

Schedule 8.6 –AG Conditions

I. St. Francis Medical Center

St. Francis Medical Center	AG Conditions¹	Purchaser Approved Conditions²
Binding Power	<ul style="list-style-type: none"> ● Conditions shall be binding on entities enumerated in AG Conditions. 	<p>Purchaser accepts this condition with the following changes:</p> <ul style="list-style-type: none"> ● Conform to the transaction described in the Asset Purchase Agreement between SGM and Seller to which this Schedule 8.6 is related (“Agreement”). ● SGM entities who are involved in the purchase of assets pursuant to the Agreement would agree to be bound by the prospective AG conditions substantively conforming to all the provisions herein.
Applicable Agreements	<ul style="list-style-type: none"> ● Transaction consists of the following: <ul style="list-style-type: none"> - Transitional Consulting Services Agreement dated July 17, 2015; - Health System Management Agreement with Integrity Healthcare, LLC; - Debt Facility Commitment Letter dated July 17, 2015, signed by all the funds listed in footnote 2 and BlueMeridian Capital, LLC; - Operating Asset Purchase 	<p>Purchaser accepts this condition with the following changes:</p> <ul style="list-style-type: none"> ● Transaction consists of the Agreement and any and all other agreements contemplated and delivered pursuant to the Agreement including as may be applicable, financing, management services and similar agreements.

¹ The referenced conditions are, as a point of reference, reflective of the conditions contained in the Attorney General’s Decision dated December 3, 2015, conditionally consenting to the proposed change in governance and control of Daughters of Charity Ministry Services Corporation and Daughters of Charity Health System (the “**Prior Conditions**”).

² When reference is made for the proposed new AG conditions to conform to the transaction described in the Agreement, it means that, subject to any other applicable express qualifications, the condition is acceptable provided that the prospective AG conditions would address, and be consistent with, the proposed transaction pursuant to the proposed Agreement between SGM and Verity entities, and would eliminate references to the Blue Mountain entities and affiliate and the contractual arrangements between Verity entities and the Blue Mountain entities and affiliates (upon which the prior conditions were predicated), including without limitation, the System Restructuring and Support Agreement and documents delivered in connection therewith.

	<ul style="list-style-type: none"> - Option Agreement; - Operating Asset Purchase Agreement; - Real Estate Purchase Option Agreement; - Real Estate Purchase Agreement; - Information Technology Lease Agreement; and - Deposit Escrow Agreement dated July 17, 2015. 	
Notice of Sale or Transfer	<p><i>For fifteen (15) years:</i></p> <ul style="list-style-type: none"> ● Provide written notice to AG sixty (60) days prior to entering into any sale or transfer agreement. 	Purchaser accepts this condition if updated to reflect current transaction and parties.
Medical; Trauma Services	<p><i>For ten (10) years:</i></p> <ul style="list-style-type: none"> ● Remain licensed general acute care hospital. ● 24-hour emergency and trauma medical services at no less than current licensure and designation with same types and/or levels of service, including: <ul style="list-style-type: none"> - 46 emergency stations (minimum) - Level II Trauma - 5150 receiving facility - Psychiatric evaluation team - ED Approved for Pediatrics; and - Designation as a Paramedic Base Station (with same number of assigned paramedic units) ● Annual maximum number of hours on diversion is 200. ● Must give one-year advance written notice to LA-EMSA and CDPH if it seeks to reduce trauma or trauma-related care services or stop operating the Level II Trauma Center after the ten (10) years 	<p>Purchaser accepts this condition with the following changes:</p> <ul style="list-style-type: none"> ● For a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions. ● Purchaser will not agree to an annual maximum number of hours on diversion.
On-Call Coverage Contracts	<p><i>For at least ten (10) years:</i></p> <ul style="list-style-type: none"> ● Maintain on-call coverage (or 	Purchaser accepts this condition with the following changes:

	<p>comparable) contracts with physicians at FMV necessary to ensure trauma coverage, including:</p> <ul style="list-style-type: none"> - General surgery; - Trauma surgery; - Neuro-trauma surgery; - Obstetrical/gynecological surgery; - Orthopedic surgery; - Trauma orthopedic surgery; - Vascular surgery; -Cardiothoracic surgery; - Plastic surgery; - Ophthalmology; - Otolaryngology; - Anesthesia; and -Urology. 	<ul style="list-style-type: none"> ● For a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions. ● Purchaser will not agree to maintain on-call coverage (or comparable) contracts with physicians necessary to ensure trauma coverage except to the extent required by applicable laws or regulations in order for the Hospital to retain its qualification as a trauma center, for so long as maintenance of the trauma status is required. ● These qualifications are not intended to modify the following condition on Essential Medical Services.
<p>Essential Medical Services</p>	<p><i>For at least ten (10) years:</i></p> <ul style="list-style-type: none"> ● Maintain, provide and expand the following services at current levels: <ul style="list-style-type: none"> - Cardiac services, including at a minimum, three cardiac catheterization labs and the designation as a STEMI Receiving Center; - Critical care services, including a minimum of 36 intensive care unit beds or 24 intensive care unit beds and 12 System Restructuring and Support observation beds; - Advanced certification as a Primary Stroke Center; - Neonatal intensive care services, including a minimum of 29 neonatal intensive care beds, and at minimum, maintaining a Level II Neonatal Intensive Care Unit; - Women's health services, including women's imaging services; 	<p>Purchaser accepts this condition with the following changes:</p> <ul style="list-style-type: none"> ● For a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions. ● Purchaser will not agree to maintain, provide and expand cancer care or to not suspend or surrender beds directly supporting such services.

