: See addendum. Basis for perfection: See addendum. Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)
		Value of property: Amount of the claim that is secured: \$ See addendum.
	RECEIVED APR 0 1 2019	Amount of the claim that is unsecured: \$See addendum. (The sum of the secured and unsecured amount should match the amount in line?) Amount necessary to cure any default as of the date of the petition: \$See addendum.
RTZ	MAN CARSON CONSULTANTS	Annual Interest Rate (when case was filed) various % (see addendum) X Fixed Variable
10.	ls this claim based on a lease?	No Yes. Amount necessary to cure any default as of the date of the petition. \$
11.	Is this claim subject to a right of setoff?	X No ■ Yes. Identify the property:

12. Is all or part of the claim entitled to priority under		No						
11 U.S.C. § 507(a)?	\boxtimes	Yes. C	Check all that apply:				Am	ount entitled to priority
A claim may be partly priority and partly nonpriority. For example,			omestic support obli U.S.C. § 507(a)(1)			d child support) und	er \$	
in some categories, the law limits the amount entitled to priority.		Up se	o to \$2,850* of dep rvices for personal	to \$2,850* of deposits toward purchase, lease, or rental of property or vices for personal, family, or household use. 11 U.S.C. § 507(a)(7).				
		da	ages, salaries, or c ys before the bank nichever is earlier.	ruptcy petiti	on is filed or the	earned within 180 debtor's business er	nds, \$	
		ПТа	xes or penalties ow	ed to gover	nmental units. 11	U.S.C. § 507(a)(8).	\$	
		☐ Co	ontributions to an e	mployee be	nefit plan. 11 U.S	.C. § 507(a)(5).	\$	
		X Ot	her. Specify subse	ction of 11 l	J.S.C. § 507(a)(_	_) that applies.	\$\$	See addendum.
		* Amo	unts are subject to adj	ustment on 4/6	01/19 and every 3 ye	ears after that for cases	begun on or a	fter the date of adjustment.
Part 3: Sign Below								
The person completing	Check	the app	ropriate box:					
this proof of claim must sign and date it.	X	am the	creditor.					
FRBP 9011(b).		am the	creditor's attorney o	r authorized	agent.			
If you file this claim electronically, FRBP	I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.							
5005(a)(2) authorizes courts to establish local rules specifying what a signature is.		am a gu	arantor, surety, enc	lorser, or oth	ner codebtor. Ban	kruptcy Rule 3005.		
A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5	the an	nount of	the claim, the credit	or gave the	debtor credit for a	ny payments receive	ed toward the	that when calculating e debt.
years, or both. 18 U.S.C. §§ 152, 157, and							iai irie iriiom	lation is true and correct.
3571.			penalty of perjury			correct.		
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	Print t	he namo	of the person wh	o is comple	eting and signing	g this claim;		
	Name		Corbin First name		B. Middle name		Cannell Last name	
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RECEIVED	Compar	ny			Trust Services	authorized agent is a se		
APR 0 1 2019			racinary the corpor	ale servicer as	s the company in the a	authorized agent is a sei	vicer.	
PALINU ! ZUIS	Address		600		reet, 6th Floor			
ZMAN CARSON CONSULTANTS			Number Minneapolis	Street	1M	V 55	5479	USA
Pinter Comme			City		Sta		P Code	Country
	Contact	phone	612.667.407	ĵ.		_{Email} C	orbin.B.Co	nnell@wellsfargo.com

KUR

Aaron M. Williams 617 348 4964 awilliams@mintz.com



One Financial Center Boston, MA 02111 617 542 6000 mintz.com

March 28, 2019

VIA OVERNIGHT DELIVERY

Verity Claims Processing Center c/o KCC 2335 Alaska Avenue El Segundo, California 90245

To whom it may concern:

Re: Verity Health System – Proofs of Claim

Enclosed herewith are six proofs of claim, delivered on behalf of Wells Fargo Bank, National Association, as Series 2005 Bond Trustee, for filing in the following bankruptcy cases, each pending in the U.S. Bankruptcy Court for the Central District of California:

- In re Verity Health System of California, Inc. (Case No. 18-20151);
- In re Saint Louise Regional Hospital (Case No. 18-20162);
- In re St. Vincent Medical Center (Case No. 18-20164);
- In re St. Francis Medical Center (Case No. 18-20165);
- In re Seton Medical Center (Case No. 18-20167); and
- In re O'Connor Hospital (Case No. 18-20168)

Also enclosed if a self-addressed, postage pre-paid envelope. Please date-stamp and return this letter to indicate your timely receipt of the proofs of claim.

For any questions or concerns, please do not hesitate to contact me by telephone (617.348.4964) or email (AWilliams@mintz.com).

Respectfully,

Aaron M. Williams

Enclosures

cc: Corbin B. Connell

William P. Wassweiler, Esq.

lan A. Hammel, Esq.

BOSTON LONDON LOS ANGELES NEW YORK SAN DIEGO SAN FRANCISCO WASHINGTON

Addendum to Proof of Claim: Claim of Wells Fargo Bank, National Association, as Trustee

Wells Fargo Bank, National Association, serves as trustee (the "Trustee") for bonds (the "Bonds") issued pursuant to certain Bond Indentures, each dated as of February 1, 2005 (collectively, as amended and supplemented, the "Bond Indenture"), between the California Statewide Communities Development Authority (the "Authority") and the Trustee. Repayment of the Bonds is supported by, among other things, the obligations owing pursuant to (i) that certain Master Indenture of Trust, dated as of December 1, 2001 (as amended and supplemented, the "Master Indenture") among the Daughters of Charity Health System (the predecessor to debtor, Verity Health System of California, Inc., referred to herein as the "System"), the System affiliates listed in the Master Indenture (collectively, with the System, the "Obligated Group"), and the Trustee, (ii) certain Loan Agreements, each dated as of February 1, 2005 (collectively, the "Loan Agreement"), between the Authority and the System, and (iii) various other documents evidencing and securing the Bonds (collectively with the Bond Indenture, Master Indenture, and Loan Agreements, the "Bond Documents"). The debtor named on the Proof of Claim to which this addendum is attached (the "Debtor") is a member of the Obligated Group.

The Trustee submits this addendum to its Proof of Claim against the Debtor. As of the Petition Date (defined below), the claims described herein (the "Bond Claim") against the Debtor totaled not less than \$261,897,375.00. As noted below, the Trustee reserves the right to amend this claim.

Basis for and Documents Supporting the Bond Claim

The Bond Claim is based on, among other things, the Debtor's agreement, as a member of the Obligated Group, to borrow proceeds of the issuance of the Bonds, and to make payments of associated principal, interest and other costs, fees and expenses. Upon information and belief, the Debtor has copies of the Bond Documents. Pursuant to the *Order Establishing Bar Date for Filing Proofs of Claim* [Docket No. 1528] (the "Bar Date Order"), the Trustee has been excused from attaching herewith copies of the Bond Documents or other referenced documents evidencing and/or securing the Bond Claim. Upon written request by the Debtor to counsel to the Trustee at the address included in this Proof of Claim, the Trustee will make available copies of any of the Bond Documents.

Amount of the Bond Claim

The Debtor commenced its bankruptcy case on August 31, 2018 (the "<u>Petition Date</u>"). The liquidated amounts owing by the Debtor to the Trustee on account of the Bond Claim as of the Petition Date totaled not less than \$261,897,375.00, comprised of the following principal and interest then due on the Bonds:

Maturity Date of Bonds	Principal Outstanding	Interest Rate	Interest Outstanding	Total Amount Outstanding
7/1/2022	\$8,825,000.00	5.500%	\$80,895.83	\$8,905,895.83
7/1/2024	\$32,885,000.00	5.750%	\$315,147.92	\$33,200,147.92
7/1/2025	\$8,005,000.00	5.750%	\$76,714.58	\$8,081,714.58
7/1/2030	\$64,490,000.00	5.750%	\$618,029.17	\$65,108,029.17
7/1/2035	\$72,530,000.00	5.750%	\$695,079.17	\$73,225,079.17
7/1/2039	\$72,710,000.00	5.500%	\$666,508.33	\$73,376,508.33
	\$259,445,000.00		\$2,452,375.00	\$261,897,375.00

¹ References to docket numbers herein shall refer to entries docketed in Lead Case No. 18-20151 in the jointly administered proceedings of *In re Verity Health System of California, Inc., et al.*

In addition to the foregoing principal and interest, which interest continues to accrue to the date of full payment of all principal amounts due and owing under the Bonds, the Trustee also asserts claims, whether currently liquidated or unliquidated, for all now existing or hereafter arising (i) unpaid fees and expenses of the Trustee and its professionals incurred prior to, and subsequent to the Petition Date, as such amounts are provided for under the Bond Documents, (ii) any damages or losses that the Trustee or the holders of the Bonds may suffer as a result of the Debtor's breach of the Bond Documents, including any breach of the indemnity obligations in the Bond Documents, (iii) any claims that may exist against the Debtor related to the issuance of the Bonds, and (iv) any claims that may arise pursuant to that certain *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* [Docket No. 409] (the "Final DIP Order"), including administrative, priority and super-priority claims pursuant to, inter alia, Bankruptcy Code §§ 503(b)(1), 506(b), 507(a)(2).

Pursuant to the Final DIP Order, the Court has allowed the Bond Claim.

Security and Collateral

The Bond Claim is secured, *inter alia*, by the liens described in the Bond Documents, the liens described or granted in the Final DIP Order, and any now existing or hereafter arising rights of setoff and recoupment. The Bond Documents include deeds of trust encumbering the Debtor's real estate that have been recorded, and filed financing statements listing certain of the Debtor's personal property.

As of the Petition Date, the Trustee held various funds in trust for repayment of the Bond Claim, which are not property of the Debtor's bankruptcy estate. To the extent, if any, that such funds are not held in trust, the Trustee holds a validly perfected security interest in such funds.

Additional Terms and Conditions

Holders of the Bonds in their individual capacities may have their own, separate claims against the Debtor that are not included in this Proof of Claim, and this Proof of Claim shall not be deemed or construed as a description, limitation, substitution or waiver of any rights of such holders with respect to such separate claims. Pursuant to Federal Rule of Bankruptcy Procedure 3003(c)(5), the terms of the Bond Documents, and paragraph 8 of the Bar Date Order, the Trustee has filed this Proof of Claim on behalf of all known or unknown holders of the Bonds, and the record or beneficial owners of Bonds are not required to file proofs of claim with respect to the Bond Claim.

The Trustee expressly reserves its right to amend or supplement this Proof of Claim (including, but not limited to, for purposes of liquidating the amount of interest or additional fees, costs, and expenses referred to herein) at any time and in any respect.

This Proof of Claim is made without prejudice to the filing by the Trustee of additional proofs of claim with respect to any other indebtedness or liability of the Debtor to the Trustee, including, but not limited to any claim arising from any judgment entered in connection with the Bond Documents. The Trustee reserves all rights as to the nature, characterization and substance of the Bond Documents. The Trustee reserves all rights and claims against all third parties.

The Trustee, for itself and on behalf of each holder of the Bonds, expressly reserves all rights accruing to it, and the execution and filing of this Proof of Claim is not and shall not be deemed: (a) an election of remedies; (b) a waiver of any rights or remedies of the Trustee under

any agreement or applicable law; (c) a waiver of any right to assert that all or any portion of the Bond Claim constitutes an administrative expense claim, an unsecured claim, or a priority claim in this bankruptcy case; (d) a waiver of any rights pursuant to 11 U.S.C. § 506(b); (e) a consent to the jurisdiction of the Bankruptcy Court with respect to any proceeding commenced in this bankruptcy case against or otherwise involving the Trustee or holders of the Bonds; (f) a waiver of any immunity; (g) a waiver of the right to withdraw the reference, contest the treatment of any non-core claim against it as a core claim, or otherwise to challenge the jurisdiction of the Bankruptcy Court with respect to the subject matter of the Bond Claim, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this bankruptcy case against or otherwise involving the Trustee or any holder of the Bonds; (h) a waiver of any right of subordination in favor of the Trustee, any holder of the Bonds, or liens held by creditors of any of the Debtor; (i) a waiver or release of any right to trial by jury, or a consent to a trial by jury in the Bankruptcy Court or any other court; (i) an admission that any matter is a core matter or is a matter as to which the Bankruptcy Court can enter a final judgment, a right to have final orders entered in non-core matters only after a de novo review by the District Court, or a consent to the entry by the Bankruptcy Court of a final judgment with respect to the Bond Claim or any other matter; (k) a waiver of any claim or right against any other creditor arising under the bankruptcy case or otherwise; and/or (1) a waiver of any right related to any plan(s) of reorganization or liquidation proposed in this bankruptcy case.

The Trustee, for itself and on behalf of each holder of the Bonds, specifically reserves all of its defenses and rights, procedural and substantive, including, without limitation, its defenses and rights with respect to any claim that may be asserted against the Trustee or any of its affiliates, by the Debtor or any other party.

United States Bankruptcy Co	ourt for the Central District of California
Indicate Debtor against which you assert a claim by checking	the appropriate box below. (Check only one Debtor per claim form.)
☐ Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	☐ St. Louise Regional Hospital (Case No.18-20162)
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)
☐ O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)
☐ O'Connor Hospital Foundation (Case No. 18-20179)	☐ St. Vincent Medical Center (Case No. 18-20164)
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)
Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)
☐ St. Francis Medical Center (Case No. 18-20165)	,

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

1.	Who is the current creditor?	Wells Fargo Bank	, National Associa	ation, as Trustee					
	creator?	Name of the current creditor (the person or entity to be paid for this claim)							
		Other names the credito	r used with the debtor						
2.	Has this claim been acquired from	X No							
	someone else?	Yes. From wh	nom?						
3.	notices and	Where should notic		pe sent?	Where should payments to the creditor be sent? (if different)				
	payments to the creditor be sent?	Daniel S. Bleck, E.	sq.		Corbin B. Connell				
	ordanor be dentr	Name			Name		-		
	Federal Rule of		al Center			treet, 6th Floor	~~~		
	Bankruptcy Procedure (FRBP) 2002(g)	Number Street Boston	MA	02111	Number Street Minneapolis	MN	55479		
85	aroriump	City	State	ZIP Code	City	State	ZIP Co		
	RECEIVED	USA			USA				
		Country 617	542.6000		Country	67.4076			
A	NPR 0 1 2019	DODI		-	Contact phone				
		Contact email DSBI	eck@mintz.com	_	Contact email Corb	in.B.Connell@wel	Istargo.con _		
PAN	V CARSON CONSULTANTS	Uniform claim identifier fo	or electronic payments	in chapter 13 (if you use	one):				
4.	Does this claim amend one already	∑ No							
	filed?	Yes. Claim nu	mber on court claim	s registry (if known)		Filed on	D / YYYY		
5.	Do you know if anyone else has filed	X No				Stamped Copy R			
	a proof of claim for	T Yes Who made	the earlier filing?		☐ No se	lf addressed stai	mped enve		

Official Form 410

Proof of Claim page 1



Cas**@** 42-1118-2014267151R-ERClaiDro 733634-3-ile-dl00/15/19/19De 550114 abrid 0.0 club/11-011619363292 of Desc Exhibit 3 9Page 109 of 310

6.	Do you have any number you use to identify the debtor?	No Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:
7.	How much is the claim?	See addendum. Does this amount include interest or other charges? No Yes. Attach statement itemizing interest, fees, expenses, or other charges?
8.	What is the basis of the claim?	charges required by Bankruptcy Rule 3001(c)(2)(A). Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit can attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. See addendum.
9.	Is all or part of the claim secured?	 No X Yes. The claim is secured by a lien on property. Nature of property: X Real estate: If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A) with this Proof of Claim. ✓ Motor vehicle
		Basis for perfection: See addendum. See addendum. Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (f example, a mortgage, lien, certificate of title, financing statement, or other document that shows the l has been filed or recorded.)
		Value of property: Amount of the claim that is secured: Amount of the claim that is unsecured: \$ See addendum. (The sum of the secured and unsecured) amount should match the amount in
RE	CEIVED	Amount necessary to cure any default as of the date of the petition: \$ See addendum.
	R 0 1 2019 Arson consultants	Annual Interest Rate (when case was filed) <u>various</u> % (see addendum) X Fixed Variable
	Is this claim based on a lease?	 X No Yes. Amount necessary to cure any default as of the date of the petition.
	Is this claim subject to a right of setoff?	X No Yes. Identify the property:

Case 4:2-11/8-20/120/15/R-ERClaiDro733634-3-ile-10/06/15/19/19De-5cn 1/4 abid dd.c1/20/19/19/19 of Desc Exhibit 3 9Page 110 of 310

nonpriority. For example, in some categories, the law limits the amount entitled to priority. 11 U.S.C. § Up to \$2,85 services for	at apply: pport obligations (including alimony and child support) undo 507(a)(1)(A) or (a)(1)(B).	Amount entitled to price
priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority. Domestic sc 11 U.S.C. §	oport obligations (including alimony and child support) under $507(a)(1)(A)$ or $(a)(1)(B)$.	er
in some categories, the law limits the amount entitled to priority.		\$
☐ Wages, sala	or of deposits toward purchase, lease, or rental of propert personal, family, or household use. 11 U.S.C. § 507(a)(7)	tv or
whichever is	ries, or commissions (up to \$12,850*) earned within 180 the bankruptcy petition is filed or the debtor's business er earlier. 11 U.S.C. § 507(a)(4).	nds, \$
☐ Taxes or pe	alties owed to governmental units. 11 U.S.C. § 507(a)(8).	\$
☐ Contribution	s to an employee benefit plan. 11 U.S.C. § 507(a)(5).	\$
X Other. Spec	fy subsection of 11 U.S.C. § 507(a)() that applies.	\$ See addendum.
* Amounts are sul	ject to adjustment on 4/01/19 and every 3 years after that for cases	begun on or after the date of adjustme
Part 3: Sign Below	-	
The person completing this proof of claim must	X:	
sign and date it.		
FRBP 9011(b).	ttorney or authorized agent.	
If you file this claim		
electronically, FRBP	the debtor, or their authorized agent. Bankruptcy Rule 3004	4.
	irety, endorser, or other codebtor. Bankruptcy Rule 3005.	
specifying what a signature	,, , , , , , , , , , , , , , , , , , , ,	
is.		
A person who files a I understand that an authorized the amount of the claim, fined up to \$500,000,	orized signature on this <i>Proof of Claim</i> serves as an acknothe creditor gave the debtor credit for any payments receive	wledgement that when calculatin ed toward the debt.
· · · · · · · · · · · · · · · · · · ·	mation in this <i>Proof of Claim</i> and have reasonable belief th	nat the information is true and cor
18 U.S.C. 88 152, 157, and	perjury that the foregoing is true and correct.	
Executed on date	6/28/2019	
11-0	k, N.A., as Trustes	
Wells Faryo 154	K, N. 4. Jas I most e	
	2/1/1/20 21	
W Charles	SourisVice president.	-
Signature		
Print the name of the p	rson who is completing and signing this claim:	
		_
Name Corb		Cannell
First n	me Middle name I	Last name
Title Vice	President	
Obin party	Fargo Corporate Trust Services	
	the corporate servicer as the company if the authorized agent is a ser	rvicer.
RECEIVED		
Address 600	S. 4th Street, 6th Floor	
APR 0 1 2019	Street	
	eapolis MN 55	5479 USA
City	State ZII	P Code Country
AN CARSON CONSULTANTS Contact phone 612.6	67.4076	Corbin.B.Connell@wellsfargo.

Aaron M. Williams 617 348 4964 awilliams@mintz.com



One Financial Center Boston, MA 02111 617 542 6000 mintz.com

March 28, 2019

VIA OVERNIGHT DELIVERY

Verity Claims Processing Center c/o KCC 2335 Alaska Avenue El Segundo, California 90245

Re:

Verity Health System - Proofs of Claim

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Enclosures

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WASHINGTON

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Amount of the Bond Claim

The Debtor commenced its bankruptcy case on August 31, 2018 (the "<u>Petition Date</u>"). The liquidated amounts owing by the Debtor to the Trustee on account of the Bond Claim as of the Petition Date totaled not less than \$261,897,375.00, comprised of the following principal and interest then due on the Bonds:

Maturity Date of Bonds	Principal Outstanding	Interest Rate	Interest Outstanding	Total Amount Outstanding	
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Pursuant to the Final DIP Order, the Court has allowed the Bond Claim.

Security and Collateral

The Bond Claim is secured, *inter alia*, by the liens described in the Bond Documents, the liens described or granted in the Final DIP Order, and any now existing or hereafter arising rights of setoff and recoupment. The Bond Documents include deeds of trust encumbering the Debtor's real estate that have been recorded, and filed financing statements listing certain of the Debtor's personal property.

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This Proof of Claim is made without prejudice to the filing by the Trustee of additional proofs of claim with respect to any other indebtedness or liability of the Debtor to the Trustee, including, but not limited to any claim arising from any judgment entered in connection with the Bond Documents. The Trustee reserves all rights as to the nature, characterization and substance of the Bond Documents. The Trustee reserves all rights and claims against all third parties.

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Claim #5944 Date Filed: 4/1/2019 Desc Exhibits araye III UI SIU

United States Bankruptcy Court for the Central District of California					
Indicate Debtor against which you assert a claim by checking	the appropriate box below. (Check only one Debtor per claim form.)				
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☐ O'Connor Hospital (Case No. 18-20168)	St. Vincent Foundation (Case No. 18-20180)				
☐ O'Connor Hospital Foundation (Case No. 18-20179)	St. Vincent Medical Center (Case No. 18-20164)				
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)				
☐ Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)				
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)				
St. Francis Medical Center (Case No. 18-20165)	,				

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

2. Has this claim been acquired from someone else? Yes. From whom? Yes. From whom? Yes. From whom? Where should notices to the creditor be sent? Daniel S. Bleck, Esq. Name One Financial Center Number Street Boston MA 02111 City State ZIP Code USA Country Contact phone Contact phone Contact email DSBleck@mintz.com	Where should pay different) Corbin B. Connel Name	yments to the creditor	r be sent? (ii
2. Has this claim been acquired from someone else? Yes. From whom? Where should notices to the creditor be sent? Daniel S. Bleck, Esq. Pederal Rule of Bankruptcy Procedure (FRBP) 2002(g) RECEIVED Daniel S. Bleck, Esq. Daniel S. Bleck, Esq. Name One Financial Center Number Street Boston MA 02111 City State ZIP Code USA Country Contact phone Contact phone Contact email Contact email Daniel S. Bleck, Esq. Daniel S. Bleck,	Where should pay different) Corbin B. Connel Name 600 S. 4th Number Street Minneapolis	yments to the creditor Il Street, 6th Floor	r be sent? (ii
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notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g) RECEIVED Daniel S. Bleck, Esq. Name One Financial Center Boston MA 02111 City State ZIP Code USA Country Contact phone Contact phone Contact email Daniel S. Bleck, Esq. Financial Center APR 0 1 2019 DSBleck@mintz.com	Corbin B. Connel Name 600 S. 4th Number Street Minneapolis	II Street, 6th Floor	,
Daniel S. Bleck, Esq. Name One Financial Center	Corbin B. Connel Name 600 S. 4th Number Street Minneapolis	Street, 6th Floor	
Name	Name 600 S. 4th Number Street Minneapolis	Street, 6th Floor	
Number Street Boston MA 02111	Number Street Minneapolis		
Bankruptcy Procedure (FRBP) 2002(g) Boston MA 02111	Minneapolis	MN	
City State ZIP Code		MN	
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Country Contact phone Contact email Contact email Country Contact email Contact email Contact email	•	State	ZIP C
APR 0 1 2019 Contact phone Contact email 617.542.6000 DSBleck@mintz.com	USA		
APR 0 1 2019 Contact email DSBleck@mintz.com	Country 612	2.667.4076	
	Contact priorie		_
	Contact email Cor	rbin.B.Cannell@well	stargo.cor
Uniform claim identifier for electronic payments in chapter 13 (if you use o	ne):		
4. Does this claim X No amend one already			
filed? Yes. Claim number on court claims registry (if known)		Filed on MM / DE) / YYYY
5. Do you know if X No	Fato Data		turnod
anyone else has filed a proof of claim for Yes. Who made the earlier filing? this claim?	☐ Date Stamped Copy Returned☐ No self addressed stamped enve		

Official Form 410

Proof of Claim page 1



Cas**@**2542-1118-20142615 R-ERClaiDro863634-3-ilefdle9/15/19/19De 15cm 14 reind d.0.0/118/129/16 19/269292 of Desc Exhibit 3 9Page 118 of 310

6.	Do you have any number you use to identify the debtor?	No Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:	
7.	How much is the claim?	\$ See addendum. Does this amount include interest or other charges?	
		Yes. Attach statement itemizing interest, fees, expenses, charges required by Bankruptcy Rule 3001(c)(2)(A)	, or other
8.	What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or cred Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information.	lit card.
		See addendum.	
— 9.	Is all or part of the claim secured?	NoX Yes. The claim is secured by a lien on property.	
		Nature of property:	
		Real estate: If the claim is secured by the debtor's principal residence, file a Mortgage Proo Claim Attachment (Official Form 410-A) with this Proof of Claim.	f of
		Motor vehicle	
		X Other. Describe: See addendum.	
		Basis for perfection: See addendum. Attach redacted copies of documents, if any, that show evidence of perfection of a security intere example, a mortgage, lien, certificate of title, financing statement, or other document that shows that been filed or recorded.)	st (for the lien
		Value of property: \$See addendum.	
		Amount of the claim that is secured: \$See addendum.	
	RECEIVED	Amount of the claim that is unsecured: \$See addendum. (The sum of the secured and unamount should match the amount should match the secured and under the should match the secured and under the secured a	nsecured Int in line 7
	APR 0 1 201	Amount necessary to cure any default as of the date of the petition: \$ See addendum.	_
	KURTZMAN CARSON CONSU		
		Variable	
10.	Is this claim based on a lease?	X No Yes. Amount necessary to cure any default as of the date of the petition. \$	
	Is this claim subject to a right of setoff?	X No Yes. Identify the property:	

Cas**@as4@hille-201426915 R**-ERClaiDro863634-3-ilefdl**00/15/19**/19Destant/arind ddd:1u8/119/11670369193 of Desc Exhibit 3 9Page 119 of 310

12. In all or part of the claim					
12. Is all or part of the claim entitled to priority under	No No				
11 U.S.C. § 507(a)?	X Yes. Ch	neck all that apply:			Amount entitled to priority
A claim may be partly priority and partly nonpriority. For example,	Dor 11	mestic support obligati U.S.C. § 507(a)(1)(A)	ons (including alimony and child or (a)(1)(B).	support) under	\$
in some categories, the law limits the amount entitled to priority.			s toward purchase, lease, or ren nily, or household use. 11 U.S.C		\$
onlined to priority.	day	ges, salaries, or comr s before the bankrupt chever is earlier. 11 U	nissions (up to \$12,850*) earne cy petition is filed or the debtor' .S.C. § 507(a)(4).	d within 180 s business ends,	\$
	☐ Tax	es or penalties owed t	o governmental units. 11 U.S.C.	§ 507(a)(8).	\$
	☐ Cor	ntributions to an emplo	oyee benefit plan. 11 U.S.C. § 5	07(a)(5).	\$
	X Oth	er. Specify subsection	n of 11 U.S.C. § 507(a)() that	applies.	\$ See addendum.
	* Armour	nts are subject to adjustm	ent on 4/01/19 and every 3 years afte	r that for cases begun	on or after the date of adjustment.
	·········				
Part 3: Sign Below					
The person completing this proof of claim must	Check the appr	•			
sign and date it.	X I am the cr	editor.			
FRBP 9011(b). If you file this claim	am the cr	editor's attorney or au	thorized agent.		
electronically, FRBP	l am the tr	ustee, or the debtor, or	their authorized agent. Bankrup	otcy Rule 3004.	
5005(a)(2) authorizes courts to establish local rules specifying what a signature is.	l am a gua	rantor, surety, endorse	er, or other codebtor. Bankruptcy	Rule 3005.	
A person who files a fraudulent claim could be fined up to \$500,000,	I understand that the amount of th	at an authorized signat ne claim, the creditor g	ure on this <i>Proof of Claim</i> serves ave the debtor credit for any pay	s as an acknowledge ments received tow	ement that when calculating ard the debt.
imprisoned for up to 5 years, or both.	I have examined	d the information in this	s <i>Proof of Claim</i> and have reason	nable belief that the	information is true and correct.
18 U.S.C. §§ 152, 157, and 3571.	I declare under	penalty of perjury that	the foregoing is true and correct		
	Executed on da	te 03/28/2	019		
		MM / DD / YYY	as Tunter		
	Wais I king		1. jastaustee		
	by Con	<u>~ S()~</u>	U IT V. Z-Pa	s dost	
	∫ Signature		(
	Print the name	of the person who is	completing and signing this o	claim:	
	Name	Corbin	B.	Canne	ell
		First name	Middle name	Last na	me
	Title	Vice President		· · · · · · · · · · · · · · · · · · ·	
pen <i>i</i> en	Company		porate Trust Services		
CEIVED		Identify the corporate s	servicer as the company if the authorize	ed agent is a servicer.	
0 1 2019	Address	600 S.	4th Street, 6th Floor		
O S EUIN	Addices		reet		
ARSON CONSULTANTS		Minneapolis	MN	55479	USA
UNADU ADUAAFIWU: *		City 612.667.4076	State	ZIP Code	,
	Contact phone	612.667.4076		_{Email} Corbin	.B.Connell@wellsfargo.con

Case 42:118-2042515R-ERClaiDro 655634-3-ile-tile-tile 6/15/19/19De 550144 eind dd. club/12/16/19/2016 from Desc Exhibit 3 9Page 120 of 310

Aaron M. Williams 617 348 4964 awilliams@mintz.com



One Financial Center Boston, MA 02111 617 542 6000 mintz.com

March 28, 2019

VIA OVERNIGHT DELIVERY

Verity Claims Processing Center c/o KCC 2335 Alaska Avenue El Segundo, California 90245

Re:

Verity Health System - Proofs of Claim

To whom it may concern:

Enclosed herewith are six proofs of claim, delivered on behalf of Wells Fargo Bank, National Association, as Series 2005 Bond Trustee, for filing in the following bankruptcy cases, each pending in the U.S. Bankruptcy Court for the Central District of California:

- In re Verity Health System of California, Inc. (Case No. 18-20151);
- In re Saint Louise Regional Hospital (Case No. 18-20162);
- In re St. Vincent Medical Center (Case No. 18-20164);
- In re St. Francis Medical Center (Case No. 18-20165);
- In re Seton Medical Center (Case No. 18-20167); and
- In re O'Connor Hospital (Case No. 18-20168)

Also enclosed if a self-addressed, postage pre-paid envelope. Please date-stamp and return this letter to indicate your timely receipt of the proofs of claim.

For any questions or concerns, please do not hesitate to contact me by telephone (617.348.4964) or email (AWilliams@mintz.com).

Respectfully,

Aaron M. Williams

Enclosures

cc: Corbin B. Connell

William P. Wassweiler, Esq.

lan A. Hammel, Esq.

BOSTON

LONDON

LOS ANGELES

Addendum to Proof of Claim:

Claim of Wells Fargo Bank, National Association, as Trustee

Wells Fargo Bank, National Association, serves as trustee (the "Trustee") for bonds (the "Bonds") issued pursuant to certain Bond Indentures, each dated as of February 1, 2005 (collectively, as amended and supplemented, the "Bond Indenture"), between the California Statewide Communities Development Authority (the "Authority") and the Trustee. Repayment of the Bonds is supported by, among other things, the obligations owing pursuant to (i) that certain Master Indenture of Trust, dated as of December 1, 2001 (as amended and supplemented, the "Master Indenture") among the Daughters of Charity Health System (the predecessor to debtor, Verity Health System of California, Inc., referred to herein as the "System"), the System affiliates listed in the Master Indenture (collectively, with the System, the "Obligated Group"), and the Trustee, (ii) certain Loan Agreements, each dated as of February 1, 2005 (collectively, the "Loan Agreement"), between the Authority and the System, and (iii) various other documents evidencing and securing the Bonds (collectively with the Bond Indenture, Master Indenture, and Loan Agreements, the "Bond Documents"). The debtor named on the Proof of Claim to which this addendum is attached (the "Debtor") is a member of the Obligated Group.

The Trustee submits this addendum to its Proof of Claim against the Debtor. As of the Petition Date (defined below), the claims described herein (the "Bond Claim") against the Debtor totaled not less than \$261,897,375.00. As noted below, the Trustee reserves the right to amend this claim.

Basis for and Documents Supporting the Bond Claim

The Bond Claim is based on, among other things, the Debtor's agreement, as a member of the Obligated Group, to borrow proceeds of the issuance of the Bonds, and to make payments of associated principal, interest and other costs, fees and expenses. Upon information and belief, the Debtor has copies of the Bond Documents. Pursuant to the *Order Establishing Bar Date for Filing Proofs of Claim* [Docket No. 1528] (the "Bar Date Order"), the Trustee has been excused from attaching herewith copies of the Bond Documents or other referenced documents evidencing and/or securing the Bond Claim. Upon written request by the Debtor to counsel to the Trustee at the address included in this Proof of Claim, the Trustee will make available copies of any of the Bond Documents.

Amount of the Bond Claim

The Debtor commenced its bankruptcy case on August 31, 2018 (the "<u>Petition Date</u>"). The liquidated amounts owing by the Debtor to the Trustee on account of the Bond Claim as of the Petition Date totaled not less than \$261,897,375.00, comprised of the following principal and interest then due on the Bonds:

Maturity Date of Bonds	Principal Outstanding	Interest Rate	Interest Outstanding	Total Amount Outstanding
7/1/2022	\$8,825,000.00	5.500%	\$80,895.83	\$8,905,895.83
7/1/2024	\$32,885,000.00	5.750%	\$315,147.92	\$33,200,147.92
7/1/2025	\$8,005,000.00	5.750%	\$76,714.58	\$8,081,714.58
7/1/2030	\$64,490,000.00	5.750%	\$618,029.17	\$65,108,029.17
7/1/2035	\$72,530,000.00	5.750%	\$695,079.17	\$73,225,079.17
7/1/2039	\$72,710,000.00	5.500%	\$666,508.33	\$73,376,508.33
	\$259,445,000.00		\$2,452,375.00	\$261,897,375.00

¹ References to docket numbers herein shall refer to entries docketed in Lead Case No. 18-20151 in the jointly administered proceedings of *In re Verity Health System of California, Inc., et al.*

In addition to the foregoing principal and interest, which interest continues to accrue to the date of full payment of all principal amounts due and owing under the Bonds, the Trustee also asserts claims, whether currently liquidated or unliquidated, for all now existing or hereafter arising (i) unpaid fees and expenses of the Trustee and its professionals incurred prior to, and subsequent to the Petition Date, as such amounts are provided for under the Bond Documents, (ii) any damages or losses that the Trustee or the holders of the Bonds may suffer as a result of the Debtor's breach of the Bond Documents, including any breach of the indemnity obligations in the Bond Documents, (iii) any claims that may exist against the Debtor related to the issuance of the Bonds, and (iv) any claims that may arise pursuant to that certain *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* [Docket No. 409] (the "Final DIP Order"), including administrative, priority and super-priority claims pursuant to, inter alia, Bankruptcy Code §§ 503(b)(1), 506(b), 507(a)(2).

Pursuant to the Final DIP Order, the Court has allowed the Bond Claim.

Security and Collateral

The Bond Claim is secured, *inter alia*, by the liens described in the Bond Documents, the liens described or granted in the Final DIP Order, and any now existing or hereafter arising rights of setoff and recoupment. The Bond Documents include deeds of trust encumbering the Debtor's real estate that have been recorded, and filed financing statements listing certain of the Debtor's personal property.

As of the Petition Date, the Trustee held various funds in trust for repayment of the Bond Claim, which are not property of the Debtor's bankruptcy estate. To the extent, if any, that such funds are not held in trust, the Trustee holds a validly perfected security interest in such funds.

Additional Terms and Conditions

Holders of the Bonds in their individual capacities may have their own, separate claims against the Debtor that are not included in this Proof of Claim, and this Proof of Claim shall not be deemed or construed as a description, limitation, substitution or waiver of any rights of such holders with respect to such separate claims. Pursuant to Federal Rule of Bankruptcy Procedure 3003(c)(5), the terms of the Bond Documents, and paragraph 8 of the Bar Date Order, the Trustee has filed this Proof of Claim on behalf of all known or unknown holders of the Bonds, and the record or beneficial owners of Bonds are not required to file proofs of claim with respect to the Bond Claim.

The Trustee expressly reserves its right to amend or supplement this Proof of Claim (including, but not limited to, for purposes of liquidating the amount of interest or additional fees, costs, and expenses referred to herein) at any time and in any respect.

This Proof of Claim is made without prejudice to the filing by the Trustee of additional proofs of claim with respect to any other indebtedness or liability of the Debtor to the Trustee, including, but not limited to any claim arising from any judgment entered in connection with the Bond Documents. The Trustee reserves all rights as to the nature, characterization and substance of the Bond Documents. The Trustee reserves all rights and claims against all third parties.

The Trustee, for itself and on behalf of each holder of the Bonds, expressly reserves all rights accruing to it, and the execution and filing of this Proof of Claim is not and shall not be deemed: (a) an election of remedies; (b) a waiver of any rights or remedies of the Trustee under

any agreement or applicable law; (c) a waiver of any right to assert that all or any portion of the Bond Claim constitutes an administrative expense claim, an unsecured claim, or a priority claim in this bankruptcy case; (d) a waiver of any rights pursuant to 11 U.S.C. § 506(b); (e) a consent to the jurisdiction of the Bankruptcy Court with respect to any proceeding commenced in this bankruptcy case against or otherwise involving the Trustee or holders of the Bonds; (f) a waiver of any immunity; (g) a waiver of the right to withdraw the reference, contest the treatment of any non-core claim against it as a core claim, or otherwise to challenge the jurisdiction of the Bankruptcy Court with respect to the subject matter of the Bond Claim, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this bankruptcy case against or otherwise involving the Trustee or any holder of the Bonds; (h) a waiver of any right of subordination in favor of the Trustee, any holder of the Bonds, or liens held by creditors of any of the Debtor; (i) a waiver or release of any right to trial by jury, or a consent to a trial by jury in the Bankruptcy Court or any other court; (j) an admission that any matter is a core matter or is a matter as to which the Bankruptcy Court can enter a final judgment, a right to have final orders entered in non-core matters only after a de novo review by the District Court, or a consent to the entry by the Bankruptcy Court of a final judgment with respect to the Bond Claim or any other matter; (k) a waiver of any claim or right against any other creditor arising under the bankruptcy case or otherwise; and/or (1) a waiver of any right related to any plan(s) of reorganization or liquidation proposed in this bankruptcy case.

The Trustee, for itself and on behalf of each holder of the Bonds, specifically reserves all of its defenses and rights, procedural and substantive, including, without limitation, its defenses and rights with respect to any claim that may be asserted against the Trustee or any of its affiliates, by the Debtor or any other party.

United States Bankruptcy Court for the Central District of California					
Indicate Debtor against which you assert a claim by checking	the appropriate box below. (Check only one Debtor per claim form.)				
☐ Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)				
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	St. Louise Regional Hospital (Case No.18-20162)				
☐ De Paul Ventures, LLC (Case No. 18-20176)	St. Vincent Dialysis Center, Inc. (Case No. 18-20171)				
☐ O'Connor Hospital (Case No. 18-20168)	☐ SX: Vincent Foundation (Case No. 18-20180)				
☐ O'Connor Hospital Foundation (Case No. 18-20179)	St. Vincent Medical Center (Case No. 18-20164)				
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)				
☐ Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)				
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)				
☐ St. Francis Medical Center (Case No. 18-20165)					

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

1. Who is the current creditor?	Wells Fargo Bank, National Association, as Trustee						
creditor?	Name of the current creditor (the person or entity to be paid for this claim)						
	Other names the creditor use	d with the debtor					
Has this claim been	X No						
acquired from someone else?	Yes. From whom?	?					
Where should notices and	Where should notices to the creditor be sent?			Where should payments to the creditor be sent? (if different)			
payments to the creditor be sent?	Daniel S. Bleck, Esq.			Corbin B. Connell			
creditor be sent?	Name			Name			
Federal Rule of	One Financial C		S. 4th Street, 6th Floor				
Bankruptcy Procedure	Number Street Boston	MA	02111	= :	treet		
(FRBP) 2002(g)	City	State	ZIP Code	Minneapolis City		N 55479 ate ZIP Co	
medellien	USA	Otate	211 0000	USA	Su	ale ZIP CO	
RECEIVED	Country Contact phone 617.542.6000			Country			
ADD a a source				Contact phone 612.667.4076			
APR 0 1 2019	Contact email DSBleck@mintz.com			Contact email	Corbin.B.Conn	ell@wellsfargo.com	
AN CARSON CONSULTANTS	Uniform claim identifier for ele	, ,	ın chapter 13 (if you use				
Does this claim amend one already	X No						
filed?	Yes. Claim number on court claims registry (if known)				Filed on	MM / DD / YYYY	
5. Do you know if	X No			⊡ D	ate Stamped C	opy Returned	
anyone else has filed a proof of claim for					o self addresse	ed stamped envelo	
	Yes. Who made the earlier filing?						

Official Form 410

Proof of Claim page 1



18201641904010000000000043

6.	Do you have any number you use to identify the debtor?	No Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:
7.	How much is the claim?	\$ See addendum. Does this amount include interest or other charges? No ▼es. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
8.	What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. See addendum.
9.	Is all or part of the claim secured?	No Nature of property: Real estate: If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A) with this Proof of Claim. Motor vehicle Other. Describe: See addendum. Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.) Value of property: Amount of the claim that is secured: \$See addendum. See addendum. See addendum. (The sum of the secured and unsecured.)
rzw	RECEIVED APR 0 1 2019 TAN CARSON CONSULTANTS	Amount necessary to cure any default as of the date of the petition: Annual Interest Rate (when case was filed) various (see addendum) Fixed Variable
	ls this claim based on a lease?	 X No Yes. Amount necessary to cure any default as of the date of the petition.
	s this claim subject to a right of setoff?	X No Yes. Identify the property:

Case 25 18 - 2012 15 PER La imps 1963 4-3 ile file d/15/19 De 5 1964 16 in 2013 of Desc Exhibit 3 Page 128 of 310

12. Is all or part of the claim entitled to priority under	☐ No							
11 U.S.C. § 507(a)?	X Yes. C	heck all that apply.				Amount er	ntitled to priority	
A claim may be partly priority and partly nonpriority. For example,	Do 11	mestic support obl U.S.C. § 507(a)(1	igations (including)(A) or (a)(1)(B).	alimony and child s	upport) under	\$		
in some categories, the law limits the amount entitled to priority.	Up sei	to \$2,850* of deprvices for personal	osits toward purcl , family, or house	nase, lease, or rent hold use. 11 U.S.C.	al of property or § 507(a)(7).	\$		
entitled to priority.	da	ages, salaries, or o ys before the bank ichever is earlier.	cruptcy petition is:	o \$12,850*) earned filed or the debtor's)(4).	within 180 business ends,	\$		
	□ Ta	xes or penalties ov	ved to government	tal units. 11 U.S.C. §	§ 507(a)(8).	\$		
	☐ Co	ntributions to an e	mployee benefit p	olan. 11 U.S.C. § 50	7(a)(5).	\$		
	X Oth	ner. Specify subse	ction of 11 U.S.C.	§ 507(a)() that a	pplies.	\$ See ad	dendum.	
	* Amou	ints are subject to adj	ustment on 4/01/19 a	and every 3 years after	that for cases begun	on or after the o	late of adjustment.	
Part 3: Sign Below		***						
The person completing	Check the app	ropriate box:	<u> </u>		_			
this proof of claim must sign and date it.	X I am the o	reditor.						
FRBP 9011(b).	l am the c	reditor's attorney o	or authorized agen	t.				
If you file this claim electronically, FRBP	arm the to	rustee, or the debto	or, or their authoriz	ed agent. Bankrupt	cy Rule 3004.			
5005(a)(2) authorizes courts to establish local rules	l am a gua	arantor, surety, end	dorser, or other co	debtor. Bankruptcy	Rule 3005.			
specifying what a signature is.								
A person who files a fraudulent claim could be fined up to \$500,000,	I understand the the amount of t	at an authorized si he claim, the credi	gnature on this <i>Pr</i> itor gave the debto	oof of Claim serves r credit for any payn	as an acknowledge nents received tow	ement that wh ard the debt.	en calculating	
imprisoned for up to 5 years, or both.	I have examined the information in this <i>Proof of Claim</i> and have reasonable belief that the information is true and correct.							
18 U.S.C. §§ 152, 157, and 3571.	l declare under	penalty of perjury	that the foregoing	is true and correct.				
	J C	ate 03/28 MM / DD / BANK, N.M	Tunk	1-				
	wells Fany	O PARILLIA O	(, 04 ()0-7/-	<i>(</i>				
	ly Con Signature	~3 Ci	Mits	Vice Presi 1	m-			
	Print the name	of the person wh	o is completing	and signing this cl	aim:			
	Name	Corbin		В.	Canne	eli		
		First name		Middle name	Last na	me		
	Title	Vice Preside	nt					
RECEIVED	Company		Corporate Trus	t Services	l agent is a servicer.			
APR 0 1 2019								
71 IV U 1 ZUIS	Address	600 Number	S. 4th Street,	6th Floor				
P788AN PANCON CONOLUTESTO		Minneapolis	ગા <i>લ</i> ના	MN	55479	L	JSA	
TZMAN CARSON CONSULTANTS		City		State	ZIP Code		Jountry	
	Contact phone	612.667.407	<u> </u>		_{Email} Corbin	.B.Cannell@	wellsfargo.com	

Aaron M. Williams 617 348 4964 awilliams@mintz.com



One Financial Center Boston, MA 02111 617 542 6000 mintz.com

March 28, 2019

VIA OVERNIGHT DELIVERY

Verity Claims Processing Center c/o KCC 2335 Alaska Avenue El Segundo, California 90245

Re:

Verity Health System - Proofs of Claim

To whom it may concern:

Enclosed herewith are six proofs of claim, delivered on behalf of Wells Fargo Bank, National Association, as Series 2005 Bond Trustee, for filing in the following bankruptcy cases, each pending in the U.S. Bankruptcy Court for the Central District of California:

- In re Verity Health System of California, Inc. (Case No. 18-20151);
- In re Saint Louise Regional Hospital (Case No. 18-20162);
- In re St. Vincent Medical Center (Case No. 18-20164);
- In re St. Francis Medical Center (Case No. 18-20165);
- In re Seton Medical Center (Case No. 18-20167); and
- In re O'Connor Hospital (Case No. 18-20168)

Also enclosed if a self-addressed, postage pre-paid envelope. Please date-stamp and return this letter to indicate your timely receipt of the proofs of claim.

