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11 *MOB Financing II LLC*

12 **UNITED STATES BANKRUPTCY COURT**
13 **CENTRAL DISTRICT OF CALIFORNIA**
14 **LOS ANGELES DIVISION**

15 In re
16 VERITY HEALTH SYSTEM OF
17 CALIFORNIA, INC., *ET AL.*,

18 Debtors.

19 CASE NO. 2:18-bk-20151-ER
20 Jointly Administered
21 Chapter 11 Cases

22 **RESPONSE OF VERITY MOB**
23 **FINANCING LLC AND VERITY MOB**
24 **FINANCING II LLC WITH RESPECT TO**
25 **OBJECTION TO DEBTORS' PROPOSED**
26 **FORM OF ORDER ON MOTION OF**
27 **DEBTORS FOR FINAL ORDERS (A)**
28 **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



1 Verity MOB Financing LLC and Verity MOB Financing II LLC (collectively, “MOB
2 Financing Entities”), with respect to the MOB Financing,¹ hereby submit this response to the
3 *Objection to Debtors’ Proposed Form of Order on Motion of Debtors for Final Orders (A)*
4 *Authorizing the Debtors to Obtain Post Petition Financing, (B) Authorizing the Debtors to Use*
5 *Cash Collateral, and (C) Granting Adequate Protection to Prepetition Secured Creditors*
6 *Pursuant to 11 U.S.C. §§ 105, 363, 364, 1107 and 1108* [Docket No. 398] (the “Objection”) filed
7 by UMB Bank, N.A., as successor master indenture trustee (the “Master Trustee”), and Wells
8 Fargo Bank, National Association, as indenture trustee for the Series 2005 Bonds (the “Series
9 2005 Trustee”), and respectfully state as follows:

10 **RESPONSE**

11 1. The MOB Financing Entities support the proposed form of final order submitted
12 by the Debtors with respect to their *Emergency Motion of Debtors for Interim and Final Orders*
13 *(A) Authorizing the Debtors to Obtain Post Petition Financing (B) Authorizing the Debtors to*
14 *Use Cash Collateral and (C) Granting Adequate Protection to Prepetition Secured Creditors*
15 *Pursuant to 11 U.S.C. §§ 105, 363, 364, 1107 and 1108* [Docket No. 31] (the “Financing
16 Motion”). The MOB Financing Entities do not consent to, and oppose, the proposed form of final
17 order submitted by the Master Trustee and Series 2005 Trustee.

18 2. The proposed form of order submitted by the Master Trustee and Series 2005
19 Trustee is inconsistent with the MOB Financing Entities’ understanding of the Court’s decision,
20 serves to confuse rather than clarify the relative priorities of the parties, and appears to seek
21 inappropriately to alter the agreement of the parties with respect to adequate protection rights,
22 including by suggesting that non-parties to the inter-creditor agreement are somehow governed by
23 it.

24 3. For these reasons, the MOB Financing Entities respectfully request that the
25 Objection be overruled.

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¹ Terms not otherwise defined herein shall have the meaning ascribed in the DIP Motion
or Interim DIP Order (as defined herein).

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Respectfully Submitted,

Dated: October 4, 2018

JONES DAY

By: /s/ Bruce S. Bennett
Bruce S. Bennett
555 South Flower Street, 50th Floor
Los Angeles, California 90071

*Counsel for Attorneys for Verity MOB
Financing LLC and Verity MOB Financing II
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:

Jones Day
555 South Flower Street, 50th Floor
Los Angeles, CA 90071

A true and correct copy of the foregoing document entitled (*specify*): RESPONSE OF VERITY MOB FINANCING LLC AND VERITY MOB FINANCING II LLC WITH RESPECT TO OBJECTION TO DEBTORS' PROPOSED FORM OF ORDER ON MOTION OF DEBTORS FOR 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 will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner 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 October 4, 2018, 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. SERVED BY UNITED STATES MAIL:

On (*date*) October 4, 2018, 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.

- Claude D. Montgomery, Dentons US LLP, 1221 Avenue of the Americas, New York, NY 10020-1000
- Sam J. Alberts, Dentons US LLP, 1900 K Street NW, Washington, DC 20006-1100
- David W. Lively, Matthew P. James, Monique D. Jewett-Brewster, Hopkins & Carley, 70 S First Street, San Jose, CA 95113
- Marilyn Klinger, Ryan B. Luther, SMTO Law, LLP, 355 S. Grand Avenue, Suite 2450, Los Angeles, CA 90071
- John Ryan Yant, Carlton Fields Jordan Burt, P.A. 4221 W. Boy Scout Blvd., Suite 1000 Tampa, FL 33607-5780
- Clark Whitmore, Maslon LLP, 3300 Wells Fargo Center, 90 S 7th St, Minneapolis, MN 55402
- Megan Preusker, Nathan F Coco, McDermott Will & Emery, 444 West Lake Street, Chicago, IL 60606-0029

Service information continued on attached page

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 10/4/18, 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.

Via Personal Delivery:
Honorable Ernest Robles
United States Bankruptcy Court for the Central District of California
Roybal Federal Building
255 E. Temple Street, Suite 1560
Los Angeles, CA 90012

Service information continued on attached page

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

10/4/2018 Chane Buck /s/ Chane Buck
Date *Printed Name* *Signature*

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):

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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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