	<ul style="list-style-type: none"> - Cancer services, including radiation oncology; - Pediatric services, including a minimum of 14 pediatric beds; - Orthopedic and rehabilitation services; - Wound care and hyperbaric medicine services; - Reproductive health services and expand such services to include those prohibited by the "Ethical and Religious Directives for Catholic Health Care Services" as determined by the United States Conference of Catholic Bishops; - Inpatient psychiatric services, including a minimum of 40 inpatient acute psychiatric beds; and - Obstetric services, including a minimum of 50 obstetrics beds. ● SFMC shall not place all or any portion of the above in voluntary suspension or surrender its license for any of these beds or services. 	
<p>1206(d) clinics</p>	<p><i>For five (5) years:</i></p> <ul style="list-style-type: none"> ● (1) Operate the 1206(d) clinics (listed below) with the same number of physician and mid-level provider FTEs; or (2) sell the 1206(d) clinics (listed below) with the same number of physician and mid-level provider FTEs and require purchaser to maintain such services for five (5) years from the Closing; or (3) ensure that a third party is operating the 1206(d) clinics (listed below) with the same number of physician and mid-level provider FTEs for five (5) years and to participate in Medi-Cal and Medicare. ● For any of these options, each 	<p>Purchaser accepts this condition for a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions.</p>

	<p>clinic can be moved to a different location within a three-mile radius of each clinic's current location, and St. Francis Medical Center can utilize an alternative structure (e.g., Federally Qualified Health Center, physician office practice) in providing such services.</p> <p>● 1206(d) clinics</p> <ul style="list-style-type: none"> - Lynwood Clinic — Family Practice and Pediatrics, located at 3628 E. Imperial Highway, #303 in Lynwood; - Downey Clinic — Family Practice and Pediatrics, located at 7840 Imperial Highway, Unit B, in Downey; and - Orthopedics Clinic, located at 3628 E. Imperial Highway, #300, in Lynwood. 	
Charity Care	<p><i>For eleven (11) fiscal years :</i></p> <ul style="list-style-type: none"> ● Provide an annual amount of Charity Care equal to or greater than \$16,646,323. ● For the second fiscal year and each subsequent fiscal year, the Minimum Charity Care Amount shall be increased (but not, decreased) by an amount equal to the Annual Percent increase. ● Deficiency payments if Minimum Charity Care Amount not met. 	<p>Purchaser accepts this condition with the following changes:</p> <ul style="list-style-type: none"> ● For a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions. ● Provide an annual amount of Charity Care equal to or greater than Eight Million Dollars (\$8,000,000). ● Purchaser will not make any deficiency payments related to Charity Care spending into pensions.
Community Benefit Services	<p><i>For eleven (11) fiscal years:</i></p> <ul style="list-style-type: none"> ● Provide an annual amount of Community Benefit Services equal to or greater than \$1,362,680 and continue to offer the following services: <ul style="list-style-type: none"> - Health Benefits Resource Center; - Welcome Baby Program; - Healthy Community Initiatives; 	<p>Purchaser accepts this condition with the following changes:</p> <ul style="list-style-type: none"> ● For a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions. ● Provide an annual amount of Community Benefit Services equal to or greater than One Million, Four Hundred Thirty-Nine Thousand, Eight Hundred Fifty-

	<ul style="list-style-type: none"> - St. Francis Career College's access for onsite training; - Paramedic Training and Education; and - Patient Transportation support. ● For the second fiscal year and each subsequent fiscal year, the Minimum Community Benefit Services Amount shall be increased (but not decreased) by an amount equal to the Annual Percent increase, if any, in the 12 Months Percent Change. ● Deficiency payments if Minimum Community Benefit Services Amount not met. 	<p>Four Dollars (\$1,439,854).</p>
<p>Medicare and Medi-Cal and Managed Care</p>	<p><i>For ten (10) years:</i></p> <ul style="list-style-type: none"> ● Be certified to participate in the Medi-Cal program; ● Maintain and have Medi-Cal Managed Care contracts with the below listed Medi-Cal Managed Care Plans to provide the same types and levels of emergency and non-emergency services at St. Francis Medical Center to Medi-Cal beneficiaries (both Traditional Medi-Cal and Medi-Cal Managed Care), on the same terms and conditions as other similarly situated hospitals offering substantially the same services, without any loss, interruption of service or diminution in quality, or gap in contracted hospital coverage, unless the contract is terminated for cause: <ul style="list-style-type: none"> - Local Initiative: LA Care Health Plan or its successor; and - Commercial Plan: Health Net Community Solutions, Inc. or its successor. ● If St. Francis Medical Center questions whether it is being 	<p>Purchaser accepts this condition for a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions.</p>

	<p>reimbursed on the same terms and conditions as other similarly situated hospitals offering substantially the same services, it shall notify the AG's Office with at least 120 days' notice prior to taking any action that would effectuate any loss, interruption of service or diminution in quality, or gap in contracted hospital coverage or prior to giving any required notice of taking such action.</p> <ul style="list-style-type: none"> ● Be certified to participate in the Medicare program by maintaining a Medicare Provider Number to provide the same types and levels of emergency and non-emergency services at St. Francis Medical Center to Medicare beneficiaries (both Traditional Medicare and Medicare Managed Care). 	
<p>County Contracts</p>	<p><i>For at least ten (10) years:</i></p> <ul style="list-style-type: none"> ● Maintain LA County contracts, including: <ul style="list-style-type: none"> - Radiation Therapy Services Agreement; - Impacted Hospital Program Agreement until terminated by Los Angeles County in June 2016; - Department of Mental Health Legal Entity Agreement; - Mental Health Services Agreement Contract Allowable Rate-Fee for Service Medi-Cal Acute Psychiatric Inpatient Services; - EDAP Confirmation Agreement; - Designation Agreement (72-Hours Evaluation and Intensive Treatment Facility); - Paramedic Base Hospital Services Agreement; 	<p>Purchaser accepts this condition with the following changes:</p> <ul style="list-style-type: none"> ● For a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions. ● Conform to current transaction