For any questions or concerns, please do not hesitate to contact me by telephone (617.348.4964) or email (AWilliams@mintz.com).

Respectfully,

Aaron M. Williams

Enclosures

cc: Corbin B. Connell William P. Wasswe

William P. Wassweiler, Esq.

Ian A. Hammel, Esq.

BOSTON L

Addendum to Proof of Claim: Claim of Wells Fargo Bank, National Association, as Trustee

Wells Fargo Bank, National Association, serves as trustee (the "Trustee") for bonds (the "Bonds") issued pursuant to certain Bond Indentures, each dated as of February 1, 2005 (collectively, as amended and supplemented, the "Bond Indenture"), between the California Statewide Communities Development Authority (the "Authority") and the Trustee. Repayment of the Bonds is supported by, among other things, the obligations owing pursuant to (i) that certain Master Indenture of Trust, dated as of December 1, 2001 (as amended and supplemented, the "Master Indenture") among the Daughters of Charity Health System (the predecessor to debtor, Verity Health System of California, Inc., referred to herein as the "System"), the System affiliates listed in the Master Indenture (collectively, with the System, the "Obligated Group"), and the Trustee, (ii) certain Loan Agreements, each dated as of February 1, 2005 (collectively, the "Loan Agreement"), between the Authority and the System, and (iii) various other documents evidencing and securing the Bonds (collectively with the Bond Indenture, Master Indenture, and Loan Agreements, the "Bond Documents"). The debtor named on the Proof of Claim to which this addendum is attached (the "Debtor") is a member of the Obligated Group.

The Trustee submits this addendum to its Proof of Claim against the Debtor. As of the Petition Date (defined below), the claims described herein (the "Bond Claim") against the Debtor totaled not less than \$261,897,375.00. As noted below, the Trustee reserves the right to amend this claim.

Basis for and Documents Supporting the Bond Claim

The Bond Claim is based on, among other things, the Debtor's agreement, as a member of the Obligated Group, to borrow proceeds of the issuance of the Bonds, and to make payments of associated principal, interest and other costs, fees and expenses. Upon information and belief, the Debtor has copies of the Bond Documents. Pursuant to the *Order Establishing Bar Date for Filing Proofs of Claim* [Docket No. 1528] ¹ (the "Bar Date Order"), the Trustee has been excused from attaching herewith copies of the Bond Documents or other referenced documents evidencing and/or securing the Bond Claim. Upon written request by the Debtor to counsel to the Trustee at the address included in this Proof of Claim, the Trustee will make available copies of any of the Bond Documents.

Amount of the Bond Claim

The Debtor commenced its bankruptcy case on August 31, 2018 (the "<u>Petition Date</u>"). The liquidated amounts owing by the Debtor to the Trustee on account of the Bond Claim as of the Petition Date totaled not less than \$261,897,375.00, comprised of the following principal and interest then due on the Bonds:

Maturity Date of Bonds	Principal Outstanding	Interest Rate	Interest Outstanding	Total Amount Outstanding
7/1/2022	©8 825 000 00	5.5000/	Φ00 005 02	00.005.005.03
7/1/2022	\$8,825,000.00	5.500%	\$80,895.83	\$8,905,895.83
7/1/2024	\$32,885,000.00	5.750%	\$315,147.92	\$33,200,147.92
7/1/2025	\$8,005,000.00	5.750%	\$76,714.58	\$8,081,714.58
7/1/2030	\$64,490,000.00	5.750%	\$618,029.17	\$65,108,029.17
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7/1/2039	\$72,710,000.00	5.500%	\$666,508.33	\$73,376,508.33
	\$259,445,000.00		\$2,452,375.00	\$261,897,375.00

¹ References to docket numbers herein shall refer to entries docketed in Lead Case No. 18-20151 in the jointly administered proceedings of *In re Verity Health System of California, Inc., et al.*

In addition to the foregoing principal and interest, which interest continues to accrue to the date of full payment of all principal amounts due and owing under the Bonds, the Trustee also asserts claims, whether currently liquidated or unliquidated, for all now existing or hereafter arising (i) unpaid fees and expenses of the Trustee and its professionals incurred prior to, and subsequent to the Petition Date, as such amounts are provided for under the Bond Documents, (ii) any damages or losses that the Trustee or the holders of the Bonds may suffer as a result of the Debtor's breach of the Bond Documents, including any breach of the indemnity obligations in the Bond Documents, (iii) any claims that may exist against the Debtor related to the issuance of the Bonds, and (iv) any claims that may arise pursuant to that certain *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* [Docket No. 409] (the "Final DIP Order"), including administrative, priority and super-priority claims pursuant to, inter alia, Bankruptcy Code §§ 503(b)(1), 506(b), 507(a)(2).

Pursuant to the Final DIP Order, the Court has allowed the Bond Claim.

Security and Collateral

The Bond Claim is secured, *inter alia*, by the liens described in the Bond Documents, the liens described or granted in the Final DIP Order, and any now existing or hereafter arising rights of setoff and recoupment. The Bond Documents include deeds of trust encumbering the Debtor's real estate that have been recorded, and filed financing statements listing certain of the Debtor's personal property.

As of the Petition Date, the Trustee held various funds in trust for repayment of the Bond Claim, which are not property of the Debtor's bankruptcy estate. To the extent, if any, that such funds are not held in trust, the Trustee holds a validly perfected security interest in such funds.

Additional Terms and Conditions

Holders of the Bonds in their individual capacities may have their own, separate claims against the Debtor that are not included in this Proof of Claim, and this Proof of Claim shall not be deemed or construed as a description, limitation, substitution or waiver of any rights of such holders with respect to such separate claims. Pursuant to Federal Rule of Bankruptcy Procedure 3003(c)(5), the terms of the Bond Documents, and paragraph 8 of the Bar Date Order, the Trustee has filed this Proof of Claim on behalf of all known or unknown holders of the Bonds, and the record or beneficial owners of Bonds are not required to file proofs of claim with respect to the Bond Claim.

The Trustee expressly reserves its right to amend or supplement this Proof of Claim (including, but not limited to, for purposes of liquidating the amount of interest or additional fees, costs, and expenses referred to herein) at any time and in any respect.

This Proof of Claim is made without prejudice to the filing by the Trustee of additional proofs of claim with respect to any other indebtedness or liability of the Debtor to the Trustee, including, but not limited to any claim arising from any judgment entered in connection with the Bond Documents. The Trustee reserves all rights as to the nature, characterization and substance of the Bond Documents. The Trustee reserves all rights and claims against all third parties.

The Trustee, for itself and on behalf of each holder of the Bonds, expressly reserves all rights accruing to it, and the execution and filing of this Proof of Claim is not and shall not be deemed: (a) an election of remedies; (b) a waiver of any rights or remedies of the Trustee under

any agreement or applicable law; (c) a waiver of any right to assert that all or any portion of the Bond Claim constitutes an administrative expense claim, an unsecured claim, or a priority claim in this bankruptcy case; (d) a waiver of any rights pursuant to 11 U.S.C. § 506(b); (e) a consent to the jurisdiction of the Bankruptcy Court with respect to any proceeding commenced in this bankruptcy case against or otherwise involving the Trustee or holders of the Bonds; (f) a waiver of any immunity; (g) a waiver of the right to withdraw the reference, contest the treatment of any non-core claim against it as a core claim, or otherwise to challenge the jurisdiction of the Bankruptcy Court with respect to the subject matter of the Bond Claim, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this bankruptcy case against or otherwise involving the Trustee or any holder of the Bonds; (h) a waiver of any right of subordination in favor of the Trustee, any holder of the Bonds, or liens held by creditors of any of the Debtor; (i) a waiver or release of any right to trial by jury, or a consent to a trial by jury in the Bankruptcy Court or any other court; (j) an admission that any matter is a core matter or is a matter as to which the Bankruptcy Court can enter a final judgment, a right to have final orders entered in non-core matters only after a de novo review by the District Court, or a consent to the entry by the Bankruptcy Court of a final judgment with respect to the Bond Claim or any other matter; (k) a waiver of any claim or right against any other creditor arising under the bankruptcy case or otherwise; and/or (l) a waiver of any right related to any plan(s) of reorganization or liquidation proposed in this bankruptcy case.

The Trustee, for itself and on behalf of each holder of the Bonds, specifically reserves all of its defenses and rights, procedural and substantive, including, without limitation, its defenses and rights with respect to any claim that may be asserted against the Trustee or any of its affiliates, by the Debtor or any other party.

Desc Exhibit a stage 100 01 010

United States Bankruptcy Co	ourt for the Central District of California	
Indicate Debtor against which you assert a claim by checking	the appropriate box below. (Check only one Debtor per claim form.)	
☐ Verity Health System of California, Inc. (Case No.18-20151)	St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)	
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	St. Louise Regional Hospital (Case No.18-20162)	
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)	
☐ O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)	
☐ O'Connor Hospital Foundation (Case No. 18-20179)	☐ St. Vincent Medical Center (Case No. 18-20164)	
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)	
☐ Seton Medical Center (Case No. 18-20167)	□ Verity Holdings, LLC (Case No. 18-20163)	
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)	
☐ St. Francis Medical Center (Case No. 18-20165)		

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

Has this claim been acquired from someone else? Where should notices and payments to the creditor be sent?	X No Yes. From wh	used with the debtor				
acquired from someone else? Where should notices and payments to the	X No Yes. From who	om?				
acquired from someone else? Where should notices and payments to the	Yes. From who					
Where should notices and payments to the	Where should notice					
notices and payments to the		es to the creditor b	e sent?	Where should no		
	Daniel S. Bleck, Es	Where should notices to the creditor be sent? Where should payments to different)				be sent? (if
Circuitor De Senti		sq.		Corbin B. Conne	·II	
creditor be sent?	Name			Name		
Federal Rule of	One Financia	I Center		600 S. 4th Street, 6th Floor		
Bankruptcy Procedure (FRBP) 2002(q)	Number Street Boston	MA	02111	Number Street Minneapolis	MN	55479
, (6)	City USA	State	ZIP Code	City USA	State	ZIP Code
CEVED	Country			Country		
0 4 0045	Contact phone 617.5	42.6000	_	Contact phone 612	2.667.4076	_
(0 2019	Contact email DSBle	eck@mintz.com		Contact email Co	rbin.B.Cannell@well	sfargo.com
RSON CONSULTANTS	Uniform claim identifier fo			,		
Does this claim	X No					
amend one already filed?				Filed on		
Do you know if	X No			□ hate		
a proof of claim for	Yes. Who made	the earlier filing?		□ No s	self addressed stam	
R	SON CONSULTANTS Does this claim amend one already filed? Do you know if anyone else has filed	Contact phone Contact phone Contact email SON CONSULTANTS Does this claim amend one already filed? Do you know if anyone else has filed a proof of claim for	Contact phone Contact email Contact phone Contact	Contact phone Contact email Contact	Country Contact phone Contact phone Contact email Contact	Country Contact phone Contact phone Contact email Corbin.B.Connell@wells Corbin.B.Con

Official Form 410

Proof of Claim page 1



Case 42:118-201280215R-ERClaiDro 221634-3-ilefil 100/15/19/19De 5cm 144:010 d.0.0118/12015 and 1.0.0118/12015 and 1.0.018/12015 and 1

6.	Do you have any number you use to identify the debtor?	No Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:
7.	How much is the claim?	\$ See addendum. Does this amount include interest or other charges? No X Yes. Attach statement itemizing interest, fees, expenses, or oth charges required by Bankruptcy Rule 3001(c)(2)(A).
8.	What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. See addendum.
9.	Is all or part of the claim secured?	No Nature of property: Real estate: If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A) with this Proof of Claim. Motor vehicle Other. Describe: See addendum. Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.) Value of property: \$See addendum. Amount of the claim that is secured: \$See addendum. (The sum of the secured and unsecured).
R	ECEIVED	amount should match the amount in lie Amount necessary to cure any default as of the date of the petition: \$ See addendum.
AF	PR 0 1 2019	Annual Interest Rate (when case was filed) various % (see addendum) X Fixed
an (CARSON CONSULTANTS	☐ Variable
	ls this claim based on a lease?	No Yes. Amount necessary to cure any default as of the date of the petition. \$\$
	Is this claim subject to a right of setoff?	X No

12. Is all or part of the claim									
entitled to priority under	☐ No								
11 U.S.C. § 507(a)?		Check all that apply:				Amount entitled to prior			
A claim may be partly		omestic support obligation	ons (including alimor	ny and child support)	under				
priority and partly nonpriority. For example,	1^	1 U.S.C. § 507(a)(1)(A)	or (a)(1)(B).	, ,		\$			
in some categories, the law limits the amount entitled to priority.	☐ U _I se	to \$2,850* of deposits toward purchase, lease, or rental of property or rvices for personal, family, or household use. 11 U.S.C. § 507(a)(7).			\$				
entitied to phonity.	□ w	ages, salaries, or comn	nissions (up to \$12,	850*) earned within	180				
	da	ays before the bankrupt hichever is earlier. 11 U	cy petition is filed or	the debtor's busines	ss ends,	\$			
	☐ Ta	axes or penalties owed to	o governmental unit:	s. 11 U.S.C. § 507(a)	(8).	\$			
	Co	ontributions to an emplo	oyee benefit plan. 11	1 U.S.C. § 507(a)(5).	;	\$			
	X O	ther. Specify subsection	n of 11 U.S.C. § 507	(a)() that applies.	;	\$ See addendum.			
	* Amo	unts are subject to adjustme	ent on 4/01/19 and ever	ry 3 years after that for c	ases begun o	on or after the date of adjustme			
Part 3: Sign Below									
The person completing this proof of claim must	Check the app	propriate box:							
sign and date it. FRBP 9011(b).	X I am the								
If you file this claim	I am the creditor's attorney or authorized agent.								
electronically, FRBP	l am the	trustee, or the debtor, or	their authorized age	ent. Bankruptcy Rule	3004.				
5005(a)(2) authorizes courts to establish local rules	l am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.								
specifying what a signature is.		, ,,	,		30.				
A person who files a	I understand that an authorized signature on this Proof of Claim serves as an acknowledgement that when calculating								
fraudulent claim could be fined up to \$500,000,	the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.								
imprisoned for up to 5 years, or both.	I have examined the information in this Proof of Claim and have reasonable belief that the information is true and correct								
18 U.S.C. §§ 152, 157, and 3571.	I declare under penalty of perjury that the foregoing is true and correct.								
	Executed on date 63/28/2019								
	Executed on date 63/28/2019 WELL Forgo BANK, N.A., as Trustee								
		-	/						
	Wais fan	30 BANK, N.4., a	10 Trustee						
	Weirs fan	go BAWK, N.A., a		2					
	Wous fan	40 BAWK, N.4., a		Phos LENT					
	Signature Signature	e of the person who is	M,TT Vice	,					
	Signature Signature	e of the person who is	M,TT Vice	,	Cannell				
	Signature Print the name	e of the person who is Corbin First name	completing and sign	gning this claim:	Cannell Last nam				
	Signature Print the name	e of the person who is	completing and sign	gning this claim:					
	Signature Print the name Name	e of the person who is Corbin First name Vice President Wells Fargo Corp	completing and significant B. Middle reported Trust Serving	gning this claim:	Last nam				
ECEIVED	Signature Print the name Name	e of the person who is Corbin First name Vice President Wells Fargo Corp	completing and significant B. Middle reported Trust Serving	gning this claim:	Last nam				
	Signature Print the name Name	e of the person who is Corbin First name Vice President Wells Fargo Corporate see	completing and significant B. Middle reported Trust Serving	gning this claim: name ices if the authorized agent is	Last nam				
ECEIVED PR 0 1 2019	Signature Print the name Name Title Company	e of the person who is Corbin First name Vice President Wells Fargo Corp Identify the corporate set 600 S. Number Streen	completing and sign B. Middle reporate Trust Servicer as the company in the street, 6th Florida.	gning this claim: name ices if the authorized agent is	Last nam	е			
	Signature Print the name Name Title Company	e of the person who is Corbin First name Vice President Wells Fargo Corporate see 600 S.	completing and sign B. Middle reporate Trust Servicer as the company in the street, 6th Florida.	gning this claim: name ices if the authorized agent is	Last nam				

Aaron M. Williams 617 348 4964 awilliams@mintz.com



One Financial Center Boston, MA 02111 617 542 6000 mintz.com

WASHINGTON

March 28, 2019

VIA OVERNIGHT DELIVERY

Verity Claims Processing Center c/o KCC 2335 Alaska Avenue El Segundo, California 90245

Re:

Verity Health System - Proofs of Claim

To whom it may concern:

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- In re St. Francis Medical Center (Case No. 18-20165);
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For any questions or concerns, please do not hesitate to contact me by telephone (617.348.4964) or email (AWilliams@mintz.com).

Respectfully,

Aaron M. Williams

Enclosures

cc: Corbin B. Connell

William P. Wassweiler, Esq.

Ian A. Hammel, Esq.

BOSTON LONDON LOS ANGELES NEW YORK SAN DIEGO SAN FRANCISCO

Addendum to Proof of Claim: Claim of Wells Fargo Bank, National Association, as Trustee

Wells Fargo Bank, National Association, serves as trustee (the "Trustee") for bonds (the "Bonds") issued pursuant to certain Bond Indentures, each dated as of February 1, 2005 (collectively, as amended and supplemented, the "Bond Indenture"), between the California Statewide Communities Development Authority (the "Authority") and the Trustee. Repayment of the Bonds is supported by, among other things, the obligations owing pursuant to (i) that certain Master Indenture of Trust, dated as of December 1, 2001 (as amended and supplemented, the "Master Indenture") among the Daughters of Charity Health System (the predecessor to debtor, Verity Health System of California, Inc., referred to herein as the "System"), the System affiliates listed in the Master Indenture (collectively, with the System, the "Obligated Group"), and the Trustee, (ii) certain Loan Agreements, each dated as of February 1, 2005 (collectively, the "Loan Agreement"), between the Authority and the System, and (iii) various other documents evidencing and securing the Bonds (collectively with the Bond Indenture, Master Indenture, and Loan Agreements, the "Bond Documents"). The debtor named on the Proof of Claim to which this addendum is attached (the "Debtor") is a member of the Obligated Group.

The Trustee submits this addendum to its Proof of Claim against the Debtor. As of the Petition Date (defined below), the claims described herein (the "Bond Claim") against the Debtor totaled not less than \$261,897,375.00. As noted below, the Trustee reserves the right to amend this claim.

Basis for and Documents Supporting the Bond Claim

The Bond Claim is based on, among other things, the Debtor's agreement, as a member of the Obligated Group, to borrow proceeds of the issuance of the Bonds, and to make payments of associated principal, interest and other costs, fees and expenses. Upon information and belief, the Debtor has copies of the Bond Documents. Pursuant to the *Order Establishing Bar Date for Filing Proofs of Claim* [Docket No. 1528] ¹ (the "Bar Date Order"), the Trustee has been excused from attaching herewith copies of the Bond Documents or other referenced documents evidencing and/or securing the Bond Claim. Upon written request by the Debtor to counsel to the Trustee at the address included in this Proof of Claim, the Trustee will make available copies of any of the Bond Documents.

Amount of the Bond Claim

The Debtor commenced its bankruptcy case on August 31, 2018 (the "<u>Petition Date</u>"). The liquidated amounts owing by the Debtor to the Trustee on account of the Bond Claim as of the Petition Date totaled not less than \$261,897,375.00, comprised of the following principal and interest then due on the Bonds:

Maturity Date of Bonds	Principal Outstanding	Interest Rate	Interest Outstanding	Total Amount Outstanding
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Pursuant to the Final DIP Order, the Court has allowed the Bond Claim.

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Additional Terms and Conditions

Holders of the Bonds in their individual capacities may have their own, separate claims against the Debtor that are not included in this Proof of Claim, and this Proof of Claim shall not be deemed or construed as a description, limitation, substitution or waiver of any rights of such holders with respect to such separate claims. Pursuant to Federal Rule of Bankruptcy Procedure 3003(c)(5), the terms of the Bond Documents, and paragraph 8 of the Bar Date Order, the Trustee has filed this Proof of Claim on behalf of all known or unknown holders of the Bonds, and the record or beneficial owners of Bonds are not required to file proofs of claim with respect to the Bond Claim.

The Trustee expressly reserves its right to amend or supplement this Proof of Claim (including, but not limited to, for purposes of liquidating the amount of interest or additional fees, costs, and expenses referred to herein) at any time and in any respect.

This Proof of Claim is made without prejudice to the filing by the Trustee of additional proofs of claim with respect to any other indebtedness or liability of the Debtor to the Trustee, including, but not limited to any claim arising from any judgment entered in connection with the Bond Documents. The Trustee reserves all rights as to the nature, characterization and substance of the Bond Documents. The Trustee reserves all rights and claims against all third parties.

The Trustee, for itself and on behalf of each holder of the Bonds, expressly reserves all rights accruing to it, and the execution and filing of this Proof of Claim is not and shall not be deemed: (a) an election of remedies; (b) a waiver of any rights or remedies of the Trustee under

any agreement or applicable law; (c) a waiver of any right to assert that all or any portion of the Bond Claim constitutes an administrative expense claim, an unsecured claim, or a priority claim in this bankruptcy case; (d) a waiver of any rights pursuant to 11 U.S.C. § 506(b); (e) a consent to the jurisdiction of the Bankruptcy Court with respect to any proceeding commenced in this bankruptcy case against or otherwise involving the Trustee or holders of the Bonds; (f) a waiver of any immunity; (g) a waiver of the right to withdraw the reference, contest the treatment of any non-core claim against it as a core claim, or otherwise to challenge the jurisdiction of the Bankruptcy Court with respect to the subject matter of the Bond Claim, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this bankruptcy case against or otherwise involving the Trustee or any holder of the Bonds; (h) a waiver of any right of subordination in favor of the Trustee, any holder of the Bonds, or liens held by creditors of any of the Debtor; (i) a waiver or release of any right to trial by jury, or a consent to a trial by jury in the Bankruptcy Court or any other court; (i) an admission that any matter is a core matter or is a matter as to which the Bankruptcy Court can enter a final judgment, a right to have final orders entered in non-core matters only after a de novo review by the District Court, or a consent to the entry by the Bankruptcy Court of a final judgment with respect to the Bond Claim or any other matter; (k) a waiver of any claim or right against any other creditor arising under the bankruptcy case or otherwise; and/or (l) a waiver of any right related to any plan(s) of reorganization or liquidation proposed in this bankruptcy case.

The Trustee, for itself and on behalf of each holder of the Bonds, specifically reserves all of its defenses and rights, procedural and substantive, including, without limitation, its defenses and rights with respect to any claim that may be asserted against the Trustee or any of its affiliates, by the Debtor or any other party.

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United States Bankruptcy Co	ourt for the Central District of California
Indicate Debtor against which you assert a claim by checking	the appropriate box below. (Check only one Debtor per claim form.)
Verity Health System of California, Inc. (Case No.18-20151)	St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	☐ St. Louise Regional Hospital (Case No.18-20162)
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)
☐ O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)
☐ O'Connor Hospital Foundation (Case No. 18-20179)	☐ St. Vincent Medical Center (Case No. 18-20164)
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)
☐ Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)
☐ St. Francis Medical Center (Case No. 18-20165)	

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

1. Who is the current creditor?	Wells Fargo Banl	k, National Associ	ation, as Trustee					
creditor?	Name of the current creditor (the person or entity to be paid for this claim)							
	Other names the credit	or used with the debtor			· · · · · · · · · · · · · · · · · · ·			
2. Has this claim been	X No							
acquired from someone else?	Yes. From w	hom?						
Where should notices and	Where should notic	ces to the creditor b	pe sent?	Where should payments to the creditor be sent? (i				
payments to the	Daniel S. Bleck, E	sq.		Corbin B. Connell				
creditor be sent?	Name	<u> </u>		Name	· · · · · · · · · · · · · · · · · · ·			
Fodoral Pulo of	One Financ	ial Center		600 S. 4th St	treet, 6th Floor			
Federal Rule of Bankruptcy Procedure	Number Street			Number Street				
(FRBP) 2002(g)	Boston	MA	02111	Minneapolis	MN	5547		
The Charman Communication	City USA	State	ZIP Code	City USA	State	ZIP Co		
RECEIVED	Country			Country				
	Contact phone 617.	542.6000		•	67.4076			
APR 0 1 2019		leck@mintz.com	_		n.B.Connell@we	 lisfargo con		
	Somace email			Contact email				
	Uniform claim identifier	for electronic payments	in chapter 13 (if you use	e one):				
IN CARSON CONSULTANTS								
4. Does this claim	X No							
amend one already filed?	Yes. Claim no	umber on court claim	ns registry (if known)	F	Filed on			
					iled on MM / D	D / YYYY		
5. Do you know if	X No				amped Copy Re			
						nnad anual		
anyone else has filed a proof of claim for	Yes Who made	e the earlier filing?		— □ No seit — □ No cop	addressed star	npeu enve		

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6.	Do you have any number you use to identify the debtor?	X No Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:
7.	How much is the claim?	\$ See addendum. Does this amount include interest or other charges? No Yes. Attach statement itemizing interest, fees, expenses, or other
8.	What is the basis of the claim?	charges required by Bankruptcy Rule 3001(c)(2)(A). Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information.
9.	Is all or part of the claim secured?	See addendum.
		Yes. The claim is secured by a lien on property. Nature of property: Real estate: If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A) with this Proof of Claim. Motor vehicle Other. Describe: See addendum.
		Basis for perfection: Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lie has been filed or recorded.)
		Value of property: \$See addendum.
		Amount of the claim that is secured: See addendum. The sum of the secured and unsecured: amount should match the amount in life.
R	ECEIVED	Amount necessary to cure any default as of the date of the petition: \$ See addendum.
A	PR 0 1 2019	Annual Interest Rate (when case was filed) various % (see addendum) X Fixed
an (CARSON CONSULTANTS	☐ Variable
	ls this claim based on a lease?	No Yes. Amount necessary to cure any default as of the date of the petition. \$
	Is this claim subject to a right of setoff?	X No Yes. Identify the property:

Casa 2018:18-2101517 ERCIAPACA 3 FFE BODD DE STEMBLIA WAS AREA CONTRACTOR AND CASA 2018:18-21015 AND CASA 2018:18-

12. Is all or part of the claim entitled to priority under	☐ No							
11 U.S.C. § 507(a)?	X Yes. (Check all that apply:			Amount entitled to priori			
A claim may be partly priority and partly nonpriority. For example,	☐ Do	omestic support obligations (in U.S.C. § 507(a)(1)(A) or (a)	actuding alimony and child s 1)(B).	upport) under	\$			
in some categories, the law limits the amount entitled to priority.	☐ U _I	o to \$2,850* of deposits towa rvices for personal, family, o	rd purchase, lease, or renta household use. 11 U.S.C.	al of property or § 507(a)(7).	\$			
еншесто рнопту.	da	ages, salaries, or commissio lys before the bankruptcy per nichever is earlier. 11 U.S.C.	ition is filed or the debtor's	within 180 business ends,	\$			
	□ Ta	ixes or penalties owed to gove	ernmental units. 11 U.S.C. §	507(a)(8).	\$			
	□ co	ontributions to an employee b	enefit plan. 11 U.S.C. § 50	7(a)(5).	\$			
	_	her. Specify subsection of 11	_		See addendum.			
	* Amo	unts are subject to adjustment on	4/01/19 and every 3 years after	that for cases begun o	on or after the date of adjustmen			
Part 3: Sign Below	_	<u> </u>						
The person completing this proof of claim must	Check the app	propriate box:						
sign and date it.	X I am the	creditor.						
FRBP 9011(b).	I am the	creditor's attorney or authorize	ed agent.					
If you file this claim electronically, FRBP	l am the	rustee, or the debtor, or their	authorized agent. Bankrupto	y Rule 3004.				
5005(a)(2) authorizes courts to establish local rules	_	arantor, surety, endorser, or o						
specifying what a signature is.								
A person who files a fraudulent claim could be	I understand the the amount of	nat an authorized signature on the claim, the creditor gave th	this <i>Proof of Claim</i> serves a	as an acknowledge ents received towa	ment that when calculating rd the debt			
fined up to \$500,000, imprisoned for up to 5	the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.							
years, or both. 18 U.S.C. §§ 152, 157, and	I have examined the information in this <i>Proof of Claim</i> and have reasonable belief that the information is true and correct							
3571.	I declare under penalty of perjury that the foregoing is true and correct.							
	Executed on d	ate 03/28/2019						
	Executed on date 03/28/2019 Wells Faryo Bank, N.A., as Tanstow							
	Wicest	7 / 1						
	my ca	in > (M	1, its Vicefaux	I Lint				
	Signature			•				
	Print the name	e of the person who is comp	eleting and signing this cla	nim:				
	Name	Corbin	B.	Cannel				
		First name	Middle name	Last nam	e			
	Title	Vice President						
RECEIVED	Company	Wells Fargo Corporat						
HEOFIAFF		Identify the corporate servicer	as the company if the authorized	agent is a servicer.				
APR 0 1 2019	Address	600 S. 4th S	Street, 6th Floor					
- · · · · · · ·	Address	Number Street						
AN CARSON CONSULTANTS		Minneapolis	MN	55479	USA			
un eunona contorium c		City	State	ZIP Code	Country			
	Contact phone	612.667.4076		_{Email} Corbin.	3.Connell@wellsfargo.c			

Aaron M. Williams 617 348 4964 awilliams@mintz.com



One Financial Center Boston, MA 02111 617 542 6000 mintz.com

March 28, 2019

VIA OVERNIGHT DELIVERY

Verity Claims Processing Center c/o KCC 2335 Alaska Avenue El Segundo, California 90245

Re:

Verity Health System - Proofs of Claim

To whom it may concern:

Enclosed herewith are six proofs of claim, delivered on behalf of Wells Fargo Bank, National Association, as Series 2005 Bond Trustee, for filing in the following bankruptcy cases, each pending in the U.S. Bankruptcy Court for the Central District of California:

- In re Verity Health System of California, Inc. (Case No. 18-20151);
- In re Saint Louise Regional Hospital (Case No. 18-20162);
- In re St. Vincent Medical Center (Case No. 18-20164);
- In re St. Francis Medical Center (Case No. 18-20165);
- In re Seton Medical Center (Case No. 18-20167); and
- In re O'Connor Hospital (Case No. 18-20168)

Also enclosed if a self-addressed, postage pre-paid envelope. Please date-stamp and return this letter to indicate your timely receipt of the proofs of claim.

For any questions or concerns, please do not hesitate to contact me by telephone (617.348.4964) or email (AWilliams@mintz.com).

Respectfully,

Aaron M. Williams

Enclosures

cc: Corbin B. Connell

William P. Wassweiler, Esq.

Ian A. Hammel, Esq.

BOSTON LONDON LOS ANGELES NEW YORK SAN DIEGO SAN FRANCISCO WASHINGTON

Addendum to Proof of Claim: Claim of Wells Fargo Bank, National Association, as Trustee

Wells Fargo Bank, National Association, serves as trustee (the "Trustee") for bonds (the "Bonds") issued pursuant to certain Bond Indentures, each dated as of February 1, 2005 (collectively, as amended and supplemented, the "Bond Indenture"), between the California Statewide Communities Development Authority (the "Authority") and the Trustee. Repayment of the Bonds is supported by, among other things, the obligations owing pursuant to (i) that certain Master Indenture of Trust, dated as of December 1, 2001 (as amended and supplemented, the "Master Indenture") among the Daughters of Charity Health System (the predecessor to debtor, Verity Health System of California, Inc., referred to herein as the "System"), the System affiliates listed in the Master Indenture (collectively, with the System, the "Obligated Group"), and the Trustee, (ii) certain Loan Agreements, each dated as of February 1, 2005 (collectively, the "Loan Agreement"), between the Authority and the System, and (iii) various other documents evidencing and securing the Bonds (collectively with the Bond Indenture, Master Indenture, and Loan Agreements, the "Bond Documents"). The debtor named on the Proof of Claim to which this addendum is attached (the "Debtor") is a member of the Obligated Group.

The Trustee submits this addendum to its Proof of Claim against the Debtor. As of the Petition Date (defined below), the claims described herein (the "Bond Claim") against the Debtor totaled not less than \$261,897,375.00. As noted below, the Trustee reserves the right to amend this claim.

Basis for and Documents Supporting the Bond Claim

The Bond Claim is based on, among other things, the Debtor's agreement, as a member of the Obligated Group, to borrow proceeds of the issuance of the Bonds, and to make payments of associated principal, interest and other costs, fees and expenses. Upon information and belief, the Debtor has copies of the Bond Documents. Pursuant to the *Order Establishing Bar Date for Filing Proofs of Claim* [Docket No. 1528] ¹ (the "Bar Date Order"), the Trustee has been excused from attaching herewith copies of the Bond Documents or other referenced documents evidencing and/or securing the Bond Claim. Upon written request by the Debtor to counsel to the Trustee at the address included in this Proof of Claim, the Trustee will make available copies of any of the Bond Documents.

Amount of the Bond Claim

The Debtor commenced its bankruptcy case on August 31, 2018 (the "<u>Petition Date</u>"). The liquidated amounts owing by the Debtor to the Trustee on account of the Bond Claim as of the Petition Date totaled not less than \$261,897,375.00, comprised of the following principal and interest then due on the Bonds:

Maturity Date of Bonds	Principal Outstanding	Interest Rate	Interest Outstanding	Total Amount Outstanding	
7/1/2022	\$8,825,000.00	5.500%	\$80,895.83	\$8,905,895.83	
7/1/2024	\$32,885,000.00	5.750%	\$315,147.92	\$33,200,147.92	
7/1/2025	\$8,005,000.00	5.750%	\$76,714.58	\$8,081,714.58	
7/1/2030	\$64,490,000.00	5.750%	\$618,029.17	\$65,108,029.17	
7/1/2035	\$72,530,000.00	5.750%	\$695,079.17	\$73,225,079.17	
7/1/2039	\$72,710,000.00	5.500%	\$666,508.33	\$73,376,508.33	
	\$259,445,000.00		\$2,452,375.00	\$261,897,375.00	

¹ References to docket numbers herein shall refer to entries docketed in Lead Case No. 18-20151 in the jointly administered proceedings of *In re Verity Health System of California, Inc., et al.*

In addition to the foregoing principal and interest, which interest continues to accrue to the date of full payment of all principal amounts due and owing under the Bonds, the Trustee also asserts claims, whether currently liquidated or unliquidated, for all now existing or hereafter arising (i) unpaid fees and expenses of the Trustee and its professionals incurred prior to, and subsequent to the Petition Date, as such amounts are provided for under the Bond Documents, (ii) any damages or losses that the Trustee or the holders of the Bonds may suffer as a result of the Debtor's breach of the Bond Documents, including any breach of the indemnity obligations in the Bond Documents, (iii) any claims that may exist against the Debtor related to the issuance of the Bonds, and (iv) any claims that may arise pursuant to that certain *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* [Docket No. 409] (the "Final DIP Order"), including administrative, priority and super-priority claims pursuant to, inter alia, Bankruptcy Code §§ 503(b)(1), 506(b), 507(a)(2).

Pursuant to the Final DIP Order, the Court has allowed the Bond Claim.

Security and Collateral

The Bond Claim is secured, *inter alia*, by the liens described in the Bond Documents, the liens described or granted in the Final DIP Order, and any now existing or hereafter arising rights of setoff and recoupment. The Bond Documents include deeds of trust encumbering the Debtor's real estate that have been recorded, and filed financing statements listing certain of the Debtor's personal property.

As of the Petition Date, the Trustee held various funds in trust for repayment of the Bond Claim, which are not property of the Debtor's bankruptcy estate. To the extent, if any, that such funds are not held in trust, the Trustee holds a validly perfected security interest in such funds.

Additional Terms and Conditions

Holders of the Bonds in their individual capacities may have their own, separate claims against the Debtor that are not included in this Proof of Claim, and this Proof of Claim shall not be deemed or construed as a description, limitation, substitution or waiver of any rights of such holders with respect to such separate claims. Pursuant to Federal Rule of Bankruptcy Procedure 3003(c)(5), the terms of the Bond Documents, and paragraph 8 of the Bar Date Order, the Trustee has filed this Proof of Claim on behalf of all known or unknown holders of the Bonds, and the record or beneficial owners of Bonds are not required to file proofs of claim with respect to the Bond Claim.

The Trustee expressly reserves its right to amend or supplement this Proof of Claim (including, but not limited to, for purposes of liquidating the amount of interest or additional fees, costs, and expenses referred to herein) at any time and in any respect.

This Proof of Claim is made without prejudice to the filing by the Trustee of additional proofs of claim with respect to any other indebtedness or liability of the Debtor to the Trustee, including, but not limited to any claim arising from any judgment entered in connection with the Bond Documents. The Trustee reserves all rights as to the nature, characterization and substance of the Bond Documents. The Trustee reserves all rights and claims against all third parties.

The Trustee, for itself and on behalf of each holder of the Bonds, expressly reserves all rights accruing to it, and the execution and filing of this Proof of Claim is not and shall not be deemed: (a) an election of remedies; (b) a waiver of any rights or remedies of the Trustee under

any agreement or applicable law; (c) a waiver of any right to assert that all or any portion of the Bond Claim constitutes an administrative expense claim, an unsecured claim, or a priority claim in this bankruptcy case; (d) a waiver of any rights pursuant to 11 U.S.C. § 506(b); (e) a consent to the jurisdiction of the Bankruptcy Court with respect to any proceeding commenced in this bankruptcy case against or otherwise involving the Trustee or holders of the Bonds; (f) a waiver of any immunity; (g) a waiver of the right to withdraw the reference, contest the treatment of any non-core claim against it as a core claim, or otherwise to challenge the jurisdiction of the Bankruptcy Court with respect to the subject matter of the Bond Claim, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this bankruptcy case against or otherwise involving the Trustee or any holder of the Bonds; (h) a waiver of any right of subordination in favor of the Trustee, any holder of the Bonds, or liens held by creditors of any of the Debtor; (i) a waiver or release of any right to trial by jury, or a consent to a trial by jury in the Bankruptcy Court or any other court; (i) an admission that any matter is a core matter or is a matter as to which the Bankruptcy Court can enter a final judgment, a right to have final orders entered in non-core matters only after a de novo review by the District Court, or a consent to the entry by the Bankruptcy Court of a final judgment with respect to the Bond Claim or any other matter; (k) a waiver of any claim or right against any other creditor arising under the bankruptcy case or otherwise; and/or (1) a waiver of any right related to any plan(s) of reorganization or liquidation proposed in this bankruptcy case.

The Trustee, for itself and on behalf of each holder of the Bonds, specifically reserves all of its defenses and rights, procedural and substantive, including, without limitation, its defenses and rights with respect to any claim that may be asserted against the Trustee or any of its affiliates, by the Debtor or any other party.

Case 20 2:18:2015 REPCIa P0 43634-3 F: Filed: 16/18/19 - Fintered 16/19/19 16:03:10 1 Claim #6346 Date Filed: 4/1/2019

United States Bankruptcy Co	ourt for the Central District of California				
Indicate Debtor against which you assert a claim by checking the appropriate box below. (Check only one Debtor per claim form.)					
Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)				
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	☐ St. Louise Regional Hospital (Case No.18-20162)				
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)				
☐ O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)				
☐ O'Connor Hospital Foundation (Case No. 18-20179)	☐ St. Vincent Medical Center (Case No. 18-20164)				
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	□ Verity Business Services (Case No. 18-20173)				
☐ Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)				
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)				
☐ St. Francis Medical Center (Case No. 18-20165)					

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

P	Identify the Clai	m					
1.	Who is the current creditor?	UMB Bank, N.A., as trustee Name of the current creditor (the person or entity to be pald for this claim) Other names the creditor used with the debtor					
2.	Has this claim been acquired from someone else?	X No	rom whom?				
3.	Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Daniel S. Ble Name One F Number St Boston City USA Country Contact phone Contact email	inancial Center reet MA State 617.542.6000 DSBleck@mintz.com	02111 ZIP Code	different) Virginia Hou Name 120 S Number S Minneapolis City USA Country Contact phone Contact email	d payments to the credit usum, UMB Bank, N.A. South Sixth Street, Suite treet MN State 612.337.7003 Virginia.Housum@un	e 1400 55402 ZIP Code
4.	Does this claim amend one already filed?	No No Yes. C	laim number on court claims	registry (if known)		Filed on	DD / YYYY
5.	Do you know if anyone else has filed a proof of claim for this claim?	X No ☐ Yes. Who	made the earlier filing?				