	<ul style="list-style-type: none"> - Trauma Center Services Agreement; - Trauma Center Services Augmentation Agreement until terminated by Los Angeles County in December 2015; - Nursing Affiliation Agreement; and - Hospital Preparedness Program Agreement. <ul style="list-style-type: none"> ● Provide to LA County information and documents related to staffing assessments, clinical guidelines, services provided, and technology needs for St. Francis Medical Center. The goal is to ensure that St. Francis Medical Center's decisions or changes in these areas will not be motivated by a desire to move away from serving the Medi-Cal population. Such information and documents will also be provided to the Local Governing Board. 	
Local Governing Board of Directors	<p><i>For ten (10) years:</i></p> <ul style="list-style-type: none"> ● Have a Local Governing Board of Directors and consult with Board prior to changes. 	Purchaser accepts this condition for a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions.
Capital Commitment	<ul style="list-style-type: none"> ● Reserve or expend the \$180 million capital commitment. 	<p>Purchaser accepts this condition with the following changes:</p> <ul style="list-style-type: none"> ● Capital commitment will be adjusted as follows: <ul style="list-style-type: none"> - Prorated to adjust commitment to reflect percentage of assets St. Francis Medical Center represents against the total value of all assets in the Verity Health System; - The capital commitment will be reduced by the amount Seller has already expended for capital from the Closing of the Blue Mountain transaction through Closing under

		<p>the Agreement.</p> <ul style="list-style-type: none"> - All to be paid or reserved over a five (5) year period after Closing of the Agreement. - The total capital requirements for St. Francis Medical Center, Seton Medical Center / Coastside, and St. Vincent Medical Center will not exceed Seventy-Five Million Dollars (\$75,000,000).
Pension Obligations	<ul style="list-style-type: none"> ● Comply with existing pension obligations. 	Purchaser does not accept this condition.
Staff Privileges	<ul style="list-style-type: none"> ● Maintain privileges for current medical staff in good standing at Closing. ● Maintain medical staff officers, committee chairs, and independence of medical staff, and such persons shall remain in good standing for the remainder of their tenure. 	<ul style="list-style-type: none"> ● Purchaser accepts this condition consistent with the Agreement. ● Agreed to the extent reasonably within SGM's control.
Seismic Compliance	<ul style="list-style-type: none"> ● Commit necessary investments to maintain OSHPD seismic compliance requirements of hospital through 2030. 	Purchaser accepts this condition.
Update Bylaws and Conflict of Interest Policy	<ul style="list-style-type: none"> ● Within sixty (60) days, update Bylaws as specified and adopt same Conflict of Interest Policy as DCHS. ● Within ninety (90) days of closing, provide copies of amended and restated governing documents. 	Purchaser does not accept this condition because it is not applicable to a for-profit health system or consistent with this transaction.
Reproductive Health Services and LGBT Discrimination	<ul style="list-style-type: none"> ● There shall be no restriction or limitation on providing or making reproductive health services and no discrimination against LGBT individuals. Both of these must be set forth in written policies. 	Purchaser accepts this condition.

Accounting of Charitable Assets	<ul style="list-style-type: none"> At least thirty (30) days prior to Closing, provide to the Attorney General's Office an accounting of all charitable assets. 	Purchaser does not accept this condition because it is not acquiring the Foundations.
Compliance Reports and Provision of Information	<ul style="list-style-type: none"> Provide reports/information as required by AG for eleven years. 	Purchaser accepts this condition for a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions.
Consent to Conditions	<ul style="list-style-type: none"> Implicit/explicit consent to conditions and waiver of any right to seek judicial relief. 	<p>Purchaser accepts this condition with the following changes:</p> <ul style="list-style-type: none"> Implicit/explicit consent to conditions and waiver of any right to seek judicial relief as long as consistent with the Agreement.

II. St. Vincent Medical Center

St. Vincent Medical Center	AG Conditions	Purchaser Approved Conditions
Binding Power	<ul style="list-style-type: none"> Conditions shall be binding on entities enumerated in AG Conditions. 	<p>Purchaser accepts this condition with the following changes:</p> <ul style="list-style-type: none"> Conform to the transaction described in the Agreement. SGM entities who are involved in the purchase of assets pursuant to the Agreement would agree to be bound by prospective AG conditions substantively conforming to all the provisions herein.
Applicable Agreements	<ul style="list-style-type: none"> Transaction consists of the following: <ul style="list-style-type: none"> Transitional Consulting Services Agreement dated July 17, 2015; Health System Management Agreement with Integrity Healthcare, LLC; Debt Facility Commitment Letter dated July 17, 2015, signed by all the funds listed in footnote 2 and BlueMeridian Capital, LLC; Operating Asset Purchase Option Agreement; 	<p>Purchaser accepts this condition with the following changes:</p> <ul style="list-style-type: none"> Transaction consists of the Agreement and any and all other agreements contemplated and delivered pursuant to the Agreement including, as may be applicable, financing, management services and similar agreements.