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Do you have any number you use to identify the debtor?	No No Yes. Last 4 digits of the debtor's account or any n No	umber you use to identify the debtor:
How much is the claim?	\$ See addendum	amount include interest or other charges?
	X Yes	s. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
What is the basis of the claim?		performed, personal injury or wrongful death, or credit card.
Cidiiii	Attach redacted copies of any documents supporting t	
	Limit disclosing information that is entitled to privacy, s	uch as health care information.
	See addendum.	
Is all or part of the claim	□ No	
secured?	X Yes. The claim is secured by a lien on property.	
	Nature of property:	
	Real estate: If the claim is secured by Claim Attachment (Official Form 410	the debtor's principal residence, file a <i>Mortgage Proof of</i> A) with this <i>Proof of Claim</i> .
	Motor vehicle	
	Other. Describe: See adder	dum.
	Basis for perfection: See adder	ndum.
	Attach redacted copies of documents, if an	y, that show evidence of perfection of a security interest (for e, financing statement, or other document that shows the lien
	Value of property:	\$See addendum.
	Amount of the claim that is secured:	\$ See addendum.
	Amount of the claim that is unsecured:	\$See addendum. (The sum of the secured and unsecured amount should match the amount in line
	Amount necessary to cure any default as	of the date of the petition: \$ See addendum.
	Annual Interest Rate (when case was filed X Fixed	d <u>) various</u> % (see addendum)
	☐ Variable	
	Valiable	
). Is this claim based on a	X No	
lease?	Yes. Amount necessary to cure any default as	of the date of the petition.
. Is this claim subject to a	X No	
right of setoff?		
	Yes. Identify the property:	

F								
12. Is all or part of the claim entitled to priority under		No						
11 U.S.C. § 507(a)?	X	Yes. Ch	eck all that apply:				Amount entitled to prio	ority
A claim may be partly priority and partly nonpriority. For example,		☐ Dom 11 U	nestic support obli J.S.C. § 507(a)(1)	gations (includ (A) or (a)(1)(B	ing alimony and chil).	d support) under	\$	
in some categories, the law limits the amount entitled to priority.		Up to serv	o \$2,850* of depo ices for personal,	osits toward pu family, or hou	urchase, lease, or re usehold use. 11 U.S.	ental of property or .C. § 507(a)(7).	\$	
entitied to priority.		days		ruptcy petition	ip to \$12,850*) earn is filed or the debto 7(a)(4).		\$	
		☐ Taxe	es or penalties ow	red to governm	ental units. 11 U.S.0	C. § 507(a)(8).	\$	
		Con	tributions to an er	mployee bene	fit plan. 11 U.S.C. §	507(a)(5).	\$	
		X Othe	er. Specify subsec	ction of 11 U.S	s.C. § 507(a)() tha	it applies.	§ See addendum.	.
		* Amoun	ls are subject to adju	ustment on 4/01/	19 and every 3 years at	fter that for cases begu	un on or after the date of adjustme	ent.

Part 3: Sign Below								
The person completing this proof of claim must	Checl	the appro	priate box:					
sign and date it.	×Ι	am the cr	editor.					
FRBP 9011(b).		am the cr	editor's attorney o	r authorized a	gent.			
If you file this claim electronically, FRBP		am the tru	istee, or the debto	or, or their auth	orized agent. Bankr	uptcy Rule 3004.		
5005(a)(2) authorizes courts to establish local rules specifying what a signature is.		am a gua	rantor, surety, enc	lorser, or othe	codebtor. Bankrupt	cy Rule 3005.		
A person who files a fraudulent claim could be					s <i>Proof of Claim</i> servebtor credit for any pa		dgement that when calculating bward the debt.	ıg
fined up to \$500,000, imprisoned for up to 5 years, or both.	I have	examined	I the information in	n this <i>Proof of</i>	Claim and have reas	onable belief that t	ne information is true and con	rect.
18 U.S.C. §§ 152, 157, and 3571.					ing is true and corre	ct.		
	Execu	ited on dat	e <u>03/28/</u>	2019				
			MM / DD /	YYYY				
		٠,						
	<u></u>	ignature	ia anni	Housu	m			
	Print	the name	of the person wh	no is completi	ng and signing this	s claim:		
	Name		Virginia		A.	Ho	usum	
	Name		First name	V 0.707	Middle name	Last	name	_
	Title		Senior Vice	President			4.00	_
	Compa	ınv	UMB Bank, i					_
		-	Identify the corpo	rate servicer as li	ne company if the autho	rized agent is a service	r.	
			120	South Sixt	h Street, Suite 14	00		
	Addres	s	Number	Street		y		_
			Minneapolis		MN	5540		_
			City		State	ZIP Co	·	
	Contac	t phone	617.337.700	13	-	Email	Virginia.Housum@umb.c	Jom

Addendum to Proof of Claim: Claim of UMB Bank, N.A., as Trustee

UMB Bank, N.A., serves as trustee (the "Trustee") for obligations (the "Obligations") issued under that certain Master Indenture of Trust, dated as of December 1, 2001 (as may be amended and supplemented, the "Master Indenture") among the Daughters of Charity Health System (the predecessor to debtor Verity Health System of California, Inc., referred to herein as the "System"), the System affiliates listed in the Master Indenture (collectively, with the System, the "Obligated Group"), and the Trustee. The Obligations are supported by, among other things, bonds and notes issued under various indentures and other documents evidencing and securing the Obligations (collectively with the Master Indenture, the "Financing Documents"). The debtor named on the Proof of Claim to which this addendum is attached (the "Debtor") is a member of the Obligated Group.

The Trustee submits this addendum to its Proof of Claim against the Debtor. As of the Petition Date (defined below), the claims described herein (the "Claim") against the Debtor totaled not less than \$465,192,301.67. As noted below, the Trustee reserves the right to amend this claim.

Basis for and Documents Supporting the Claim

The Claim is based on, among other things, the Debtor's agreement, as a member of the Obligated Group, to make payments of principal of, interest on and other costs, fees and expenses associated with the Obligations. Upon information and belief, the Debtor has copies of the Financing Documents. Pursuant to the *Order Establishing Bar Date for Filing Proofs of Claim*

[Docket No. 1528]¹, the Trustee has been excused from attaching herewith copies of the Financing Documents or other referenced documents evidencing and/or securing the Claim. Upon written request to counsel to the Trustee at the address included in this Proof of Claim, the Trustee will make available copies of any of the Financing Documents.

Amount of the Claim

The Debtor commenced its bankruptcy case on August 31, 2018 (the "<u>Petition Date</u>"). The liquidated amounts owing by the Debtor to the Trustee on account of the Claim as of the Petition Date totaled not less than \$465,192,301.67, comprised of the following principal and interest then due on the Obligations:

Maturity Date of the Obligations	Principal Outstanding	Interest Rate	Interest Outstanding	Total Amount Outstanding
				TANKS TOTAL
7/1/2022	\$8,825,000.00	5.500%	\$80,895.83	\$8,905,895.83
7/1/2024	\$32,885,000.00	5.750%	\$315,147.92	\$33,200,147.92
7/1/2025	\$8,005,000.00	5.750%	\$76,714.58	\$8,081,714.58
7/1/2030	\$64,490,000.00	5.750%	\$618,029.17	\$65,108,029.17
7/1/2035	\$72,530,000.00	5.750%	\$695,079.17	\$73,225,079.17
7/1/2039	\$72,710,000.00	5.500%	\$666,508.33	\$73,376,508.33
6/10/2019	\$60,000,000.00	7.250%	\$362,500.00	\$60,362,500.00
6/10/2019	\$45,000,000.00	7.250%	\$271,385.00	\$45,271,385.00
6/10/2019	\$10,000.000.00	9.500%	\$79,166.67	\$10,079,166.67
6/10/2019	\$45,000,000.00	8.750%	\$328,125.00	\$45,328,125.00
12/10/2020	\$21,000,000.00	7.250%	\$126,875.00	\$21,126,875.00
12/10/2020	\$21,000,000.00	7.250%	\$126,875.00	\$21,126,875.00
	\$461,445,000.00		\$3,747,301.67	\$465,192,301.67

In addition to the foregoing principal and interest, which interest continues to accrue to the date of full payment of all principal amounts due and owing under the Obligations, the Trustee

¹ References to docket numbers herein shall refer to entries docketed in Lead Case No. 18-20151 in the jointly administered proceedings of *In re Verity Health System of California, Inc., et al.*

also asserts claims, whether currently liquidated or unliquidated, for all now existing or hereafter arising: (i) unpaid fees and expenses of the Trustee and its professionals incurred prior to and subsequent to the Petition Date, as such amounts are provided for under the Financing Documents, (ii) any damages or losses that the Trustee may suffer as a result of the Debtor's breach of the Financing Documents, including any breach of the indemnity obligations in the Financing Documents, (iii) any claims that may exist against the Debtor related to the issuance of the Obligations, and (iv) any claims that may arise pursuant to that certain 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 [Docket No. 409] (the "Final DIP Order"), including administrative, priority and super-priority claims pursuant to, inter alia, Bankruptcy Code §§ 503(b)(1), 506(b) and 507(a)(2).

Pursuant to the Final DIP Order, the Court has allowed the Claim.

Security and Collateral

The Claim is secured, *inter alia*, by the liens described in the Financing Documents, the liens described or granted in the Final DIP Order, and any now existing or hereafter arising rights of setoff and recoupment. The Financing Documents include deeds of trust encumbering the Debtor's real estate that have been recorded and filed financing statements listing certain of the Debtor's personal property.

Additional Terms and Conditions

The Trustee expressly reserves its right to amend or supplement this Proof of Claim (including, but not limited to, for purposes of liquidating the amount of interest or additional fees, costs, and expenses referred to herein) at any time and in any respect.

This Proof of Claim is made without prejudice to the filing by the Trustee of additional proofs of claim with respect to any other indebtedness or liability of the Debtor to the Trustee, including, but not limited to any claim arising from any judgment entered in connection with the Financing Documents. The Trustee reserves all rights as to the nature, characterization and substance of the Financing Documents. The Trustee reserves all rights and claims against all third parties.

The Trustee expressly reserves all rights accruing to it, and the execution and filing of this Proof of Claim is not and shall not be deemed: (a) an election of remedies; (b) a waiver of any rights or remedies of the Trustee under any agreement or applicable law; (c) a waiver of any right to assert that all or any portion of the Claim constitutes an administrative expense claim, an unsecured claim, or a priority claim in this bankruptcy case; (d) a waiver of any rights pursuant to 11 U.S.C. § 506(b); (e) a consent to the jurisdiction of the Bankruptcy Court with respect to any proceeding commenced in this bankruptcy case against or otherwise involving the Trustee; (f) a waiver of any immunity; (g) a waiver of the right to withdraw the reference, contest the treatment of any non-core claim against it as a core claim, or otherwise to challenge the jurisdiction of the Bankruptcy Court with respect to the subject matter of the Claim, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this bankruptcy case against or otherwise involving the Trustee; (h) a waiver of any right of subordination in favor of the Trustee or liens held by creditors of any of the Debtor; (i) a waiver or release of any right to trial by jury, or a consent to a trial by jury in the Bankruptcy Court or any other court; (i) an admission that any matter is a core matter or is a matter as to which the Bankruptcy Court can enter a final judgment, a right to have final orders entered in non-core matters only after a de novo review by the District Court, or a consent to the entry by the

Bankruptcy Court of a final judgment with respect to the Claim or any other matter; (k) a waiver of any claim or right against any other creditor, arising under the bankruptcy case or otherwise; and/or (l) a waiver of any right related to any plan(s) of reorganization or liquidation proposed in this bankruptcy case.

The Trustee specifically reserves all of its defenses and rights, procedural and substantive, including, without limitation, its defenses and rights with respect to any claim that may be asserted against the Trustee or any of its affiliates, by the Debtor or any other party.

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United States Bankruptcy Co.	urt for the Central District of California
Indicate Debtor against which you assert a claim by checking t	lhe appropriate box below. (Check only one Debtor per claim form.)
□ Verity Health System of California, Inc. (Case No.18-20151)	St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	St. Louise Regional Hospital (Case No.18-20162)
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)
☐ O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)
☐ O'Connor Hospital Foundation (Case No. 18-20179)	☐ St. Vincent Medical Center (Case No. 18-20164)
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)
☐ Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)
☐ St. Francis Medical Center (Case No. 18-20165)	

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

P	art 1: Identify the Clai	m					
1.	Who is the current creditor?	UMB Bank, N.A., as trustee Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor					
2.	Has this claim been acquired from someone else?	X No ☐ Yes. F	rom whom?				
3.	Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Daniel S. Blo Name One F Number St Boston City USA Country Contact phone Contact email	d notices to the creditor be eck inancial Center reet MA State 617.542.6000 DSBleck@mintz.com entifier for electronic payments in	02111 ZIP Code	different) Virginia Hotel Name 120 S Number S Minneapolis City USA Country Contact phone Contact email	usum, UMB Bank South Sixth Street treet	t, Suite 1400 N 55402 te Z P Code
4.	Does this claim amend one already filed?	No Yes. C	laim number on court claims	registry (if known)	·	Filed on	IM / DD / YYYY
5.	Do you know if anyone else has filed a proof of claim for this claim?	X No Yes. Who	omade the earlier filing?				



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6.	Do you have any number	X No
	you use to identify the debtor?	Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:
7.	How much is the claim?	\$ See addendum. Does this amount include interest or other charges? No
		X Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
3.	What is the basis of the	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.
	claim?	Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
		Limit disclosing information that is entitled to privacy, such as health care information.
		See addendum.
	Is all or part of the claim	□ No
	secured?	X Yes. The claim is secured by a lien on property.
		Nature of property:
		Real estate: If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A) with this Proof of Claim.
		Motor vehicle
		X Other. Describe: See addendum.
		Basis for perfection: See addendum.
		Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)
		Value of property: \$See addendum.
		Amount of the claim that is secured: \$See addendum.
		Amount of the claim that is unsecured: \$See addendum. (The sum of the secured and unsecured amount should match the amount in line 7.
		Amount necessary to cure any default as of the date of the petition: \$See addendum.
		Annual Interest Rate (when case was filed) various % (see addendum) X Fixed
		☐ Variable
0.	Is this claim based on a	X No
	lease?	Yes. Amount necessary to cure any default as of the date of the petition.
1.	Is this claim subject to a right of setoff?	X No
	1.9.11 01 0010.11	Yes, Identify the property:

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12. Is all or part of the claim								
entitled to priority under	ᆜ	No					Amount on	ititled to priority
11 U.S.C. § 507(a)?	X	Yes. Che	ck all that apply:				Allount en	titled to priority
A claim may be partly priority and partly nonpriority. For example,			estic support obligations (including alimony and child support) under .S.C. § 507(a)(1)(A) or (a)(1)(B).			\$		
in some categories, the law limits the amount		Up to	\$2,850* of depo ces for personal	osits toward pu , family, or hou	urchase, lease, or rei isehold use. 11 U.S.0	ntal of property or C. § 507(a)(7).	\$	
entitled to priority.		days		ruptcy petition	up to \$12,850*) earne is filed or the debtor 7(a)(4).		\$	
		☐ Taxe	s or penalties ow	ed to governm	ental units. 11 U.S.C	. § 507(a)(8).	\$	
		☐ Conti	ibutions to an e	mployee be n et	fit plan. 11 U.S.C. § 5	507(a)(5).	\$	
		X Other	. Specify subse	ction of 11 U.S	S.C. § 507(a)() that	t applies.	\$ See adde	endum.
							in on or after the d	tate of adjustment
		* Amounts	are subject to adj	ustment on 4/01/	19 and every 3 years aft	er inat for cases begu	in on or alter the o	ate or adjustment.
Part 3: Sign Below								
The person completing	Check	the approp	oriate box:					
this proof of claim must sign and date it.	X	am the cre	ditor.					
FRBP 9011(b).		am the cre	ditor's attorney o	r authorized a	gent.			
If you file this claim electronically, FRBP		am the trus	stee, or the debto	or, or their auth	orized agent. Bankru	ptcy Rule 3004.		
5005(a)(2) authorizes courts to establish local rules specifying what a signature		am a guara	antor, surety, end	dorser, or other	r codebtor. Bankruptc	y Rule 3005.		
is. A person who files a	Lunde	retand that	an authorized si	onature on this	Proof of Claim serve	es as an acknowler	laement that wh	en calculating
fraudulent claim could be	I understand that an authorized signature on this <i>Proof of Claim</i> serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.							
fined up to \$500,000, imprisoned for up to 5 years, or both.	I have	examined	the information i	n this <i>Proof of</i> (Claim and have reaso	onable belief that th	ne information is	true and correct.
18 U.S.C. §§ 152, 157, and 3571.	l decla	re under p	enalty of perjury	that the forego	ing is true and correc	t.		
3371.	Evecu	ted on date	03/28	12019				
	LXCCU	ied on date	MM / DD /	7777				
	1500	Vire	nia aur	u Hour	Lim			
	Si	gnature)						
	Print t	he name c	f the person wh	no is completi	ng and signing this	claim:		
	Name		Virginia First name		A. Middle name		usum name	-
			Senior Vice	Drocident	Widdle Harrie	Last	Harrio	
	Title		Senior vice	President				
	Compar	ער	UMB Bank, I	N.A.				
	00,11,100.	•,	Identify the corpo	rate servicer as th	ne company if the authori	zed agent is a service	r.	
			120	South Sixt	h Street, Suite 140	10		
	Address	3	Number	Street	n oneet, oute 140			Water or Principles I
			Minneapolis		MN	5540	2	USA
			City	_	State	ZIP Co		Country
	Contact	phone	617.337.700	3	-	Email	Virginia.Housi	um@umb.com

Addendum to Proof of Claim: Claim of UMB Bank, N.A., as Trustee

UMB Bank, N.A., serves as trustee (the "<u>Trustee</u>") for obligations (the "<u>Obligations</u>") issued under that certain Master Indenture of Trust, dated as of December 1, 2001 (as may be amended and supplemented, the "<u>Master Indenture</u>") among the Daughters of Charity Health System (the predecessor to debtor Verity Health System of California, Inc., referred to herein as the "<u>System</u>"), the System affiliates listed in the Master Indenture (collectively, with the System, the "<u>Obligated Group</u>"), and the Trustee. The Obligations are supported by, among other things, bonds and notes issued under various indentures and other documents evidencing and securing the Obligations (collectively with the Master Indenture, the "<u>Financing Documents</u>"). The debtor named on the Proof of Claim to which this addendum is attached (the "<u>Debtor</u>") is a member of the Obligated Group.

The Trustee submits this addendum to its Proof of Claim against the Debtor. As of the Petition Date (defined below), the claims described herein (the "Claim") against the Debtor totaled not less than \$465,192,301.67. As noted below, the Trustee reserves the right to amend this claim.

Basis for and Documents Supporting the Claim

The Claim is based on, among other things, the Debtor's agreement, as a member of the Obligated Group, to make payments of principal of, interest on and other costs, fees and expenses associated with the Obligations. Upon information and belief, the Debtor has copies of the Financing Documents. Pursuant to the *Order Establishing Bar Date for Filing Proofs of Claim*

[Docket No. 1528]¹, the Trustee has been excused from attaching herewith copies of the Financing Documents or other referenced documents evidencing and/or securing the Claim. Upon written request to counsel to the Trustee at the address included in this Proof of Claim, the Trustee will make available copies of any of the Financing Documents.

Amount of the Claim

The Debtor commenced its bankruptcy case on August 31, 2018 (the "<u>Petition Date</u>"). The liquidated amounts owing by the Debtor to the Trustee on account of the Claim as of the Petition Date totaled not less than \$465,192,301.67, comprised of the following principal and interest then due on the Obligations:

Maturity Date of the Obligations	Principal Outstanding	Interest Rate	Interest Outstanding	Total Amount Outstanding
7/1/2022	\$8,825,000.00	5.500%	\$80,895.83	\$8,905,895.83
7/1/2024	\$32,885,000.00	5.750%	\$315,147.92	\$33,200,147.92
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7/1/2030	\$64,490,000.00	5.750%	\$618,029.17	\$65,108,029.17
7/1/2035	\$72,530,000.00	5.750%	\$695,079.17	\$73,225,079.17
7/1/2039	\$72,710,000.00	5.500%	\$666,508.33	\$73,376,508.33
6/10/2019	\$60,000,000.00	7.250%	\$362,500.00	\$60,362,500.00
6/10/2019	\$45,000,000.00	7.250%	\$271,385.00	\$45,271,385.00
6/10/2019	\$10,000.000.00	9.500%	\$79,166.67	\$10,079,166.67
6/10/2019	\$45,000,000.00	8.750%	\$328,125.00	\$45,328,125.00
12/10/2020	\$21,000,000.00	7.250%	\$126,875.00	\$21,126,875.00
12/10/2020	\$21,000,000.00	7.250%	\$126,875.00	\$21,126,875.00
	\$461,445,000.00		\$3,747,301.67	\$465,192,301.67

In addition to the foregoing principal and interest, which interest continues to accrue to the date of full payment of all principal amounts due and owing under the Obligations, the Trustee

¹ References to docket numbers herein shall refer to entries docketed in Lead Case No. 18-20151 in the jointly administered proceedings of *In re Verity Health System of California, Inc., et al.*

also asserts claims, whether currently liquidated or unliquidated, for all now existing or hereafter arising: (i) unpaid fees and expenses of the Trustee and its professionals incurred prior to and subsequent to the Petition Date, as such amounts are provided for under the Financing Documents, (ii) any damages or losses that the Trustee may suffer as a result of the Debtor's breach of the Financing Documents, including any breach of the indemnity obligations in the Financing Documents, (iii) any claims that may exist against the Debtor related to the issuance of the Obligations, and (iv) any claims that may arise pursuant to that certain 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 [Docket No. 409] (the "Final DIP Order"), including administrative, priority and super-priority claims pursuant to, inter alia, Bankruptcy Code §§ 503(b)(1), 506(b) and 507(a)(2).

Pursuant to the Final DIP Order, the Court has allowed the Claim.

Security and Collateral

The Claim is secured, *inter alia*, by the liens described in the Financing Documents, the liens described or granted in the Final DIP Order, and any now existing or hereafter arising rights of setoff and recoupment. The Financing Documents include deeds of trust encumbering the Debtor's real estate that have been recorded and filed financing statements listing certain of the Debtor's personal property.

Additional Terms and Conditions

The Trustee expressly reserves its right to amend or supplement this Proof of Claim (including, but not limited to, for purposes of liquidating the amount of interest or additional fees, costs, and expenses referred to herein) at any time and in any respect.

This Proof of Claim is made without prejudice to the filing by the Trustee of additional proofs of claim with respect to any other indebtedness or liability of the Debtor to the Trustee, including, but not limited to any claim arising from any judgment entered in connection with the Financing Documents. The Trustee reserves all rights as to the nature, characterization and substance of the Financing Documents. The Trustee reserves all rights and claims against all third parties.

The Trustee expressly reserves all rights accruing to it, and the execution and filing of this Proof of Claim is not and shall not be deemed: (a) an election of remedies; (b) a waiver of any rights or remedies of the Trustee under any agreement or applicable law; (c) a waiver of any right to assert that all or any portion of the Claim constitutes an administrative expense claim, an unsecured claim, or a priority claim in this bankruptcy case; (d) a waiver of any rights pursuant to 11 U.S.C. § 506(b); (e) a consent to the jurisdiction of the Bankruptcy Court with respect to any proceeding commenced in this bankruptcy case against or otherwise involving the Trustee; (f) a waiver of any immunity; (g) a waiver of the right to withdraw the reference, contest the treatment of any non-core claim against it as a core claim, or otherwise to challenge the jurisdiction of the Bankruptcy Court with respect to the subject matter of the Claim, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this bankruptcy case against or otherwise involving the Trustee; (h) a waiver of any right of subordination in favor of the Trustee or liens held by creditors of any of the Debtor; (i) a waiver or release of any right to trial by jury, or a consent to a trial by jury in the Bankruptcy Court or any other court; (j) an admission that any matter is a core matter or is a matter as to which the Bankruptcy Court can enter a final judgment, a right to have final orders entered in non-core matters only after a de novo review by the District Court, or a consent to the entry by the

Bankruptcy Court of a final judgment with respect to the Claim or any other matter; (k) a waiver of any claim or right against any other creditor, arising under the bankruptcy case or otherwise; and/or (l) a waiver of any right related to any plan(s) of reorganization or liquidation proposed in this bankruptcy case.

The Trustee specifically reserves all of its defenses and rights, procedural and substantive, including, without limitation, its defenses and rights with respect to any claim that may be asserted against the Trustee or any of its affiliates, by the Debtor or any other party.

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United States Bankruptcy Court for the Central District of California							
Indicate Debtor against which you assert a claim by checking the appropriate box below. (Check only one Debtor per claim form.)							
□ Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)						
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☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)						
☐ O'Connor Hospital (Case No. 18-20168)	☐ SV Vincent Foundation (Case No. 18-20180)						
☐ O'Connor Hospital Foundation (Case No. 18-20179)	St. Vincent Medical Center (Case No. 18-20164)						
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)						
☐ Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)						
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)						
☐ St. Francis Medical Center (Case No. 18-20165)							

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

P	art 1: Identify the Clai	m						
1.	Who is the current creditor?	UMB Bank, N.A., as trustee Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor						
2.	Has this claim been acquired from someone else?	X No Yes. From	n whom?					
3.	Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Daniel S. Bleck Name One Fina Number Stree Boston City USA Country Contact phone 6 Contact email	ncial Center	02111 ZIP Code	different) Virginia Houname 120 S Number S Minneapolis City USA Country Contact phone	d payments to the creditousum, UMB Bank, N.A. South Sixth Street, Suitedtreet MN State 612.337.7003 Virginia.Housum@um	55402 ZIP Code	
4.	Does this claim amend one already filed?	No Yes. Clair	n number on court claims	s registry (if known)		Filed on	DD / YYYY	
5.	Do you know if anyone else has filed a proof of claim for this claim?	No Yes. Who m	ade the earlier filing?					



Pi	Give Information Ab	out the Claim as of the Date the Case Was Filed						
6.	Do you have any number	⊠ No						
	you use to identify the debtor?	Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:						
7.	How much is the claim?	\$ See addendum. Does this amount include interest or other charges? No X Yes. Attach statement itemizing interest, fees, expenses, or other						
		charges required by Bankruptcy Rule 3001(c)(2)(A).						
8.	What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.						
	Cialiti	Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).						
		Limit disclosing information that is entitled to privacy, such as health care information.						
		See addendum.						
9.	Is all or part of the claim	□ No						
	secured?	X Yes. The claim is secured by a lien on property.						
	Nature of property:							
		Real estate: If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A) with this Proof of Claim.						
		Motor vehicle						
		X Other Describe: See addendum.						
		- Cilidi. Bescribe.						
		Basis for perfection: See addendum.						
		Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)						
		Value of property: \$See addendum.						
		Amount of the claim that is secured: \$See addendum.						
		Amount of the claim that is unsecured: \$See addendum. (The sum of the secured and unsecured amount should match the amount in line 7.)						
		Amount necessary to cure any default as of the date of the petition: \$See addendum.						
		Annual Interest Rate (when case was filed) various % (see addendum) Fixed						
		☐ Variable						
10.	Is this claim based on a lease?	 X No Yes. Amount necessary to cure any default as of the date of the petition. 						
11.	Is this claim subject to a right of setoff?	X No Yes. Identify the property:						

12. Is all or part of the claim entitled to priority under	☐ No							
11 U.S.C. § 507(a)?	X Yes. Ch	eck all that apply:			4	Amount entitled to priority		
A claim may be partly priority and partly nonpriority. For example,		nestic support obli J.S.C. § 507(a)(1)		ig alimony and child su	pport) under	\$		
in some categories, the law limits the amount	Up up	to \$2,850* of depo vices for personal,	osits toward pur family, or hous	chase, lease, or rental ehold use. 11 U.S.C. §	of property or 507(a)(7).	\$		
entitled to priority.	day	ges, salaries, or co s before the bank chever is earlier. 1	rupt <mark>c</mark> y petition i	to \$12,850*) earned was filed or the debtor's b (a)(4).	vithin 180 ousiness ends,	\$		
	☐ Tax	es or penalties ow	ed to governme	ntal units, 11 U.S.C. §	507(a)(8).	\$		
	☐ Cor	tributions to an er	mployee benefi	plan. 11 U.S.C. § 507	(a)(5).	\$		
				C. § 507(a)() that ap		§ See addendum.		
	_					n on or after the date of adjustment.		
	^ Amour	its are subject to adju	stment on 4/01/18	and every 3 years after tr	at for cases begui	Toff of after the date of adjustment.		
Part 3: Sign Below								
	0							
The person completing this proof of claim must	Check the appr	•						
sign and date it.		I am the creditor.						
FRBP 9011(b).	I am the creditor's attorney or authorized agent.							
If you file this claim electronically, FRBP	I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.							
5005(a)(2) authorizes courts to establish local rules specifying what a signature	I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.							
is.	Lundorstand the	ot an authorized si	anature on this	Proof of Claim serves a	s an acknowledd	gement that when calculating		
A person who files a fraudulent claim could be fined up to \$500,000,	I understand that an authorized signature on this <i>Proof of Claim</i> serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.							
imprisoned for up to 5 years, or both.	I have examined the information in this <i>Proof of Claim</i> and have reasonable belief that the information is true and correct.							
18 U.S.C. §§ 152, 157, and 3571.	I declare under	penalty of perjury	that the foregoir	ig is true and correct.				
33/1.		. ~3/28/	2019					
	Executed on da	MM / DD //	YYYY					
	. ,	~ ^	- 1					
	Vuci	ma ann	rHouju	m				
	Signature							
	Print the name	of the person wh	no is completin	g and signing this cla	im:			
	Name	Virginia		Α.	Hou			
		First name		Middle name	Last n	ame		
	Title	Senior Vice	President	***************************************				
	_	UMB Bank, f	N.A.					
	Сотрапу			company if the authorized	agent is a servicer.			
	Address	120	South Sixth	Street, Suite 1400				
		Number	Street		EE 100	1104		
		Minneapolis City		MN State	55402 ZIP Coo			
	Caste - t - t	617.337.700	3	State		/irginia.Housum@umb.com		
	Contact phone				Lindi			

Addendum to Proof of Claim: Claim of UMB Bank, N.A., as Trustee

UMB Bank, N.A., serves as trustee (the "<u>Trustee</u>") for obligations (the "<u>Obligations</u>") issued under that certain Master Indenture of Trust, dated as of December 1, 2001 (as may be amended and supplemented, the "<u>Master Indenture</u>") among the Daughters of Charity Health System (the predecessor to debtor Verity Health System of California, Inc., referred to herein as the "<u>System</u>"), the System affiliates listed in the Master Indenture (collectively, with the System, the "<u>Obligated Group</u>"), and the Trustee. The Obligations are supported by, among other things, bonds and notes issued under various indentures and other documents evidencing and securing the Obligations (collectively with the Master Indenture, the "<u>Financing Documents</u>"). The debtor named on the Proof of Claim to which this addendum is attached (the "<u>Debtor</u>") is a member of the Obligated Group.

The Trustee submits this addendum to its Proof of Claim against the Debtor. As of the Petition Date (defined below), the claims described herein (the "Claim") against the Debtor totaled not less than \$465,192,301.67. As noted below, the Trustee reserves the right to amend this claim.

Basis for and Documents Supporting the Claim

The Claim is based on, among other things, the Debtor's agreement, as a member of the Obligated Group, to make payments of principal of, interest on and other costs, fees and expenses associated with the Obligations. Upon information and belief, the Debtor has copies of the Financing Documents. Pursuant to the *Order Establishing Bar Date for Filing Proofs of Claim*

[Docket No. 1528]¹, the Trustee has been excused from attaching herewith copies of the Financing Documents or other referenced documents evidencing and/or securing the Claim. Upon written request to counsel to the Trustee at the address included in this Proof of Claim, the Trustee will make available copies of any of the Financing Documents.

Amount of the Claim

The Debtor commenced its bankruptcy case on August 31, 2018 (the "<u>Petition Date</u>"). The liquidated amounts owing by the Debtor to the Trustee on account of the Claim as of the Petition Date totaled not less than \$465,192,301.67, comprised of the following principal and interest then due on the Obligations:

Maturity Date of the Obligations	Principal Outstanding	Interest Rate	Interest Outstanding	Total Amount Outstanding
7/1/2022	\$8,825,000.00	5.500%	\$80,895.83	\$8,905,895.83
7/1/2024	\$32,885,000.00	5.750%	\$315,147.92	\$33,200,147.92
7/1/2025	\$8,005,000.00	5.750%	\$76,714.58	\$8,081,714.58
7/1/2030	\$64,490,000.00	5.750%	\$618,029.17	\$65,108,029.17
7/1/2035	\$72,530,000.00	5.750%	\$695,079.17	\$73,225,079.17
7/1/2039	\$72,710,000.00	5.500%	\$666,508.33	\$73,376,508.33
6/10/2019	\$60,000,000.00	7.250%	\$362,500.00	\$60,362,500.00
6/10/2019	\$45,000,000.00	7.250%	\$271,385.00	\$45,271,385.00
6/10/2019	\$10,000.000.00	9.500%	\$79,166.67	\$10,079,166.67
6/10/2019	\$45,000,000.00	8.750%	\$328,125.00	\$45,328,125.00
12/10/2020	\$21,000,000.00	7.250%	\$126,875.00	\$21,126,875.00
12/10/2020	\$21,000,000.00	7.250%	\$126,875.00	\$21,126,875.00
	\$461,445,000.00	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	\$3,747,301.67	\$465,192,301.67

In addition to the foregoing principal and interest, which interest continues to accrue to the date of full payment of all principal amounts due and owing under the Obligations, the Trustee

¹ References to docket numbers herein shall refer to entries docketed in Lead Case No. 18-20151 in the jointly administered proceedings of *In re Verity Health System of California, Inc., et al.*

also asserts claims, whether currently liquidated or unliquidated, for all now existing or hereafter arising: (i) unpaid fees and expenses of the Trustee and its professionals incurred prior to and subsequent to the Petition Date, as such amounts are provided for under the Financing Documents, (ii) any damages or losses that the Trustee may suffer as a result of the Debtor's breach of the Financing Documents, including any breach of the indemnity obligations in the Financing Documents, (iii) any claims that may exist against the Debtor related to the issuance of the Obligations, and (iv) any claims that may arise pursuant to that certain *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* [Docket No. 409] (the "Final DIP Order"), including administrative, priority and super-priority claims pursuant to, *inter alia*, Bankruptcy Code §§ 503(b)(1), 506(b) and 507(a)(2).

Pursuant to the Final DIP Order, the Court has allowed the Claim.

Security and Collateral

The Claim is secured, *inter alia*, by the liens described in the Financing Documents, the liens described or granted in the Final DIP Order, and any now existing or hereafter arising rights of setoff and recoupment. The Financing Documents include deeds of trust encumbering the Debtor's real estate that have been recorded and filed financing statements listing certain of the Debtor's personal property.

Additional Terms and Conditions

The Trustee expressly reserves its right to amend or supplement this Proof of Claim (including, but not limited to, for purposes of liquidating the amount of interest or additional fees, costs, and expenses referred to herein) at any time and in any respect.

This Proof of Claim is made without prejudice to the filing by the Trustee of additional proofs of claim with respect to any other indebtedness or liability of the Debtor to the Trustee, including, but not limited to any claim arising from any judgment entered in connection with the Financing Documents. The Trustee reserves all rights as to the nature, characterization and substance of the Financing Documents. The Trustee reserves all rights and claims against all third parties.

The Trustee expressly reserves all rights accruing to it, and the execution and filing of this Proof of Claim is not and shall not be deemed: (a) an election of remedies; (b) a waiver of any rights or remedies of the Trustee under any agreement or applicable law; (c) a waiver of any right to assert that all or any portion of the Claim constitutes an administrative expense claim, an unsecured claim, or a priority claim in this bankruptcy case; (d) a waiver of any rights pursuant to 11 U.S.C. § 506(b); (e) a consent to the jurisdiction of the Bankruptcy Court with respect to any proceeding commenced in this bankruptcy case against or otherwise involving the Trustee; (f) a waiver of any immunity; (g) a waiver of the right to withdraw the reference, contest the treatment of any non-core claim against it as a core claim, or otherwise to challenge the jurisdiction of the Bankruptcy Court with respect to the subject matter of the Claim, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this bankruptcy case against or otherwise involving the Trustee; (h) a waiver of any right of subordination in favor of the Trustee or liens held by creditors of any of the Debtor; (i) a waiver or release of any right to trial by jury, or a consent to a trial by jury in the Bankruptcy Court or any other court; (j) an admission that any matter is a core matter or is a matter as to which the Bankruptcy Court can enter a final judgment, a right to have final orders entered in non-core matters only after a de novo review by the District Court, or a consent to the entry by the

Bankruptcy Court of a final judgment with respect to the Claim or any other matter; (k) a waiver of any claim or right against any other creditor, arising under the bankruptcy case or otherwise; and/or (l) a waiver of any right related to any plan(s) of reorganization or liquidation proposed in this bankruptcy case.

The Trustee specifically reserves all of its defenses and rights, procedural and substantive, including, without limitation, its defenses and rights with respect to any claim that may be asserted against the Trustee or any of its affiliates, by the Debtor or any other party.

United States Bankruptcy Court for the Central District of California							
Indicate Debtor against which you assert a claim by checking	Indicate Debtor against which you assert a claim by checking the appropriate box below. (Check only one Debtor per claim form.)						
□ Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)						
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	☐ St. Louise Regional Hospital (Case No.18-20162)						
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)						
☐ O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)						
☐ O'Connor Hospital Foundation (Case No. 18-20179)	☐ St. Vincent Medical Center (Case No. 18-20164)						
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)						
☐ Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, Lt.C (Case No. 18-20163)						
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)						
St. Francis Medical Center (Case No. 18-20165)							

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

P	Identify the Clai	m						
1.	Who is the current creditor?	UMB Bank, N.A., as trustee Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor						
2.	Has this claim been acquired from someone else?	X No	rom whom?					
3.	Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Daniel S. Black Name One Fi Number St Boston City USA Country Contact phone Contact email	inotices to the creditor be eck inancial Center reet MA State 617.542.6000 DSBleck@mintz.com	02111 ZIP Code	different) Virginia Houname 120 S Number S Minneapolis City USA Country Contact phone Contact email	d payments to the creditusum, UMB Bank, N.A. South Sixth Street, Suite treet MN State 612.337.7003 Virginia.Housum@um	55402 ZIP Code	
4.	Does this claim amend one already filed?	No No Yes. C	aim number on court claims	registry (if known)		Filed on	DD / YYYY	
5.	Do you know if anyone else has filed a proof of claim for this claim?	X No ☐ Yes. Who	made the earlier filing? _					



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Do you have any number you use to identify the	☑ No						
debtor?	Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:						
. How much is the claim?	\$ See addendum. Does this amount include interest or other charges? No						
	Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).						
. What is the basis of the	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.						
claim?	Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).						
	Limit disclosing information that is entitled to privacy, such as health care information.						
	See addendum.						
. Is all or part of the claim	□ No						
secured?	X Yes. The claim is secured by a lien on property.						
	Nature of property:						
	Real estate: If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A) with this Proof of Claim.						
	Motor vehicle						
	X Other Describe: See addendum.						
	Basis for perfection: See addendum.						
	Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)						
	Value of property: \$See addendum.						
	Amount of the claim that is secured: \$See addendum.						
	Amount of the claim that is unsecured: \$See addendum. (The sum of the secured and unsecured amount should match the amount in line 7						
	Amount necessary to cure any default as of the date of the petition: \$ See addendum.						
	Annual Interest Rate (when case was filed) <u>various</u> % (see addendum) X Fixed						
	☐ Variable						
O. Is this claim based on a	X No						
lease?	Yes. Amount necessary to cure any default as of the date of the petition.						
1. Is this claim subject to a	X No						
right of setoff?	Yes, Identify the property:						
	res. identify the property:						

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12. Is all or part of the claim entitled to priority under	☐ No						
11 U.S.C. § 507(a)?	X Yes. Ch	eck all that apply:				Amount entitled to priority	
A claim may be partly priority and partly	☐ Dor 11 I	nestic support obligations (including alimony and child support) under J.S.C. § 507(a)(1)(A) or (a)(1)(B).				\$	
nonpriority. For example, in some categories, the law limits the amount	☐ Up ser	to \$2,850* of depo vices for personal,	sits toward pu family, or hou	rchase, lease, or renta sehold use. 11 U.S.C.	l of property or § 507(a)(7).	\$	
entitled to priority.	— day		uptcy petition	p to \$12,850*) earned is filed or the debtor's 7(a)(4).		\$	
	☐ Tax	es or penalties ow	ed to governme	ental units. 11 U.S.C. §	507(a)(8).	\$	
	— □ Cor	ntributions to an er	nplovee benef	it plan. 11 U.S.C. § 507	'(a)(5).	\$	
	_			.C. § 507(a)() that a		§ See addendum.	
	* Amou	nts are subject to adju	istment on 4/01/1	9 and every 3 years after t	hal for cases begur	n on or after the date of adjustment.	
- Andrews							
Part 3: Sign Below							
The person completing	Check the appr	opriate box:					
this proof of claim must	X I am the c	editor.					
FRBP 9011(b).	☐ I am the c	reditor's attorney o	r authorized ag	jent.			
If you file this claim	☐ Lam the tr	ustee, or the debto	r. or their auth	orized agent. Bankrupto	y Rule 3004.		
electronically, FRBP 5005(a)(2) authorizes courts	I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004. I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.						
to establish local rules specifying what a signature is.	L I am a gua	irantor, surety, end	orser, or other	codebior, Bankrupicy i	rule 3003.		
A person who files a	I understand the	at an authorized sig	gnature on this	Proof of Claim serves	as an acknowled	gement that when calculating	
fraudulent claim could be fined up to \$500,000,	the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.						
imprisoned for up to 5	I have examine	d the information ir	this <i>Proof of</i> (Claim and have reasons	able belief that the	e information is true and correct.	
years, or both. 18 U.S.C. §§ 152, 157, and	l doclaro undor	nonalty of periuny l	hat the foregoi	ng is true and correct.			
3571.				ng is true and concer.			
	Executed on da	te 03/28	72014				
	,						
	Vue	ina ann	· House	in	···		
	Signature J						
	Print the name	of the person wh	io is completi	ng and signing this cl	aim:		
	Name	Virginia		Α.		sum	
		First name		Middle name	Last r	name	
	Title	Senior Vice	President				
		UMB Bank, N	N.A.				
	Company			ne company if the authorize	d agent is a servicer.	•	
	Address	120		n Street, Suite 1400			
		Number	Street	KANI	55402	2 USA	
		Minneapolis City		MN State	ZIP Cod		
	Contact phone	617.337.700	3		Email \	Virginia.Housum@umb.com	
				-			

Addendum to Proof of Claim: Claim of UMB Bank, N.A., as Trustee

UMB Bank, N.A., serves as trustee (the "<u>Trustee</u>") for obligations (the "<u>Obligations</u>") issued under that certain Master Indenture of Trust, dated as of December 1, 2001 (as may be amended and supplemented, the "<u>Master Indenture</u>") among the Daughters of Charity Health System (the predecessor to debtor Verity Health System of California, Inc., referred to herein as the "<u>System</u>"), the System affiliates listed in the Master Indenture (collectively, with the System, the "<u>Obligated Group</u>"), and the Trustee. The Obligations are supported by, among other things, bonds and notes issued under various indentures and other documents evidencing and securing the Obligations (collectively with the Master Indenture, the "<u>Financing Documents</u>"). The debtor named on the Proof of Claim to which this addendum is attached (the "<u>Debtor</u>") is a member of the Obligated Group.

The Trustee submits this addendum to its Proof of Claim against the Debtor. As of the Petition Date (defined below), the claims described herein (the "Claim") against the Debtor totaled not less than \$465,192,301.67. As noted below, the Trustee reserves the right to amend this claim.

Basis for and Documents Supporting the Claim

The Claim is based on, among other things, the Debtor's agreement, as a member of the Obligated Group, to make payments of principal of, interest on and other costs, fees and expenses associated with the Obligations. Upon information and belief, the Debtor has copies of the Financing Documents. Pursuant to the *Order Establishing Bar Date for Filing Proofs of Claim*

[Docket No. 1528]¹, the Trustee has been excused from attaching herewith copies of the Financing Documents or other referenced documents evidencing and/or securing the Claim. Upon written request to counsel to the Trustee at the address included in this Proof of Claim, the Trustee will make available copies of any of the Financing Documents.