	<ul style="list-style-type: none"> - Operating Asset Purchase Agreement; - Real Estate Purchase Option Agreement; - Real Estate Purchase Agreement; - Information Technology Lease Agreement; and - Deposit Escrow Agreement dated July 17, 2015. 	
Notice of Sale or Transfer	<p><i>For fifteen (15) years:</i></p> <ul style="list-style-type: none"> ● Provide written notice to AG sixty (60) days prior to entering into any sale or transfer agreement. 	Purchaser accepts this condition if updated to reflect current transaction and parties.
Essential Medical Services	<p><i>For five (5) years:</i></p> <ul style="list-style-type: none"> ● Remain licensed general acute care hospital. ● Provide the following: <ul style="list-style-type: none"> - 24-hour emergency medical services, including a minimum of: <ul style="list-style-type: none"> - 8 emergency beds/stations and 6 Fast Track treatment stations, and the requirements set by the County of Los Angeles Emergency Medical Services for 911 Receiving Hospitals; - Acute rehabilitation services, including a minimum of 19 licensed acute rehabilitation beds; - Intensive care/critical care services, including a minimum of 30 licensed intensive care beds; - Cardiac services, including cardiac surgery and a minimum of 4 cardiac catheterization labs; -Cancer services, including radiation therapy; - Gastroenterology services; - Imaging and laboratory services; - Nephrology services, including end stage renal disease program, acute inpatient dialysis unit, and 	<p>Purchaser accepts this condition with the following changes:</p> <ul style="list-style-type: none"> ● For a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions. ● Purchaser will not agree to maintain, provide and expand cancer care, including radiation therapy or to not suspend or surrender beds directly supporting such services.

	<p>hemodialysis treatments;</p> <ul style="list-style-type: none">- Neurology and neurotology services, including neurosurgery;- Orthopedics, joint replacement, and spine care services;- Transplant services, including kidney and multi-organ transplant procedures for kidney/pancreas double transplants; and- Outpatient dialysis services within 5 miles of St. Vincent Medical Center by either (1) operating St. Vincent Dialysis Center, or (2) transferring St. Vincent Dialysis Center to a separate entity and requiring that entity to operate it for 5 years from the closing date of the System Restructuring and Support Agreement and to participate in the Medi-Cal and Medicare programs as required in Condition VII, or (3) ensuring that a third party is operating an outpatient dialysis center(s) at current levels for 5 years from the closing date of the System Restructuring and Support Agreement	
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	<p>and that such center(s) participate in the Medi-Cal and Medicare programs as required in Condition VII.</p> <ul style="list-style-type: none"> ● St. Vincent Medical Center shall not place all or any portion of its above-listed licensed-bed capacity or services in voluntary suspension or surrender its license for any of these beds or services. 	
OB & Reproductive Services	<p><i>Within five (5) years:</i></p> <ul style="list-style-type: none"> ● If St. Vincent Medical Center provides obstetrical services within five years from the closing date of the System Restructuring and Support Agreement, St. Vincent Medical Center shall also provide reproductive health services including such services prohibited by the "Ethical and Religious Directives for Catholic Health Care Services" as determined by the United States Conference of Catholic Bishops. 	<p>Purchaser accepts this condition for a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions.</p>
1206(d) clinics	<p><i>For five (5) years:</i></p> <ul style="list-style-type: none"> ● (1) Operate the 1206(d) clinics (listed below) at same levels; OR (2) sell the 1206(d) clinics (listed below) with the same number of physician and mid-level provider FTEs and require purchaser to maintain such services for five (5) years from the Closing; OR (3) ensure that a third party is operating the 1206(d) clinics (listed below) at the same levels for five (5) years and to participate in Medi-Cal and Medicare as stated in Condition VII. ● For any of these options, each clinic can be moved to a different 	<p>Purchaser accepts this condition for a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions.</p>

	<p>location within a two-mile radius of each clinic's current location, and SVMC can utilize an alternative structure (e.g., Federally Qualified Health Center, physician office practice) in providing such services.</p> <p>● <u>1206(d) clinics</u></p> <ul style="list-style-type: none"> - Joint Replacement Institute, located at 2200 West 3rd Street in Los Angeles; - Multi-Organ Transplant Center, located at 2200 West 3^d Street in Los Angeles; - Spine Institute, located at 2200 West 3rd Street in Los Angeles; - Cancer Treatment Center, located at 201 S. Alvarado Street in Los Angeles; and - Cardiac Care Institute, located at 201 S. Alvarado Street in Los Angeles. 	
Charity Care	<p><i>For six (6) fiscal years:</i></p> <ul style="list-style-type: none"> ● Provide an annual amount of Charity Care equal to or greater than \$407,513. ● For the second fiscal year and each subsequent fiscal year, the Minimum Charity Care Amount shall be increased (but not, decreased) by an amount equal to the Annual Percent increase. ● Deficiency payments if Minimum Charity Care Amount not met. 	<p>Purchaser accepts this condition with the following changes:</p> <ul style="list-style-type: none"> ● For a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions. ● Provide an annual amount of Charity Care equal to or greater than Four Hundred Thirty Thousand Dollars and Three Hundred Eighty-Four Dollars (\$430,384). ● Purchaser will not make any deficiency payments related to Charity Care spending into pensions.
Community Benefit Services	<p><i>For six (6) fiscal years:</i></p> <ul style="list-style-type: none"> ● Provide an annual amount of Community Benefit Services at St. Vincent Medical Center equal to or greater than \$1,076,459 exclusive of any funds from grants. For six fiscal years, the following community benefit programs and services shall continue to be offered: 	<p>Purchaser accepts this condition with the following changes:</p> <ul style="list-style-type: none"> ● For a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions. ● Provide an annual amount of Community Benefit Services at St. Vincent Medical Center equal to or