Amount of the Claim

The Debtor commenced its bankruptcy case on August 31, 2018 (the "<u>Petition Date</u>"). The liquidated amounts owing by the Debtor to the Trustee on account of the Claim as of the Petition Date totaled not less than \$465,192,301.67, comprised of the following principal and interest then due on the Obligations:

Maturity Date of the Obligations	Principal Outstanding	Interest Rate	Interest Outstanding	Total Amount Outstanding
7/1/2022	\$8,825,000.00	5.500%	\$80,895.83	\$8,905,895.83
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7/1/2030	\$64,490,000.00	5.750%	\$618,029.17	\$65,108,029.17
7/1/2035	\$72,530,000.00	5.750%	\$695,079.17	\$73,225,079.17
7/1/2039	\$72,710,000.00	5.500%	\$666,508.33	\$73,376,508.33
6/10/2019	\$60,000,000.00	7.250%	\$362,500.00	\$60,362,500.00
6/10/2019	\$45,000,000.00	7.250%	\$271,385.00	\$45,271,385.00
6/10/2019	\$10,000.000.00	9.500%	\$79,166.67	\$10,079,166.67
6/10/2019	\$45,000,000.00	8.750%	\$328,125.00	\$45,328,125.00
12/10/2020	\$21,000,000.00	7.250%	\$126,875.00	\$21,126,875.00
12/10/2020	\$21,000,000.00	7.250%	\$126,875.00	\$21,126,875.00
	\$461,445,000.00		\$3,747,301.67	\$465,192,301.67

In addition to the foregoing principal and interest, which interest continues to accrue to the date of full payment of all principal amounts due and owing under the Obligations, the Trustee

¹ References to docket numbers herein shall refer to entries docketed in Lead Case No. 18-20151 in the jointly administered proceedings of *In re Verity Health System of California, Inc., et al.*

also asserts claims, whether currently liquidated or unliquidated, for all now existing or hereafter arising: (i) unpaid fees and expenses of the Trustee and its professionals incurred prior to and subsequent to the Petition Date, as such amounts are provided for under the Financing Documents, (ii) any damages or losses that the Trustee may suffer as a result of the Debtor's breach of the Financing Documents, including any breach of the indemnity obligations in the Financing Documents, (iii) any claims that may exist against the Debtor related to the issuance of the Obligations, and (iv) any claims that may arise pursuant to that certain *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 [Docket No. 409] (the "Final DIP Order"), including administrative, priority and super-priority claims pursuant to, inter alia, Bankruptcy Code §§ 503(b)(1), 506(b) and 507(a)(2).*

Pursuant to the Final DIP Order, the Court has allowed the Claim.

Security and Collateral

The Claim is secured, *inter alia*, by the liens described in the Financing Documents, the liens described or granted in the Final DIP Order, and any now existing or hereafter arising rights of setoff and recoupment. The Financing Documents include deeds of trust encumbering the Debtor's real estate that have been recorded and filed financing statements listing certain of the Debtor's personal property.

Additional Terms and Conditions

The Trustee expressly reserves its right to amend or supplement this Proof of Claim (including, but not limited to, for purposes of liquidating the amount of interest or additional fees, costs, and expenses referred to herein) at any time and in any respect.

This Proof of Claim is made without prejudice to the filing by the Trustee of additional proofs of claim with respect to any other indebtedness or liability of the Debtor to the Trustee, including, but not limited to any claim arising from any judgment entered in connection with the Financing Documents. The Trustee reserves all rights as to the nature, characterization and substance of the Financing Documents. The Trustee reserves all rights and claims against all third parties.

The Trustee expressly reserves all rights accruing to it, and the execution and filing of this Proof of Claim is not and shall not be deemed: (a) an election of remedies; (b) a waiver of any rights or remedies of the Trustee under any agreement or applicable law; (c) a waiver of any right to assert that all or any portion of the Claim constitutes an administrative expense claim, an unsecured claim, or a priority claim in this bankruptcy case; (d) a waiver of any rights pursuant to 11 U.S.C. § 506(b); (e) a consent to the jurisdiction of the Bankruptcy Court with respect to any proceeding commenced in this bankruptcy case against or otherwise involving the Trustee; (f) a waiver of any immunity; (g) a waiver of the right to withdraw the reference, contest the treatment of any non-core claim against it as a core claim, or otherwise to challenge the jurisdiction of the Bankruptcy Court with respect to the subject matter of the Claim, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this bankruptcy case against or otherwise involving the Trustee; (h) a waiver of any right of subordination in favor of the Trustee or liens held by creditors of any of the Debtor; (i) a waiver or release of any right to trial by jury, or a consent to a trial by jury in the Bankruptcy Court or any other court; (j) an admission that any matter is a core matter or is a matter as to which the Bankruptcy Court can enter a final judgment, a right to have final orders entered in non-core matters only after a de novo review by the District Court, or a consent to the entry by the Bankruptcy Court of a final judgment with respect to the Claim or any other matter; (k) a waiver of any claim or right against any other creditor, arising under the bankruptcy case or otherwise; and/or (l) a waiver of any right related to any plan(s) of reorganization or liquidation proposed in this bankruptcy case.

The Trustee specifically reserves all of its defenses and rights, procedural and substantive, including, without limitation, its defenses and rights with respect to any claim that may be asserted against the Trustee or any of its affiliates, by the Debtor or any other party.

United States Bankruptcy Court for the Central District of California						
Indicate Debtor against which you assert a claim by checking the appropriate box below. (Check only one Debtor per claim form.)						
☐ Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)					
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	☐ St. Louise Regional Hospital (Case No.18-20162)					
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)					
☐ O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)					
☐ O'Connor Hospital Foundation (Case No. 18-20179)	☐ St. Vincent Medical Center (Case No. 18-20164)					
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)					
☐ Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, Lt.C (Case No. 18-20163)					
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)					
St. Francis Medical Center (Case No. 18-20165)						

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

P	Identify the Clai	m							
1.	Who is the current creditor?	UMB Bank, N.A., as trustee Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor							
2.	Has this claim been acquired from someone else?	X No Prom whom?							
3.	Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Daniel S. Black Name One Fi Number St Boston City USA Country Contact phone Contact email	inotices to the creditor be eck inancial Center reet MA State 617.542.6000 DSBleck@mintz.com	02111 ZIP Code	Where should payments to the creditor be sent? (if different) Virginia Housum, UMB Bank, N.A. Name 120 South Sixth Street, Suite 1400 Number Street Minneapolis MN 55402 City State ZIP Code USA Country Contact phone Contact email Virginia.Housum@umb.com				
4.	Does this claim amend one already filed?	No No Yes. C	aim number on court claims	registry (if known)		Filed on	DD / YYYY		
5.	Do you know if anyone else has filed a proof of claim for this claim?	X No ☐ Yes. Who	made the earlier filing? _						



Do you have any numlyou use to identify the debtor? How much is the clain.	_	at or any number you use to identify the debter:						
debtor?	Yes. Last 4 digits of the debtor's accoun	at or any number you use to identify the debter:						
7. How much is the claim		Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:						
	? \$ See addendum	Does this amount include interest or other charges?						
		Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).						
8. What is the basis of th	Examples: Goods sold, money loaned, lease	e, services performed, personal injury or wrongful death, or credit card.						
claim?	Attach redacted copies of any documents su	pporting the claim required by Bankruptcy Rule 3001(c).						
	Limit disclosing information that is entitled to	privacy, such as health care information.						
	See addendum.							
9. Is all or part of the clai	n No							
secured?	X Yes. The claim is secured by a lien on	property.						
	Nature of property:							
		ecured by the debtor's principal residence, file a <i>Mortgage Proof of</i> Form 410-A) with this <i>Proof of Claim</i> .						
	Motor vehicle							
	X Other. Describe: Se	ee addendum.						
	-							
	Basis for perfection:	ee addendum.						
	Attach redacted copies of docume	ents, if any, that show evidence of perfection of a security interest (for cate of title, financing statement, or other document that shows the lien						
	Value of property:	_{\$} See addendum.						
	Amount of the claim that is sec	cured: <u>\$See addendum.</u>						
	Amount of the claim that is uns	secured: \$See addendum. (The sum of the secured and unsecured amount should match the amount in line 7.)						
	Amount necessary to cure any o	default as of the date of the petition: \$ See addendum.						
	Annual Interest Rate (when case	e was filed) <u>various</u> (see addendum)						
	☐ Variable							
10. Is this claim based on	X No							
lease?	Yes. Amount necessary to cure any c	default as of the date of the petition.						
11. Is this claim subject to	a X No							
right of setoff?	<u> </u>							
	Tes. identity the property:							

Casease18:168-126915172 ERCIaPAG 3634-3File ម៉ែល 1/148/19DeEptarad 1566/148/148/16:03 148e 3 Desc Exhibit 3 of 18age 187 of 310

12. Is all or part of the claim entitled to priority under	☐ No)						
11 U.S.C. § 507(a)?	X Ye	es. Check all that apply:				Amount entitled to priority		
A claim may be partly priority and partly			nestic support obligations (including alimony and child support) under J.S.C. § 507(a)(1)(A) or (a)(1)(B).			\$		
nonpriority. For example, in some categories, the law limits the amount		Up to \$2,850* of depo services for personal,	sits toward purch family, or househ	ase, lease, or rental o	of property or 507(a)(7).	\$		
entitled to priority.		Wages, salaries, or co days before the bankr whichever is earlier. 1	uptcy petition is f	led or the debtor's bu		\$		
		Taxes or penalties owe	ed to government	al units. 11 U.S.C. § 50	07(a)(8).	\$		
		Contributions to an en	nployee benefit p	lan. 11 U.S.C. § 507(a	a)(5).	\$		
	X	Other. Specify subsec	ction of 11 U.S.C.	§ 507(a)() that app	lies.	\$ See addendum.		
	<u>-</u> -					on or after the date of adjustment.		
	<u> </u>	Amounts are subject to adju	stment on 4/01/19 a	no every 3 years after tha	it for cases begun	of on alter the date of adjustment.		
Part 3: Sign Below								
The person completing	Check the	appropriate box:						
this proof of claim must	-	the creditor.						
FRBP 9011(b).	— □ lam	the creditor's attorney or	r authorized ageni	t.				
If you file this claim	I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.							
electronically, FRBP 5005(a)(2) authorizes courts								
to establish local rules specifying what a signature is.	∐ lam	a guarantor, surety, end	orser, or other co	debtor, Bankruptcy Ru	le 3005.			
A person who files a fraudulent claim could be	I understand that an authorized signature on this <i>Proof of Claim</i> serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.							
fined up to \$500,000, imprisoned for up to 5 years, or both.	I have examined the information in this <i>Proof of Claim</i> and have reasonable belief that the information is true and correct.							
18 U.S.C. §§ 152, 157, and 3571.	l declare u	under penalty of perjury t	hat the foregoing	is true and correct.				
3571.	F d	on date 03/28/	2019					
	Executed	on date	YYYY					
	Signat	erginia ann	e Housum	<i></i>				
	Print the	name of the person wh	o is completing	and signing this clai	m:			
	Name	Virginia		Α.	Hous	um		
	Ivanie	First name		Middle name	Last na	me		
	Title	Senior Vice F	President		- de - C			
	Company	UMB Bank, N						
		Identify the corpor	ale servicer as the c	ompany if the authorized a	gent is a servicer.			
	Address	120	South Sixth S	treet, Suite 1400				
		Number Minneapolis	આ <i>લ</i> કા	MN	55402	USA		
		City		State	ZIP Code			
	Contact phe	617 337 700	3			irginia.Housum@umb.com		

Addendum to Proof of Claim: Claim of UMB Bank, N.A., as Trustee

UMB Bank, N.A., serves as trustee (the "<u>Trustee</u>") for obligations (the "<u>Obligations</u>") issued under that certain Master Indenture of Trust, dated as of December 1, 2001 (as may be amended and supplemented, the "<u>Master Indenture</u>") among the Daughters of Charity Health System (the predecessor to debtor Verity Health System of California, Inc., referred to herein as the "<u>System</u>"), the System affiliates listed in the Master Indenture (collectively, with the System, the "<u>Obligated Group</u>"), and the Trustee. The Obligations are supported by, among other things, bonds and notes issued under various indentures and other documents evidencing and securing the Obligations (collectively with the Master Indenture, the "<u>Financing Documents</u>"). The debtor named on the Proof of Claim to which this addendum is attached (the "<u>Debtor</u>") is a member of the Obligated Group.

The Trustee submits this addendum to its Proof of Claim against the Debtor. As of the Petition Date (defined below), the claims described herein (the "Claim") against the Debtor totaled not less than \$465,192,301.67. As noted below, the Trustee reserves the right to amend this claim.

Basis for and Documents Supporting the Claim

The Claim is based on, among other things, the Debtor's agreement, as a member of the Obligated Group, to make payments of principal of, interest on and other costs, fees and expenses associated with the Obligations. Upon information and belief, the Debtor has copies of the Financing Documents. Pursuant to the *Order Establishing Bar Date for Filing Proofs of Claim*

[Docket No. 1528]¹, the Trustee has been excused from attaching herewith copies of the Financing Documents or other referenced documents evidencing and/or securing the Claim. Upon written request to counsel to the Trustee at the address included in this Proof of Claim, the Trustee will make available copies of any of the Financing Documents.

Amount of the Claim

The Debtor commenced its bankruptcy case on August 31, 2018 (the "<u>Petition Date</u>"). The liquidated amounts owing by the Debtor to the Trustee on account of the Claim as of the Petition Date totaled not less than \$465,192,301.67, comprised of the following principal and interest then due on the Obligations:

Maturity Date of the Obligations	Principal Outstanding	Interest Rate	Interest Outstanding	Total Amount Outstanding
			ALL VIII	
7/1/2022	\$8,825,000.00	5.500%	\$80,895.83	\$8,905,895.83
7/1/2024	\$32,885,000.00	5.750%	\$315,147.92	\$33,200,147.92
7/1/2025	\$8,005,000.00	5.750%	\$76,714.58	\$8,081,714.58
7/1/2030	\$64,490,000.00	5.750%	\$618,029.17	\$65,108,029.17
7/1/2035	\$72,530,000.00	5.750%	\$695,079.17	\$73,225,079.17
7/1/2039	\$72,710,000.00	5.500%	\$666,508.33	\$73,376,508.33
6/10/2019	\$60,000,000.00	7.250%	\$362,500.00	\$60,362,500.00
6/10/2019	\$45,000,000.00	7.250%	\$271,385.00	\$45,271,385.00
6/10/2019	\$10,000.000.00	9.500%	\$79,166.67	\$10,079,166.67
6/10/2019	\$45,000,000.00	8.750%	\$328,125.00	\$45,328,125.00
12/10/2020	\$21,000,000.00	7.250%	\$126,875.00	\$21,126,875.00
12/10/2020	\$21,000,000.00	7.250%	\$126,875.00	\$21,126,875.00
	\$461,445,000.00		\$3,747,301.67	\$465,192,301.67

In addition to the foregoing principal and interest, which interest continues to accrue to the date of full payment of all principal amounts due and owing under the Obligations, the Trustee

¹ References to docket numbers herein shall refer to entries docketed in Lead Case No. 18-20151 in the jointly administered proceedings of *In re Verity Health System of California, Inc., et al.*

also asserts claims, whether currently liquidated or unliquidated, for all now existing or hereafter arising: (i) unpaid fees and expenses of the Trustee and its professionals incurred prior to and subsequent to the Petition Date, as such amounts are provided for under the Financing Documents, (ii) any damages or losses that the Trustee may suffer as a result of the Debtor's breach of the Financing Documents, including any breach of the indemnity obligations in the Financing Documents, (iii) any claims that may exist against the Debtor related to the issuance of the Obligations, and (iv) any claims that may arise pursuant to that certain *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* [Docket No. 409] (the "Final DIP Order"), including administrative, priority and super-priority claims pursuant to, *inter alia*, Bankruptcy Code §§ 503(b)(1), 506(b) and 507(a)(2).

Pursuant to the Final DIP Order, the Court has allowed the Claim.

Security and Collateral

The Claim is secured, *inter alia*, by the liens described in the Financing Documents, the liens described or granted in the Final DIP Order, and any now existing or hereafter arising rights of setoff and recoupment. The Financing Documents include deeds of trust encumbering the Debtor's real estate that have been recorded and filed financing statements listing certain of the Debtor's personal property.

Additional Terms and Conditions

The Trustee expressly reserves its right to amend or supplement this Proof of Claim (including, but not limited to, for purposes of liquidating the amount of interest or additional fees, costs, and expenses referred to herein) at any time and in any respect.

This Proof of Claim is made without prejudice to the filing by the Trustee of additional proofs of claim with respect to any other indebtedness or liability of the Debtor to the Trustee, including, but not limited to any claim arising from any judgment entered in connection with the Financing Documents. The Trustee reserves all rights as to the nature, characterization and substance of the Financing Documents. The Trustee reserves all rights and claims against all third parties.

The Trustee expressly reserves all rights accruing to it, and the execution and filing of this Proof of Claim is not and shall not be deemed: (a) an election of remedies; (b) a waiver of any rights or remedies of the Trustee under any agreement or applicable law; (c) a waiver of any right to assert that all or any portion of the Claim constitutes an administrative expense claim, an unsecured claim, or a priority claim in this bankruptcy case; (d) a waiver of any rights pursuant to 11 U.S.C. § 506(b); (e) a consent to the jurisdiction of the Bankruptcy Court with respect to any proceeding commenced in this bankruptcy case against or otherwise involving the Trustee; (f) a waiver of any immunity; (g) a waiver of the right to withdraw the reference, contest the treatment of any non-core claim against it as a core claim, or otherwise to challenge the jurisdiction of the Bankruptcy Court with respect to the subject matter of the Claim, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this bankruptcy case against or otherwise involving the Trustee; (h) a waiver of any right of subordination in favor of the Trustee or liens held by creditors of any of the Debtor; (i) a waiver or release of any right to trial by jury, or a consent to a trial by jury in the Bankruptcy Court or any other court; (j) an admission that any matter is a core matter or is a matter as to which the Bankruptcy Court can enter a final judgment, a right to have final orders entered in non-core matters only after a de novo review by the District Court, or a consent to the entry by the Bankruptcy Court of a final judgment with respect to the Claim or any other matter; (k) a waiver of any claim or right against any other creditor, arising under the bankruptcy case or otherwise; and/or (l) a waiver of any right related to any plan(s) of reorganization or liquidation proposed in this bankruptcy case.

The Trustee specifically reserves all of its defenses and rights, procedural and substantive, including, without limitation, its defenses and rights with respect to any claim that may be asserted against the Trustee or any of its affiliates, by the Debtor or any other party.

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United States Bankruptcy Court for the Central District of California									
Indicate Debtor against which you assert a claim by checking	Indicate Debtor against which you assert a claim by checking the appropriate box below. (Check only one Debtor per claim form.)								
☐ Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)								
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	☐ St. Louise Regional Hospital (Case No.18-20162)								
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)								
☐ O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)								
☐ O'Connor Hospital Foundation (Case No. 18-20179)	☐ St. Vincent Medical Center (Case No. 18-20164)								
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)								
Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)								
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)								
☐ St. Francis Medical Center (Case No. 18-20165)									

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

F	Identify the Clai	m							
1.	Who is the current creditor?	UMB Bank, N.A., as trustee Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor							
2.	Has this claim been acquired from someone else?	X No Yes. From whom?							
3.	Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should notices to the creditor by Daniel S. Bleck Name One Financial Center Number Street Boston MA City State USA Country Contact phone Contact email Uniform claim identifier for electronic payments in	02111 ZIP Code	different) Virginia Houst Name 120 Sot Number Stree Minneapolis City USA Country Contact phone Contact email	payments to the creditor um, UMB Bank, N.A. uth Sixth Street, Suite et MN State 612.337.7003 Virginia.Housum@umb	55402 ZIP Code			
4.	Does this claim amend one already filed?	No Yes. Claim number on court claim:	s registry (if known)		Filed on	/ YYYY			
5.	Do you know if anyone else has filed a proof of claim for this claim?	No Yes. Who made the earlier filing?							



6.		X No						
	you use to identify the debtor?	Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:						
<u> </u>	How much is the claim?	\$ See addendum. Does this amount include interest or other charges?						
		Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).						
	What is the basis of the	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.						
	claim?	Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).						
		Limit disclosing information that is entitled to privacy, such as health care information.						
		See addendum.						
	Is all or part of the claim	□ No						
	secured?	X Yes. The claim is secured by a lien on property.						
		Nature of property:						
		Real estate: If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A) with this Proof of Claim.						
		Motor vehicle						
		X Other. Describe: See addendum.						
		Basis for perfection: See addendum.						
		Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)						
		Value of property: \$See addendum.						
		Amount of the claim that is secured: \$See addendum.						
		Amount of the claim that is unsecured: \$See addendum. (The sum of the secured and unsecured amount should match the amount in line 7.						
		Amount necessary to cure any default as of the date of the petition: \$See addendum.						
		Annual Interest Rate (when case was filed) various % (see addendum) X Fixed						
		☐ Variable						
 0.	ls this claim based on a	X No						
	lease?	Yes. Amount necessary to cure any default as of the date of the petition. \$						
	Is this claim subject to a	■ No						
	right of setoff?							

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12. Is all or part of the claim entitled to priority under		No						
11 U.S.C. § 507(a)?	X	Yes. Ch	eck all that apply:				Amount e	entitled to priority
A claim may be partly priority and partly			nestic support obli J.S.C. § 507(a)(1)		ncluding alimony and child support) under (1)(B).			
nonpriority. For example, in some categories, the law limits the amount		Up serv	to \$2,850* of depo vices for personal,	osits toward pu family, or hou	rchase, lease, or rental of property or sehold use. 11 U.S.C. § 507(a)(7).		\$	
entilled to priority.		day	ges, salaries, or co s before the bank chever is earlier. 1	ruptcy petition	p to \$12,850*) earned is filed or the debtor's '(a)(4).	within 180 business ends,	\$	66.00 · · · · · · · · · · · · · · · · · ·
		Тах	es or penalties ow	ed to governme	ental units. 11 U.S.C. §	507(a)(8).	\$	
		☐ Cor	tributions to an er	nployee benef	it plan. 11 U.S.C. § 507	7(a)(5).	\$	
		_			.C. § 507(a)() that a		\$ See add	dendum.
			, ,		9 and every 3 years after		o on or after the	date of adjustment.
		Aniour	ns are subject to adju	istnient on 4/01/1	and every 5 years and	unat for cases began	TOTTOT GROT BIC	- date of adjustments
Part 3: Sign Below								
The person completing	Check	the appr	opriate box:					
this proof of claim must	_	am the ci	•					
sign and date it. FRBP 9011(b).	\Box	am the cr	editor's attorney o	r authorized ag	ent.			
If you file this claim	_		•		orized agent. Bankrupte	ov Rule 3004		
electronically, FRBP 5005(a)(2) authorizes courts	_							
to establish local rules specifying what a signature		am a gua	rantor, surety, end	lorser, or other	codebtor. Bankruptcy	Rule 3005.		
is.					D		noment that	whop goleylating
A person who files a fraudulent claim could be fined up to \$500,000,	I understand that an authorized signature on this <i>Proof of Claim</i> serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.							
imprisoned for up to 5 years, or both.	I have examined the information in this Proof of Claim and have reasonable belief that the information is true and correct.							
18 U.S.C. §§ 152, 157, and 3571.	l decla	ire under	penalty of perjury	that the foregoi	ng is true and correct.			
3371.			13/20	,				
	Execu	ted on da	te MM / DD /	YYYY				
	É	, .	/1	* 1				
	\ 	/ W/	ma an	House	m			
	31	gliature						
	Print t	he name	of the person wh	no is completii	ng and signing this cl	aim:		
	Name		Virginia		A.	Hou	sum	
	Mairie		First name	- t- 4	Middle name	Last r	name	
	Title		Senior Vice	President				
	Compa	Π γ	UMB Bank, i					
	pu	,	Identify the corpo	rate servicer as th	e company if the authorize	d agent is a servicer		
			400	0- " 0" "	- Otrack Code 4400			
	Address	s	120 Number	South Sixtl	Street, Suite 1400			
			Minneapolis	Olloca	MN	55402	2	USA
			City		State	ZIP Cod		Country
	Contact	phone	617.337.700	3	<u></u>	Email	√irginia.Hoι	sum@umb.com

Addendum to Proof of Claim: Claim of UMB Bank, N.A., as Trustee

UMB Bank, N.A., serves as trustee (the "<u>Trustee</u>") for obligations (the "<u>Obligations</u>") issued under that certain Master Indenture of Trust, dated as of December 1, 2001 (as may be amended and supplemented, the "<u>Master Indenture</u>") among the Daughters of Charity Health System (the predecessor to debtor Verity Health System of California, Inc., referred to herein as the "<u>System</u>"), the System affiliates listed in the Master Indenture (collectively, with the System, the "<u>Obligated Group</u>"), and the Trustee. The Obligations are supported by, among other things, bonds and notes issued under various indentures and other documents evidencing and securing the Obligations (collectively with the Master Indenture, the "<u>Financing Documents</u>"). The debtor named on the Proof of Claim to which this addendum is attached (the "<u>Debtor</u>") is a member of the Obligated Group.

The Trustee submits this addendum to its Proof of Claim against the Debtor. As of the Petition Date (defined below), the claims described herein (the "Claim") against the Debtor totaled not less than \$465,192,301.67. As noted below, the Trustee reserves the right to amend this claim.

Basis for and Documents Supporting the Claim

The Claim is based on, among other things, the Debtor's agreement, as a member of the Obligated Group, to make payments of principal of, interest on and other costs, fees and expenses associated with the Obligations. Upon information and belief, the Debtor has copies of the Financing Documents. Pursuant to the *Order Establishing Bar Date for Filing Proofs of Claim*

[Docket No. 1528]¹, the Trustee has been excused from attaching herewith copies of the Financing Documents or other referenced documents evidencing and/or securing the Claim. Upon written request to counsel to the Trustee at the address included in this Proof of Claim, the Trustee will make available copies of any of the Financing Documents.

Amount of the Claim

The Debtor commenced its bankruptcy case on August 31, 2018 (the "<u>Petition Date</u>"). The liquidated amounts owing by the Debtor to the Trustee on account of the Claim as of the Petition Date totaled not less than \$465,192,301.67, comprised of the following principal and interest then due on the Obligations:

Maturity Date of the Obligations	Principal Outstanding	Interest Rate	Interest Outstanding	Total Amount Outstanding
7/1/2022	\$8,825,000.00	5.500%	\$80,895.83	\$8,905,895.83
7/1/2024	\$32,885,000.00	5.750%	\$315,147.92	\$33,200,147.92
7/1/2025	\$8,005,000.00	5.750%	\$76,714.58	\$8,081,714.58
7/1/2030	\$64,490,000.00	5.750%	\$618,029.17	\$65,108,029.17
7/1/2035	\$72,530,000.00	5.750%	\$695,079.17	\$73,225,079.17
7/1/2039	\$72,710,000.00	5.500%	\$666,508.33	\$73,376,508.33
6/10/2019	\$60,000,000.00	7.250%	\$362,500.00	\$60,362,500.00
6/10/2019	\$45,000,000.00	7.250%	\$271,385.00	\$45,271,385.00
6/10/2019	\$10,000.000.00	9.500%	\$79,166.67	\$10,079,166.67
6/10/2019	\$45,000,000.00	8.750%	\$328,125.00	\$45,328,125.00
12/10/2020	\$21,000,000.00	7.250%	\$126,875.00	\$21,126,875.00
12/10/2020	\$21,000,000.00	7.250%	\$126,875.00	\$21,126,875.00
	\$461,445,000.00		\$3,747,301.67	\$465,192,301.67

In addition to the foregoing principal and interest, which interest continues to accrue to the date of full payment of all principal amounts due and owing under the Obligations, the Trustee

¹ References to docket numbers herein shall refer to entries docketed in Lead Case No. 18-20151 in the jointly administered proceedings of *In re Verity Health System of California, Inc., et al.*

also asserts claims, whether currently liquidated or unliquidated, for all now existing or hereafter arising: (i) unpaid fees and expenses of the Trustee and its professionals incurred prior to and subsequent to the Petition Date, as such amounts are provided for under the Financing Documents, (ii) any damages or losses that the Trustee may suffer as a result of the Debtor's breach of the Financing Documents, including any breach of the indemnity obligations in the Financing Documents, (iii) any claims that may exist against the Debtor related to the issuance of the Obligations, and (iv) any claims that may arise pursuant to that certain 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 [Docket No. 409] (the "Final DIP Order"), including administrative, priority and super-priority claims pursuant to, inter alia, Bankruptcy Code §§ 503(b)(1), 506(b) and 507(a)(2).

Pursuant to the Final DIP Order, the Court has allowed the Claim.

Security and Collateral

The Claim is secured, *inter alia*, by the liens described in the Financing Documents, the liens described or granted in the Final DIP Order, and any now existing or hereafter arising rights of setoff and recoupment. The Financing Documents include deeds of trust encumbering the Debtor's real estate that have been recorded and filed financing statements listing certain of the Debtor's personal property.

Additional Terms and Conditions

The Trustee expressly reserves its right to amend or supplement this Proof of Claim (including, but not limited to, for purposes of liquidating the amount of interest or additional fees, costs, and expenses referred to herein) at any time and in any respect.

This Proof of Claim is made without prejudice to the filing by the Trustee of additional proofs of claim with respect to any other indebtedness or liability of the Debtor to the Trustee, including, but not limited to any claim arising from any judgment entered in connection with the Financing Documents. The Trustee reserves all rights as to the nature, characterization and substance of the Financing Documents. The Trustee reserves all rights and claims against all third parties.

The Trustee expressly reserves all rights accruing to it, and the execution and filing of this Proof of Claim is not and shall not be deemed: (a) an election of remedies; (b) a waiver of any rights or remedies of the Trustee under any agreement or applicable law; (c) a waiver of any right to assert that all or any portion of the Claim constitutes an administrative expense claim, an unsecured claim, or a priority claim in this bankruptcy case; (d) a waiver of any rights pursuant to 11 U.S.C. § 506(b); (e) a consent to the jurisdiction of the Bankruptcy Court with respect to any proceeding commenced in this bankruptcy case against or otherwise involving the Trustee; (f) a waiver of any immunity; (g) a waiver of the right to withdraw the reference, contest the treatment of any non-core claim against it as a core claim, or otherwise to challenge the jurisdiction of the Bankruptcy Court with respect to the subject matter of the Claim, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this bankruptcy case against or otherwise involving the Trustee; (h) a waiver of any right of subordination in favor of the Trustee or liens held by creditors of any of the Debtor; (i) a waiver or release of any right to trial by jury, or a consent to a trial by jury in the Bankruptcy Court or any other court; (i) an admission that any matter is a core matter or is a matter as to which the Bankruptcy Court can enter a final judgment, a right to have final orders entered in non-core matters only after a de novo review by the District Court, or a consent to the entry by the

Bankruptcy Court of a final judgment with respect to the Claim or any other matter; (k) a waiver of any claim or right against any other creditor, arising under the bankruptcy case or otherwise; and/or (l) a waiver of any right related to any plan(s) of reorganization or liquidation proposed in this bankruptcy case.

The Trustee specifically reserves all of its defenses and rights, procedural and substantive, including, without limitation, its defenses and rights with respect to any claim that may be asserted against the Trustee or any of its affiliates, by the Debtor or any other party.

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United States Bankruptcy Court for the Central District of California								
Indicate Debtor against which you assert a claim by checking	Indicate Debtor against which you assert a claim by checking the appropriate box below. (Check only one Debtor per claim form.)							
□ Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)							
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	☐ St. Louise Regional Hospital (Case No.18-20162)							
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)							
O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)							
☐ O'Connor Hospital Foundation (Case No. 18-20179)	☐ St. Vincent Medical Center (Case No. 18-20164)							
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)							
☐ Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)							
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)							
☐ St. Francis Medical Center (Case No. 18-20165)								

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

P	art 1: Identify the Clai	m						
1.	Who is the current creditor?	UMB Bank, N.A., as trustee Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor						
2.	Has this claim been acquired from someone else?	X No	rom whom?					
3.	Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Daniel S. Bl. Name One F. Number S. Boston City USA Country Contact phone Contact email	d notices to the creditor be eck inancial Center treet MA State 617.542.6000 DSBleck@mintz.com entifier for electronic payments in	02111 ZIP Code	different) Virginia Hou Name 120 S Number S Minneapolis City USA Country Contact phone Contact email	d payments to the cred usum, UMB Bank, N.A south Sixth Street, Suitreet MN State 612.337.7003 Virginia.Housum@u	A. ite 1400 55402 ZIP Code	
4.	Does this claim amend one already filed?	No Yes. C	laim number on court claims	s registry (if known)		Filed on	DD / YYYY	
5.	Do you know if anyone else has filed a proof of claiπ for this claim?	X No Yes. Who	o made the earlier filing?					



P	art 2: Give Information Ab	out the Claim as of the Date the Case Was Filed						
6.		X No						
	you use to identify the debtor?	Yes, Last 4 digits of the debtor's account or any number you use to identify the debtor:						
7.	How much is the claim?	\$ See addendum. Does this amount include interest or other charges?						
		Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).						
8.	What is the basis of the	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.						
	claim?	Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).						
		Limit disclosing information that is entitled to privacy, such as health care information.						
		See addendum.						
9.	Is all or part of the claim	□ No						
	secured?	X Yes. The claim is secured by a lien on property.						
		Nature of property:						
		Real estate: If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A) with this Proof of Claim.						
		Motor vehicle						
		X. Other. Describe: See addendum.						
		Basis for perfection: See addendum.						
		Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)						
		Value of property: \$See addendum.						
		Amount of the claim that is secured: \$See addendum.						
		Amount of the claim that is unsecured: \$See addendum. (The sum of the secured and unsecured amount should match the amount in line 7.)						
		Amount necessary to cure any default as of the date of the petition: \$See addendum.						
		Annual Interest Rate (when case was filed) <u>various</u> % (see addendum) X Fixed						
		☐ Variable						
10.	Is this claim based on a	X No						
	lease?	Yes. Amount necessary to cure any default as of the date of the petition.						
11.	Is this claim subject to a right of setoff?	X No						
		Yes. Identify the property:						

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12. Is all or part of the claim entitled to priority under	☐ No							
11 U.S.C. § 507(a)?	X Yes	. Check all that apply:				Amount entitled to pr	iority	
A claim may be partly priority and partly		Domestic support oblig 11 U.S.C. § 507(a)(1)(ony and child supp	oort) under	\$		
nonpriority. For example, in some categories, the law limits the amount		Up to \$2,850* of depo services for personal,	osits toward purchase, family, or household u	lease, or rental cuse. 11 U.S.C. § 5	of property or 507(a)(7).	\$		
entitled to priority.		Wages, salaries, or co days before the bankr whichever is earlier. 1	uptcy petition is filed o	2,850*) earned wi or the debtor's bu	thin 180 siness ends,	\$		
		Taxes or penalties owe		its. 11 U.S.C. § 50	07(a)(8).	\$		
		Contributions to an en				\$		
	_	Other, Specify subsec				\$ See addendum.		
	* Ar	nounts are subject to adju	stment on 4/01/19 and ev	ery 3 years afler tha	t for cases begun	on or after the date of adjustr	ment.	
Part 3: Sign Below								
The person completing	Check the a	appropriate box:						
this proof of claim must sign and date it.	X Iamith	ne creditor.						
FRBP 9011(b).	☐ I am th	ne creditor's attorney o	r authorized agent.					
If you file this claim electronically, FRBP	☐ Lam th	I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.						
5005(a)(2) authorizes courts								
to establish local rules specifying what a signature	I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.							
is.								
A person who files a fraudulent claim could be fined up to \$500,000,	I understand that an authorized signature on this <i>Proof of Claim</i> serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.							
imprisoned for up to 5 years, or both.	I have exam	I have examined the information in this Proof of Claim and have reasonable belief that the information is true and correct.						
18 U.S.C. §§ 152, 157, and	l declare un	der penalty of perjury t	hat the foregoing is tru	e and correct.				
3571.								
	Executed or	n date 03/28	7777					
	1							
	Vu		Housen					
	Signature							
	Print the na	ame of the person wh	o is completing and	signing this clair	n:			
	Name	Virginia	Α.		Hous	sum		
		First name	Middl	e name	Last na	ame		
	Title	Senior Vice F	President					
	Company	UMB Bank, N	1 .A.					
	Company	Identify the corpor	ale servicer as the compa	ny if the authorized a	gent is a servicer.		-	
	Address	120	South Sixth Stree	t, Suite 1400		A00.000		
		Number Minneapolis	Street	MN	55402	USA		
		City		State	ZIP Code			
	Contact phone	617 337 700	3		Email V	ʻirginia.Housum@umb	.com	

Addendum to Proof of Claim: Claim of UMB Bank, N.A., as Trustee

UMB Bank, N.A., serves as trustee (the "<u>Trustee</u>") for obligations (the "<u>Obligations</u>") issued under that certain Master Indenture of Trust, dated as of December 1, 2001 (as may be amended and supplemented, the "<u>Master Indenture</u>") among the Daughters of Charity Health System (the predecessor to debtor Verity Health System of California, Inc., referred to herein as the "<u>System</u>"), the System affiliates listed in the Master Indenture (collectively, with the System, the "<u>Obligated Group</u>"), and the Trustee. The Obligations are supported by, among other things, bonds and notes issued under various indentures and other documents evidencing and securing the Obligations (collectively with the Master Indenture, the "<u>Financing Documents</u>"). The debtor named on the Proof of Claim to which this addendum is attached (the "<u>Debtor</u>") is a member of the Obligated Group.

The Trustee submits this addendum to its Proof of Claim against the Debtor. As of the Petition Date (defined below), the claims described herein (the "<u>Claim</u>") against the Debtor totaled not less than \$465,192,301.67. As noted below, the Trustee reserves the right to amend this claim.

Basis for and Documents Supporting the Claim

The Claim is based on, among other things, the Debtor's agreement, as a member of the Obligated Group, to make payments of principal of, interest on and other costs, fees and expenses associated with the Obligations. Upon information and belief, the Debtor has copies of the Financing Documents. Pursuant to the *Order Establishing Bar Date for Filing Proofs of Claim*

[Docket No. 1528]¹, the Trustee has been excused from attaching herewith copies of the Financing Documents or other referenced documents evidencing and/or securing the Claim. Upon written request to counsel to the Trustee at the address included in this Proof of Claim, the Trustee will make available copies of any of the Financing Documents.

Amount of the Claim

The Debtor commenced its bankruptcy case on August 31, 2018 (the "<u>Petition Date</u>"). The liquidated amounts owing by the Debtor to the Trustee on account of the Claim as of the Petition Date totaled not less than \$465,192,301.67, comprised of the following principal and interest then due on the Obligations:

Maturity Date of the	Principal	Interest	Interest	Total Amount
Obligations	Outstanding	Rate	Outstanding	Outstanding
7/1/2022	\$8,825,000.00	5.500%	\$80,895.83	\$8,905,895.83
7/1/2024	\$32,885,000.00	5.750%	\$315,147.92	\$33,200,147.92
7/1/2025	\$8,005,000.00	5.750%	\$76,714.58	\$8,081,714.58
7/1/2030	\$64,490,000.00	5.750%	\$618,029.17	\$65,108,029.17
7/1/2035	\$72,530,000.00	5.750%	\$695,079.17	\$73,225,079.17
7/1/2039	\$72,710,000.00	5.500%	\$666,508.33	\$73,376,508.33
6/10/2019	\$60,000,000.00	7.250%	\$362,500.00	\$60,362,500.00
6/10/2019	\$45,000,000.00	7.250%	\$271,385.00	\$45,271,385.00
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12/10/2020	\$21,000,000.00	7.250%	\$126,875.00	\$21,126,875.00
12/10/2020	\$21,000,000.00	7.250%	\$126,875.00	\$21,126,875.00
	\$461,445,000.00		\$3,747,301.67	\$465,192,301.67

In addition to the foregoing principal and interest, which interest continues to accrue to the date of full payment of all principal amounts due and owing under the Obligations, the Trustee

¹ References to docket numbers herein shall refer to entries docketed in Lead Case No. 18-20151 in the jointly administered proceedings of *In re Verity Health System of California, Inc., et al.*

also asserts claims, whether currently liquidated or unliquidated, for all now existing or hereafter arising: (i) unpaid fees and expenses of the Trustee and its professionals incurred prior to and subsequent to the Petition Date, as such amounts are provided for under the Financing Documents, (ii) any damages or losses that the Trustee may suffer as a result of the Debtor's breach of the Financing Documents, including any breach of the indemnity obligations in the Financing Documents, (iii) any claims that may exist against the Debtor related to the issuance of the Obligations, and (iv) any claims that may arise pursuant to that certain *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* [Docket No. 409] (the "Final DIP Order"), including administrative, priority and super-priority claims pursuant to, *inter alia*, Bankruptcy Code §§ 503(b)(1), 506(b) and 507(a)(2).

Pursuant to the Final DIP Order, the Court has allowed the Claim.

Security and Collateral

The Claim is secured, *inter alia*, by the liens described in the Financing Documents, the liens described or granted in the Final DIP Order, and any now existing or hereafter arising rights of setoff and recoupment. The Financing Documents include deeds of trust encumbering the Debtor's real estate that have been recorded and filed financing statements listing certain of the Debtor's personal property.

Additional Terms and Conditions

The Trustee expressly reserves its right to amend or supplement this Proof of Claim (including, but not limited to, for purposes of liquidating the amount of interest or additional fees, costs, and expenses referred to herein) at any time and in any respect.

This Proof of Claim is made without prejudice to the filing by the Trustee of additional proofs of claim with respect to any other indebtedness or liability of the Debtor to the Trustee, including, but not limited to any claim arising from any judgment entered in connection with the Financing Documents. The Trustee reserves all rights as to the nature, characterization and substance of the Financing Documents. The Trustee reserves all rights and claims against all third parties.

The Trustee expressly reserves all rights accruing to it, and the execution and filing of this Proof of Claim is not and shall not be deemed: (a) an election of remedies; (b) a waiver of any rights or remedies of the Trustee under any agreement or applicable law; (c) a waiver of any right to assert that all or any portion of the Claim constitutes an administrative expense claim, an unsecured claim, or a priority claim in this bankruptcy case; (d) a waiver of any rights pursuant to 11 U.S.C. § 506(b); (e) a consent to the jurisdiction of the Bankruptcy Court with respect to any proceeding commenced in this bankruptcy case against or otherwise involving the Trustee; (f) a waiver of any immunity; (g) a waiver of the right to withdraw the reference, contest the treatment of any non-core claim against it as a core claim, or otherwise to challenge the jurisdiction of the Bankruptcy Court with respect to the subject matter of the Claim, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this bankruptcy case against or otherwise involving the Trustee; (h) a waiver of any right of subordination in favor of the Trustee or liens held by creditors of any of the Debtor; (i) a waiver or release of any right to trial by jury, or a consent to a trial by jury in the Bankruptcy Court or any other court; (i) an admission that any matter is a core matter or is a matter as to which the Bankruptcy Court can enter a final judgment, a right to have final orders entered in non-core matters only after a de novo review by the District Court, or a consent to the entry by the

Bankruptcy Court of a final judgment with respect to the Claim or any other matter; (k) a waiver of any claim or right against any other creditor, arising under the bankruptcy case or otherwise; and/or (l) a waiver of any right related to any plan(s) of reorganization or liquidation proposed in this bankruptcy case.