	<ul style="list-style-type: none"> - Health Benefits Resource Center or similar services; and - Asian Pacific Liver Center. • Further planning of and changes to, the community benefit services provided at St. Vincent Medical Center shall be decided upon by the St. Vincent Medical Center's Board of Directors after consultation with the Local Governing Board of Directors as set forth in Condition XI. • For the second fiscal year and each subsequent fiscal year, the Minimum Community Benefit Services Amount shall be increased (but not decreased) by an amount equal to the Annual Percent increase, if any, in the 12 Months Percent Change. • Deficiency payments if Minimum Community Benefit Services Amount not met 	<p>greater than of One Million Seventy-Six Thousand and Four Hundred Fifty-Nine Dollars (\$1,076,459) exclusive of any funds from grants.</p>
<p>Medicare and Medi-Cal and Managed Care</p>	<p><i>For five (5) years:</i></p> <ul style="list-style-type: none"> • Be certified to participate in the Medi-Cal program; • Maintain and have Medi-Cal Managed Care contracts with the below listed Medi-Cal Managed Care Plans to provide the same types and levels of emergency and non-emergency services at St. Vincent Medical Center to Medi-Cal beneficiaries (both Traditional Medi-Cal and Medi-Cal Managed Care), on the same terms and conditions as other similarly-situated hospitals offering substantially the same services, without any loss; interruption of service or diminution in quality, or gap in contracted hospital coverage, unless the contract is terminated for cause: <ul style="list-style-type: none"> - Local Initiative Plan: LA Care Health Plan or its successor; and 	<p>Purchaser accepts this condition for a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions.</p>

	<p>- Commercial Plan: Health Net Community Solutions, Inc. or its successor.</p> <ul style="list-style-type: none"> ● If St. Vincent Medical Center questions whether it is being reimbursed on the same terms and conditions as other similarly situated hospitals offering substantially the same services, it shall notify the AG's Office with at least 120 days' notice prior to taking any action that would effectuate any loss, interruption of service or diminution in quality, or gap in contracted hospital coverage or prior to giving any required notice of taking such action. ● Be certified to participate in the Medicare program by maintaining a Medicare Provider Number to provide the same types and levels of emergency and non-emergency services at St. Vincent Medical Center to Medicare beneficiaries (both Traditional Medicare and Medicare Managed Care). 	
<p>County Contracts</p>	<p><i>For at least five (5) years:</i></p> <ul style="list-style-type: none"> ● Maintain contracts and any amendments and exhibits thereto with the County of Los Angeles for services, including the following: <ul style="list-style-type: none"> - Hospital Preparedness Program Agreement; - Radiation Therapy Services Agreement; and - Physician Post Graduate Training Agreement. ● Provide to the Los Angeles County Department of Health Services and Los Angeles County of Department of Mental Health information and documents related to staffing assessments, clinical guidelines, services provided, and technology needs for St. Vincent 	<p>Purchaser accepts this condition with the following changes:</p> <ul style="list-style-type: none"> ● For a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions. ● Conform to current transaction.

	<p>Medical Center. The goal is to ensure that St. Vincent Medical Center's decisions or changes in these areas will not be motivated by a desire to move away from serving the Medi-Cal population. Such information and documents will also be provided to the Local Governing Board.</p>	
<p>Local Governing Board of Directors</p>	<p><i>For five (5) years:</i></p> <ul style="list-style-type: none"> • Have a Local Governing Board of Directors and consult with Board prior to changes. 	<p>Purchaser accepts this condition for a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions.</p>
<p>Capital Commitment</p>	<ul style="list-style-type: none"> • Reserve or expend the \$180 million capital commitment. 	<p>Purchaser accepts this condition with the following changes:</p> <ul style="list-style-type: none"> • Capital commitment will be adjusted as follows: <ul style="list-style-type: none"> - Prorated to adjust commitment to reflect percentage of assets St. Francis Medical Center represents against the total value of all assets in the Verity Health System; - The capital commitment will be reduced by the amount Seller has already expended for capital from the Closing of the Blue Mountain transaction through Closing under the Agreement. - All to be paid or reserved over a five (5) year period after Closing of the Agreement. <p>The total capital requirements for St. Francis Medical Center, Seton Medical Center / Coastside, and St. Vincent Medical Center will not exceed Seventy-Five Million Dollars (\$75,000,000).</p>
<p>Pension Obligations</p>	<ul style="list-style-type: none"> • Comply with pension obligations. 	<p>Purchaser does not accept this condition.</p>
<p>Staff Privileges</p>	<ul style="list-style-type: none"> • Maintain privileges for current medical staff in good standing at 	<ul style="list-style-type: none"> • Purchaser accepts this condition consistent with Agreement.

	<p>Closing.</p> <ul style="list-style-type: none"> ● Maintain medical staff officers, committee chairs, and independence of medical staff, and such persons shall remain in good standing for the remainder of their tenure. 	<ul style="list-style-type: none"> ● Agreed to the extent reasonably within SGM's control.
Seismic Compliance	<ul style="list-style-type: none"> ● Commit necessary investments to maintain OSHPD seismic compliance requirements through 2030 ● Purchaser shall commit the necessary capital investment required to refurbish St. Vincent Medical Center's elevators in order to meet the City of Los Angeles' Elevator Code. 	<ul style="list-style-type: none"> ● Purchase accepts this condition subject to completion of project to refurbish 6 elevators prior to closing.
Update Bylaws and Conflict of Interest Policy	<ul style="list-style-type: none"> ● Within sixty (60) days, update Bylaws as specified and adopt same Conflict of Interest Policy as DCHS. ● Within ninety (90) days of Closing, provide copies of amended and restated governing documents. 	Purchaser does not accept this condition because it is not applicable to a for-profit health system or consistent with this transaction .
Reproductive Health Services and LGBT Discrimination	<ul style="list-style-type: none"> ● There shall be no restriction or limitation on providing or making reproductive health services and no discrimination against LGBT individuals. Both of these must be set forth in written policies. 	Purchaser accepts this condition.
Accounting of Charitable Assets	<ul style="list-style-type: none"> ● At least thirty (30) days prior to Closing, provide to the AG's Office an accounting of all charitable assets. 	Purchaser does not accept this condition because it is not relevant to the current transaction.
Compliance Reports and Provision of Information	<ul style="list-style-type: none"> ● Provide reports/information as required by AG for eleven years. 	Purchaser accepts this condition for a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions.
Consent to Conditions	<ul style="list-style-type: none"> ● Implicit/explicit consent to conditions and waiver of any right to seek judicial relief. 	<p>Purchaser accepts this condition with the following changes:</p> <ul style="list-style-type: none"> ● Implicit/explicit consent to conditions and waiver of any right

		to seek judicial relief as long as consistent with the Agreement.
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III. Seton Medical Center

Seton Medical Center	AG Conditions	Purchaser Approved Conditions
Binding Power	<ul style="list-style-type: none">● Conditions shall be binding on entities enumerated in AG Conditions.	Purchaser accepts this condition with the following changes: <ul style="list-style-type: none">● Conform to the transaction described in the Agreement.● SGM entities who are involved in the purchase of assets pursuant to the Agreement would agree to be bound by the prospective AG conditions substantively conforming to all the provisions herein.

<p>Applicable Agreements</p>	<ul style="list-style-type: none"> ● Transaction consists of the following: <ul style="list-style-type: none"> - Transitional Consulting Services Agreement dated July 17, 2015; - Health System Management Agreement with Integrity Healthcare, LLC; - Debt Facility Commitment Letter dated July 17, 2015, signed by all the funds listed in footnote 2 and BlueMeridian Capital, LLC; - Operating Asset Purchase Option Agreement; - Operating Asset Purchase Agreement; - Real Estate Purchase Option Agreement; - Real Estate Purchase Agreement; - Information Technology Lease Agreement; and - Deposit Escrow Agreement dated July 17, 2015. 	<p>Purchaser accepts this condition with the following changes:</p> <ul style="list-style-type: none"> ● Transaction consists of the Agreement and any and all other agreements contemplated and delivered pursuant to the Agreement including, as may be applicable, financing, management services and similar agreements.
<p>Notice of Sale or Transfer</p>	<p><i>For fifteen (15) years:</i></p> <ul style="list-style-type: none"> ● Provide written notice to AG sixty (60) days prior to entering into any sale or transfer agreement. 	<p>Purchaser accepts this condition if updated to reflect current transaction and parties.</p>
<p>Trauma Services</p>	<p><i>For ten (10) years</i></p> <ul style="list-style-type: none"> ● Seton Medical Center shall remain licensed general acute care hospital and maintain current services at current levels: <ul style="list-style-type: none"> - 24-hour emergency medical services, including a minimum of 18 emergency treatment stations; - Cardiac services, including the 2 cardiac catheterization labs, including the designation as a STEMI 	<p>Purchaser accepts this condition for a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions.</p>

	<p>Receiving Center;</p> <ul style="list-style-type: none"> - Intensive care and coronary care services, including a minimum of 20 intensive care and coronary care beds; - Advanced certification as a Primary Stroke Center; - Women's health services, Seton Breast Health Center, and women's imaging and mammography services; and - Sub-acute services, including a minimum of 44 sub-acute beds and Medi-Cal Certification and Joint Commission Accreditation as a sub-acute unit. <ul style="list-style-type: none"> ● Seton Medical Center shall not place all or any portion of its above-listed licensed-bed capacity or services in voluntary suspension or surrender its license for any of these beds or services. 	
OB & Reproductive Services	<p><i>Within ten (10) years:</i></p> <p>If Seton Medical Center provides obstetrical services within ten years from the closing date of the System Restructuring and Support Agreement, Seton Medical Center shall also provide reproductive health services including such services prohibited by the "Ethical and Religious Directives for Catholic Health Care Services" as determined by the United States Conference of Catholic Bishops.</p>	<p>Purchaser accepts this condition for a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions.</p>
Essential Medical Services	<p><i>For at least five (5) years:</i></p> <ul style="list-style-type: none"> ● Seton Medical Center shall maintain the following at current levels: - Gastroenterology services, including enteroscopy, endoscopy, and colonoscopy services; 	<p>Seton Medical Center:</p> <p>Purchaser accepts this condition with the following changes:</p> <ul style="list-style-type: none"> ● For a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions.