The Trustee specifically reserves all of its defenses and rights, procedural and substantive, including, without limitation, its defenses and rights with respect to any claim that may be asserted against the Trustee or any of its affiliates, by the Debtor or any other party.

agone, w	ourt for the Central District of California
Indicate Debtor against which you assert a claim by checking	the appropriate box below. (Check only one Debtor per claim form.)
Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	☐ St. Louise Regional Hospital (Case No.18-20162)
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)
☐ O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)
☐ O'Connor Hospital Foundation (Case No. 18-20179)	☐ St. Vincent Medical Center (Case No. 18-20164)
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)
☐ Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)
☐ St. Francis Medical Center (Case No. 18-20165)	

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

Pa	art 1: Identify the Clai	m							
1.	Who is the current	Wells Fargo	Bank, National Associat	ion, as Trustee					
	creditor?	Name of the current creditor (the person or entity to be paid for this claim)							
		Other names the	e creditor used with the debtor						
2.	Has this claim been acquired from	X No							
	someone else?	Yes. F	rom whom?						
3.	Where should notices and	Where should	d notices to the creditor be	sent?	Where shoul	d payments to the credit	or be sent? (if		
	payments to the	Daniel S. Ble	eck. Esa.		Corbin B. C	onnell			
	Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Name			Name	G II C II	-		
		One Financial Center			600 S. 4th Street, 6th Floor				
		Number St	treet	Taract to a	Number S	Street	A e (e)		
		Boston	MA	02111	Minneapolis		55479		
		City USA	State	ZIP Code	City USA	State	ZIP Code		
		Country		-	Country				
		Contact phone	617.542.6000	2	Contact phone	612.667.4076			
		Contact email	DSBleck@mintz.com	-	Contact email	Corbin.B.Cannell@we	ellsfargo.com		
		Uniform claim id	Uniform claim identifier for electronic payments in chapter 13 (if you use one):						
4.	Does this claim amend one already	X No							
	filed?	Yes. Claim number on court claims registry (if known) Filed on							
5.	Do you know if anyone else has filed	X No							
	a proof of claim for this claim?	Yes. Who	o made the earlier filing? _						

Do you have any number	⊠ No					
you use to identify the debtor?	Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:					
How much is the claim?	\$ See addendum. Does this amount include interest or other charges? No Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).					
What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. See addendum.					
Is all or part of the claim	□ No					
secured?	 Yes. The claim is secured by a lien on property. Nature of property: Real estate: If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A) with this Proof of Claim. Motor vehicle 					
	Other. Describe: See addendum.					
	Basis for perfection: Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)					
	Value of property: \$See addendum.					
	Amount of the claim that is secured: \$\frac{\text{See addendum.}}{\text{See addendum.}}\$\$ The sum of the secured and unsecured amount should match the amount in line.					
	Amount necessary to cure any default as of the date of the petition: \$See addendum.					
	Annual Interest Rate (when case was filed) various % (see addendum) X Fixed Variable					
ls this claim based on a lease?	No Yes. Amount necessary to cure any default as of the date of the petition. \$					
Is this claim subject to a right of setoff?	No ■ Yes. Identify the property:					

Case 2:18-bk-20151-ER Claim 441-1 Filed 04/01/19 Desc Main Document Page 3 of 8

12. Is all or part of the claim entitled to priority under		No						
11 U.S.C. § 507(a)?	X	Yes. Ch	eck all that apply:				Amoun	t entitled to priority
A claim may be partly priority and partly nonpriority. For example,				support obligations (including alimony and child support) under § 507(a)(1)(A) or (a)(1)(B).		\$	1 12 7 7	
in some categories, the law limits the amount entitled to priority.		Up to	o \$2,850* of deporices for personal,	sits toward plamily, or he	ourchase, lease, or re ousehold use. 11 U.S	ental of property or C. § 507(a)(7).	\$	
change to promy.		days		uptcy petitio	(up to \$12,850*) earn n is filed or the debto 07(a)(4).		\$	
		☐ Tax	es or penalties owe	ed to govern	mental units, 11 U.S.0	c. § 507(a)(8).	\$	
		☐ Con	tributions to an en	nployee ben	efit plan. 11 U.S.C. §	507(a)(5).	\$	
		X Othe	er. Specify subsec	tion of 11 U	S.C. § 507(a)() tha	t applies.	\$ See	addendum.
					1/19 and every 3 years a		n on or after	the date of adjustment.
Part 3: Sign Below								
The person completing	Check	the appre	opriate box:					
this proof of claim must sign and date it.	X	am the cr	editor.					
FRBP 9011(b).		am the cr	editor's attorney or	authorized	agent.			
If you file this claim electronically, FRBP	П	am the tro	ustee, or the debto	r, or their au	thorized agent, Bankr	uptcy Rule 3004.		
5005(a)(2) authorizes courts to establish local rules specifying what a signature is.	=				er codebtor. Bankrupt			
A person who files a fraudulent claim could be fined up to \$500,000,	I understand that an authorized signature on this <i>Proof of Claim</i> serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.							
imprisoned for up to 5 years, or both.	I have examined the information in this Proof of Claim and have reasonable belief that the information is true and correct.							
18 U.S.C. §§ 152, 157, and 3571.	I declare under penalty of perjury that the foregoing is true and correct.							
	Wells Faryo Bank, N.A., as Taustons							
		-	MM / DD /	YYYY	-			
	Wel	is funy	O BANK, N.A.	, as In	15/55			
	my	dignature	in 3 (n	1, its Vice	hes I Lond		
	0	3						
	Print	the name	of the person wh	o is comple	ting and signing thi	s claim:		
	Nama		Corbin		B.	Can	nell	
	Name		First name		Middle name	Last	name	
	Title		Vice Preside	nt				
	Compa	any			Trust Services			
			identity the corpor	ate servicer as	s the company if the author	rized agent is a service	•	
	- معامليم ۸		600	S. 4th St	reet, 6th Floor			
	Addres	0	Number	Street				
			Minneapolis		MN	5547	9	USA
			City		State	ZIP Co		Country
	Contac	t phone	612.667.407	б		Email Corb	in.B.Can	ell@wellsfargo.com

Addendum to Proof of Claim: Claim of Wells Fargo Bank, National Association, as Trustee

Wells Fargo Bank, National Association, serves as trustee (the "Trustee") for bonds (the "Bonds") issued pursuant to certain Bond Indentures, each dated as of February 1, 2005 (collectively, as amended and supplemented, the "Bond Indenture"), between the California Statewide Communities Development Authority (the "Authority") and the Trustee. Repayment of the Bonds is supported by, among other things, the obligations owing pursuant to (i) that certain Master Indenture of Trust, dated as of December 1, 2001 (as amended and supplemented, the "Master Indenture") among the Daughters of Charity Health System (the predecessor to debtor, Verity Health System of California, Inc., referred to herein as the "System"), the System affiliates listed in the Master Indenture (collectively, with the System, the "Obligated Group"), and the Trustee, (ii) certain Loan Agreements, each dated as of February 1, 2005 (collectively, the "Loan Agreement"), between the Authority and the System, and (iii) various other documents evidencing and securing the Bonds (collectively with the Bond Indenture, Master Indenture, and Loan Agreements, the "Bond Documents"). The debtor named on the Proof of Claim to which this addendum is attached (the "Debtor") is a member of the Obligated Group.

The Trustee submits this addendum to its Proof of Claim against the Debtor. As of the Petition Date (defined below), the claims described herein (the "Bond Claim") against the Debtor totaled not less than \$261,897,375.00. As noted below, the Trustee reserves the right to amend this claim.

Basis for and Documents Supporting the Bond Claim

The Bond Claim is based on, among other things, the Debtor's agreement, as a member of the Obligated Group, to borrow proceeds of the issuance of the Bonds, and to make payments of associated principal, interest and other costs, fees and expenses. Upon information and belief, the Debtor has copies of the Bond Documents. Pursuant to the *Order Establishing Bar Date for Filing Proofs of Claim* [Docket No. 1528] ¹ (the "Bar Date Order"), the Trustee has been excused from attaching herewith copies of the Bond Documents or other referenced documents evidencing and/or securing the Bond Claim. Upon written request by the Debtor to counsel to the Trustee at the address included in this Proof of Claim, the Trustee will make available copies of any of the Bond Documents.

Amount of the Bond Claim

The Debtor commenced its bankruptcy case on August 31, 2018 (the "<u>Petition Date</u>"). The liquidated amounts owing by the Debtor to the Trustee on account of the Bond Claim as of the Petition Date totaled not less than \$261,897,375.00, comprised of the following principal and interest then due on the Bonds:

Maturity Date of Bonds	Principal Outstanding	Interest Rate	Interest Outstanding	Total Amount Outstanding
7/1/2022	\$8,825,000.00	5.500%	\$80,895.83	\$8,905,895.83
7/1/2024	\$32,885,000.00	5.750%	\$315,147.92	\$33,200,147.92
7/1/2025	\$8,005,000.00	5.750%	\$76,714.58	\$8,081,714.58
7/1/2030	\$64,490,000.00	5.750%	\$618,029.17	\$65,108,029.17
7/1/2035	\$72,530,000.00	5.750%	\$695,079.17	\$73,225,079.17
7/1/2039	\$72,710,000.00	5.500%	\$666,508.33	\$73,376,508.33
	\$259,445,000.00		\$2,452,375.00	\$261,897,375.00

¹ References to docket numbers herein shall refer to entries docketed in Lead Case No. 18-20151 in the jointly administered proceedings of *In re Verity Health System of California, Inc., et al.*

In addition to the foregoing principal and interest, which interest continues to accrue to the date of full payment of all principal amounts due and owing under the Bonds, the Trustee also asserts claims, whether currently liquidated or unliquidated, for all now existing or hereafter arising (i) unpaid fees and expenses of the Trustee and its professionals incurred prior to, and subsequent to the Petition Date, as such amounts are provided for under the Bond Documents, (ii) any damages or losses that the Trustee or the holders of the Bonds may suffer as a result of the Debtor's breach of the Bond Documents, including any breach of the indemnity obligations in the Bond Documents, (iii) any claims that may exist against the Debtor related to the issuance of the Bonds, and (iv) any claims that may arise pursuant to that certain *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* [Docket No. 409] (the "Final DIP Order"), including administrative, priority and super-priority claims pursuant to, inter alia, Bankruptey Code §§ 503(b)(1), 506(b), 507(a)(2).

Pursuant to the Final DIP Order, the Court has allowed the Bond Claim.

Security and Collateral

The Bond Claim is secured, *inter alia*, by the liens described in the Bond Documents, the liens described or granted in the Final DIP Order, and any now existing or hereafter arising rights of setoff and recoupment. The Bond Documents include deeds of trust encumbering the Debtor's real estate that have been recorded, and filed financing statements listing certain of the Debtor's personal property.

As of the Petition Date, the Trustee held various funds in trust for repayment of the Bond Claim, which are not property of the Debtor's bankruptcy estate. To the extent, if any, that such funds are not held in trust, the Trustee holds a validly perfected security interest in such funds.

Additional Terms and Conditions

Holders of the Bonds in their individual capacities may have their own, separate claims against the Debtor that are not included in this Proof of Claim, and this Proof of Claim shall not be deemed or construed as a description, limitation, substitution or waiver of any rights of such holders with respect to such separate claims. Pursuant to Federal Rule of Bankruptcy Procedure 3003(c)(5), the terms of the Bond Documents, and paragraph 8 of the Bar Date Order, the Trustee has filed this Proof of Claim on behalf of all known or unknown holders of the Bonds, and the record or beneficial owners of Bonds are not required to file proofs of claim with respect to the Bond Claim.

The Trustee expressly reserves its right to amend or supplement this Proof of Claim (including, but not limited to, for purposes of liquidating the amount of interest or additional fees, costs, and expenses referred to herein) at any time and in any respect.

This Proof of Claim is made without prejudice to the filing by the Trustee of additional proofs of claim with respect to any other indebtedness or liability of the Debtor to the Trustee, including, but not limited to any claim arising from any judgment entered in connection with the Bond Documents. The Trustee reserves all rights as to the nature, characterization and substance of the Bond Documents. The Trustee reserves all rights and claims against all third parties.

The Trustee, for itself and on behalf of each holder of the Bonds, expressly reserves all rights accruing to it, and the execution and filing of this Proof of Claim is not and shall not be deemed: (a) an election of remedies; (b) a waiver of any rights or remedies of the Trustee under

any agreement or applicable law; (c) a waiver of any right to assert that all or any portion of the Bond Claim constitutes an administrative expense claim, an unsecured claim, or a priority claim in this bankruptcy case; (d) a waiver of any rights pursuant to 11 U.S.C. § 506(b); (e) a consent to the jurisdiction of the Bankruptcy Court with respect to any proceeding commenced in this bankruptcy case against or otherwise involving the Trustee or holders of the Bonds; (f) a waiver of any immunity; (g) a waiver of the right to withdraw the reference, contest the treatment of any non-core claim against it as a core claim, or otherwise to challenge the jurisdiction of the Bankruptcy Court with respect to the subject matter of the Bond Claim, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this bankruptcy case against or otherwise involving the Trustee or any holder of the Bonds; (h) a waiver of any right of subordination in favor of the Trustee, any holder of the Bonds, or liens held by creditors of any of the Debtor; (i) a waiver or release of any right to trial by jury, or a consent to a trial by jury in the Bankruptcy Court or any other court; (j) an admission that any matter is a core matter or is a matter as to which the Bankruptcy Court can enter a final judgment, a right to have final orders entered in non-core matters only after a de novo review by the District Court, or a consent to the entry by the Bankruptcy Court of a final judgment with respect to the Bond Claim or any other matter; (k) a waiver of any claim or right against any other creditor arising under the bankruptcy case or otherwise; and/or (1) a waiver of any right related to any plan(s) of reorganization or liquidation proposed in this bankruptcy case.

The Trustee, for itself and on behalf of each holder of the Bonds, specifically reserves all of its defenses and rights, procedural and substantive, including, without limitation, its defenses and rights with respect to any claim that may be asserted against the Trustee or any of its affiliates, by the Debtor or any other party.

Let a Barrier and the second s	the state of the s
indicate Debtor against which you assert a claim by checking	the appropriate box below. (Check only one Debtor per claim form.)
□ Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	St. Louise Regional Hospital (Case No.18-20162)
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)
☐ O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)
☐ O'Connor Hospital Foundation (Case No. 18-20179)	☐ St. Vincent Medical Center (Case No. 18-20164)
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)
☐ Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)
St. Francis Medical Center (Case No. 18-20165)	

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

Pa	Identify the Clai	m							
1.	Who is the current creditor?	Wells Fargo	Bank, National Associa	tion, as Trustee					
	creditor :	Name of the current creditor (the person or enlity to be paid for this claim)							
		Other names the	e creditor used with the debtor						
2.	Has this claim been acquired from	X No							
	someone else?	Yes. F	rom whom?						
3.	Where should notices and	Where should	d notices to the creditor b	e sent?	Where shoul	d payments to the credito	or be sent? (if		
	payments to the	Daniel S. Bl	eck Esa		Corbin B. C	onnall			
	creditor be sent?	Name			Name	a ineli			
	Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	One Financial Center			600 S. 4th Street, 6th Floor				
		14411114	treet			treet	000000		
		Boston	MA	02111	Minneapolis		55479		
		City USA	State	ZIP Code	City USA	State	ZIP Code		
		Country			Country	The Residence	-		
		Contact phone	617.542.6000		Contact phone	612.667.4076			
		Contact email	DSBleck@mintz.com		Contact email	Corbin.B.Connell@we	llsfargo.com		
					and a second				
		Uniform claim id	entifier for electronic payments	in chapter 13 (if you us	se one):				
4.	Does this claim	X No							
	amend one already filed?					en i			
	med i	Yes. C	Claim number on court claim	is registry (if known)	Filed onMM / 0	DD / YYYY		
5.	Do you know if	X No							
	anyone else has filed a proof of claim for		1 n P 69 6						
	this claim?	Yes, Who	o made the earlier filing?						

	12: Give Information At	oout the Claim as of the Date the Case W	as Filed				
6.	Do you have any number	X No					
	you use to identify the debtor?	Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:					
7.	How much is the claim?	\$ See addendum.	Does this a	amount include interest or other charges?			
			X Yes.	Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).			
8.	What is the basis of the claim?			performed, personal injury or wrongful death, or credit card.			
	ciaiii ?			e claim required by Bankruptcy Rule 3001(c).			
		Limit disclosing information that is entitle	d to privacy, su	ch as health care information.			
		See addendum.					
9.	Is all or part of the claim	□ No					
	secured?	X Yes. The claim is secured by a lie	n on property.				
		Nature of property:					
		X Real estate: If the claim Claim Attachment (Office	is secured by to cial Form 410-A	he debtor's principal residence, file a Mortgage Proof of) with this Proof of Claim.			
		■ Motor vehicle					
		X Other, Describe:	See addend	dum.			
		Basis for perfection:	See adden	dum.			
		Attach redacted copies of do example, a mortgage, lien, c has been filed or recorded.)	cuments, if any ertificate of title,	, that show evidence of perfection of a security interest (for financing statement, or other document that shows the lien			
		Value of property:		\$See addendum.			
		Amount of the claim that is	s secured:	§See addendum.			
		Amount of the claim that is	s unsecured:	§See addendum. (The sum of the secured and unsecured amount should match the amount in line 7.			
		Amount necessary to cure	any default as	of the date of the petition: \$See addendum.			
		Annual Interest Rate (wher	n case was filed) various % (see addendum)			
		☐ Variable					
10	Is this claim based on a	X No					
10	lease?	Yes. Amount necessary to cure	any default as	of the date of the petition.			
11	Is this claim subject to a right of setoff?	X No					
		Yes. Identify the property:					

2. Is all or part of the claim entitled to priority under		No						
11 U.S.C. § 507(a)?	X	Yes. Check	call that apply:				Amoun	t entitled to priority
A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.		Domes 11 U.S	tic support oblig .C. § 507(a)(1)(ations (including alimony and child support) under A) or (a)(1)(B).			\$	
					rchase, lease, or rental sehold use. 11 U.S.C. §		\$	
		days b		uptcy petition	p to \$12,850*) earned w is filed or the debtor's b 7(a)(4).		\$	
		☐ Taxes	or penalties owe	d to governm	ental units. 11 U.S.C. § (507(a)(8).	\$	
		☐ Contril	outions to an em	ployee benef	it plan. 11 U.S.C. § 507(a)(5).	\$	
		-			.C. § 507(a)() that ap		\$ See	addendum.
					19 and every 3 years after th		n on or after	the date of adjustment
art 3: Sign Below								
he person completing	Checi	k the appropi	iate box:					
nis proof of claim must	Part .	am the cred						
RBP 9011(b).	I am the creditor's attorney or authorized agent.							
you file this claim	I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.							
lectronically, FRBP 005(a)(2) authorizes courts o establish local rules pecifying what a signature	I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.							
s. A person who files a raudulent claim could be ined up to \$500,000, nprisoned for up to 5	I understand that an authorized signature on this <i>Proof of Claim</i> serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt. I have examined the information in this <i>Proof of Claim</i> and have reasonable belief that the information is true and correct							
ears, or both.	Tilave	examined i	ie iniormation in	IIIS / YOU U	olaliti and have reasona	bic belief that th	ic informati	orrio trac ana come
8 U.S.C. §§ 152, 157, and 571.	I declare under penalty of perjury that the foregoing is true and correct.							
	Execu	uted on date	63/28	2019				
	Executed on date 63/28/2019 Wars Eango BANK, N.A., as Trustee							
	Wars Eango bank, N.A., as Trustee							
	my	Signature	-36	W,	rs Vicepas Jen			
	Print	the name o	the person wh	o is complet	ng and signing this cla	nim:		
	Name		Corbin		B.	Can	nell	
	Ivanic		First name		Middle name	Last	name	
	Title Vice President							
	Title		Vice Preside	110				
	Title Comp	any	Wells Fargo	Corporate 7	rust Services he company if the authorized	agent is a service	r.	
	Comp		Wells Fargo	Corporate 7 rale servicer as l	he company if the authorized	agent is a service	r.	
			Wells Fargo	Corporate 7 rale servicer as l	THE RESERVE OF THE PROPERTY OF	agent is a service	r.	
	Comp		Wells Fargo Identify the corpor	Corporate Trale servicer as I	he company if the authorized	agent is a service		USA

Addendum to Proof of Claim: Claim of Wells Fargo Bank, National Association, as Trustee

Wells Fargo Bank, National Association, serves as trustee (the "Trustee") for bonds (the "Bonds") issued pursuant to certain Bond Indentures, each dated as of February 1, 2005 (collectively, as amended and supplemented, the "Bond Indenture"), between the California Statewide Communities Development Authority (the "Authority") and the Trustee. Repayment of the Bonds is supported by, among other things, the obligations owing pursuant to (i) that certain Master Indenture of Trust, dated as of December 1, 2001 (as amended and supplemented, the "Master Indenture") among the Daughters of Charity Health System (the predecessor to debtor, Verity Health System of California, Inc., referred to herein as the "System"), the System affiliates listed in the Master Indenture (collectively, with the System, the "Obligated Group"), and the Trustee, (ii) certain Loan Agreements, each dated as of February 1, 2005 (collectively, the "Loan Agreement"), between the Authority and the System, and (iii) various other documents evidencing and securing the Bonds (collectively with the Bond Indenture, Master Indenture, and Loan Agreements, the "Bond Documents"). The debtor named on the Proof of Claim to which this addendum is attached (the "Debtor") is a member of the Obligated Group.

The Trustee submits this addendum to its Proof of Claim against the Debtor. As of the Petition Date (defined below), the claims described herein (the "Bond Claim") against the Debtor totaled not less than \$261,897,375.00. As noted below, the Trustee reserves the right to amend this claim.

Basis for and Documents Supporting the Bond Claim

The Bond Claim is based on, among other things, the Debtor's agreement, as a member of the Obligated Group, to borrow proceeds of the issuance of the Bonds, and to make payments of associated principal, interest and other costs, fees and expenses. Upon information and belief, the Debtor has copies of the Bond Documents. Pursuant to the *Order Establishing Bar Date for Filing Proofs of Claim* [Docket No. 1528] ¹ (the "Bar Date Order"), the Trustee has been excused from attaching herewith copies of the Bond Documents or other referenced documents evidencing and/or securing the Bond Claim. Upon written request by the Debtor to counsel to the Trustee at the address included in this Proof of Claim, the Trustee will make available copies of any of the Bond Documents.

Amount of the Bond Claim

The Debtor commenced its bankruptcy case on August 31, 2018 (the "<u>Petition Date</u>"). The liquidated amounts owing by the Debtor to the Trustee on account of the Bond Claim as of the Petition Date totaled not less than \$261,897,375.00, comprised of the following principal and interest then due on the Bonds:

Maturity Date of Bonds	Principal Outstanding	Interest Rate	Interest Outstanding	Total Amount Outstanding	
7/1/2022	\$8,825,000.00	5.500%	\$80,895.83	\$8,905,895.83	
7/1/2024	\$32,885,000.00	5.750%	\$315,147.92	\$33,200,147.92	
7/1/2025	\$8,005,000.00	5.750%	\$76,714.58	\$8,081,714.58	
7/1/2030	\$64,490,000.00	5.750%	\$618,029.17	\$65,108,029.17	
7/1/2035	\$72,530,000.00	5.750%	\$695,079.17	\$73,225,079.17	
7/1/2039	\$72,710,000.00	5.500%	\$666,508.33	\$73,376,508.33	
	\$259,445,000.00		\$2,452,375.00	\$261,897,375.00	

¹ References to docket numbers herein shall refer to entries docketed in Lead Case No. 18-20151 in the jointly administered proceedings of *In re Verity Health System of California, Inc., et al.*

In addition to the foregoing principal and interest, which interest continues to accrue to the date of full payment of all principal amounts due and owing under the Bonds, the Trustee also asserts claims, whether currently liquidated or unliquidated, for all now existing or hereafter arising (i) unpaid fees and expenses of the Trustee and its professionals incurred prior to, and subsequent to the Petition Date, as such amounts are provided for under the Bond Documents, (ii) any damages or losses that the Trustee or the holders of the Bonds may suffer as a result of the Debtor's breach of the Bond Documents, including any breach of the indemnity obligations in the Bond Documents, (iii) any claims that may exist against the Debtor related to the issuance of the Bonds, and (iv) any claims that may arise pursuant to that certain *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* [Docket No. 409] (the "Final DIP Order"), including administrative, priority and super-priority claims pursuant to, inter alia, Bankruptcy Code §§ 503(b)(1), 506(b), 507(a)(2).

Pursuant to the Final DIP Order, the Court has allowed the Bond Claim.

Security and Collateral

The Bond Claim is secured, *inter alia*, by the liens described in the Bond Documents, the liens described or granted in the Final DIP Order, and any now existing or hereafter arising rights of setoff and recoupment. The Bond Documents include deeds of trust encumbering the Debtor's real estate that have been recorded, and filed financing statements listing certain of the Debtor's personal property.

As of the Petition Date, the Trustee held various funds in trust for repayment of the Bond Claim, which are not property of the Debtor's bankruptcy estate. To the extent, if any, that such funds are not held in trust, the Trustee holds a validly perfected security interest in such funds.

Additional Terms and Conditions

Holders of the Bonds in their individual capacities may have their own, separate claims against the Debtor that are not included in this Proof of Claim, and this Proof of Claim shall not be deemed or construed as a description, limitation, substitution or waiver of any rights of such holders with respect to such separate claims. Pursuant to Federal Rule of Bankruptcy Procedure 3003(c)(5), the terms of the Bond Documents, and paragraph 8 of the Bar Date Order, the Trustee has filed this Proof of Claim on behalf of all known or unknown holders of the Bonds, and the record or beneficial owners of Bonds are not required to file proofs of claim with respect to the Bond Claim.

The Trustee expressly reserves its right to amend or supplement this Proof of Claim (including, but not limited to, for purposes of liquidating the amount of interest or additional fees, costs, and expenses referred to herein) at any time and in any respect.

This Proof of Claim is made without prejudice to the filing by the Trustee of additional proofs of claim with respect to any other indebtedness or liability of the Debtor to the Trustee, including, but not limited to any claim arising from any judgment entered in connection with the Bond Documents. The Trustee reserves all rights as to the nature, characterization and substance of the Bond Documents. The Trustee reserves all rights and claims against all third parties.

The Trustee, for itself and on behalf of each holder of the Bonds, expressly reserves all rights accruing to it, and the execution and filing of this Proof of Claim is not and shall not be deemed: (a) an election of remedies; (b) a waiver of any rights or remedies of the Trustee under

any agreement or applicable law; (c) a waiver of any right to assert that all or any portion of the Bond Claim constitutes an administrative expense claim, an unsecured claim, or a priority claim in this bankruptcy case; (d) a waiver of any rights pursuant to 11 U.S.C. § 506(b); (e) a consent to the jurisdiction of the Bankruptcy Court with respect to any proceeding commenced in this bankruptcy case against or otherwise involving the Trustee or holders of the Bonds; (f) a waiver of any immunity; (g) a waiver of the right to withdraw the reference, contest the treatment of any non-core claim against it as a core claim, or otherwise to challenge the jurisdiction of the Bankruptcy Court with respect to the subject matter of the Bond Claim, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this bankruptcy case against or otherwise involving the Trustee or any holder of the Bonds; (h) a waiver of any right of subordination in favor of the Trustee, any holder of the Bonds, or liens held by creditors of any of the Debtor; (i) a waiver or release of any right to trial by jury, or a consent to a trial by jury in the Bankruptcy Court or any other court; (i) an admission that any matter is a core matter or is a matter as to which the Bankruptcy Court can enter a final judgment, a right to have final orders entered in non-core matters only after a de novo review by the District Court, or a consent to the entry by the Bankruptcy Court of a final judgment with respect to the Bond Claim or any other matter; (k) a waiver of any claim or right against any other creditor arising under the bankruptcy case or otherwise; and/or (1) a waiver of any right related to any plan(s) of reorganization or liquidation proposed in this bankruptcy case.

The Trustee, for itself and on behalf of each holder of the Bonds, specifically reserves all of its defenses and rights, procedural and substantive, including, without limitation, its defenses and rights with respect to any claim that may be asserted against the Trustee or any of its affiliates, by the Debtor or any other party.

United States Bankruptcy Co	ourt for the Central District of California
Indicate Debtor against which you assert a claim by checking	the appropriate box below. (Check only one Debtor per claim form.)
□ Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	☐ St. Louise Regional Hospital (Case No.18-20162)
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)
☐ O'Connor Hospital (Case No. 18-20168)	SK. Vincent Foundation (Case No. 18-20180)
☐ O'Connor Hospital Foundation (Case No. 18-20179)	St. Vincent Medical Center (Case No. 18-20164)
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verily Business Services (Case No. 18-20173)
☐ Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)
☐ Seton Medical Center Foundation (Case No. 18-20175)	□ Verity Medical Foundation (Case No. 18-20169)
☐ St. Francis Medical Center (Case No. 18-20165)	

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

Pa	Identify the Clai	m							
1.	Who is the current	Wells Fargo	Bank, National Associati	ion, as Trustee					
	creditor?	Name of the current creditor (the person or entity to be paid for this claim)							
		Other names the	e creditor used with the debtor						
2.	Has this claim been	X No							
	acquired from someone else?	Yes. F	rom whom?						
3.	Where should notices and payments to the	Where should	d notices to the creditor be	sent?	Where shoul	Where should payments to the creditor be sent? (if			
		Daniel S. Bl	eck Esa			onnall			
	creditor be sent?	Name	50/4 204	-	Name	Corbin B. Connell			
	Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	. (20)10	inancial Center		600 S. 4th Street, 6th Floor				
		Number S	treet			treet			
		Boston	MA	02111	Minneapolis	MN	55479		
		City	State	ZIP Code	City	State	ZIP Code		
		Country			Country	HOST AND THE			
		Contact phone	617.542.6000		Contact phone	612.667.4076			
		Contact email	DSBleck@mintz.com	-	Contact email	Corbin.B.Connell@we	llsfargo.com		
		Uniform claim id	lentifier for electronic payments in	chapter 13 (if you us	se one):				
4.	Does this claim	X No							
	amend one already filed?	Yes. C	Claim number on court claims	registry (if known)	Filed on	DD / YYYY		
5.	Do you know if anyone else has filed	X No							
	a proof of claim for this claim?	Yes. Wh	o made the earlier filing? _						

Case 2:18-bk-20164-ER Claim 69-1 Filed 04/01/19 Desc Main Document Page 2 of 8

ò.	Do you have any number	X No					
	you use to identify the debtor?	Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:					
	How much is the claim?	\$ See addendum. . Does this amount include interest or other charges? No					
		Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).					
	What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.					
	Claimi	Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).					
		Limit disclosing information that is entitled to privacy, such as health care information.					
		See addendum.					
	Is all or part of the claim secured?	□ No					
		X Yes. The claim is secured by a lien on property.					
		Nature of property:					
		Real estate: If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A) with this Proof of Claim.					
		Motor vehicle					
		Other. Describe; See addendum.					
		Basis for perfection: See addendum.					
		Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)					
		Value of property: \$See addendum.					
		Amount of the claim that is secured: \$See addendum.					
		Amount of the claim that is unsecured: \$See addendum. (The sum of the secured and unsecured amount should match the amount in line					
		Amount necessary to cure any default as of the date of the petition: \$See addendum.					
		Annual Interest Rate (when case was filed) various % (see addendum) X Fixed					
		☐ Variable					
).	Is this claim based on a	X No					
	lease?	Yes. Amount necessary to cure any default as of the date of the petition.					
	Is this claim subject to a right of setoff?	X No					
	right of seton?	Yes. Identify the property:					

Case 2:18-bk-20164-ER Claim 69-1 Filed 04/01/19 Desc Main Document Page 3 of 8

12. Is all or part of the claim		alest No						
entitled to priority under	ш	No						
11 U.S.C. § 507(a)?	\times	Yes. Che	eck all that apply:				Amou	nt entitled to priority
A claim may be partly priority and partly nonpriority. For example,		Dom 11 L	nestic support obliq J.S.C. § 507(a)(1)	gations (includ (A) or (a)(1)(E	including alimony and child support) under)(1)(B).			
in some categories, the law limits the amount		Up to serv	o \$2,850* of depo ices for personal,	sits toward p	urchase, lease, or renusehold use. 11 U.S.C	ntal of property or C. § 507(a)(7).	\$	
entilled to priority.		☐ Wag	ges, salaries, or co	ommissions (ruptcy petition	up to \$12,850*) earne is filed or the debtor'	d within 180	\$	
		-	axes or penalties owed to governmental units, 11 U.S.C. § 507(a)(8).		\$			
					fit plan. 11 U.S.C. § 5		\$	
		-					• Se	e addendum.
		△ Othe	er. Specify subsec	ction of 11 U.S	S.C. § 507(a)() that	applies.	\$	o addonadini.
		* Amoun	ls are subject to adju	stment on 4/01	19 and every 3 years after	er that for cases begu	in on or afte	er the date of adjustment.
Part 3: Sign Below								
The person completing	Checl	the appro	ppriate box:					
this proof of claim must sign and date it.	X	am the cr	editor.					
FRBP 9011(b).	I am the creditor's attorney or authorized agent.							
If you file this claim								
electronically, FRBP 5005(a)(2) authorizes courts	I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.							
to establish local rules specifying what a signature is.	I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.							
A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5	I understand that an authorized signature on this <i>Proof of Claim</i> serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.							
years, or both.	I have examined the information in this <i>Proof of Claim</i> and have reasonable belief that the information is true and correct.							
18 U.S.C. §§ 152, 157, and 3571.	I declare under penalty of perjury that the foregoing is true and correct.							
	Executed on date 03/28/2019 Wers Fungo BANK, N.A. on Trustee Ly Com 3 Cell, its Sice Prosident							
	LMOOL	_	MM / DD /	YYYY	tee-			
	Well	s tunge	BANK, N.A	t. of the	V/LC			
	ly	Signature	-3 C	Mit	s Sice Presi.	lent-		
	Print	the name	of the person wh	o le complet	ing and signing this	claim:		
	rann	uie name	or the person wi	io is complet	ing and signing this			
	Name		Corbin		В.	Can	2.3-272	
	Tale		First name Vice Preside	ent	Middle name	Last	name	
	Title		200000000000000000000000000000000000000					-
	Compa	any			Trust Services the company if the authori	zed agent is a service	er.	
			100 014 20 T T T T	CONTRACTOR STATE		- Water A 12 12 12 12 12 12 12 12 12 12 12 12 12		
	Addres	20	600	S. 4th Str	eet, 6th Floor			
	Addres		Number	Street				3.47
			Minneapolis		MN	5547		USA
			City		State	ZIP Co		Country
	Contac	t phone	612.667.407	6		Email Cort	oin.B.Car	nell@wellsfargo.cor

Addendum to Proof of Claim: Claim of Wells Fargo Bank, National Association, as Trustee

Wells Fargo Bank, National Association, serves as trustee (the "Trustee") for bonds (the "Bonds") issued pursuant to certain Bond Indentures, each dated as of February 1, 2005 (collectively, as amended and supplemented, the "Bond Indenture"), between the California Statewide Communities Development Authority (the "Authority") and the Trustee. Repayment of the Bonds is supported by, among other things, the obligations owing pursuant to (i) that certain Master Indenture of Trust, dated as of December 1, 2001 (as amended and supplemented, the "Master Indenture") among the Daughters of Charity Health System (the predecessor to debtor, Verity Health System of California, Inc., referred to herein as the "System"), the System affiliates listed in the Master Indenture (collectively, with the System, the "Obligated Group"), and the Trustee, (ii) certain Loan Agreements, each dated as of February 1, 2005 (collectively, the "Loan Agreement"), between the Authority and the System, and (iii) various other documents evidencing and securing the Bonds (collectively with the Bond Indenture, Master Indenture, and Loan Agreements, the "Bond Documents"). The debtor named on the Proof of Claim to which this addendum is attached (the "Debtor") is a member of the Obligated Group.

The Trustee submits this addendum to its Proof of Claim against the Debtor. As of the Petition Date (defined below), the claims described herein (the "Bond Claim") against the Debtor totaled not less than \$261,897,375.00. As noted below, the Trustee reserves the right to amend this claim.

Basis for and Documents Supporting the Bond Claim

The Bond Claim is based on, among other things, the Debtor's agreement, as a member of the Obligated Group, to borrow proceeds of the issuance of the Bonds, and to make payments of associated principal, interest and other costs, fees and expenses. Upon information and belief, the Debtor has copies of the Bond Documents. Pursuant to the *Order Establishing Bar Date for Filing Proofs of Claim* [Docket No. 1528] ¹ (the "Bar Date Order"), the Trustee has been excused from attaching herewith copies of the Bond Documents or other referenced documents evidencing and/or securing the Bond Claim. Upon written request by the Debtor to counsel to the Trustee at the address included in this Proof of Claim, the Trustee will make available copies of any of the Bond Documents.

Amount of the Bond Claim

The Debtor commenced its bankruptcy case on August 31, 2018 (the "<u>Petition Date</u>"). The liquidated amounts owing by the Debtor to the Trustee on account of the Bond Claim as of the Petition Date totaled not less than \$261,897,375.00, comprised of the following principal and interest then due on the Bonds:

Maturity Date of Bonds	Principal Outstanding	Interest Rate	Interest Outstanding	Total Amount Outstanding
7/1/2022	\$8,825,000.00	5.500%	\$80,895.83	\$8,905,895.83
7/1/2024	\$32,885,000.00	5.750%	\$315,147.92	\$33,200,147.92
7/1/2025	\$8,005,000.00	5.750%	\$76,714.58	\$8,081,714.58
7/1/2030	\$64,490,000.00	5.750%	\$618,029.17	\$65,108,029.17
7/1/2035	\$72,530,000.00	5.750%	\$695,079.17	\$73,225,079.17
7/1/2039	\$72,710,000.00	5.500%	\$666,508.33	\$73,376,508.33
	\$259,445,000.00		\$2,452,375.00	\$261,897,375.00

¹ References to docket numbers herein shall refer to entries docketed in Lead Case No. 18-20151 in the jointly administered proceedings of *In re Verity Health System of California, Inc., et al.*

In addition to the foregoing principal and interest, which interest continues to accrue to the date of full payment of all principal amounts due and owing under the Bonds, the Trustee also asserts claims, whether currently liquidated or unliquidated, for all now existing or hereafter arising (i) unpaid fees and expenses of the Trustee and its professionals incurred prior to, and subsequent to the Petition Date, as such amounts are provided for under the Bond Documents, (ii) any damages or losses that the Trustee or the holders of the Bonds may suffer as a result of the Debtor's breach of the Bond Documents, including any breach of the indemnity obligations in the Bond Documents, (iii) any claims that may exist against the Debtor related to the issuance of the Bonds, and (iv) any claims that may arise pursuant to that certain *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* [Docket No. 409] (the "Final DIP Order"), including administrative, priority and super-priority claims pursuant to, inter alia, Bankruptcy Code §§ 503(b)(1), 506(b), 507(a)(2).

Pursuant to the Final DIP Order, the Court has allowed the Bond Claim.

Security and Collateral

The Bond Claim is secured, *inter alia*, by the liens described in the Bond Documents, the liens described or granted in the Final DIP Order, and any now existing or hereafter arising rights of setoff and recoupment. The Bond Documents include deeds of trust encumbering the Debtor's real estate that have been recorded, and filed financing statements listing certain of the Debtor's personal property.

As of the Petition Date, the Trustee held various funds in trust for repayment of the Bond Claim, which are not property of the Debtor's bankruptcy estate. To the extent, if any, that such funds are not held in trust, the Trustee holds a validly perfected security interest in such funds.

Additional Terms and Conditions

Holders of the Bonds in their individual capacities may have their own, separate claims against the Debtor that are not included in this Proof of Claim, and this Proof of Claim shall not be deemed or construed as a description, limitation, substitution or waiver of any rights of such holders with respect to such separate claims. Pursuant to Federal Rule of Bankruptcy Procedure 3003(c)(5), the terms of the Bond Documents, and paragraph 8 of the Bar Date Order, the Trustee has filed this Proof of Claim on behalf of all known or unknown holders of the Bonds, and the record or beneficial owners of Bonds are not required to file proofs of claim with respect to the Bond Claim.

The Trustee expressly reserves its right to amend or supplement this Proof of Claim (including, but not limited to, for purposes of liquidating the amount of interest or additional fees, costs, and expenses referred to herein) at any time and in any respect.

This Proof of Claim is made without prejudice to the filing by the Trustee of additional proofs of claim with respect to any other indebtedness or liability of the Debtor to the Trustee, including, but not limited to any claim arising from any judgment entered in connection with the Bond Documents. The Trustee reserves all rights as to the nature, characterization and substance of the Bond Documents. The Trustee reserves all rights and claims against all third parties.

The Trustee, for itself and on behalf of each holder of the Bonds, expressly reserves all rights accruing to it, and the execution and filing of this Proof of Claim is not and shall not be deemed: (a) an election of remedies; (b) a waiver of any rights or remedies of the Trustee under

any agreement or applicable law; (c) a waiver of any right to assert that all or any portion of the Bond Claim constitutes an administrative expense claim, an unsecured claim, or a priority claim in this bankruptcy case; (d) a waiver of any rights pursuant to 11 U.S.C. § 506(b); (e) a consent to the jurisdiction of the Bankruptcy Court with respect to any proceeding commenced in this bankruptcy case against or otherwise involving the Trustee or holders of the Bonds; (f) a waiver of any immunity; (g) a waiver of the right to withdraw the reference, contest the treatment of any non-core claim against it as a core claim, or otherwise to challenge the jurisdiction of the Bankruptcy Court with respect to the subject matter of the Bond Claim, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this bankruptcy case against or otherwise involving the Trustee or any holder of the Bonds; (h) a waiver of any right of subordination in favor of the Trustee, any holder of the Bonds, or liens held by creditors of any of the Debtor; (i) a waiver or release of any right to trial by jury, or a consent to a trial by jury in the Bankruptcy Court or any other court; (i) an admission that any matter is a core matter or is a matter as to which the Bankruptcy Court can enter a final judgment, a right to have final orders entered in non-core matters only after a de novo review by the District Court, or a consent to the entry by the Bankruptcy Court of a final judgment with respect to the Bond Claim or any other matter; (k) a waiver of any claim or right against any other creditor arising under the bankruptcy case or otherwise; and/or (1) a waiver of any right related to any plan(s) of reorganization or liquidation proposed in this bankruptcy case.

The Trustee, for itself and on behalf of each holder of the Bonds, specifically reserves all of its defenses and rights, procedural and substantive, including, without limitation, its defenses and rights with respect to any claim that may be asserted against the Trustee or any of its affiliates, by the Debtor or any other party.

Indicate Debtor against which you assert a claim by checking	the appropriate box below. (Check only one Debtor per claim form.)
□ Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	☐ St. Louise Regional Hospital (Case No.18-20162)
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)
☐ O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)
☐ O'Connor Hospital Foundation (Case No. 18-20179)	☐ St. Vincent Medical Center (Case No. 18-20164)
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)
☐ Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)
☐ Selon Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)
St. Francis Medical Center (Case No. 18-20165)	

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

P	Identify the Clair	m							
1.	Who is the current	Wells Fargo B	ank, National Associati	on, as Trustee					
	creditor?	Name of the current creditor (the person or entity to be paid for this claim)							
		Other names the c	reditor used with the debtor						
2.	Has this claim been acquired from someone else?	X No							
		Yes. Fro	m whom?						
3.	Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should i	notices to the creditor be	sent?	Where should payments to the creditor be sent? (if different)				
		Daniel S. Bled	ck. Esa.		Corbin B. Co	onnell			
		Name	7	_	Name				
		One Fin	ancial Center		600 S. 4th Street, 6th Floor				
		Number Stre	70	62170		lreet			
		Boston	MA	02111	Minneapolis		55479		
		City USA	State	ZIP Code	City USA	State	ZIP Code		
		Country			Country				
		Contact phone	617.542.6000		Contact phone	612.667.4076			
		Contact email	OSBleck@mintz.com		Contact email	Corbin.B.Cannell@we	llsfargo.com		
		Uniform claim iden	tifier for electronic payments in	chapter 13 (if you us	se one):				
4.	Does this claim	X No							
	amend one already filed?	Yes, Cla	im number on court claims	registry (if known)		Filed on	DD / YYYY		
5.	Do you know if	X No							
	anyone else has filed a proof of claim for this claim?	Yes. Who	made the earlier filing?						