	<ul style="list-style-type: none"> - Cancer services, including inpatient oncology unit, interventional radiology, radiation therapy, and infusion services; - Orthopedics and rehabilitation services, including joint replacement and spine care services; - Diabetes services, including Northern California Diabetes Institute; - Wound care services, including Seton Center for Advanced Wound Care; and - Nephrology services, including inpatient and outpatient dialysis services. <ul style="list-style-type: none"> ● Seton Medical Center shall not place all or any portion of its above-listed licensed-bed capacity or services in voluntary suspension or surrender its license for any of these beds or services. <p><i>For at least ten (10) years:</i></p> <ul style="list-style-type: none"> ● Seton Coastside shall maintain and provide the following services at current licensure, types, and/or levels of services at Seton Coastside: <ul style="list-style-type: none"> - 24-hour “standby” emergency services, with a minimum of 7 treatment stations; and - Skilled nursing services, including a minimum of 116 licensed skilled nursing beds. 	<ul style="list-style-type: none"> ● Purchaser will not agree to maintain, provide and expand cancer care at either campus, including inpatient oncology unit, interventional radiology, radiation therapy, and infusion services or to not suspend or surrender any beds directly supporting such services. <p>Seton Coastside: Purchaser accepts this condition for a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions.</p>
Charity Care	<p><i>For six (6) fiscal years:</i></p> <ul style="list-style-type: none"> ● Seton Medical Center and Seton Coastside shall provide an annual amount of Charity Care at Seton Medical Center and Seton Coastside equal to or greater than \$1,721,301. ● For the second fiscal year and each subsequent fiscal year, the 	<p>Purchaser accepts this condition with the following changes:</p> <ul style="list-style-type: none"> ● For a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions. ● Seton Medical Center and Seton Coastside together shall provide an annual amount of Charity Care at

	<p>Minimum Charity Care Amount shall be increased (but not, decreased) by an amount equal to the Annual Percent increase.</p> <ul style="list-style-type: none"> • Deficiency payments if Minimum Charity Care Amount not met. 	<p>Seton Medical Center and Seton Coastside total that is equal to or greater than Nine Hundred Thirty-Five Thousand and Four Hundred Five Dollars (\$935,405).</p> <ul style="list-style-type: none"> • Purchaser will not make any deficiency payments related to Charity Care spending into pensions.
Community Benefit Services	<p><i>For six (6) fiscal years:</i></p> <ul style="list-style-type: none"> • Seton Medical Center and Seton Coastside shall provide an annual amount of Community Benefit Services equal to or greater than \$794,324 exclusive of any funds from grants. For six fiscal years, the following community benefit programs and services shall continue to be offered: <ul style="list-style-type: none"> - Health Benefits Resource Center; and - RotaCare Clinic. • For the second fiscal year and each subsequent fiscal year, the Minimum Community Benefit Services Amount shall be increased (but not decreased) by an amount equal to the Annual Percent increase, if any, in the 12 Months Percent Change. • Deficiency payments if Minimum Community Benefit Services Amount not met. 	<p>Purchaser accepts this condition with the following changes:</p> <ul style="list-style-type: none"> • For a term which coincides with the remaining term applicable to this provision, for this facility, in the Prior Conditions. • Seton Medical Center and Seton Coastside together shall provide an annual total amount of Community Benefit Services equal to or greater than Eight Hundred Forty-Eight Thousand and Four Hundred Thirty-Four Dollars (\$848,434) exclusive of any funds from grants.
Medicare and Medi-Cal and Managed Care	<p><i>For ten (10) years:</i></p> <ul style="list-style-type: none"> • Both Seton Medical Center and Seton Coastside shall: <ul style="list-style-type: none"> • Be certified to participate in the Medi-Cal program; • Maintain and have Medi-Cal Managed Care contracts with San Mateo Health Commission dba Health Plan of San Mateo or its successor to provide the same types and levels of emergency and non-emergency services at Seton 	<p>Purchaser accepts this condition for a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions.</p>

	<p>Medical Center and Seton Coastside to Medi-Cal beneficiaries (both Traditional Medi-Cal and Medi-Cal Managed Care), on the same terms and conditions as other similarly situated hospitals offering substantially the same services, without any loss, interruption of service or diminution in quality, or gap in contracted hospital coverage, unless the contract is terminated for cause</p> <ul style="list-style-type: none"> ● If SMC or Seton Coastside questions whether it is being reimbursed on the same terms and conditions as other similarly situated hospitals offering substantially the same services, it shall notify the AG's Office with at least 120 days' notice prior to taking any action that would effectuate any loss, interruption of service or diminution in quality, or gap in contracted hospital coverage or prior to giving any required notice of taking such action. ● Be certified to participate in the Medicare program by maintaining a Medicare Provider Number to provide the same types and levels of emergency and non-emergency services at SMC and Seton Coastside to Medicare beneficiaries (both Traditional Medicare and Medicare Managed Care). 	
<p>San Mateo County Contracts / "Safety Net" Hospital Status</p>	<p><i>For at least five (5) years:</i></p> <ul style="list-style-type: none"> ● Maintain San Mateo County contracts, including: <ul style="list-style-type: none"> - Data Usage Agreements between San Mateo County and Seton Medical Center; - Patient Transfer Agreement between San Mateo County Medical Center and Seton Medical Center; 	<p>Purchaser accepts this condition for a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions.</p>

	<ul style="list-style-type: none"> - Agreement dated July 2013 (effective October 1, 2013) whereby the County of San Mateo agrees to provide financial support for Seton Medical Center in exchange for Seton Medical Center's agreement to maintain its role as a safety net provider in San Mateo County, unless otherwise terminated earlier by the County of San Mateo; - San Mateo ACE Program Hospital Agreement; and - Agreements with Local Hospitals and Healthcare Facilities Participating in the National Bioterrorism Hospital Preparedness Program Grant. 	
<p>Current Agreements (Medical Foundation)</p>	<ul style="list-style-type: none"> • Verity Medical Foundation will continue to fulfill the terms of the following agreements and amendments thereto: <ul style="list-style-type: none"> - Medi-Cal Medical Services Agreement Between San Mateo Health Commission and Referral Provider dated May 2014; - Care Advantage Medical Services Agreement Between San Mateo Health Commission and Primary Care Physician dated July 2014; - Medi-Cal Medical Services Agreement Between San Mateo Health Commission and Primary Care Physician dated July 2014; - Healthworx Medical Services Agreement Between San Mateo Community Health Authority and Primary Care Physician dated July 2014; - Healthworx Medical Services Agreement between San Mateo Community Health Authority and Referral Provider dated June 2014; and - Care Advantage Medical Services Agreement Between San 	<p>Purchaser does not accept this condition because it is not relevant to the current transaction.</p>

	Mateo Health Commission and Referral Provider dated August 2014.	
Local Governing Board of Directors	<p><i>For ten (10) years:</i></p> <ul style="list-style-type: none"> ● Seton Medical Center and Seton Coastside shall have a Local Governing Board of Directors and consult with Board prior to changes. 	Purchaser accepts this condition for a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions.
Capital Commitment	<ul style="list-style-type: none"> ● Reserve or expend the \$180 million capital commitment. 	<p>Purchaser accepts this condition with the following changes:</p> <ul style="list-style-type: none"> ● Capital commitment will be adjusted as follows: <ul style="list-style-type: none"> - Prorated to adjust commitment to reflect percentage of assets St. Francis Medical Center represents against the total value of all assets in the Verity Health System; - The capital commitment will be reduced by the amount Seller has already expended for capital from the Closing of the Blue Mountain transaction through Closing under the Agreement. - All to be paid or reserved over a five (5) year period after Closing of the Agreement. - The total capital requirements for St. Francis Medical Center, Seton Medical Center / Coastside, and St. Vincent Medical Center will not exceed Seventy-Five Million Dollars (\$75,000,000).
Pension Obligations	<ul style="list-style-type: none"> ● Comply with pension obligations. 	Purchaser does not accept this condition.
Staff Privileges	<ul style="list-style-type: none"> ● Seton Medical Center and Seton Coastside shall maintain privileges for current medical staff in good standing at Closing. ● Maintain medical staff officers, committee chairs, and independence of medical staff, and 	<ul style="list-style-type: none"> ● Purchaser accepts this condition consistent with Agreement. ● Agreed to the extent reasonably within SGM's control.

	such persons shall remain in good standing for the remainder of their tenure.	
Seismic Compliance	<ul style="list-style-type: none"> ● Commit necessary investments to maintain OSHPD seismic compliance requirements of hospital through 2030, including: <ul style="list-style-type: none"> ● Construction of, completion of, and obtaining a Certificate of Occupancy by July 1, 2019 for a new Patient Tower at Seton Medical Center, with at least 104 beds for general acute care, perinatal care, and intensive care services, with at least 12 critical care beds and 8 perinatal beds; OR ● retrofitting of and obtaining a Construction Final by July 1, 2019 for Seton Medical Center's current Patient Tower. (For building new Patient Tower, buyer shall submit Construction Documents to OSHPD by deadline provided for, and shall obtain a Certificate of Occupancy from OSHPD by deadline. For retrofitting Seton Medical Center's current Patient Tower, buyer shall submit Construction Documents to OSHPD deadline, shall obtain a building permit for retrofitting Seton Medical Center's current Patient Tower from OSHPD and shall obtain a Construction Final from OSHPD by specified deadlines. 	<ul style="list-style-type: none"> ● Purchaser does not agree to current AG conditions but will agree to: <ul style="list-style-type: none"> -Promptly assess feasibility of retrofitting the Patient Tower; -Operate current Patient Tower for up to five (5) years following Closing; -Retrofit the Patient Tower or build a new hospital facility. ● The preceding commitment and other operational conditions for SMC assume and are conditioned on SMC obtaining necessary waivers or other authority from OSHPD and the State to permit continued operation of SMC through such five (5) year period, pending replacement or retrofit of the current Patient Tower, and receipt by Purchaser of all PACE financing funds at currently accrued levels (i.e. approximately \$40 million).
Update Bylaws and Conflict of Interest Policy	<ul style="list-style-type: none"> ● Within sixty (60) days, update Bylaws as specified and adopt same Conflict of Interest Policy as DCHS. ● Within ninety (90) days of closing, provide copies of amended and restated governing documents. 	Purchaser does not accept this condition because it is not applicable to a for-profit health system or consistent with this transaction.
Reproductive Health Services	<ul style="list-style-type: none"> ● There shall be no restriction or limitation on providing or making 	Purchaser accepts this condition.

	reproductive health services.	
Accounting of Charitable Assets	<ul style="list-style-type: none"> At least thirty (30) days prior to Closing, provide to the AG's Office an accounting of all charitable assets. [Have we verified whether this is still relevant?]	Purchaser does not accept this condition because it is not relevant to the current transaction.
Compliance Reports and Provision of Information	<i>For eleven (11) fiscal years:</i> <ul style="list-style-type: none"> Provide reports/information as required by AG. 	Purchaser accepts this condition for a term which coincides with the remaining term applicable to this condition, for this facility, in the Prior Conditions.
Consent to Conditions	<ul style="list-style-type: none"> Implicit/explicit consent to conditions and waiver of any right to seek judicial relief. 	Purchaser accepts this condition with the following changes: <ul style="list-style-type: none"> Implicit/explicit consent to conditions and waiver of any right to seek judicial relief as long as consistent with the Agreement.