	Oo you have any number	⊠ No						
	you use to identify the debtor?	Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:						
	How much is the claim?	\$ See addendum						
		Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).						
	What is the basis of the	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.						
	claim?	Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).						
		Limit disclosing information that is entitled to privacy, such as health care information.						
		See addendum.						
	Is all or part of the claim secured?	□ No						
		X Yes. The claim is secured by a lien on property.						
		Nature of property:						
		Real estate: If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A) with this Proof of Claim.						
		Motor vehicle						
		X Other. Describe: See addendum.						
		Basis for perfection: See addendum.						
		Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)						
		Value of property: \$See addendum.						
		Amount of the claim that is secured: \$See addendum.						
		Amount of the claim that is unsecured: \$See addendum. (The sum of the secured and unsecured amount should match the amount in line						
		Amount necessary to cure any default as of the date of the petition: \$See addendum.						
		Annual Interest Rate (when case was filed) various % (see addendum) X Fixed						
		☐ Variable						
,	. Is this claim based on a lease?	X No						
		Yes. Amount necessary to cure any default as of the date of the petition.						
	. Is this claim subject to a							
1	right of setoff?	X No						

2. Is all or part of the claim entitled to priority under		lo				A	entitled to priority	
11 U.S.C. § 507(a)?	XY	es. Check all that apply:				Amount	entitled to priority	
A claim may be partly priority and partly nonpriority. For example,	C	Domestic support oblig 11 U.S.C. § 507(a)(1)(ling alimony and child sup i).	port) under	\$		
in some categories, the law limits the amount	Ţ			urchase, lease, or rental usehold use. 11 U.S.C. §		\$		
entilled to priority.	[Wages, salaries, or co days before the bankr whichever is earlier. 1	uptcy petition	up to \$12,850*) earned w is filed or the debtor's bu 7(a)(4).	ithin 180 usiness ends,	\$		
		Taxes or penalties ow	ed to governm	nental units. 11 U.S.C. § 5	07(a)(8).	\$		
	Ē	Contributions to an er	nployee bene	fit plan. 11 U.S.C. § 507(a)(5).	\$		
				S.C. § 507(a)() that app		\$ See a	ddendum.	
	*			/19 and every 3 years after th		on or after th	e date of adjustment.	
Part 3: Sign Below								
The person completing	Check th	ne appropriate box:						
his proof of claim must sign and date it.	1000	n the creditor.						
RBP 9011(b).	☐ lar	n the creditor's attorney o	r authorized a	gent.				
f you file this claim	I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.							
electronically, FRBP 5005(a)(2) authorizes courts o establish local rules specifying what a signature	I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.							
S.	I understand that an authorized signature on this Proof of Claim serves as an acknowledgement that when calculating							
A person who files a fraudulent claim could be fined up to \$500,000,	the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.							
imprisoned for up to 5 years, or both.	I have examined the information in this Proof of Claim and have reasonable belief that the information is true and correct							
18 U.S.C. §§ 152, 157, and 3571.	I declare under penalty of perjury that the foregoing is true and correct.							
3371.	03/28/2019							
	Way Fango Bank, N. A., as toustee							
	Were	Fanyo TSANK, A	J. A., as 7	moter				
	1	1 30	11	100	1 .			
	hy (on >		, 15 V. 2. aus	deal			
	Sign	ature						
	Print the	e name of the person wi	no is comple	ting and signing this cla	im:			
		Corbin		В.	Can	nell		
	Name	First name		Middle name	Last	7 Z.A.	-	
	Title Vice President							
	Company			Trust Services				
		Identify the corpo	rate servicer as	the company if the authorized	agent is a servicer	•		
		600	Q Alb Ch	eet 6th Floor				
	Address	600 Number	S. 4th Str	eet, 6th Floor				
		Minneapolis		MN	55479	9	USA	
		City		State	ZIP Co		Country	
	Contact p	612.667.407	76		Email Corb	in.B.Canne	ell@wellsfargo.c	

Addendum to Proof of Claim: Claim of Wells Fargo Bank, National Association, as Trustee

Wells Fargo Bank, National Association, serves as trustee (the "Trustee") for bonds (the "Bonds") issued pursuant to certain Bond Indentures, each dated as of February 1, 2005 (collectively, as amended and supplemented, the "Bond Indenture"), between the California Statewide Communities Development Authority (the "Authority") and the Trustee. Repayment of the Bonds is supported by, among other things, the obligations owing pursuant to (i) that certain Master Indenture of Trust, dated as of December 1, 2001 (as amended and supplemented, the "Master Indenture") among the Daughters of Charity Health System (the predecessor to debtor, Verity Health System of California, Inc., referred to herein as the "System"), the System affiliates listed in the Master Indenture (collectively, with the System, the "Obligated Group"), and the Trustee, (ii) certain Loan Agreements, each dated as of February 1, 2005 (collectively, the "Loan Agreement"), between the Authority and the System, and (iii) various other documents evidencing and securing the Bonds (collectively with the Bond Indenture, Master Indenture, and Loan Agreements, the "Bond Documents"). The debtor named on the Proof of Claim to which this addendum is attached (the "Debtor") is a member of the Obligated Group.

The Trustee submits this addendum to its Proof of Claim against the Debtor. As of the Petition Date (defined below), the claims described herein (the "Bond Claim") against the Debtor totaled not less than \$261,897,375.00. As noted below, the Trustee reserves the right to amend this claim.

Basis for and Documents Supporting the Bond Claim

The Bond Claim is based on, among other things, the Debtor's agreement, as a member of the Obligated Group, to borrow proceeds of the issuance of the Bonds, and to make payments of associated principal, interest and other costs, fees and expenses. Upon information and belief, the Debtor has copies of the Bond Documents. Pursuant to the *Order Establishing Bar Date for Filing Proofs of Claim* [Docket No. 1528] ¹ (the "Bar Date Order"), the Trustee has been excused from attaching herewith copies of the Bond Documents or other referenced documents evidencing and/or securing the Bond Claim. Upon written request by the Debtor to counsel to the Trustee at the address included in this Proof of Claim, the Trustee will make available copies of any of the Bond Documents.

Amount of the Bond Claim

The Debtor commenced its bankruptcy case on August 31, 2018 (the "<u>Petition Date</u>"). The liquidated amounts owing by the Debtor to the Trustee on account of the Bond Claim as of the Petition Date totaled not less than \$261,897,375.00, comprised of the following principal and interest then due on the Bonds:

Maturity Date of Bonds	Principal Outstanding	Interest Rate	Interest Outstanding	Total Amount Outstanding	
7/1/2022	\$8,825,000.00	5.500%	\$80,895.83	\$8,905,895.83	
7/1/2024	\$32,885,000.00	5.750%	\$315,147.92	\$33,200,147.92	
7/1/2025	\$8,005,000.00	5.750%	\$76,714.58	\$8,081,714.58	
7/1/2030	\$64,490,000.00	5.750%	\$618,029.17	\$65,108,029.17	
7/1/2035	\$72,530,000.00	5.750%	\$695,079.17	\$73,225,079.17	
7/1/2039	\$72,710,000.00	5.500%	\$666,508.33	\$73,376,508.33	
	\$259,445,000.00		\$2,452,375.00	\$261,897,375.00	

¹ References to docket numbers herein shall refer to entries docketed in Lead Case No. 18-20151 in the jointly administered proceedings of *In re Verity Health System of California, Inc., et al.*

In addition to the foregoing principal and interest, which interest continues to accrue to the date of full payment of all principal amounts due and owing under the Bonds, the Trustee also asserts claims, whether currently liquidated or unliquidated, for all now existing or hereafter arising (i) unpaid fees and expenses of the Trustee and its professionals incurred prior to, and subsequent to the Petition Date, as such amounts are provided for under the Bond Documents, (ii) any damages or losses that the Trustee or the holders of the Bonds may suffer as a result of the Debtor's breach of the Bond Documents, including any breach of the indemnity obligations in the Bond Documents, (iii) any claims that may exist against the Debtor related to the issuance of the Bonds, and (iv) any claims that may arise pursuant to that certain *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* [Docket No. 409] (the "Final DIP Order"), including administrative, priority and super-priority claims pursuant to, inter alia, Bankruptcy Code §§ 503(b)(1), 506(b), 507(a)(2).

Pursuant to the Final DIP Order, the Court has allowed the Bond Claim.

Security and Collateral

The Bond Claim is secured, *inter alia*, by the liens described in the Bond Documents, the liens described or granted in the Final DIP Order, and any now existing or hereafter arising rights of setoff and recoupment. The Bond Documents include deeds of trust encumbering the Debtor's real estate that have been recorded, and filed financing statements listing certain of the Debtor's personal property.

As of the Petition Date, the Trustee held various funds in trust for repayment of the Bond Claim, which are not property of the Debtor's bankruptcy estate. To the extent, if any, that such funds are not held in trust, the Trustee holds a validly perfected security interest in such funds.

Additional Terms and Conditions

Holders of the Bonds in their individual capacities may have their own, separate claims against the Debtor that are not included in this Proof of Claim, and this Proof of Claim shall not be deemed or construed as a description, limitation, substitution or waiver of any rights of such holders with respect to such separate claims. Pursuant to Federal Rule of Bankruptcy Procedure 3003(c)(5), the terms of the Bond Documents, and paragraph 8 of the Bar Date Order, the Trustee has filed this Proof of Claim on behalf of all known or unknown holders of the Bonds, and the record or beneficial owners of Bonds are not required to file proofs of claim with respect to the Bond Claim.

The Trustee expressly reserves its right to amend or supplement this Proof of Claim (including, but not limited to, for purposes of liquidating the amount of interest or additional fees, costs, and expenses referred to herein) at any time and in any respect.

This Proof of Claim is made without prejudice to the filing by the Trustee of additional proofs of claim with respect to any other indebtedness or liability of the Debtor to the Trustee, including, but not limited to any claim arising from any judgment entered in connection with the Bond Documents. The Trustee reserves all rights as to the nature, characterization and substance of the Bond Documents. The Trustee reserves all rights and claims against all third parties.

The Trustee, for itself and on behalf of each holder of the Bonds, expressly reserves all rights accruing to it, and the execution and filing of this Proof of Claim is not and shall not be deemed: (a) an election of remedies; (b) a waiver of any rights or remedies of the Trustee under

any agreement or applicable law; (c) a waiver of any right to assert that all or any portion of the Bond Claim constitutes an administrative expense claim, an unsecured claim, or a priority claim in this bankruptcy case; (d) a waiver of any rights pursuant to 11 U.S.C. § 506(b); (e) a consent to the jurisdiction of the Bankruptcy Court with respect to any proceeding commenced in this bankruptcy case against or otherwise involving the Trustee or holders of the Bonds; (f) a waiver of any immunity; (g) a waiver of the right to withdraw the reference, contest the treatment of any non-core claim against it as a core claim, or otherwise to challenge the jurisdiction of the Bankruptcy Court with respect to the subject matter of the Bond Claim, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this bankruptcy case against or otherwise involving the Trustee or any holder of the Bonds; (h) a waiver of any right of subordination in favor of the Trustee, any holder of the Bonds, or liens held by creditors of any of the Debtor; (i) a waiver or release of any right to trial by jury, or a consent to a trial by jury in the Bankruptcy Court or any other court; (i) an admission that any matter is a core matter or is a matter as to which the Bankruptcy Court can enter a final judgment, a right to have final orders entered in non-core matters only after a de novo review by the District Court, or a consent to the entry by the Bankruptcy Court of a final judgment with respect to the Bond Claim or any other matter; (k) a waiver of any claim or right against any other creditor arising under the bankruptcy case or otherwise; and/or (1) a waiver of any right related to any plan(s) of reorganization or liquidation proposed in this bankruptcy case.

The Trustee, for itself and on behalf of each holder of the Bonds, specifically reserves all of its defenses and rights, procedural and substantive, including, without limitation, its defenses and rights with respect to any claim that may be asserted against the Trustee or any of its affiliates, by the Debtor or any other party.

Indicate Debtor against which you assert a claim by checking the appropriate box below. (Check only one Debtor per claim form.)						
□ Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)					
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	☐ St. Louise Regional Hospital (Case No.18-20162)					
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)					
☐ O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)					
☐ O'Connor Hospital Foundation (Case No. 18-20179)	☐ St. Vincent Medical Center (Case No. 18-20164)					
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)					
Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)					
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)					
CL Econois Medical Contac (Cone No. 19 20165)	The first that the same of the					

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

Pa	art 1: Identify the Clai	m							
1.	Who is the current	Wells Fargo Bank, National Association, as Trustee Name of the current creditor (the person or entity to be paid for this claim)							
	creditor?								
		Other names the	e creditor used with the debtor						
2.	Has this claim been acquired from	X No							
	someone else?	Yes. F	From whom?						
3.	Where should notices and	Where should	d notices to the creditor be	sent?	Where shoul	d payments to the credit	or be sent? (if		
	payments to the	Daniel S. Bl	eck Esa		Corbin B. C	onnoll			
	creditor be sent?	Name	oun, coq.		Name	a nen			
			inancial Center			. 4th Street, 6th Floor			
	Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Number S	treet			treet	12.00.00		
		Boston	MA	02111	Minneapolis	MN	55479		
		City USA	State	ZIP Code	City	State	ZIP Code		
		Country	Telephone and a second		Country	Annahan senan			
		Contact phone	617.542.6000		Contact phone	612.667.4076			
		Contact email	DSBleck@mintz.com		Contact email	Corbin.B.Connell@we	ellsfargo.com		
		Uniform claim identifier for electronic payments in chapter 13 (if you use one):							
4.	Does this claim amend one already	X No							
	filed?	Yes. C	Claim number on court claims	registry (if known)	Filed on	DD / YYYY		
5.	Do you know if anyone else has filed	X No							
	a proof of claim for this claim?	Yes. Who	o made the earlier filing? _						



Case 2:18-bk-20167-ER Claim 74-1 Filed 04/01/19 Desc Main Document Page 2 of 8

		X No						
	you use to identify the debtor?	Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:						
	How much is the claim?	\$ See addendum. Does this amount include interest or other charges? No						
		Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).						
	What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.						
	Ciaiiii	Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).						
		Limit disclosing information that is entitled to privacy, such as health care information.						
		See addendum.						
	Is all or part of the claim secured?	□ No						
		Yes. The claim is secured by a lien on property.						
		Nature of property:						
		Real estate: If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A) with this Proof of Claim.						
		☐ Motor vehicle						
		X Other, Describe; See addendum.						
		Basis for perfection: See addendum.						
		Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)						
		Value of property: \$See addendum.						
		Amount of the claim that is secured: \$See addendum.						
		Amount of the claim that is unsecured: \$See addendum. (The sum of the secured and unsecured amount should match the amount in line						
		Amount necessary to cure any default as of the date of the petition: \$See addendum.						
		Annual Interest Rate (when case was filed) various % (see addendum) X Fixed						
		☐ Variable						
	Is this claim based on a	⊠ No						
	lease?	Yes. Amount necessary to cure any default as of the date of the petition.						
	Is this claim subject to a	▼ No						
right of setoff?		Yes. Identify the property:						

Case 2:18-bk-20167-ER Claim 74-1 Filed 04/01/19 Desc Main Document Page 3 of 8

		City	State	ZIP Code	e Country			
		THE PROPERTY OF THE PARTY OF TH	1411.4	00110	3071			
		Minneapolis	MN	55479	USA			
	Address		6. 4th Street, 6th Floor					
		600 6	2 Ath Street 6th Floor					
	Company		orporate Trust Services servicer as the company if the autho	nized agent is a servicer.				
	Title	Vice President						
	134110	First name	Middle name	Last na	ame			
	Name	Corbin	В.	Cann	ell			
	0	e of the person who i	s completing and signing this	s claim:				
	Signature	236v	U, is Vice Pre	7,2nd.				
	Wers Fan	go Bruke, N.A.	as Trustes					
	Executed on d	Wars Faryo Bruk, N.A., as Trustes						
years, or both. 18 U.S.C. §§ 152, 157, and 3571.	52, 157, and I declare under	I declare under penalty of perjury that the foregoing is true and correct.						
fined up to \$500,000, imprisoned for up to 5	00,000, r up to 5 I have examine	the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt. I have examined the information in this <i>Proof of Claim</i> and have reasonable belief that the information is true and correct.						
A person who files a fraudulent claim could be			ture on this <i>Proof of Claim</i> serv					
to establish local rules specifying what a signature is.	al rules 🔲 Iam a gu	I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.						
If you file this claim electronically, FRBP 5005(a)(2) authorizes courts	RBP I am the t	I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.						
sign and date it. FRBP 9011(b).	m. <u> </u>	I am the creditor. I am the creditor's attorney or authorized agent.						
The person completing this proof of claim must	laim must							
Part 3: Sign Below	Below							
	* Amou	ints are subject to adjustm	ent on 4/01/19 and every 3 years at	fler that for cases begun	on or after the date of adjustment.			
	X Ott	ner. Specify subsection	n of 11 U.S.C. § 507(a)() tha	at applies.	\$ See addendum.			
			to governmental units. 11 U.S.C oyee benefit plan. 11 U.S.C. §	200	\$			
	da wh	ys before the bankrup ichever is earlier. 11 L	tcy petition is filed or the debto J.S.C. § 507(a)(4).	r's business ends,	\$			
entitled to priority.	riority.		nily, or household use. 11 U.S. missions (up to \$12,850*) earn		\$			
nonpriority. For example, in some categories, the	For example, egories, the Up	to \$2,850* of deposits	s toward purchase, lease, or re		5			
A claim may be partly priority and partly			nestic support obligations (including alimony and child support) under					
11 U.S.C. § 507(a)?	F07/-\0	heck all that apply:			Amount entitled to priority			
A claim may be partly priority and partly nonpriority. For example,	priority under 507(a)? Yes. C. y be partly partly For example, egories, the Up	mestic support obligati U.S.C. § 507(a)(1)(A) to \$2,850* of deposits	or (a)(1)(B). s toward purchase, lease, or re	ental of property or	Amount entitled to			

Addendum to Proof of Claim: Claim of Wells Fargo Bank, National Association, as Trustee

Wells Fargo Bank, National Association, serves as trustee (the "Trustee") for bonds (the "Bonds") issued pursuant to certain Bond Indentures, each dated as of February 1, 2005 (collectively, as amended and supplemented, the "Bond Indenture"), between the California Statewide Communities Development Authority (the "Authority") and the Trustee. Repayment of the Bonds is supported by, among other things, the obligations owing pursuant to (i) that certain Master Indenture of Trust, dated as of December 1, 2001 (as amended and supplemented, the "Master Indenture") among the Daughters of Charity Health System (the predecessor to debtor, Verity Health System of California, Inc., referred to herein as the "System"), the System affiliates listed in the Master Indenture (collectively, with the System, the "Obligated Group"), and the Trustee, (ii) certain Loan Agreements, each dated as of February 1, 2005 (collectively, the "Loan Agreement"), between the Authority and the System, and (iii) various other documents evidencing and securing the Bonds (collectively with the Bond Indenture, Master Indenture, and Loan Agreements, the "Bond Documents"). The debtor named on the Proof of Claim to which this addendum is attached (the "Debtor") is a member of the Obligated Group.

The Trustee submits this addendum to its Proof of Claim against the Debtor. As of the Petition Date (defined below), the claims described herein (the "Bond Claim") against the Debtor totaled not less than \$261,897,375.00. As noted below, the Trustee reserves the right to amend this claim.

Basis for and Documents Supporting the Bond Claim

The Bond Claim is based on, among other things, the Debtor's agreement, as a member of the Obligated Group, to borrow proceeds of the issuance of the Bonds, and to make payments of associated principal, interest and other costs, fees and expenses. Upon information and belief, the Debtor has copies of the Bond Documents. Pursuant to the *Order Establishing Bar Date for Filing Proofs of Claim* [Docket No. 1528] ¹ (the "Bar Date Order"), the Trustee has been excused from attaching herewith copies of the Bond Documents or other referenced documents evidencing and/or securing the Bond Claim. Upon written request by the Debtor to counsel to the Trustee at the address included in this Proof of Claim, the Trustee will make available copies of any of the Bond Documents.

Amount of the Bond Claim

The Debtor commenced its bankruptcy case on August 31, 2018 (the "<u>Petition Date</u>"). The liquidated amounts owing by the Debtor to the Trustee on account of the Bond Claim as of the Petition Date totaled not less than \$261,897,375.00, comprised of the following principal and interest then due on the Bonds:

Maturity Date of Bonds	Principal Outstanding	Interest Rate	Interest Outstanding	Total Amount Outstanding	
7/1/2022	\$8,825,000.00	5.500%	\$80,895.83	\$8,905,895.83	
7/1/2024	\$32,885,000.00	5.750%	\$315,147.92	\$33,200,147.92	
7/1/2025	\$8,005,000.00	5.750%	\$76,714.58	\$8,081,714.58	
7/1/2030	\$64,490,000.00	5.750%	\$618,029.17	\$65,108,029.17	
7/1/2035	\$72,530,000.00	5.750%	\$695,079.17	\$73,225,079.17	
7/1/2039	\$72,710,000.00	5.500%	\$666,508.33	\$73,376,508.33	
	\$259,445,000.00		\$2,452,375.00	\$261,897,375.00	

¹ References to docket numbers herein shall refer to entries docketed in Lead Case No. 18-20151 in the jointly administered proceedings of *In re Verity Health System of California, Inc., et al.*

In addition to the foregoing principal and interest, which interest continues to accrue to the date of full payment of all principal amounts due and owing under the Bonds, the Trustee also asserts claims, whether currently liquidated or unliquidated, for all now existing or hereafter arising (i) unpaid fees and expenses of the Trustee and its professionals incurred prior to, and subsequent to the Petition Date, as such amounts are provided for under the Bond Documents, (ii) any damages or losses that the Trustee or the holders of the Bonds may suffer as a result of the Debtor's breach of the Bond Documents, including any breach of the indemnity obligations in the Bond Documents, (iii) any claims that may exist against the Debtor related to the issuance of the Bonds, and (iv) any claims that may arise pursuant to that certain *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* [Docket No. 409] (the "Final DIP Order"), including administrative, priority and super-priority claims pursuant to, inter alia, Bankruptcy Code §§ 503(b)(1), 506(b), 507(a)(2).

Pursuant to the Final DIP Order, the Court has allowed the Bond Claim.

Security and Collateral

The Bond Claim is secured, *inter alia*, by the liens described in the Bond Documents, the liens described or granted in the Final DIP Order, and any now existing or hereafter arising rights of setoff and recoupment. The Bond Documents include deeds of trust encumbering the Debtor's real estate that have been recorded, and filed financing statements listing certain of the Debtor's personal property.

As of the Petition Date, the Trustee held various funds in trust for repayment of the Bond Claim, which are not property of the Debtor's bankruptcy estate. To the extent, if any, that such funds are not held in trust, the Trustee holds a validly perfected security interest in such funds.

Additional Terms and Conditions

Holders of the Bonds in their individual capacities may have their own, separate claims against the Debtor that are not included in this Proof of Claim, and this Proof of Claim shall not be deemed or construed as a description, limitation, substitution or waiver of any rights of such holders with respect to such separate claims. Pursuant to Federal Rule of Bankruptcy Procedure 3003(c)(5), the terms of the Bond Documents, and paragraph 8 of the Bar Date Order, the Trustee has filed this Proof of Claim on behalf of all known or unknown holders of the Bonds, and the record or beneficial owners of Bonds are not required to file proofs of claim with respect to the Bond Claim.

The Trustee expressly reserves its right to amend or supplement this Proof of Claim (including, but not limited to, for purposes of liquidating the amount of interest or additional fees, costs, and expenses referred to herein) at any time and in any respect.

This Proof of Claim is made without prejudice to the filing by the Trustee of additional proofs of claim with respect to any other indebtedness or liability of the Debtor to the Trustee, including, but not limited to any claim arising from any judgment entered in connection with the Bond Documents. The Trustee reserves all rights as to the nature, characterization and substance of the Bond Documents. The Trustee reserves all rights and claims against all third parties.

The Trustee, for itself and on behalf of each holder of the Bonds, expressly reserves all rights accruing to it, and the execution and filing of this Proof of Claim is not and shall not be deemed: (a) an election of remedies; (b) a waiver of any rights or remedies of the Trustee under

any agreement or applicable law; (c) a waiver of any right to assert that all or any portion of the Bond Claim constitutes an administrative expense claim, an unsecured claim, or a priority claim in this bankruptcy case; (d) a waiver of any rights pursuant to 11 U.S.C. § 506(b); (e) a consent to the jurisdiction of the Bankruptcy Court with respect to any proceeding commenced in this bankruptcy case against or otherwise involving the Trustee or holders of the Bonds; (f) a waiver of any immunity; (g) a waiver of the right to withdraw the reference, contest the treatment of any non-core claim against it as a core claim, or otherwise to challenge the jurisdiction of the Bankruptcy Court with respect to the subject matter of the Bond Claim, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this bankruptcy case against or otherwise involving the Trustee or any holder of the Bonds; (h) a waiver of any right of subordination in favor of the Trustee, any holder of the Bonds, or liens held by creditors of any of the Debtor; (i) a waiver or release of any right to trial by jury, or a consent to a trial by jury in the Bankruptcy Court or any other court; (j) an admission that any matter is a core matter or is a matter as to which the Bankruptcy Court can enter a final judgment, a right to have final orders entered in non-core matters only after a de novo review by the District Court, or a consent to the entry by the Bankruptcy Court of a final judgment with respect to the Bond Claim or any other matter; (k) a waiver of any claim or right against any other creditor arising under the bankruptcy case or otherwise; and/or (1) a waiver of any right related to any plan(s) of reorganization or liquidation proposed in this bankruptcy case.

The Trustee, for itself and on behalf of each holder of the Bonds, specifically reserves all of its defenses and rights, procedural and substantive, including, without limitation, its defenses and rights with respect to any claim that may be asserted against the Trustee or any of its affiliates, by the Debtor or any other party.

OO	 Ciaiiii	55	_	•	
					Ot 8

Indicate Debtor against which you assert a claim by checking	the appropriate box below. (Check only one Debtor per claim form.)
□ Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	☐ St. Louise Regional Hospital (Case No.18-20162)
De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)
O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)
☐ O'Connor Hospital Foundation (Case No. 18-20179)	☐ St. Vincent Medical Center (Case No. 18-20164)
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verily Business Services (Case No. 18-20173)
☐ Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)
☐ St. Francis Medical Center (Case No. 18-20165)	

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available,

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

Pa	art 1: Identify the Clai	m							
1.	Who is the current creditor?	Wells Fargo Bank, National Association, as Trustee Name of the current creditor (the person or entity to be paid for this claim)							
	creditor?								
		Other names the o	creditor used with the debtor						
2.	Has this claim been acquired from	X No							
	someone else?	Yes. Fro	om whom?						
3,	Where should notices and	Where should	notices to the creditor be	sent?	Where should	Where should payments to the creditor be sent? (if			
	payments to the	Daniel S. Bled	ck, Esq.		Corbin B. Co	mnell			
	creditor be sent?	Name			Name 600 S. 4th Street, 6th Floor				
	Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	One Fin	ancial Center						
		Number Stre		00444	11.41114.41	treet	55.170		
		Boston	MA State	02111 ZIP Code	Minneapolis City	MN State	55479 ZIP Code		
		USA	Giate	ZIF Code	USA	Siale	ZIF Code		
		Country	. * C F C - 9 L		Country	A CHARLES THE			
		Contact phone	617.542.6000		Contact phone	612.667.4076			
		Contact email	DSBleck@mintz.com		Contact email	Corbin.B.Connell@we	ellsfargo.com		
		Uniform claim identifier for electronic payments in chapter 13 (if you use one):							
4.	Does this claim	X No							
	amend one already filed?	Yes. Cla	aim number on court claims	registry (if known)		Filed on	DD / YYYY		
5.	Do you know if	X No							
	anyone else has filed a proof of claim for this claim?	Yes. Who	made the earlier filing?						



Case 2:18-bk-20168-ER Claim 99-1 Filed 04/01/19 Desc Main Document Page 2 of 8

3.		☑ No						
	you use to identify the debtor?	Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:						
	How much is the claim?	\$ See addendum. Does this amount include interest or other charges? No						
		Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).						
	What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.						
	Gianni	Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).						
		Limit disclosing information that is entitled to privacy, such as health care information.						
		See addendum.						
	Is all or part of the claim	□ No						
	secured?	X Yes. The claim is secured by a lien on property.						
		Nature of property:						
		Real estate: If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A) with this Proof of Claim.						
		Motor vehicle						
		Other, Describe: See addendum.						
		Basis for perfection: See addendum.						
		Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)						
		Value of property: \$See addendum.						
		Amount of the claim that is secured: \$See addendum.						
		Amount of the claim that is unsecured: \$See addendum. (The sum of the secured and unsecured amount should match the amount in line)						
		Amount necessary to cure any default as of the date of the petition: \$See addendum.						
		Annual Interest Rate (when case was filed) various % (see addendum) Fixed						
		☐ Variable						
).	Is this claim based on a	X No						
	lease?	Yes. Amount necessary to cure any default as of the date of the petition.						
	Is this claim subject to a	∑ No						
	right of setoff?	Yes, Identify the property:						

Case 2:18-bk-20168-ER Claim 99-1 Filed 04/01/19 Desc Main Document Page 3 of 8

12. Is all or part of the claim entitled to priority under		No						
11 U.S.C. § 507(a)?	X	Yes. Che	ck all that apply:				Amoun	entitled to priority
A claim may be partly priority and partly		Dom 11 U	nestic support obligations (including alimony and child support) under J.S.C. § 507(a)(1)(A) or (a)(1)(B).			\$		
nonpriority. For example, in some categories, the law limits the amount		Up to servi	\$2,850* of depo	sits toward p	urchase, lease, or renta usehold use. 11 U.S.C. §	of property or 507(a)(7).	\$	
entilled to priority.		days		uptcy petition	up to \$12,850*) earned on is filed or the debtor's b		\$	
					nental units. 11 U.S.C. §	507(a)(8)	\$	
					fit plan. 11 U.S.C. § 507		\$	
							Ψ See	addendum.
					S.C. § 507(a)() that ap		Ψ	
		* Amount	s are subject to adju	stment on 4/01/	19 and every 3 years after t	hat for cases begui	n on or after t	he date of adjustment.
Part 3: Sign Below								
The person completing	Check	the appro	priate box:					
this proof of claim must sign and date it.	X	am the cre	editor.					
FRBP 9011(b).		am the cre	editor's attorney or	authorized a	gent.			
If you file this claim electronically, FRBP	I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.							
5005(a)(2) authorizes courts to establish local rules	I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.							
specifying what a signature is.								
A person who files a fraudulent claim could be fined up to \$500,000,	I understand that an authorized signature on this <i>Proof of Claim</i> serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.							
imprisoned for up to 5 years, or both.	I have examined the information in this <i>Proof of Claim</i> and have reasonable belief that the information is true and correct.							
18 U.S.C. §§ 152, 157, and 3571.	I declare under penalty of perjury that the foregoing is true and correct.							
	Was Fango Bank, N.A. jas Tous FEE							
	Ways	FANGO	BANK, N.A. ja	a Trust	66			
	1	1	70	11.	1 0-5			
	my s	ignature	~> \(\)	ity	Vice nasid	En		
	Print	the name	of the person wh	o is complet	ing and signing this cl	aim:		
	Name		Corbin		В.	Canr	nell	
	ranio		First name		Middle name	Last	name	
	Title		Vice Preside	nt				
	Compa	iny		THE PERSON NAMED IN COLUMN TWO	Frust Services			
			Identify the corpor	ale servicer as	the company if the authorized	d agent is a servicer		
			600	S 4th Str	eet, 6th Floor			
	Addres	s	Number	Street	500, 0011 1001			
			Minneapolis	201202	MN	55479	9	USA
			City		State	ZIP Co		Country
	Contac	t phone	612.667.407	6		Email Corb	in.B.Can	ell@wellsfargo.com

Addendum to Proof of Claim: Claim of Wells Fargo Bank, National Association, as Trustee

Wells Fargo Bank, National Association, serves as trustee (the "Trustee") for bonds (the "Bonds") issued pursuant to certain Bond Indentures, each dated as of February 1, 2005 (collectively, as amended and supplemented, the "Bond Indenture"), between the California Statewide Communities Development Authority (the "Authority") and the Trustee. Repayment of the Bonds is supported by, among other things, the obligations owing pursuant to (i) that certain Master Indenture of Trust, dated as of December 1, 2001 (as amended and supplemented, the "Master Indenture") among the Daughters of Charity Health System (the predecessor to debtor, Verity Health System of California, Inc., referred to herein as the "System"), the System affiliates listed in the Master Indenture (collectively, with the System, the "Obligated Group"), and the Trustee, (ii) certain Loan Agreements, each dated as of February 1, 2005 (collectively, the "Loan Agreement"), between the Authority and the System, and (iii) various other documents evidencing and securing the Bonds (collectively with the Bond Indenture, Master Indenture, and Loan Agreements, the "Bond Documents"). The debtor named on the Proof of Claim to which this addendum is attached (the "Debtor") is a member of the Obligated Group.

The Trustee submits this addendum to its Proof of Claim against the Debtor. As of the Petition Date (defined below), the claims described herein (the "Bond Claim") against the Debtor totaled not less than \$261,897,375.00. As noted below, the Trustee reserves the right to amend this claim.

Basis for and Documents Supporting the Bond Claim

The Bond Claim is based on, among other things, the Debtor's agreement, as a member of the Obligated Group, to borrow proceeds of the issuance of the Bonds, and to make payments of associated principal, interest and other costs, fees and expenses. Upon information and belief, the Debtor has copies of the Bond Documents. Pursuant to the *Order Establishing Bar Date for Filing Proofs of Claim* [Docket No. 1528] ¹ (the "Bar Date Order"), the Trustee has been excused from attaching herewith copies of the Bond Documents or other referenced documents evidencing and/or securing the Bond Claim. Upon written request by the Debtor to counsel to the Trustee at the address included in this Proof of Claim, the Trustee will make available copies of any of the Bond Documents.

Amount of the Bond Claim

The Debtor commenced its bankruptcy case on August 31, 2018 (the "<u>Petition Date</u>"). The liquidated amounts owing by the Debtor to the Trustee on account of the Bond Claim as of the Petition Date totaled not less than \$261,897,375.00, comprised of the following principal and interest then due on the Bonds:

Maturity Date of Bonds	Principal Outstanding	Interest Rate	Interest Outstanding	Total Amount Outstanding	
7/1/2022	\$8,825,000.00	5.500%	\$80,895.83	\$8,905,895.83	
7/1/2024	\$32,885,000.00	5.750%	\$315,147.92	\$33,200,147.92	
7/1/2025	\$8,005,000.00	5.750%	\$76,714.58	\$8,081,714.58	
7/1/2030	\$64,490,000.00	5.750%	\$618,029.17	\$65,108,029.17	
7/1/2035	\$72,530,000.00	5.750%	\$695,079.17	\$73,225,079.17	
7/1/2039	\$72,710,000.00	5.500%	\$666,508.33	\$73,376,508.33	
	\$259,445,000.00		\$2,452,375.00	\$261,897,375.00	

¹ References to docket numbers herein shall refer to entries docketed in Lead Case No. 18-20151 in the jointly administered proceedings of *In re Verity Health System of California, Inc., et al.*

In addition to the foregoing principal and interest, which interest continues to accrue to the date of full payment of all principal amounts due and owing under the Bonds, the Trustee also asserts claims, whether currently liquidated or unliquidated, for all now existing or hereafter arising (i) unpaid fees and expenses of the Trustee and its professionals incurred prior to, and subsequent to the Petition Date, as such amounts are provided for under the Bond Documents, (ii) any damages or losses that the Trustee or the holders of the Bonds may suffer as a result of the Debtor's breach of the Bond Documents, including any breach of the indemnity obligations in the Bond Documents, (iii) any claims that may exist against the Debtor related to the issuance of the Bonds, and (iv) any claims that may arise pursuant to that certain *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* [Docket No. 409] (the "Final DIP Order"), including administrative, priority and super-priority claims pursuant to, inter alia, Bankruptcy Code §§ 503(b)(1), 506(b), 507(a)(2).

Pursuant to the Final DIP Order, the Court has allowed the Bond Claim.

Security and Collateral

The Bond Claim is secured, *inter alia*, by the liens described in the Bond Documents, the liens described or granted in the Final DIP Order, and any now existing or hereafter arising rights of setoff and recoupment. The Bond Documents include deeds of trust encumbering the Debtor's real estate that have been recorded, and filed financing statements listing certain of the Debtor's personal property.

As of the Petition Date, the Trustee held various funds in trust for repayment of the Bond Claim, which are not property of the Debtor's bankruptcy estate. To the extent, if any, that such funds are not held in trust, the Trustee holds a validly perfected security interest in such funds.

Additional Terms and Conditions

Holders of the Bonds in their individual capacities may have their own, separate claims against the Debtor that are not included in this Proof of Claim, and this Proof of Claim shall not be deemed or construed as a description, limitation, substitution or waiver of any rights of such holders with respect to such separate claims. Pursuant to Federal Rule of Bankruptcy Procedure 3003(c)(5), the terms of the Bond Documents, and paragraph 8 of the Bar Date Order, the Trustee has filed this Proof of Claim on behalf of all known or unknown holders of the Bonds, and the record or beneficial owners of Bonds are not required to file proofs of claim with respect to the Bond Claim.

The Trustee expressly reserves its right to amend or supplement this Proof of Claim (including, but not limited to, for purposes of liquidating the amount of interest or additional fees, costs, and expenses referred to herein) at any time and in any respect.

This Proof of Claim is made without prejudice to the filing by the Trustee of additional proofs of claim with respect to any other indebtedness or liability of the Debtor to the Trustee, including, but not limited to any claim arising from any judgment entered in connection with the Bond Documents. The Trustee reserves all rights as to the nature, characterization and substance of the Bond Documents. The Trustee reserves all rights and claims against all third parties.

The Trustee, for itself and on behalf of each holder of the Bonds, expressly reserves all rights accruing to it, and the execution and filing of this Proof of Claim is not and shall not be deemed: (a) an election of remedies; (b) a waiver of any rights or remedies of the Trustee under

any agreement or applicable law; (c) a waiver of any right to assert that all or any portion of the Bond Claim constitutes an administrative expense claim, an unsecured claim, or a priority claim in this bankruptcy case; (d) a waiver of any rights pursuant to 11 U.S.C. § 506(b); (e) a consent to the jurisdiction of the Bankruptcy Court with respect to any proceeding commenced in this bankruptcy case against or otherwise involving the Trustee or holders of the Bonds; (f) a waiver of any immunity; (g) a waiver of the right to withdraw the reference, contest the treatment of any non-core claim against it as a core claim, or otherwise to challenge the jurisdiction of the Bankruptcy Court with respect to the subject matter of the Bond Claim, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this bankruptcy case against or otherwise involving the Trustee or any holder of the Bonds; (h) a waiver of any right of subordination in favor of the Trustee, any holder of the Bonds, or liens held by creditors of any of the Debtor; (i) a waiver or release of any right to trial by jury, or a consent to a trial by jury in the Bankruptcy Court or any other court; (j) an admission that any matter is a core matter or is a matter as to which the Bankruptcy Court can enter a final judgment, a right to have final orders entered in non-core matters only after a de novo review by the District Court, or a consent to the entry by the Bankruptcy Court of a final judgment with respect to the Bond Claim or any other matter; (k) a waiver of any claim or right against any other creditor arising under the bankruptcy case or otherwise; and/or (1) a waiver of any right related to any plan(s) of reorganization or liquidation proposed in this bankruptcy case.

The Trustee, for itself and on behalf of each holder of the Bonds, specifically reserves all of its defenses and rights, procedural and substantive, including, without limitation, its defenses and rights with respect to any claim that may be asserted against the Trustee or any of its affiliates, by the Debtor or any other party.

.Caseas42-1118-20012815R-ERClaiDo873634-3-ild-allad/20119/10 อะการ์ Add เมลา ค.ศ. Claim #6460 Date Filed: 4/1/2019

United States Bankruptcy Co	urt for the Central District of California						
Indicate Debtor against which you assert a claim by checking the appropriate box below. (Check only one Debtor per claim form.)							
☐ Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)						
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	☐ St. Louise Regional Hospital (Case No.18-20162)						
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)						
O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)						
☐ O'Connor Hospital Foundation (Case No. 18-20179)	☐ St. Vincent Medical Center (Case No. 18-20164)						
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)						
☐ Seton Medical Center (Case No. 18-20167)	□ Verity Holdings, ŁLC (Case No. 18-20163)						
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)						
☐ St. Francis Medical Center (Case No. 18-20165)							

Official Form 410

Proof of Claim

Official Form 410

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

☐ Date Stamped Copy Returned ☐ No self addressed stamped envelope

☐ No copy to return

1.	Who is the current creditor?	Name of the cur	N.A., as trustee rent creditor (the person or entit e creditor used with the debtor	•	,		
2.	Has this claim been acquired from someone else?	X No ☐ Yes. F	rom whom?				
not pay	Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent? Daniel S. Bleck			Where should payments to the creditor be sent? different) Virginia Housum, UMB Bank, N.A.		
	Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)		inancial Center reet MA State	02111 ZIP Code		South Sixth Street, treet MN State	55402
AF	PR 0 1 2019	Contact phone Contact email	617.542.6000 DSBleck@mintz.com	_	Contact phone Contact email	612.337.7003 Virginia.Housum	@umb.com
AN	CARSON CONSULTANTS	Uniform claim id	entifier for electronic payments i	n chapter 13 (if you us	,		
4.	Does this claim amend one already filed?	No Yes. C	laim number on court claims	s registry (if known)		Filed on	1 / DD / YYYY
5.	Do you know if anyone else has filed a proof of claim for this claim?	X No Yes. Who	o made the earlier filing?				

Proof of Clain

page 1

1820168190401000000000032

Case 25:4:22-11/8-200425815R-ERClaiDro 8:736-34-3File file 6/22/19/19De fin 14:4:4:4:10 dd d1/21/20/19/19 of Desc Exhibit 3 9Page 258 of 310

P	art 2: Give Information Abo	the Claim as of the Date the Case Was Filed
6.	Do you have any number	X No
	you use to identify the debtor?	Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:
7.	How much is the claim?	See addendum. Does this amount include interest or other charges? No
		Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
8.	What is the basis of the claim?	xamples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.
	Ciaiiii	ttach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
		mit disclosing information that is entitled to privacy, such as health care information.
		ee addendum.
9.	Is all or part of the claim	□ No
	secured?	Yes. The claim is secured by a lien on property.
		Nature of property:
		Real estate: If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A) with this Proof of Claim.
		Motor vehicle
		X Other, Describe: See addendum.
		Basis for perfection: See addendum.
		Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)
		Value of property: \$See addendum.
		Amount of the claim that is secured: \$See addendum.
		Amount of the claim that is unsecured: \$\frac{\text{See} addendum.}{\text{amount should match the amount in line 7.}}\$
	RECEIVED	Amount necessary to cure any default as of the date of the petition: \$See addendum.
	APR 0 1 2019	Annual Interest Rate (when case was filed) various % (see addendum)
	KURTZWANCARSONCOWSUI	
10.	Is this claim based on a lease?	No Yes. Amount necessary to cure any default as of the date of the petition. \$
11.	Is this claim subject to a right of setoff?	No Yes. Identify the property:

Case 25:11/8-2001-25815-R-ERClaiDro 8:736-34-3File file 6/22/19/19De fin Mercial dd 1/21/20/19/16 19:30 of Desc Exhibit 3 9Page 259 of 310

12. Is all or part of the claim entitled to priority under	☐ No						
11 U.S.C. § 507(a)?	X Yes. (Check all that apply:				Amount entitled to priorit	
A claim may be partly priority and partly nonpriority. For example,	☐ D	omestic support obliq 1 U.S.C. § 507(a)(1)	gations (including (A) or (a)(1)(B).	alimony and child sup	oport) under	\$	
in some categories, the law limits the amount entitled to priority.				ase, lease, or rental nold use. 11 U.S.C. §		\$	
entitied to priority.	da		ruptcy petition is f	o \$12,850*) earned willed or the debtor's bo(4).		\$	
	☐ Ta	axes or penalties ow	ed to government	al units. 11 U.S.C. § 5	507(a)(8).	\$	
	□ c	ontributions to an er	mployee benefit p	lan. 11 U.S.C. § 507((a)(5).	\$	
	X o	ther. Specify subsec	ction of 11 U.S.C.	§ 507(a)() that ap	plies.	\$ See addendum.	
	* Ama	unts are subject to adju	ustment on 4/01/19 a	nd every 3 years after th	at for cases begun o	on or after the date of adjustmen	
Part 3: Sign Below							
	01 1 11						
The person completing this proof of claim must	Check the app	•					
sign and date it. FRBP 9011(b).	X I am the						
If you file this claim	☐ I am the	creditor's attorney o	r authorized agent	t.			
electronically, FRBP	I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.						
5005(a)(2) authorizes courts to establish local rules specifying what a signature is.	l am a g	uarantor, surety, end	dorser, or other co	debtor. Bankruptcy R	ule 3005.		
A person who files a fraudulent claim could be	I understand that an authorized signature on this <i>Proof of Claim</i> serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.						
fined up to \$500,000, imprisoned for up to 5 years, or both.	I have examined the information in this <i>Proof of Claim</i> and have reasonable belief that the information is true and correct						
18 U.S.C. §§ 152, 157, and 3571.	I declare unde	er penalty of perjury t	that the foregoing	is true and correct.			
	Executed on o	_{date} <u>03/28</u>	12019				
	Executed on (MM / DD /	YYYY				
		, , ₍	\				
	Signature	ma ymu	Housum	,			
REGENIED	3 ·· O						
	Print the nam	ne of the person wh	no is completing	and signing this cla	im:		
APR 0 1 2019	Name	Virginia		A.	House	um	
•		First name		Middle name	Last nar	me	
		Soniar Vica I	President				
TZMANCARSONCONSULTANTS	Title	Semor vice i		······ - · · · · · · · · · · · · · · ·			
TZMANCARSON CONSULTANTS	Title Company	UMB Bank, N		ompany if the authorized	agent is a servicer.		
TZMANCARSON CONSULTANTS	Company	UMB Bank, N	rate servicer as the co	, ,	agent is a servicer.		
TZMANCARSON CONSULTANTS		UMB Bank, N	rate servicer as the co	ompany if the authorized treet, Suite 1400	agent is a servicer.		
TZMANCARSON CONSULTANTS	Company	UMB Bank, No Identify the corporation	rate servicer as the co	, ,	agent is a servicer.	USA	

Aaron M. Williams 617 348 4964 awilliams@mintz.com



One Financial Center Boston, MA 02111 617 542 6000 mintz.com

March 28, 2019

VIA OVERNIGHT DELIVERY

Verity Claims Processing Center c/o KCC 2335 Alaska Avenue El Segundo, California 90245

Re:

Verity Health System - Proofs of Claim

To whom it may concern:

Enclosed herewith are six proofs of claim, delivered on behalf of UMB Bank, N.A., as Master Trustee, for filing in the following bankruptcy cases, each pending in the U.S. Bankruptcy Court for the Central District of California:

- In re Verity Health System of California, Inc. (Case No. 18-20151);
- In re Saint Louise Regional Hospital (Case No. 18-20162);
- In re St. Vincent Medical Center (Case No. 18-20164);
- In re St. Francis Medical Center (Case No. 18-20165);
- In re Seton Medical Center (Case No. 18-20167); and
- In re O'Connor Hospital (Case No. 18-20168)

Also enclosed if a self-addressed, postage pre-paid envelope. Please date-stamp and return this letter to indicate your timely receipt of the proofs of claim.

For any questions or concerns, please do not hesitate to contact me by telephone (617.348.4964) or email (AWilliams@mintz.com).

Respectfully,

Aaron M. Williams

Enclosures

CC:

Virginia Housum Ian Hammel

BOSTON LONDON LOS ANGELES NEW YORK SAN DIEGO SAN FRANCISCO WASHINGTON

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

Addendum to Proof of Claim: Claim of UMB Bank, N.A., as Trustee

UMB Bank, N.A., serves as trustee (the "<u>Trustee</u>") for obligations (the "<u>Obligations</u>") issued under that certain Master Indenture of Trust, dated as of December 1, 2001 (as may be amended and supplemented, the "<u>Master Indenture</u>") among the Daughters of Charity Health System (the predecessor to debtor Verity Health System of California, Inc., referred to herein as the "<u>System</u>"), the System affiliates listed in the Master Indenture (collectively, with the System, the "<u>Obligated Group</u>"), and the Trustee. The Obligations are supported by, among other things, bonds and notes issued under various indentures and other documents evidencing and securing the Obligations (collectively with the Master Indenture, the "<u>Financing Documents</u>"). The debtor named on the Proof of Claim to which this addendum is attached (the "<u>Debtor</u>") is a member of the Obligated Group.

The Trustee submits this addendum to its Proof of Claim against the Debtor. As of the Petition Date (defined below), the claims described herein (the "Claim") against the Debtor totaled not less than \$465,192,301.67. As noted below, the Trustee reserves the right to amend this claim.

Basis for and Documents Supporting the Claim

The Claim is based on, among other things, the Debtor's agreement, as a member of the Obligated Group, to make payments of principal of, interest on and other costs, fees and expenses associated with the Obligations. Upon information and belief, the Debtor has copies of the Financing Documents. Pursuant to the *Order Establishing Bar Date for Filing Proofs of Claim*

[Docket No. 1528]¹, the Trustee has been excused from attaching herewith copies of the Financing Documents or other referenced documents evidencing and/or securing the Claim. Upon written request to counsel to the Trustee at the address included in this Proof of Claim, the Trustee will make available copies of any of the Financing Documents.

Amount of the Claim

The Debtor commenced its bankruptcy case on August 31, 2018 (the "<u>Petition Date</u>"). The liquidated amounts owing by the Debtor to the Trustee on account of the Claim as of the Petition Date totaled not less than \$465,192,301.67, comprised of the following principal and interest then due on the Obligations:

Maturity Date of the Obligations	Principal Outstanding	Interest Rate	Interest Outstanding	Total Amount Outstanding
7/1/2022	\$8,825,000.00	5.500%	\$80,895.83	\$8,905,895.83
7/1/2024	\$32,885,000.00	5.750%	\$315,147.92	\$33,200,147.92
7/1/2025	\$8,005,000.00	5.750%	\$76,714.58	\$8,081,714.58
7/1/2030	\$64,490,000.00	5.750%	\$618,029.17	\$65,108,029.17
7/1/2035	\$72,530,000.00	5.750%	\$695,079.17	\$73,225,079.17
7/1/2039	\$72,710,000.00	5.500%	\$666,508.33	\$73,376,508.33
6/10/2019	\$60,000,000.00	7.250%	\$362,500.00	\$60,362,500.00
6/10/2019	\$45,000,000.00	7.250%	\$271,385.00	\$45,271,385.00
6/10/2019	\$10,000.000.00	9.500%	\$79,166.67	\$10,079,166.67
6/10/2019	\$45,000,000.00	8.750%	\$328,125.00	\$45,328,125.00
12/10/2020	\$21,000,000.00	7.250%	\$126,875.00	\$21,126,875.00
12/10/2020	\$21,000,000.00	7.250%	\$126,875.00	\$21,126,875.00
	\$461,445,000.00		\$3,747,301.67	\$465,192,301.67

In addition to the foregoing principal and interest, which interest continues to accrue to the date of full payment of all principal amounts due and owing under the Obligations, the Trustee

¹ References to docket numbers herein shall refer to entries docketed in Lead Case No. 18-20151 in the jointly administered proceedings of *In re Verity Health System of California, Inc., et al.*

also asserts claims, whether currently liquidated or unliquidated, for all now existing or hereafter arising: (i) unpaid fees and expenses of the Trustee and its professionals incurred prior to and subsequent to the Petition Date, as such amounts are provided for under the Financing Documents, (ii) any damages or losses that the Trustee may suffer as a result of the Debtor's breach of the Financing Documents, including any breach of the indemnity obligations in the Financing Documents, (iii) any claims that may exist against the Debtor related to the issuance of the Obligations, and (iv) any claims that may arise pursuant to that certain *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* [Docket No. 409] (the "Final DIP Order"), including administrative, priority and super-priority claims pursuant to, *inter alia*, Bankruptcy Code §§ 503(b)(1), 506(b) and 507(a)(2).

Pursuant to the Final DIP Order, the Court has allowed the Claim.

Security and Collateral

The Claim is secured, *inter alia*, by the liens described in the Financing Documents, the liens described or granted in the Final DIP Order, and any now existing or hereafter arising rights of setoff and recoupment. The Financing Documents include deeds of trust encumbering the Debtor's real estate that have been recorded and filed financing statements listing certain of the Debtor's personal property.

Additional Terms and Conditions

The Trustee expressly reserves its right to amend or supplement this Proof of Claim (including, but not limited to, for purposes of liquidating the amount of interest or additional fees, costs, and expenses referred to herein) at any time and in any respect.

This Proof of Claim is made without prejudice to the filing by the Trustee of additional proofs of claim with respect to any other indebtedness or liability of the Debtor to the Trustee, including, but not limited to any claim arising from any judgment entered in connection with the Financing Documents. The Trustee reserves all rights as to the nature, characterization and substance of the Financing Documents. The Trustee reserves all rights and claims against all third parties.

The Trustee expressly reserves all rights accruing to it, and the execution and filing of this Proof of Claim is not and shall not be deemed: (a) an election of remedies; (b) a waiver of any rights or remedies of the Trustee under any agreement or applicable law; (c) a waiver of any right to assert that all or any portion of the Claim constitutes an administrative expense claim, an unsecured claim, or a priority claim in this bankruptcy case; (d) a waiver of any rights pursuant to 11 U.S.C. § 506(b); (e) a consent to the jurisdiction of the Bankruptcy Court with respect to any proceeding commenced in this bankruptcy case against or otherwise involving the Trustee; (f) a waiver of any immunity; (g) a waiver of the right to withdraw the reference, contest the treatment of any non-core claim against it as a core claim, or otherwise to challenge the jurisdiction of the Bankruptcy Court with respect to the subject matter of the Claim, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this bankruptcy case against or otherwise involving the Trustee; (h) a waiver of any right of subordination in favor of the Trustee or liens held by creditors of any of the Debtor; (i) a waiver or release of any right to trial by jury, or a consent to a trial by jury in the Bankruptcy Court or any other court; (j) an admission that any matter is a core matter or is a matter as to which the Bankruptcy Court can enter a final judgment, a right to have final orders entered in non-core matters only after a de novo review by the District Court, or a consent to the entry by the

. Caseas 4.2-11/8-2014 2815 R-ERC la iDro 8 736-34-3-ile fill 0 6 / 22 / 1 9 / 1 9 De sco Notation d d d d 18/12/12 0 of Desc Exhibit 3 9 Page 265 of 310

Bankruptcy Court of a final judgment with respect to the Claim or any other matter; (k) a waiver of any claim or right against any other creditor, arising under the bankruptcy case or otherwise; and/or (l) a waiver of any right related to any plan(s) of reorganization or liquidation proposed in this bankruptcy case.

The Trustee specifically reserves all of its defenses and rights, procedural and substantive, including, without limitation, its defenses and rights with respect to any claim that may be asserted against the Trustee or any of its affiliates, by the Debtor or any other party.

Casage18:18-200-2011-FRERCIaDo (2869413 FIELD ON 1779) 00 TEATEMANIN HARMON 1794 00 1 Claim #6462 Date Filed: 4/1/2019 Desc Exhibit our baye 200 or 510

United States Bankruptcy Court for the Central District of California									
Indicate Debtor against which you assert a claim by checking the appropriate box below. (Check only one Debtor per claim form.)									
Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)								
 De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181) 	☐ St. Louise Regional Hospital (Case No.18-20162)								
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)								
☐ O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)								
☐ O'Connor Hospital Foundation (Case No. 18-20179)	☐ St. Vincent Medical Center (Case No. 18-20164)								
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)								
☐ Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)								
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)								
☐ St. Francis Medical Center (Case No. 18-20165)	,								

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

1.	The is the content	UMB Bank, N.A., a	s trustee							
	creditor?	Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor								
2.	Has this claim been	X No				****				
	acquired from someone else?	Yes. From who	om?							
3.	Where should notices and	Where should notices to the creditor be sent?			Where should payments to the creditor be sent? (
	payments to the creditor be sent?	Daniel S. Bleck			Virginia Hou	isum, UMB Bank, N	I.A.			
	ordator be sent	Name								
	Federal Rule of	One Financial Center			South Sixth Street, Suite 1400					
	Bankruptcy Procedure	Number Street Boston	N 4 A	00444		treet				
(FB ://	(FRBP))2002(g)	City	MA State	02111 ZIP Code	Minneapolis		5540			
	TEGENEU	USA	State	ZIP Code	City USA	State	ZIP Co			
	ADD a socia	Country			Country					
	APR 0 1 2019	Contact phone 617.54	12.6000		Contact phone	612.337.7003				
		Contact email DSBIe	DSBleck@mintz.com			Virginia.Housum@	 Dumb.com			
	ANCARSONCONCUITAN	TC .			Contact email					
	AN CARSOM CONSULTAN	Uniform claim identifier for	electronic payments i	n chapter 13 (if you use	one);					
١.	Does this claim	X No								
	amend one already filed?	_								
	incu:	Yes. Claim num	nber on court claims	s registry (if known)		Filed on MM	/ DD / YYYY			
	Do you know if	X No			-		. 33 ; ((1)			
	anyone else has filed a proof of claim for		ne earlier filing?							



Case 2 e12:108-12011-5EIRERClaid oc 2869413 Fifted 0 9/12/12/12/199 Deste Medi 1 10/12/11/19 e106:0 12:40/9 e 2 Desc Exhibit 3 of 19 age 2 6 7 of 3 1 0

6.	Do you have any number	X No						
	you use to identify the debtor?	Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:						
7.	How much is the claim?	\$ See addendum. Does this amount include interest or other charges? No X Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).						
3.	What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. See addendum.						
Э.	Is all or part of the claim secured?	No Yes. The claim is secured by a lien on property. Nature of property: Real estate: If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A) with this Proof of Claim. Motor vehicle Other. Describe: See addendum. Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.) Value of property: Amount of the claim that is secured: \$See addendum. (The sum of the secured and unsecured)						
	RECEVED APR 0 1 2019	Amount necessary to cure any default as of the date of the petition: \$See addendum. Annual Interest Rate (when case was filed) various % (see addendum)						
*		X Fixed						
N	KURTZMAN CARSON CONSULT	AVIS Variable						
0.	ls this claim based on a lease?	 No Yes. Amount necessary to cure any default as of the date of the petition. 						
	Is this claim subject to a right of setoff?	X No Yes. Identify the property:						

Cashasel 28:108-12101-12511-1511RERC | altro c286941:3 Fffided 0.9/12/181/99 Dieste Madin 1.10/1/20/109e106:0.12-309e 3 Desc Exhibit 3 of 19 age 268 of 310

12. Is all or part of the claim entitled to priority under		No						
11 U.S.C. § 507(a)?	X	Yes. Che	eck all that apply:				Amoun	t entitled to priority
A claim may be partly priority and partly nonpriority. For example,		☐ Dom	mestic support obligations (including alimony and child support) under U.S.C. § 507(a)(1)(A) or (a)(1)(B).				\$	
in some categories, the law limits the amount entilled to priority.				850* of deposits toward purchase, lease, or rental of property or for personal, family, or household use. 11 U.S.C. § 507(a)(7).			\$	
,		days		ruptcy petition	up to $12,850^*$) earned is filed or the debtor's $7(a)(4)$.		\$	
		☐ Taxe	es or penalties ow	ed to governm	nental units. 11 U.S.C. §	507(a)(8).	\$	
		Con	tributions to an er	mployee bene	fit plan. 11 U.S.C. § 50	7(a)(5).	\$	
		X Othe	r. Specify subsec	ction of 11 U.S	S.C. § 507(a)() that a	pplies.	\$ See a	ddendum.
		* Amoun	s are subject to adju	istment on 4/01/	19 and every 3 years after	that for cases begur	n on or after t	he date of adjustment.
Part 3: Sign Below								
The person completing	Check	the appro	priate box:					
this proof of claim must sign and date it.	X	am the cre	editor.					
FRBP 9011(b).		am the cre	editor's attorney o	r authorized a	gent.			
If you file this claim electronically, FRBP		am the tru	stee, or the debto	r, or their auth	orized agent. Bankrupt	cy Rule 3004.		
5005(a)(2) authorizes courts to establish local rules specifying what a signature	I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.							
is.								
A person who files a fraudulent claim could be fined up to \$500,000,	I understand that an authorized signature on this <i>Proof of Claim</i> serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.							
imprisoned for up to 5 years, or both.	I have examined the information in this <i>Proof of Claim</i> and have reasonable belief that the information is true and correct.							
18 U.S.C. §§ 152, 157, and 3571.	I decla	re under p	enalty of perjury t	hat the forego	ing is true and correct.			
00/1.		ted on dat	22/22		•			
	LXeco	ed on dat	MM / DD /	YYYY				
		· ·	•					
	VL	rpin	ia anni	House	m			
	Si	gnatufe						
1000 A 4 4010	Print t	he name	of the person wh	o is completi	ng and signing this cl	aim:		
APR 0 1 2019	Name		Virginia	-	A.	Hous	sum	
IRTZMANCARSONCONSULTAN	IS		First name		Middle name	Last n	ame	
Dig # 0 D-motel die e Colonies 2	Title		Senior Vice F	President				
	Compar	ny	UMB Bank, N		ne company if the authorized	d agent is a servicer.		
	Address	:	120		h Street, Suite 1400	·		
			Number	Street	N / N I	EE 400		1100
			Minneapolis City		MNState	55402 ZIP Cod		USA
	Contact	phaac	617.337.7003	3				ousum@umb.com

Aaron M. Williams 617 348 4964 awilliams@mintz.com



One Financial Center Boston, MA 02111 617 542 6000 mintz.com

March 28, 2019

VIA OVERNIGHT DELIVERY

Verity Claims Processing Center c/o KCC 2335 Alaska Avenue El Segundo, California 90245

Re:

Verity Health System - Proofs of Claim

To whom it may concern:

Enclosed herewith are six proofs of claim, delivered on behalf of UMB Bank, N.A., as Master Trustee, for filing in the following bankruptcy cases, each pending in the U.S. Bankruptcy Court for the Central District of California:

- In re Verity Health System of California, Inc. (Case No. 18-20151);
- In re Saint Louise Regional Hospital (Case No. 18-20162);
- In re St. Vincent Medical Center (Case No. 18-20164);
- In re St. Francis Medical Center (Case No. 18-20165);
- In re Seton Medical Center (Case No. 18-20167); and
- In re O'Connor Hospital (Case No. 18-20168)

Also enclosed if a self-addressed, postage pre-paid envelope. Please date-stamp and return this letter to indicate your timely receipt of the proofs of claim.

For any questions or concerns, please do not hesitate to contact me by telephone (617.348.4964) or email (AWilliams@mintz.com).

Respectfully,

Aaron M. Williams

Enclosures

CC:

Virginia Housum

lan Hammel

BOSTON

LONDON

Addendum to Proof of Claim: Claim of UMB Bank, N.A., as Trustee

UMB Bank, N.A., serves as trustee (the "Trustee") for obligations (the "Obligations") issued under that certain Master Indenture of Trust, dated as of December 1, 2001 (as may be amended and supplemented, the "Master Indenture") among the Daughters of Charity Health System (the predecessor to debtor Verity Health System of California, Inc., referred to herein as the "System"), the System affiliates listed in the Master Indenture (collectively, with the System, the "Obligated Group"), and the Trustee. The Obligations are supported by, among other things, bonds and notes issued under various indentures and other documents evidencing and securing the Obligations (collectively with the Master Indenture, the "Financing Documents"). The debtor named on the Proof of Claim to which this addendum is attached (the "Debtor") is a member of the Obligated Group.

The Trustee submits this addendum to its Proof of Claim against the Debtor. As of the Petition Date (defined below), the claims described herein (the "Claim") against the Debtor totaled not less than \$465,192,301.67. As noted below, the Trustee reserves the right to amend this claim.

Basis for and Documents Supporting the Claim

The Claim is based on, among other things, the Debtor's agreement, as a member of the Obligated Group, to make payments of principal of, interest on and other costs, fees and expenses associated with the Obligations. Upon information and belief, the Debtor has copies of the Financing Documents. Pursuant to the *Order Establishing Bar Date for Filing Proofs of Claim*

[Docket No. 1528]¹, the Trustee has been excused from attaching herewith copies of the Financing Documents or other referenced documents evidencing and/or securing the Claim. Upon written request to counsel to the Trustee at the address included in this Proof of Claim, the Trustee will make available copies of any of the Financing Documents.

Amount of the Claim

The Debtor commenced its bankruptcy case on August 31, 2018 (the "<u>Petition Date</u>"). The liquidated amounts owing by the Debtor to the Trustee on account of the Claim as of the Petition Date totaled not less than \$465,192,301.67, comprised of the following principal and interest then due on the Obligations:

Maturity Date of the Obligations	Principal Outstanding	Interest Rate	Interest Outstanding	Total Amount Outstanding
7/1/2022	\$8,825,000.00	5.500%	\$80,895.83	\$8,905,895.83
7/1/2024	\$32,885,000.00	5.750%	\$315,147.92	\$33,200,147.92
7/1/2025	\$8,005,000.00	5.750%	\$76,714.58	\$8,081,714.58
7/1/2030	\$64,490,000.00	5.750%	\$618,029.17	\$65,108,029.17
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7/1/2039	\$72,710,000.00	5.500%	\$666,508.33	\$73,376,508.33
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12/10/2020	\$21,000,000.00	7.250%	\$126,875.00	\$21,126,875.00
12/10/2020	\$21,000,000.00	7.250%	\$126,875.00	\$21,126,875.00
	\$461,445,000.00		\$3,747,301.67	\$465,192,301.67

In addition to the foregoing principal and interest, which interest continues to accrue to the date of full payment of all principal amounts due and owing under the Obligations, the Trustee

¹ References to docket numbers herein shall refer to entries docketed in Lead Case No. 18-20151 in the jointly administered proceedings of *In re Verity Health System of California, Inc., et al.*

also asserts claims, whether currently liquidated or unliquidated, for all now existing or hereafter arising: (i) unpaid fees and expenses of the Trustee and its professionals incurred prior to and subsequent to the Petition Date, as such amounts are provided for under the Financing Documents, (ii) any damages or losses that the Trustee may suffer as a result of the Debtor's breach of the Financing Documents, including any breach of the indemnity obligations in the Financing Documents, (iii) any claims that may exist against the Debtor related to the issuance of the Obligations, and (iv) any claims that may arise pursuant to that certain *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* [Docket No. 409] (the "Final DIP Order"), including administrative, priority and super-priority claims pursuant to, *inter alia*, Bankruptcy Code §§ 503(b)(1), 506(b) and 507(a)(2).

Pursuant to the Final DIP Order, the Court has allowed the Claim.

Security and Collateral

The Claim is secured, *inter alia*, by the liens described in the Financing Documents, the liens described or granted in the Final DIP Order, and any now existing or hereafter arising rights of setoff and recoupment. The Financing Documents include deeds of trust encumbering the Debtor's real estate that have been recorded and filed financing statements listing certain of the Debtor's personal property.

Additional Terms and Conditions

The Trustee expressly reserves its right to amend or supplement this Proof of Claim (including, but not limited to, for purposes of liquidating the amount of interest or additional fees, costs, and expenses referred to herein) at any time and in any respect.

This Proof of Claim is made without prejudice to the filing by the Trustee of additional proofs of claim with respect to any other indebtedness or liability of the Debtor to the Trustee, including, but not limited to any claim arising from any judgment entered in connection with the Financing Documents. The Trustee reserves all rights as to the nature, characterization and substance of the Financing Documents. The Trustee reserves all rights and claims against all third parties.

The Trustee expressly reserves all rights accruing to it, and the execution and filing of this Proof of Claim is not and shall not be deemed: (a) an election of remedies; (b) a waiver of any rights or remedies of the Trustee under any agreement or applicable law; (c) a waiver of any right to assert that all or any portion of the Claim constitutes an administrative expense claim, an unsecured claim, or a priority claim in this bankruptcy case; (d) a waiver of any rights pursuant to 11 U.S.C. § 506(b); (e) a consent to the jurisdiction of the Bankruptcy Court with respect to any proceeding commenced in this bankruptcy case against or otherwise involving the Trustee; (f) a waiver of any immunity; (g) a waiver of the right to withdraw the reference, contest the treatment of any non-core claim against it as a core claim, or otherwise to challenge the jurisdiction of the Bankruptcy Court with respect to the subject matter of the Claim, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this bankruptcy case against or otherwise involving the Trustee; (h) a waiver of any right of subordination in favor of the Trustee or liens held by creditors of any of the Debtor; (i) a waiver or release of any right to trial by jury, or a consent to a trial by jury in the Bankruptcy Court or any other court; (j) an admission that any matter is a core matter or is a matter as to which the Bankruptcy Court can enter a final judgment, a right to have final orders entered in non-core matters only after a de novo review by the District Court, or a consent to the entry by the

Case 2e12:108-12101-12511-121RERClaim 0:2869413 Fifted 0:09/12/28/199 Dieste Neal in 11/0/08/109e106:09:14.9e 9 Desc Exhibit 3 of 19 age 274 of 310

Bankruptcy Court of a final judgment with respect to the Claim or any other matter; (k) a waiver of any claim or right against any other creditor, arising under the bankruptcy case or otherwise; and/or (l) a waiver of any right related to any plan(s) of reorganization or liquidation proposed in this bankruptcy case.

The Trustee specifically reserves all of its defenses and rights, procedural and substantive, including, without limitation, its defenses and rights with respect to any claim that may be asserted against the Trustee or any of its affiliates, by the Debtor or any other party.

Case 25:18-2012-18-2012-18-2012-18-ERCla 1008-336-34-3-ila all ad/22/19/19/19 De Em Marini dad il 19/19/19/19/19 Claim #6485 Date Filed: 4/1/2019 Desc Exhibits araye 210 01 310

United States Bankruptcy Court for the Central District of California						
Indicate Debtor against which you assert a claim by checking	the appropriate box below. (Check only one Debtor per claim form.)					
☐ Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)					
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	☐ St. Louise Regional Hospital (Case No.18-20162)					
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)					
☐ O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)					
☐ O'Connor Hospital Foundation (Case No. 18-20179)	☐ St. Vincent Medical Center (Case No. 18-20164)					
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)					
Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)					
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)					
☐ St. Francis Medical Center (Case No. 18-20165)						

Official Form 410

Proof of Claim

04/16

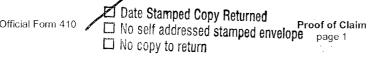
Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

1.	Who is the current	UMB Bank, N.A., a	s trustee				
	creditor?	Name of the current cred	tor (the person or entity	to be paid for this cla	im)		
		Other names the creditor	used with the debtor				
2.		X No					
	acquired from someone else?	Yes. From who	om?				
3.	Where should notices and	Where should notice	s to the creditor be	sent?	Where should pa different)	yments to the credito	or be sent? (if
	payments to the creditor be sent?	Daniel S. Bleck			Virginia Housum, UMB Bank, N.A.		
	creditor be sent?	Name			Name		
	Fadaral Dala of	One Financial Center		South Sixth Street, Suite 1400			
	Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Number Street			Number Street		
		Boston	MA	02111	Minneapolis	MN	5540
		City USA	State	ZIP Code	City USA	State	ZIP Co
		Country			Country		
	APR 0 1 2019	Contact phone 617.5	42.6000		Contact phone 61	2.337.7003	_
	MIN U I KUIJ	Contact email DSBI	eck@mintz.com		Contact email Vii	ginia.Housum@um	b.com
ZW.	AN CARSON CONSULTAN			chapter 13 (if you us		ginia.nousum@um	<u>b.</u> com
4.	Does this claim amend one already	X No					
	filed?	Yes. Claim nur	mber on court claims	registry (if known)		Filed on	DD / YYYY
5.	Do you know if	X No					
	anyone else has filed a proof of claim for this claim?	Yes Who made t	the earlier filing?				





1820167190401000000000186

Cas**e** 28:42:1118-2014:26715 R-ERC la 100 o 6 3396 3 4 - 3 File file 6 1/2 2 / 1 9 / 1 9 De 550 144 about 0 0 0 de 10 8 / 1 1 6 1/2 2 de 10 o f Desc Exhibit 3 9 Page 276 of 310

6.	Do you have any number you use to identify the	X No				
	debtor?	Yes. Las	t 4 digits of the debtor's acc	count or any n	umber you use to identify the debtor:	
7.	How much is the claim?	\$ See adde	ndum.	Does this	amount include interest or other charges?	
				X Yes	Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).	
8.	What is the basis of the claim?	Examples: Go	oods sold, money loaned, le	ease, services	performed, personal injury or wrongful death, or credit card.	
	Cidimi				ne claim required by Bankruptcy Rule 3001(c).	
		Limit disclosir	ng information that is entitle	d to privacy, su	uch as health care information.	
		See addend	dum.		<u> </u>	
9.	Is all or part of the claim	□ No				
	secured?	X Yes. Ti	ne claim is secured by a lier	n on property.		
		N	ature of property:			
		X			the debtor's principal residence, file a Mortgage Proof of A) with this Proof of Claim.	
			Motor vehicle			
		X	Other. Describe:	See adden	dum.	
		B	Basis for perfection: See addendum.			
		ex			/, that show evidence of perfection of a security interest (for , financing statement, or other document that shows the lien	
		Va	alue of property:		§See addendum.	
		Aı	mount of the claim that is	secured:	§See addendum.	
		Aı	mount of the claim that is	unsecured:	\$See addendum. (The sum of the secured and unsecured amount should match the amount in line 7.	
	RECEIVE	Aı	mount necessary to cure a	ny default as	of the date of the petition: \$See addendum.	
	APR 0 1 20	19 A	nnual Interest Rate (when	case was filed) various % (see addendum)	
	KHIDITZIIIANI CADGOOLOOM		_		,	
	KURTZMANCARSONCOM		Variable			
10.	Is this claim based on a	X No			A 100 C	
	lease?	Yes. Am	ount necessary to cure a	ny default as	of the date of the petition.	
11.	Is this claim subject to a	X No				
	right of setoff?	=				

		 					
12. Is all or part of the claim entitled to priority under	☐ No						
11 U.S.C. § 507(a)?	X Yes. Ch	eck all that apply:				Amount entitled to p	priori
A claim may be partly priority and partly nonpriority. For example,	☐ Dor	mestic support obli U.S.C. § 507(a)(1)	gations (includin (A) or (a)(1)(B).	g alimony and child su	ipport) under	\$	
in some categories, the law limits the amount entitled to priority.	☐ Up serv	to \$2,850* of depo vices for personal,	osits toward pure family, or house	chase, lease, or renta ehold use. 11 U.S.C.	l of property or § 507(a)(7).	\$	
Critica to priority.	day		ruptcy petition is	to \$12,850*) earned filed or the debtor's a)(4).		\$	
	☐ Tax	es or penalties ow	ed to governmer	ntal units. 11 U.S.C. §	507(a)(8).	\$	
	☐ Cor	ntributions to an er	mployee benefit	plan. 11 U.S.C. § 507	′(a)(5).	\$	
	Oth	er. Specify subsec	ction of 11 U.S.C	C. § 507(a)() that ap	oplies.	\$ See addendum.	
	* Amour	nts are subject to adju	ustment on 4/01/19	and every 3 years after t	hat for cases begur	on or after the date of adjus	stmen
Part 3: Sign Below			· · · · · · · · · · · · · · · · · · ·				
The person completing	Check the appr	opriate box:					
this proof of claim must sign and date it.	X I am the cr	•					
FRBP 9011(b).	l am the cr	reditor's attorney o	r authorized age	nt.			
If you file this claim electronically, FRBP	I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.						
5005(a)(2) authorizes courts to establish local rules specifying what a signature	am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.						
is. A person who files a	I understand that an authorized signature on this Proof of Claim serves as an acknowledgement that when calculating						
fraudulent claim could be fined up to \$500,000,	the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.						
imprisoned for up to 5 years, or both.	I have examined the information in this Proof of Claim and have reasonable belief that the information is true and correct.						
18 U.S.C. §§ 152, 157, and 3571.	I declare under penalty of perjury that the foregoing is true and correct.						
3371.	Executed on date $\frac{D^3/28/2019}{}$						
	Executed on da	MM / DD /	7777				
		,					
	: 1	nia anni	Housur	w			
	Signature J						
	Print the name	of the person wh	no is completinç	and signing this cla	aim:		
APR 0 1 2019	Name	Virginia		A.	Hous	sum	
		First name		Middle name	Last n	ame	
RTZWANCARSONCONSULTANT:	Title	Senior Vice	President				
	Company	UMB Bank, i	N.A.				
		Identify the corpo	rate servicer as the	company if the authorized	l agent is a servicer.		
	Address	120	South Sixth	Street, Suite 1400			
	Address	Number	Street	,			
		Minneapolis City		MN State	55402 ZIP Cod		
	Contact phone	617.337.700	3	Siale		e country /irginia.Housum@uml	ıb.cc

Aaron M. Williams 617 348 4964 awilliams@mintz.com



One Financial Center Boston, MA 02111 617 542 6000 mintz.com

March 28, 2019

VIA OVERNIGHT DELIVERY

Verity Claims Processing Center c/o KCC 2335 Alaska Avenue El Segundo, California 90245

Re:

Verity Health System - Proofs of Claim

To whom it may concern:

Enclosed herewith are six proofs of claim, delivered on behalf of UMB Bank, N.A., as Master Trustee, for filing in the following bankruptcy cases, each pending in the U.S. Bankruptcy Court for the Central District of California:

- In re Verity Health System of California, Inc. (Case No. 18-20151);
- In re Saint Louise Regional Hospital (Case No. 18-20162);
- In re St. Vincent Medical Center (Case No. 18-20164);
- In re St. Francis Medical Center (Case No. 18-20165);
- In re Seton Medical Center (Case No. 18-20167); and
- In re O'Connor Hospital (Case No. 18-20168)

Also enclosed if a self-addressed, postage pre-paid envelope. Please date-stamp and return this letter to indicate your timely receipt of the proofs of claim.

For any questions or concerns, please do not hesitate to contact me by telephone (617.348.4964) or email (AWilliams@mintz.com).

Respectfully,

Aaron M. Williams

Enclosures

CC:

Virginia Housum

lan Hammel

BOSTON LONDON LOS ANGELES NEW YORK SAN DIEGO SAN FRANCISCO WASHINGTON

Addendum to Proof of Claim: Claim of UMB Bank, N.A., as Trustee

UMB Bank, N.A., serves as trustee (the "<u>Trustee</u>") for obligations (the "<u>Obligations</u>") issued under that certain Master Indenture of Trust, dated as of December 1, 2001 (as may be amended and supplemented, the "<u>Master Indenture</u>") among the Daughters of Charity Health System (the predecessor to debtor Verity Health System of California, Inc., referred to herein as the "<u>System</u>"), the System affiliates listed in the Master Indenture (collectively, with the System, the "<u>Obligated Group</u>"), and the Trustee. The Obligations are supported by, among other things, bonds and notes issued under various indentures and other documents evidencing and securing the Obligations (collectively with the Master Indenture, the "<u>Financing Documents</u>"). The debtor named on the Proof of Claim to which this addendum is attached (the "<u>Debtor</u>") is a member of the Obligated Group.

The Trustee submits this addendum to its Proof of Claim against the Debtor. As of the Petition Date (defined below), the claims described herein (the "<u>Claim</u>") against the Debtor totaled not less than \$465,192,301.67. As noted below, the Trustee reserves the right to amend this claim.

Basis for and Documents Supporting the Claim

The Claim is based on, among other things, the Debtor's agreement, as a member of the Obligated Group, to make payments of principal of, interest on and other costs, fees and expenses associated with the Obligations. Upon information and belief, the Debtor has copies of the Financing Documents. Pursuant to the *Order Establishing Bar Date for Filing Proofs of Claim*

[Docket No. 1528]¹, the Trustee has been excused from attaching herewith copies of the Financing Documents or other referenced documents evidencing and/or securing the Claim. Upon written request to counsel to the Trustee at the address included in this Proof of Claim, the Trustee will make available copies of any of the Financing Documents.

Amount of the Claim

The Debtor commenced its bankruptcy case on August 31, 2018 (the "Petition Date"). The liquidated amounts owing by the Debtor to the Trustee on account of the Claim as of the Petition Date totaled not less than \$465,192,301.67, comprised of the following principal and interest then due on the Obligations:

Maturity Date of the Obligations	Principal Outstanding	Interest Rate	Interest Outstanding	Total Amount Outstanding
_				
7/1/2022	\$8,825,000.00	5.500%	\$80,895.83	\$8,905,895.83
7/1/2024	\$32,885,000.00	5.750%	\$315,147.92	\$33,200,147.92
7/1/2025	\$8,005,000.00	5.750%	\$76,714.58	\$8,081,714.58
7/1/2030	\$64,490,000.00	5.750%	\$618,029.17	\$65,108,029.17
7/1/2035	\$72,530,000.00	5.750%	\$695,079.17	\$73,225,079.17
7/1/2039	\$72,710,000.00	5.500%	\$666,508.33	\$73,376,508.33
6/10/2019	\$60,000,000.00	7.250%	\$362,500.00	\$60,362,500.00
6/10/2019	\$45,000,000.00	7.250%	\$271,385.00	\$45,271,385.00
6/10/2019	\$10,000.000.00	9.500%	\$79,166.67	\$10,079,166.67
6/10/2019	\$45,000,000.00	8.750%	\$328,125.00	\$45,328,125.00
12/10/2020	\$21,000,000.00	7.250%	\$126,875.00	\$21,126,875.00
12/10/2020	\$21,000,000.00	7.250%	\$126,875.00	\$21,126,875.00
	\$461,445,000.00		\$3,747,301.67	\$465,192,301.67

In addition to the foregoing principal and interest, which interest continues to accrue to the date of full payment of all principal amounts due and owing under the Obligations, the Trustee

¹ References to docket numbers herein shall refer to entries docketed in Lead Case No. 18-20151 in the jointly administered proceedings of *In re Verity Health System of California, Inc., et al.*

also asserts claims, whether currently liquidated or unliquidated, for all now existing or hereafter arising: (i) unpaid fees and expenses of the Trustee and its professionals incurred prior to and subsequent to the Petition Date, as such amounts are provided for under the Financing Documents, (ii) any damages or losses that the Trustee may suffer as a result of the Debtor's breach of the Financing Documents, including any breach of the indemnity obligations in the Financing Documents, (iii) any claims that may exist against the Debtor related to the issuance of the Obligations, and (iv) any claims that may arise pursuant to that certain *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 [Docket No. 409] (the "Final DIP Order"), including administrative, priority and super-priority claims pursuant to, <i>inter alia*, Bankruptcy Code § 503(b)(1), 506(b) and 507(a)(2).

Pursuant to the Final DIP Order, the Court has allowed the Claim.

Security and Collateral

The Claim is secured, *inter alia*, by the liens described in the Financing Documents, the liens described or granted in the Final DIP Order, and any now existing or hereafter arising rights of setoff and recoupment. The Financing Documents include deeds of trust encumbering the Debtor's real estate that have been recorded and filed financing statements listing certain of the Debtor's personal property.

Additional Terms and Conditions

The Trustee expressly reserves its right to amend or supplement this Proof of Claim (including, but not limited to, for purposes of liquidating the amount of interest or additional fees, costs, and expenses referred to herein) at any time and in any respect.

This Proof of Claim is made without prejudice to the filing by the Trustee of additional proofs of claim with respect to any other indebtedness or liability of the Debtor to the Trustee, including, but not limited to any claim arising from any judgment entered in connection with the Financing Documents. The Trustee reserves all rights as to the nature, characterization and substance of the Financing Documents. The Trustee reserves all rights and claims against all third parties.

The Trustee expressly reserves all rights accruing to it, and the execution and filing of this Proof of Claim is not and shall not be deemed: (a) an election of remedies; (b) a waiver of any rights or remedies of the Trustee under any agreement or applicable law; (c) a waiver of any right to assert that all or any portion of the Claim constitutes an administrative expense claim, an unsecured claim, or a priority claim in this bankruptcy case; (d) a waiver of any rights pursuant to 11 U.S.C. § 506(b); (e) a consent to the jurisdiction of the Bankruptcy Court with respect to any proceeding commenced in this bankruptcy case against or otherwise involving the Trustee; (f) a waiver of any immunity; (g) a waiver of the right to withdraw the reference, contest the treatment of any non-core claim against it as a core claim, or otherwise to challenge the jurisdiction of the Bankruptcy Court with respect to the subject matter of the Claim, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this bankruptcy case against or otherwise involving the Trustee; (h) a waiver of any right of subordination in favor of the Trustee or liens held by creditors of any of the Debtor; (i) a waiver or release of any right to trial by jury, or a consent to a trial by jury in the Bankruptcy Court or any other court; (j) an admission that any matter is a core matter or is a matter as to which the Bankruptcy Court can enter a final judgment, a right to have final orders entered in non-core matters only after a de novo review by the District Court, or a consent to the entry by the

Bankruptcy Court of a final judgment with respect to the Claim or any other matter; (k) a waiver of any claim or right against any other creditor, arising under the bankruptcy case or otherwise; and/or (l) a waiver of any right related to any plan(s) of reorganization or liquidation proposed in this bankruptcy case.

The Trustee specifically reserves all of its defenses and rights, procedural and substantive, including, without limitation, its defenses and rights with respect to any claim that may be asserted against the Trustee or any of its affiliates, by the Debtor or any other party.

United States Bankruptcy Co	United States Bankruptcy Court for the Central District of California							
Indicate Debtor against which you assert a claim by checking	the appropriate box below. (Check only one Debtor per claim form.)							
□ Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)							
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	☐ St. Louise Regional Hospital (Case No.18-20162)							
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)							
☐ O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)							
☐ O'Connor Hospital Foundation (Case No. 18-20179)	☐ St. Vincent Medical Center (Case No. 18-20164)							
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)							
☐ Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)							
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)							
St. Francis Medical Center (Case No. 18-20165)								

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

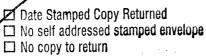
Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

1.	Who is the current creditor?	Name of the cur	UMB Bank, N.A., as trustee Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor					
2.	Has this claim been acquired from someone else?	X No	rom whom?					
3.	Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent? Daniel S. Bleck			Where should payments to the creditor be sent? (i different) Virginia Housum, UMB Bank, N.A.			r be sent? (if
	Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	One F	inancial Center reet MA	02111	120	Street	Street, Suite	1400 55402
ĵ	RECEIVED	City USA Country	State	ZIP Code	City USA Country		State	ZIP Cod
À	PR 0 1 2019	Contact phone	617.542.6000 DSBleck@mintz.com		Contact phone Contact email	612.337. Virginia.H	7003 Housum@um	b.com
M	NCARSON CONSULTANTS	Uniform claim id	entifier for electronic payments in	chapter 13 (if you us	se one):		-	
4.	Does this claim amend one already filed?	No Yes. C	laim number on court claims	registry (if known))	Filed	d on	D / YYYY
5.	Do you know if anyone else has filed a proof of claim for this claim?	X No ✓ Yes Who	o made the earlier filing?					

Official Form 410



Proof of Claim page 1



Case 28:4:28-1118-2101-25615-R-ERClaiDro 0:1336-34-3File 10-06/22/19/19De 15m 144 aim of dd 01/21/20/19/19 of Desc Exhibit 3 9Page 285 of 310

	1 9 1001		aim as of the Date the Case Wa					
6.	Do you have any number	X No						
	you use to identify the debtor?	Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:						
7.	How much is the claim?	\$ See a	ddendum.	Does this	s amount include interest or other charges?			
				X Ye	s. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).			
8.	What is the basis of the claim?	Examples	s: Goods sold, money loaned, lea	ase, services	s performed, personal injury or wrongful death, or credit card.			
	Ciamir	Attach red	dacted copies of any documents	supporting t	the claim required by Bankruptcy Rule 3001(c).			
		Limit disc	losing information that is entitled	to privacy, s	such as health care information.			
		See add	lendum.					
9.	Is all or part of the claim	□ No						
	secured?	X Yes.	The claim is secured by a lien	on property.				
			Nature of property:					
					the debtor's principal residence, file a <i>Mortgage Proof of</i> A) with this <i>Proof of Claim</i> .			
			Motor vehicle					
			X Other Describe:	See adder	ndum.			
			Basis for perfection: See add		ndum.			
			Attach redacted copies of doc	uments, if an	ny, that show evidence of perfection of a security interest (for e, financing statement, or other document that shows the lien			
			Value of property:		_{\$} See addendum.			
			Amount of the claim that is	secured:	\$See addendum.			
			Amount of the claim that is	unsecured:	\$ See addendum. (The sum of the secured and unsecured amount should match the amount in line 7.			
	RECEVED		Amount necessary to cure an	ny default as	s of the date of the petition: \$See addendum.			
	APR 0 1 2019		Annual Interest Rate (when case was filed) various % (see addendum)					
	KURTZMAN CARSON CONS	OLTANTS	X Fixed Variable					
10.	Is this claim based on a lease?	X No ☐ Yes.	Amount necessary to cure an	ny default as	s of the date of the petition.			
11.	Is this claim subject to a right of setoff?	X No	Identify the property:					

12. Is all or part of the claim entitled to priority under	☐ No						
11 U.S.C. § 507(a)?	X Yes.	Check all that apply:			Amount entitled to priorit		
A claim may be partly priority and partly nonpriority. For example,		omestic support obliq 1 U.S.C. § 507(a)(1)	gations (including alimony an (A) or (a)(1)(B).	d child support) under	\$		
in some categories, the law limits the amount entitled to priority.			sits toward purchase, lease family, or household use. 1		r \$		
critica to profity.	d	ays before the bankr	ommissions (up to \$12,850*) uptcy petition is filed or the of 1 U.S.C. § 507(a)(4).		, \$		
	□⊤	axes or penalties ow	ed to governmental units. 11	U.S.C. § 507(a)(8).	\$		
		ontributions to an er	nployee benefit plan. 11 U.S	.C. § 507(a)(5).	\$		
	X o	ther. Specify subsec	tion of 11 U.S.C. § 507(a)(_	_) that applies.	§ See addendum.		
					gun on or after the date of adjustmen		
Part 3: Sign Below							
The person completing	Check the ap	propriate box:					
this proof of claim must sign and date it.	X I am the	creditor.					
FRBP 9011(b).	☐ I am the	creditor's attorney or	authorized agent.				
If you file this claim electronically, FRBP	☐ I am the	trustee, or the debto	r, or their authorized agent. E	ankruptcy Rule 3004.			
5005(a)(2) authorizes courts to establish local rules	I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.						
specifying what a signature	L ramay	darantor, surety, end	orser, or other codebtor. Dan	Kiupicy Nuie 3003.			
is.							
A person who files a fraudulent claim could be			gnature on this <i>Proof of Claim</i> or gave the debtor credit for a		edgement that when calculating toward the debt.		
fined up to \$500,000, imprisoned for up to 5	I have examined the information in this <i>Proof of Claim</i> and have reasonable belief that the information is true and correct.						
years, or both.	i nave examir	ied the information in	i inis <i>F100i oi Ciaim</i> and nave	reasonable belief that	the information is true and corre		
18 U.S.C. §§ 152, 157, and 3571.			hat the foregoing is true and	correct.			
	Executed on	date 03/28/	2019				
		MM// DD /	YYYY				
	1/12	cinia ann					
	Signature	ina una	C FLOWIUM				
APR 0 1 2019	Drint the nen	as of the norsen wh	o is completing and signin	a this alaim.			
Will a i som	rinit ule nan	•	, 3				
IRTZMANCARSONCONSULIAN	Name	Virginia First name	A. Middle name		ousum et name		
A B OF CHARLES HER OF COLUMN SECTION OF THE		Senior Vice I		Lac	KHame		
	Title	Semor vice i	resident				
	Company	UMB Bank, N	I.A.				
	. ,	Identify the corpor	ate servicer as the company if the	authorized agent is a servic	er.		
		120	On the Other Other One	. 4400			
	Address	120 Number	South Sixth Street, Suit	e 1400			
		Minneapolis	M	N 554	02 USA		
		City	St				
	Contact phone	617.337.700	3	Email	Virginia.Housum@umb.co		

Aaron M. Williams 617 348 4964 awilliams@mintz.com



One Financial Center Boston, MA 02111 617 542 6000 mintz.com

March 28, 2019

VIA OVERNIGHT DELIVERY

Verity Claims Processing Center c/o KCC 2335 Alaska Avenue El Segundo, California 90245

Re:

Verity Health System - Proofs of Claim

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- In re Saint Louise Regional Hospital (Case No. 18-20162);
- In re St. Vincent Medical Center (Case No. 18-20164);
- In re St. Francis Medical Center (Case No. 18-20165);
- In re Seton Medical Center (Case No. 18-20167); and
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For any questions or concerns, please do not hesitate to contact me by telephone (617.348.4964) or email (AWilliams@mintz.com).

Respectfully,

Aaron M. Williams

Enclosures

CC:

Virginia Housum Ian Hammel

BOSTON LONDON LOS ANGELES NEW YORK SAN DIEGO SAN FRANCISCO WASHINGTON

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UMB Bank, N.A., serves as trustee (the "<u>Trustee</u>") for obligations (the "<u>Obligations</u>") issued under that certain Master Indenture of Trust, dated as of December 1, 2001 (as may be amended and supplemented, the "<u>Master Indenture</u>") among the Daughters of Charity Health System (the predecessor to debtor Verity Health System of California, Inc., referred to herein as the "<u>System</u>"), the System affiliates listed in the Master Indenture (collectively, with the System, the "<u>Obligated Group</u>"), and the Trustee. The Obligations are supported by, among other things, bonds and notes issued under various indentures and other documents evidencing and securing the Obligations (collectively with the Master Indenture, the "<u>Financing Documents</u>"). The debtor named on the Proof of Claim to which this addendum is attached (the "<u>Debtor</u>") is a member of the Obligated Group.

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Basis for and Documents Supporting the Claim

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Case 42:118-200126115R-ERClaiDro 9:136-34-3-ile-fill 69/22/19/19De 5cn 1/4 acid 0.0 du 0.0 du

[Docket No. 1528]¹, the Trustee has been excused from attaching herewith copies of the Financing Documents or other referenced documents evidencing and/or securing the Claim. Upon written request to counsel to the Trustee at the address included in this Proof of Claim, the Trustee will make available copies of any of the Financing Documents.

Amount of the Claim

The Debtor commenced its bankruptcy case on August 31, 2018 (the "<u>Petition Date</u>"). The liquidated amounts owing by the Debtor to the Trustee on account of the Claim as of the Petition Date totaled not less than \$465,192,301.67, comprised of the following principal and interest then due on the Obligations:

Maturity Date of the Obligations	Principal Outstanding	Interest Rate	Interest Outstanding	Total Amount Outstanding
7/1/2022	\$8,825,000.00	5.500%	\$80,895.83	\$8,905,895.83
7/1/2024	\$32,885,000.00	5.750%	\$315,147.92	\$33,200,147.92
7/1/2025	\$8,005,000.00	5.750%	\$76,714.58	\$8,081,714.58
7/1/2030	\$64,490,000.00	5.750%	\$618,029.17	\$65,108,029.17
7/1/2035	\$72,530,000.00	5.750%	\$695,079.17	\$73,225,079.17
7/1/2039	\$72,710,000.00	5.500%	\$666,508.33	\$73,376,508.33
6/10/2019	\$60,000,000.00	7.250%	\$362,500.00	\$60,362,500.00
6/10/2019	\$45,000,000.00	7.250%	\$271,385.00	\$45,271,385.00
6/10/2019	\$10,000.000.00	9.500%	\$79,166.67	\$10,079,166.67
6/10/2019	\$45,000,000.00	8.750%	\$328,125.00	\$45,328,125.00
12/10/2020	\$21,000,000.00	7.250%	\$126,875.00	\$21,126,875.00
12/10/2020	\$21,000,000.00	7.250%	\$126,875.00	\$21,126,875.00
	\$461,445,000.00		\$3,747,301.67	\$465,192,301.67

In addition to the foregoing principal and interest, which interest continues to accrue to the date of full payment of all principal amounts due and owing under the Obligations, the Trustee

¹ References to docket numbers herein shall refer to entries docketed in Lead Case No. 18-20151 in the jointly administered proceedings of *In re Verity Health System of California, Inc., et al.*

also asserts claims, whether currently liquidated or unliquidated, for all now existing or hereafter arising: (i) unpaid fees and expenses of the Trustee and its professionals incurred prior to and subsequent to the Petition Date, as such amounts are provided for under the Financing Documents, (ii) any damages or losses that the Trustee may suffer as a result of the Debtor's breach of the Financing Documents, including any breach of the indemnity obligations in the Financing Documents, (iii) any claims that may exist against the Debtor related to the issuance of the Obligations, and (iv) any claims that may arise pursuant to that certain *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* [Docket No. 409] (the "Final DIP Order"), including administrative, priority and super-priority claims pursuant to, *inter alia*, Bankruptcy Code §§ 503(b)(1), 506(b) and 507(a)(2).

Pursuant to the Final DIP Order, the Court has allowed the Claim.

Security and Collateral

The Claim is secured, *inter alia*, by the liens described in the Financing Documents, the liens described or granted in the Final DIP Order, and any now existing or hereafter arising rights of setoff and recoupment. The Financing Documents include deeds of trust encumbering the Debtor's real estate that have been recorded and filed financing statements listing certain of the Debtor's personal property.

Additional Terms and Conditions

The Trustee expressly reserves its right to amend or supplement this Proof of Claim (including, but not limited to, for purposes of liquidating the amount of interest or additional fees, costs, and expenses referred to herein) at any time and in any respect.

This Proof of Claim is made without prejudice to the filing by the Trustee of additional proofs of claim with respect to any other indebtedness or liability of the Debtor to the Trustee, including, but not limited to any claim arising from any judgment entered in connection with the Financing Documents. The Trustee reserves all rights as to the nature, characterization and substance of the Financing Documents. The Trustee reserves all rights and claims against all third parties.

The Trustee expressly reserves all rights accruing to it, and the execution and filing of this Proof of Claim is not and shall not be deemed: (a) an election of remedies; (b) a waiver of any rights or remedies of the Trustee under any agreement or applicable law; (c) a waiver of any right to assert that all or any portion of the Claim constitutes an administrative expense claim, an unsecured claim, or a priority claim in this bankruptcy case; (d) a waiver of any rights pursuant to 11 U.S.C. § 506(b); (e) a consent to the jurisdiction of the Bankruptcy Court with respect to any proceeding commenced in this bankruptcy case against or otherwise involving the Trustee; (f) a waiver of any immunity; (g) a waiver of the right to withdraw the reference, contest the treatment of any non-core claim against it as a core claim, or otherwise to challenge the jurisdiction of the Bankruptcy Court with respect to the subject matter of the Claim, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this bankruptcy case against or otherwise involving the Trustee; (h) a waiver of any right of subordination in favor of the Trustee or liens held by creditors of any of the Debtor; (i) a waiver or release of any right to trial by jury, or a consent to a trial by jury in the Bankruptcy Court or any other court; (j) an admission that any matter is a core matter or is a matter as to which the Bankruptcy Court can enter a final judgment, a right to have final orders entered in non-core matters only after a de novo review by the District Court, or a consent to the entry by the

Case 42:118-2012515R-ERClaiDro 9136-34-3-ilefell 99/22/19/19Descrive and dd 01/21/2016 1926 1999 of Desc Exhibit 3 9Page 292 of 310

Bankruptcy Court of a final judgment with respect to the Claim or any other matter; (k) a waiver of any claim or right against any other creditor, arising under the bankruptcy case or otherwise; and/or (l) a waiver of any right related to any plan(s) of reorganization or liquidation proposed in this bankruptcy case.

The Trustee specifically reserves all of its defenses and rights, procedural and substantive, including, without limitation, its defenses and rights with respect to any claim that may be asserted against the Trustee or any of its affiliates, by the Debtor or any other party.

Case 25:18-2013-2015-R-ERCla 10065-2634-3-ila 160/27/19/100-Em Marin 44/11/2016-100/1001 of Claim #6488 Date Filed: 4/1/2019 Desc Exhibit a staye 293 01 310

	urt for the Central District of California	
Indicate Debtor against which you assert a claim by checking	the appropriate box below. (Check only one Debtor per claim form.)	
☐ Verity Health System of California, Inc. (Case No.18-20151)	☐ St. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)	
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	☐ St. Louise Regional Hospital (Case No.18-20162)	
☐ De Paul Ventures, LLC (Case No. 18-20176)	☐ St. Vincent Dialysis Center, Inc. (Case No. 18-20171)	
☐ O'Connor Hospital (Case No. 18-20168)	☐ Si-Vincent Foundation (Case No. 18-20180)	
☐ O'Connor Hospital Foundation (Case No. 18-20179)	St. Vincent Medical Center (Case No. 18-20164)	
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)	
☐ Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)	
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)	
☐ St. Francis Medical Center (Case No. 18-20165)		

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

 Who is the current creditor? 	UMB Bank, N.A., as trustee Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor							
Has this claim been acquired from someone else?	X No Yes. From whom?							
Where should notices and payments to the	Where should notices to the creditor be	diffe			Where should payments to the creditor be sent? (if different) Virginia Housum, UMB Bank, N.A.			
creditor be sent? Federal Rule of	Name One Financial Center		Name	outh Sixth Street, Suite	1400			
Bankruptcy Procedure (FRBP) 2002(g)	Number Street Boston MA	02111	Minneapolis	reet MN	55402			
RECEIVED	City State USA Country	ZIP Code	City USA Country	State	ZIP Coo			
APR 0 1 2019	Contact phone 617.542.6000		Contact phone	612.337.7003 Virginia.Housum@um	- h com			
ANCARSONCONSULTANTS	Uniform claim identifier for electronic payments in	chapter 13 (if you use	Contact email one):		<u></u>			
4. Does this claim amend one already filed?	No Yes. Claim number on court claims	registry (if known)		Filed on	DD / YYYY			
5. Do you know if anyone else has filed a proof of claim for this claim?	NoYes. Who made the earlier filing?							



KUI

P	Give Information Abo	out the Claim as of the Date the Case Was Filed
6.	Do you have any number you use to identify the	⊠ No
	debtor?	Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor:
7.	How much is the claim?	\$ See addendum. Does this amount include interest or other charges? No Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
8.	What is the basis of the claim?	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information. See addendum.
9.	Is all or part of the claim secured?	No Yes. The claim is secured by a lien on property. Nature of property: X Real estate: If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A) with this Proof of Claim. ↓ Motor vehicle X Other. Describe: See addendum. See addendum.
		Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)
		Value of property: Amount of the claim that is secured: Amount of the claim that is unsecured: \$ See addendum. (The sum of the secured and unsecured amount should match the amount in line 7.)
	RECENED	Amount necessary to cure any default as of the date of the petition: \$ See addendum.
į	APR 0 1 2019 KURTZWANCARSONCONSULT	Annual Interest Rate (when case was filed) various (see addendum) X Fixed Variable
10.	Is this claim based on a lease?	No Yes. Amount necessary to cure any default as of the date of the petition. \$
11.	Is this claim subject to a right of setoff?	X No Yes. Identify the property:

Cas**e** 42-1118-2014264151R-ERClaiDrof552634-3-ilefdl 06/22/19/19De 550114 and dd. dd. 118/120149316 1936 gt=93 of Desc Exhibit 3 9Page 295 of 310

12. Is all or part of the claim entitled to priority under	☐ No							
11 U.S.C. § 507(a)?	X Yes. Ch	eck all that apply:				Amount ent	itled to priori	
A claim may be partly priority and partly nonpriority. For example,		nestic support oblig J.S.C. § 507(a)(1)(ations (including alime A) or (a)(1)(B).	ony and child supp	oort) under	\$		
in some categories, the law limits the amount entitled to priority.			sits toward purchase, family, or household			\$		
	day	s before the bankro	ommissions (up to \$12 uptcy petition is filed of 1 U.S.C. § 507(a)(4).			\$		
	☐ Tax	es or penalties owε	ed to governmental un	its, 11 U.S.C. § 50	07(a)(8).	\$		
	☐ Cor	itributions to an em	iployee benefit plan.	11 U.S.C. § 507(a)(5).	\$		
	X Oth	er. Specify subsec	tion of 11 U.S.C. § 50	17(a)() that appl	lies.	§ See adde	ndum.	
	* Amour	nts are subject to adjus	stment on 4/01/19 and ev	ery 3 years after that	t for cases begur	n on or after the da	ate of adjustmen	

Part 3: Sign Below								
The person completing this proof of claim must	Check the appr	opriate box:						
sign and date it.	X I am the cr							
FRBP 9011(b). If you file this claim	I am the creditor's attorney or authorized agent.							
electronically, FRBP	I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.							
5005(a)(2) authorizes courts to establish local rules	l am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.							
specifying what a signature is.								
A person who files a fraudulent claim could be	I understand that an authorized signature on this <i>Proof of Claim</i> serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.							
fined up to \$500,000, imprisoned for up to 5	I have examined the information in this Proof of Claim and have reasonable belief that the information is true and correct							
years, or both. 18 U.S.C. §§ 152, 157, and	I declare under penalty of perjury that the foregoing is true and correct.							
3571.		te <u>03/28/</u>	/ 2019	and donest.				
	Executed on da	MM / DD //	******					
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APR 0 1 2019	Signature	row wina	- flowium					
MANCARSONCONSULTANTS	Print the name	of the person who	o is completing and	signing this clain	n:			
MANCARSONCONSULTANTS	Print the name	Virginia	Α.		Hou			
MANCARSONCONSULTANTS		Virginia First name	A. Midd	signing this clain				
MANCARSONCONSULTANTS		Virginia	A. Midd		Hou			
MANCARSONCONSULTANTS	Name	Virginia First name Senior Vice F	A. Midd President	le name	Hou Last n	ame		
MANCARSONCONSULTANTS	N ame	Virginia First name Senior Vice F	A. Midd President	le name	Hou Last n	ame		
MANCARSONCONSULTANTS	Name Title Company	Virginia First name Senior Vice F	A. Midd President	le name ny if the authorized aç	Hou Last n	ame		
MANCARSONCONSULTANTS	N ame	Virginia First name Senior Vice F UMB Bank, N Identify the corpora	A. Midd President I.A. ale servicer as the compa	le name ny if the authorized aç	Hou Last n gent is a servicer.	ame		
MANCARSONCONSULTANTS	Name Title Company	Virginia First name Senior Vice F UMB Bank, N Identify the corpora	A. Midd President I.A. ale servicer as the compa	le name ny if the authorized aç	Hou Last n	ame	JSA ountry	

Aaron M. Williams 617 348 4964 awilliams@mintz.com



One Financial Center Boston, MA 02111 617 542 6000 mintz.com

March 28, 2019

VIA OVERNIGHT DELIVERY

Verity Claims Processing Center c/o KCC 2335 Alaska Avenue El Segundo, California 90245

Re:

Verity Health System – Proofs of Claim

To whom it may concern:

Enclosed herewith are six proofs of claim, delivered on behalf of UMB Bank, N.A., as Master Trustee, for filing in the following bankruptcy cases, each pending in the U.S. Bankruptcy Court for the Central District of California:

- In re Verity Health System of California, Inc. (Case No. 18-20151);
- In re Saint Louise Regional Hospital (Case No. 18-20162);
- In re St. Vincent Medical Center (Case No. 18-20164);
- In re St. Francis Medical Center (Case No. 18-20165);
- In re Seton Medical Center (Case No. 18-20167); and
- In re O'Connor Hospital (Case No. 18-20168)

Also enclosed if a self-addressed, postage pre-paid envelope. Please date-stamp and return this letter to indicate your timely receipt of the proofs of claim.

For any questions or concerns, please do not hesitate to contact me by telephone (617.348.4964) or email (AWilliams@mintz.com).

Respectfully,

Aaron M. Williams

Enclosures

CC:

Virginia Housum

Ian Hammel

BOSTON LONDON LOS ANGELES **NEW YORK** MINTZ, LEVIN, COHN, FERRIS, GLOVSKY AND POPEO, P.C.

Addendum to Proof of Claim: Claim of UMB Bank, N.A., as Trustee

UMB Bank, N.A., serves as trustee (the "<u>Trustee</u>") for obligations (the "<u>Obligations</u>") issued under that certain Master Indenture of Trust, dated as of December 1, 2001 (as may be amended and supplemented, the "<u>Master Indenture</u>") among the Daughters of Charity Health System (the predecessor to debtor Verity Health System of California, Inc., referred to herein as the "<u>System</u>"), the System affiliates listed in the Master Indenture (collectively, with the System, the "<u>Obligated Group</u>"), and the Trustee. The Obligations are supported by, among other things, bonds and notes issued under various indentures and other documents evidencing and securing the Obligations (collectively with the Master Indenture, the "<u>Financing Documents</u>"). The debtor named on the Proof of Claim to which this addendum is attached (the "<u>Debtor</u>") is a member of the Obligated Group.

The Trustee submits this addendum to its Proof of Claim against the Debtor. As of the Petition Date (defined below), the claims described herein (the "<u>Claim</u>") against the Debtor totaled not less than \$465,192,301.67. As noted below, the Trustee reserves the right to amend this claim.

Basis for and Documents Supporting the Claim

The Claim is based on, among other things, the Debtor's agreement, as a member of the Obligated Group, to make payments of principal of, interest on and other costs, fees and expenses associated with the Obligations. Upon information and belief, the Debtor has copies of the Financing Documents. Pursuant to the *Order Establishing Bar Date for Filing Proofs of Claim*

[Docket No. 1528]¹, the Trustee has been excused from attaching herewith copies of the Financing Documents or other referenced documents evidencing and/or securing the Claim. Upon written request to counsel to the Trustee at the address included in this Proof of Claim, the Trustee will make available copies of any of the Financing Documents.

Amount of the Claim

The Debtor commenced its bankruptcy case on August 31, 2018 (the "<u>Petition Date</u>"). The liquidated amounts owing by the Debtor to the Trustee on account of the Claim as of the Petition Date totaled not less than \$465,192,301.67, comprised of the following principal and interest then due on the Obligations:

Maturity Date of the Obligations	Principal Outstanding	Interest Rate	Interest Outstanding	Total Amount Outstanding
7/1/2022	\$8,825,000.00	5.500%	\$80,895.83	\$8,905,895.83
7/1/2024	\$32,885,000.00	5.750%	\$315,147.92	\$33,200,147.92
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12/10/2020	\$21,000,000.00	7.250%	\$126,875.00	\$21,126,875.00
	\$461,445,000.00		\$3,747,301.67	\$465,192,301.67

In addition to the foregoing principal and interest, which interest continues to accrue to the date of full payment of all principal amounts due and owing under the Obligations, the Trustee

¹ References to docket numbers herein shall refer to entries docketed in Lead Case No. 18-20151 in the jointly administered proceedings of *In re Verity Health System of California, Inc., et al.*

also asserts claims, whether currently liquidated or unliquidated, for all now existing or hereafter arising: (i) unpaid fees and expenses of the Trustee and its professionals incurred prior to and subsequent to the Petition Date, as such amounts are provided for under the Financing Documents, (ii) any damages or losses that the Trustee may suffer as a result of the Debtor's breach of the Financing Documents, including any breach of the indemnity obligations in the Financing Documents, (iii) any claims that may exist against the Debtor related to the issuance of the Obligations, and (iv) any claims that may arise pursuant to that certain *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 [Docket No. 409] (the "Final DIP Order"), including administrative, priority and super-priority claims pursuant to, inter alia, Bankruptcy Code §§ 503(b)(1), 506(b) and 507(a)(2).*

Pursuant to the Final DIP Order, the Court has allowed the Claim.

Security and Collateral

The Claim is secured, *inter alia*, by the liens described in the Financing Documents, the liens described or granted in the Final DIP Order, and any now existing or hereafter arising rights of setoff and recoupment. The Financing Documents include deeds of trust encumbering the Debtor's real estate that have been recorded and filed financing statements listing certain of the Debtor's personal property.

Additional Terms and Conditions

The Trustee expressly reserves its right to amend or supplement this Proof of Claim (including, but not limited to, for purposes of liquidating the amount of interest or additional fees, costs, and expenses referred to herein) at any time and in any respect.

This Proof of Claim is made without prejudice to the filing by the Trustee of additional proofs of claim with respect to any other indebtedness or liability of the Debtor to the Trustee, including, but not limited to any claim arising from any judgment entered in connection with the Financing Documents. The Trustee reserves all rights as to the nature, characterization and substance of the Financing Documents. The Trustee reserves all rights and claims against all third parties.

The Trustee expressly reserves all rights accruing to it, and the execution and filing of this Proof of Claim is not and shall not be deemed: (a) an election of remedies; (b) a waiver of any rights or remedies of the Trustee under any agreement or applicable law; (c) a waiver of any right to assert that all or any portion of the Claim constitutes an administrative expense claim, an unsecured claim, or a priority claim in this bankruptcy case; (d) a waiver of any rights pursuant to 11 U.S.C. § 506(b); (e) a consent to the jurisdiction of the Bankruptcy Court with respect to any proceeding commenced in this bankruptcy case against or otherwise involving the Trustee; (f) a waiver of any immunity; (g) a waiver of the right to withdraw the reference, contest the treatment of any non-core claim against it as a core claim, or otherwise to challenge the jurisdiction of the Bankruptcy Court with respect to the subject matter of the Claim, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this bankruptcy case against or otherwise involving the Trustee; (h) a waiver of any right of subordination in favor of the Trustee or liens held by creditors of any of the Debtor; (i) a waiver or release of any right to trial by jury, or a consent to a trial by jury in the Bankruptcy Court or any other court; (j) an admission that any matter is a core matter or is a matter as to which the Bankruptcy Court can enter a final judgment, a right to have final orders entered in non-core matters only after a de novo review by the District Court, or a consent to the entry by the

Bankruptcy Court of a final judgment with respect to the Claim or any other matter; (k) a waiver of any claim or right against any other creditor, arising under the bankruptcy case or otherwise; and/or (l) a waiver of any right related to any plan(s) of reorganization or liquidation proposed in this bankruptcy case.

The Trustee specifically reserves all of its defenses and rights, procedural and substantive, including, without limitation, its defenses and rights with respect to any claim that may be asserted against the Trustee or any of its affiliates, by the Debtor or any other party.

United States Bankruptcy Co	ourt for the Central District of California
Indicate Debtor against which you assert a claim by checking	the appropriate box below. (Check only one Debtor per claim form.)
☐ Verity Health System of California, Inc. (Case No.18-20151)	S. Francis Medical Center of Lynwood Foundation (Case No. 18-20178)
☐ De Paul Ventures – San Jose Dialysis, LLC (Case No. 18-20181)	St. Louise Regional Hospital (Case No.18-20162)
☐ De Paul Ventures, LLC (Case No. 18-20176)	St. Vincent Dialysis Center, Inc. (Case No. 18-20171)
☐ O'Connor Hospital (Case No. 18-20168)	☐ St. Vincent Foundation (Case No. 18-20180)
☐ O'Connor Hospital Foundation (Case No. 18-20179)	St. Vincent Medical Center (Case No. 18-20164)
☐ Saint Louise Regional Hospital Foundation (Case No. 18-20172)	☐ Verity Business Services (Case No. 18-20173)
☐ Seton Medical Center (Case No. 18-20167)	☐ Verity Holdings, LLC (Case No. 18-20163)
☐ Seton Medical Center Foundation (Case No. 18-20175)	☐ Verity Medical Foundation (Case No. 18-20169)
☐ St. Francis Medical Center (Case No. 18-20165)	

Official Form 410

Proof of Claim

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

1.	Who is the current	UMB Bank, N.A., as trustee							
	creditor?	Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor							
2.	Has this claim been acquired from someone else?	No Yes. F	From whom?						
	Where should notices and	Where should notices to the creditor be sent? Daniel S. Bleck			Where should payments to the creditor be sent? (idifferent) Virginia Housum, UMB Bank, N.A.				
	payments to the creditor be sent?								
	creator be sent?	Name			Name				
	Federal Rule of		inancial Center		****		Street, Suite	1400	
	Bankruptcy Procedure	Number S Boston	treet MA	02111	Number Si Minneapolis	treet	MN	5540	
	(FRBP) 2002(g) EGEWED	City	State	ZIP Code	City USA		State	ZIP C	
		Country			Country				
ΔP	R 0 1 2019	Contact phone	617.542.6000	<u></u>	Contact phone	612.337.	7003		
		Contact email	DSBleck@mintz.com	_	Contact email	Virginia.H	Housum@um	b.com	
M	CARSONCONSULTANTS	Uniform claim id	lentifier for electronic payments i	n chapter 13 (if you us	se one):				
4.	Does this claim amend one already	X No							
	filed?	Yes. C	Claim number on court claims	s registry (if known)		Filed	don	DD / YYYY	
5.	Do you know if anyone else has filed	X No							
	a proof of claim for this claim?	Yes. Who	o made the earlier filing?						

Official Form 410

Date Stamped Copy Returned

Proof of Claim

No self addressed stamped envelope

Proof of Claim

No copy to return



Cas**e** 42-1118-201426215 R-ERClaiDro 232634-3-iletil 66/22/19/19De 550 144-2014 166/

Pa	Give Information Abo	out the Cla	im as of the Date the Case W	as Filed	`				
6.	Do you have any number you use to identify the	X No							
	debtor?	Yes.	Last 4 digits of the debtor's acc	:ount or any กเ	umber you use to identify the debtor:				
7.	How much is the claim?	\$ See ac	ldendum.	Does this	amount include interest or other charges?				
				☐ No					
				X Yes	. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).				
8.	What is the basis of the	Examples	: Goods sold, money loaned, le	ase, services	performed, personal injury or wrongful death, or credit card.				
	claim?	Attach red	Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as health care information.						
		Limit discl							
		See add	endum.						
9.	Is all or part of the claim	☐ No							
	secured?	X Yes.	The claim is secured by a lier	ı on property.					
			Nature of property:						
					the debtor's principal residence, file a <i>Mortgage Proof of</i> N) with this <i>Proof of Claim</i> .				
			■ Motor vehicle						
			X Other. Describe:	See adden	dum.				
			Basis for perfection:	See adden	dum.				
					, that show evidence of perfection of a security interest (for , financing statement, or other document that shows the lien				
			Value of property:		§See addendum.				
			Amount of the claim that is	secured:	§See addendum.				
			Amount of the claim that is	unsecured:	$ \$ \frac{\text{See addendum.}}{\text{amount should match the amount in line 7.)}} $				
	RECEIVE		Amount necessary to cure a	ny default as	of the date of the petition: \$ See addendum.				
	APR 0 1 20	19		case was filed	<u>) various</u> % (see addendum)				
	KURTZMANCARSONCON	SULIANIS	☒ Fixed☒ Variable						
10.	Is this claim based on a lease?	X No	Amount necessary to cure a	ny default as	of the date of the petition.				
11.	Is this claim subject to a right of setoff?	X No ☐ Yes.	Identify the property:						
		_	· · · · · · · ———						

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Case 4:2-11/8-20/13/215/R-ERClaiDro 2:33634-3-ile-10/06/22/19/19De 5cn 1/4 abril 0.0/11/20/19/19 of Desc Exhibit 3 9Page 304 of 310

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?	_	No Check all that apply			Amo	ount entitled to prior	
A claim may be partly priority and partly		Yes. Check all that apply. Domestic support obl	igations (including alimon	y and child support		vanit criation to prior	
nonpriority. For example, in some categories, the law limits the amount	[11 U.S.C. § 507(a)(1 Up to \$2,850* of dep)(A) or (a)(1)(B). osits toward purchase, le l, family, or household us	ease, or rental of p.	sroperty or		
entitled to priority.	Ī	Wages, salaries, or of days before the bank	commissions (up to \$12,8 truptcy petition is filed or 11 U.S.C. § 507(a)(4).	350*) earned within	n 180		
	[_	ved to governmental units	. 11 U.S.C. § 507(a	a)(8). \$		
	[Contributions to an e	mployee benefit plan. 11	U.S.C. § 507(a)(5). \$		
	[X Other. Specify subse	ction of 11 U.S.C. § 507(a)() that applies	s. <u>\$_Se</u>	e addendum.	
		* Amounts are subject to adj	ustment on 4/01/19 and even	y 3 years after that for	cases begun on or at	ter the date of adjustme	
Part 3: Sign Below							
The person completing this proof of claim must	Check ti	he appropriate box:					
sign and date it.	X lar	m the creditor.					
FRBP 9011(b). If you file this claim	l ar	m the creditor's attorney of	or authorized agent.				
electronically, FRBP 5005(a)(2) authorizes courts	I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.						
to establish local rules specifying what a signature is.	☐ lar	m a guarantor, surety, en	dorser, or other codebtor.	Bankruptcy Rule 3	3005.		
A person who files a fraudulent claim could be fined up to \$500,000,	I understand that an authorized signature on this <i>Proof of Claim</i> serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.						
imprisoned for up to 5 years, or both.	I have ex	xamined the information i	n this <i>Proof of Claim</i> and l	have reasonable b	elief that the inform	ation is true and corr	
18 U.S.C. §§ 152, 157, and	I declare under penalty of perjury that the foregoing is true and correct. Executed on date $\frac{03/28/2019}{}$						
3571.							
	Execute	d on date MM / DD	7777				
		Indinia aux	u Housum				
	Sign	ature	! [000 00 00				
RECEIVED	Print the	e name of the person wl	no is completing and sig	jning this claim:			
ADD	Name	Virginia First name	A.		Housum	· · · · · · · · · · · · · · · · · · ·	
APR 0 1 2019	Title	Senior Vice	Middle n President	ame	Last name		
IZMANCARSON CONSULTANTS	Company			if the outborined accord			
		identity the corpo	rate servicer as the company i	r the authorized agent	us a servicer.		
	Address	120 Number	South Sixth Street, Street	Suite 1400			
		Minneapolis		MN	55402	USA	
		City		State	ZIP Code	Country	

Aaron M. Williams 617 348 4964 awilliams@mintz.com



One Financial Center Boston, MA 02111 617 542 6000 mintz.com

March 28, 2019

Re:

VIA OVERNIGHT DELIVERY

Verity Claims Processing Center c/o KCC 2335 Alaska Avenue El Segundo, California 90245

Verity Health System – Proofs of Claim

To whom it may concern:

Enclosed herewith are six proofs of claim, delivered on behalf of UMB Bank, N.A., as Master Trustee, for filing in the following bankruptcy cases, each pending in the U.S. Bankruptcy Court for the Central District of California:

- In re Verity Health System of California, Inc. (Case No. 18-20151);
- In re Saint Louise Regional Hospital (Case No. 18-20162);
- In re St. Vincent Medical Center (Case No. 18-20164);
- In re St. Francis Medical Center (Case No. 18-20165);
- In re Seton Medical Center (Case No. 18-20167); and
- In re O'Connor Hospital (Case No. 18-20168)

Also enclosed if a self-addressed, postage pre-paid envelope. Please date-stamp and return this letter to indicate your timely receipt of the proofs of claim.

For any questions or concerns, please do not hesitate to contact me by telephone (617.348.4964) or email (AWilliams@mintz.com).

Respectfully,

Aaron M. Williams

Enclosures

Virginia Housum CC:

Ian Hammel

BOSTON

LONDON

Addendum to Proof of Claim: Claim of UMB Bank, N.A., as Trustee

UMB Bank, N.A., serves as trustee (the "<u>Trustee</u>") for obligations (the "<u>Obligations</u>") issued under that certain Master Indenture of Trust, dated as of December 1, 2001 (as may be amended and supplemented, the "<u>Master Indenture</u>") among the Daughters of Charity Health System (the predecessor to debtor Verity Health System of California, Inc., referred to herein as the "<u>System</u>"), the System affiliates listed in the Master Indenture (collectively, with the System, the "<u>Obligated Group</u>"), and the Trustee. The Obligations are supported by, among other things, bonds and notes issued under various indentures and other documents evidencing and securing the Obligations (collectively with the Master Indenture, the "<u>Financing Documents</u>"). The debtor named on the Proof of Claim to which this addendum is attached (the "<u>Debtor</u>") is a member of the Obligated Group.

The Trustee submits this addendum to its Proof of Claim against the Debtor. As of the Petition Date (defined below), the claims described herein (the "<u>Claim</u>") against the Debtor totaled not less than \$465,192,301.67. As noted below, the Trustee reserves the right to amend this claim.

Basis for and Documents Supporting the Claim

The Claim is based on, among other things, the Debtor's agreement, as a member of the Obligated Group, to make payments of principal of, interest on and other costs, fees and expenses associated with the Obligations. Upon information and belief, the Debtor has copies of the Financing Documents. Pursuant to the *Order Establishing Bar Date for Filing Proofs of Claim*

[Docket No. 1528]¹, the Trustee has been excused from attaching herewith copies of the Financing Documents or other referenced documents evidencing and/or securing the Claim. Upon written request to counsel to the Trustee at the address included in this Proof of Claim, the Trustee will make available copies of any of the Financing Documents.

Amount of the Claim

The Debtor commenced its bankruptcy case on August 31, 2018 (the "<u>Petition Date</u>"). The liquidated amounts owing by the Debtor to the Trustee on account of the Claim as of the Petition Date totaled not less than \$465,192,301.67, comprised of the following principal and interest then due on the Obligations:

Maturity Date of the Obligations	Principal Outstanding	Interest Rate	Interest Outstanding	Total Amount Outstanding
7/1/2022	\$8,825,000.00	5.500%	\$80,895.83	\$8,905,895.83
7/1/2024	\$32,885,000.00	5.750%	\$315,147.92	\$33,200,147.92
7/1/2025	\$8,005,000.00	5.750%	\$76,714.58	\$8,081,714.58
7/1/2030	\$64,490,000.00	5.750%	\$618,029.17	\$65,108,029.17
7/1/2035	\$72,530,000.00	5.750%	\$695,079.17	\$73,225,079.17
7/1/2039	\$72,710,000.00	5.500%	\$666,508.33	\$73,376,508.33
6/10/2019	\$60,000,000.00	7.250%	\$362,500.00	\$60,362,500.00
6/10/2019	\$45,000,000.00	7.250%	\$271,385.00	\$45,271,385.00
6/10/2019	\$10,000.000.00	9.500%	\$79,166.67	\$10,079,166.67
6/10/2019	\$45,000,000.00	8.750%	\$328,125.00	\$45,328,125.00
12/10/2020	\$21,000,000.00	7.250%	\$126,875.00	\$21,126,875.00
12/10/2020	\$21,000,000.00	7.250%	\$126,875.00	\$21,126,875.00
	\$461,445,000.00		\$3,747,301.67	\$465,192,301.67

In addition to the foregoing principal and interest, which interest continues to accrue to the date of full payment of all principal amounts due and owing under the Obligations, the Trustee

¹ References to docket numbers herein shall refer to entries docketed in Lead Case No. 18-20151 in the jointly administered proceedings of *In re Verity Health System of California, Inc., et al.*

also asserts claims, whether currently liquidated or unliquidated, for all now existing or hereafter arising: (i) unpaid fees and expenses of the Trustee and its professionals incurred prior to and subsequent to the Petition Date, as such amounts are provided for under the Financing Documents, (ii) any damages or losses that the Trustee may suffer as a result of the Debtor's breach of the Financing Documents, including any breach of the indemnity obligations in the Financing Documents, (iii) any claims that may exist against the Debtor related to the issuance of the Obligations, and (iv) any claims that may arise pursuant to that certain *Final Order (1) 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 [Docket No. 409] (the "Final DIP Order"), including administrative, priority and super-priority claims pursuant to, inter alia, Bankruptcy Code §§ 503(b)(1), 506(b) and 507(a)(2).*

Pursuant to the Final DIP Order, the Court has allowed the Claim.

Security and Collateral

The Claim is secured, *inter alia*, by the liens described in the Financing Documents, the liens described or granted in the Final DIP Order, and any now existing or hereafter arising rights of setoff and recoupment. The Financing Documents include deeds of trust encumbering the Debtor's real estate that have been recorded and filed financing statements listing certain of the Debtor's personal property.

Additional Terms and Conditions

The Trustee expressly reserves its right to amend or supplement this Proof of Claim (including, but not limited to, for purposes of liquidating the amount of interest or additional fees, costs, and expenses referred to herein) at any time and in any respect.

This Proof of Claim is made without prejudice to the filing by the Trustee of additional proofs of claim with respect to any other indebtedness or liability of the Debtor to the Trustee, including, but not limited to any claim arising from any judgment entered in connection with the Financing Documents. The Trustee reserves all rights as to the nature, characterization and substance of the Financing Documents. The Trustee reserves all rights and claims against all third parties.

The Trustee expressly reserves all rights accruing to it, and the execution and filing of this Proof of Claim is not and shall not be deemed: (a) an election of remedies; (b) a waiver of any rights or remedies of the Trustee under any agreement or applicable law; (c) a waiver of any right to assert that all or any portion of the Claim constitutes an administrative expense claim, an unsecured claim, or a priority claim in this bankruptcy case; (d) a waiver of any rights pursuant to 11 U.S.C. § 506(b); (e) a consent to the jurisdiction of the Bankruptcy Court with respect to any proceeding commenced in this bankruptcy case against or otherwise involving the Trustee; (f) a waiver of any immunity; (g) a waiver of the right to withdraw the reference, contest the treatment of any non-core claim against it as a core claim, or otherwise to challenge the jurisdiction of the Bankruptcy Court with respect to the subject matter of the Claim, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this bankruptcy case against or otherwise involving the Trustee; (h) a waiver of any right of subordination in favor of the Trustee or liens held by creditors of any of the Debtor; (i) a waiver or release of any right to trial by jury, or a consent to a trial by jury in the Bankruptcy Court or any other court; (j) an admission that any matter is a core matter or is a matter as to which the Bankruptcy Court can enter a final judgment, a right to have final orders entered in non-core matters only after a de novo review by the District Court, or a consent to the entry by the

Bankruptcy Court of a final judgment with respect to the Claim or any other matter; (k) a waiver of any claim or right against any other creditor, arising under the bankruptcy case or otherwise; and/or (l) a waiver of any right related to any plan(s) of reorganization or liquidation proposed in this bankruptcy case.

The Trustee specifically reserves all of its defenses and rights, procedural and substantive, including, without limitation, its defenses and rights with respect to any claim that may be asserted against the Trustee or any of its affiliates, by the Debtor or any other party.

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

2029 Century Park E, 33rd Floor, Los Angeles, CA 90067.

A true and correct copy of the foregoing document entitled (specify): OFFICIAL COMMITTEE OF UNSECURED ıe

N.A., AND WELLS FARGO BANK, NATIONAL ASSOCIATION, judge in chambers in the form and manner required by LBR 5005-	AS TRUSTEES will be served or was served (a) on th
1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRO Orders and LBR, the foregoing document will be served by the co November 18, 2019, I checked the CM/ECF docket for this bankruthe following persons are on the Electronic Mail Notice List to receive below:	urt via NEF and hyperlink to the document. On (<i>date</i>) uptcy case or adversary proceeding and determined that
	⊠ Service information continued on attached page
2. <u>SERVED BY UNITED STATES MAIL</u> : On (<i>date</i>) <u>November 18, 2019</u> , I served the following persons and bankruptcy case or adversary proceeding by placing a true and co States mail, first class, postage prepaid, and addressed as follows mailing to the judge <u>will be completed</u> no later than 24 hours after	orrect copy thereof in a sealed envelope in the United s. Listing the judge here constitutes a declaration that
	⊠ Service information continued on attached page
3. <u>SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FA</u> for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or the following persons and/or entities by personal delivery, overnig such service method), by facsimile transmission and/or email as for that personal delivery on, or overnight mail to, the judge <u>will be confiled</u> .	controlling LBR, on (<i>date</i>) <u>November 18, 2019</u> , I served ht mail service, or (for those who consented in writing to ollows. Listing the judge here constitutes a declaration
I de plane un den n'en plan et n'en iun une den the leure of the I luite d'Cte	⊠ Service information continued on attached page that the forest in the service and correct.
I declare under penalty of perjury under the laws of the United Sta	
November 18, 2019 James C. Behrens Date Printed Name	/s/ James C. Behrens Signature

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

Case 2:18-bk-20151-ER Doc 3634-4 Filed 11/18/19 Entered 11/18/19 16:03:19 Desc Proof of Service Page 2 of 8

SERVICE LIST

(Via NEF)

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Case 2:18-bk-20151-ER Doc 3634-4 Filed 11/18/19 Entered 11/18/19 16:03:19 Desc Proof of Service Page 3 of 8

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Case 2:18-bk-20151-ER Doc 3634-4 Filed 11/18/19 Entered 11/18/19 16:03:19 Desc Proof of Service Page 4 of 8

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Case 2:18-bk-20151-ER Doc 3634-4 Filed 11/18/19 Entered 11/18/19 16:03:19 Desc Proof of Service Page 5 of 8

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