

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
FORT WORTH DIVISION**

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In re:	§	Chapter 11
	§	
FOREST PARK MEDICAL CENTER AT	§	Case No. 16-40273-rfn-11
SOUTHLAKE, LLC,	§	
	§	
Debtor.	§	

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**FIRST AMENDED DISCLOSURE STATEMENT UNDER 11 U.S.C. § 1125 IN SUPPORT  
OF THE FIRST AMENDED PLAN OF LIQUIDATION FOR FOREST PARK MEDICAL  
CENTER AT SOUTHLAKE, LLC UNDER CHAPTER 11 OF THE UNITED STATES  
BANKRUPTCY CODE**

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**IMPORTANT DATES**

- Date by which Ballots must be received (Voting Deadline): **August 11, 2016 at 4:00 p.m. Central Time.**
- Date by which objections to confirmation of the Plan must be filed and served (Plan Objection Deadline): **August 11, 2016 at 4:00 p.m. Central Time.**
- Hearing on confirmation of the Plan: **August 18, 2016 @ 9:30 a.m. Central Time.**

**Dated: July 11, 2016**

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**Debtor's Exhibit 2**

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## **ARTICLE 1 INTRODUCTION**

Forest Park Medical Center at Southlake, LLC (the “Debtor”) debtor-in-possession in the above-referenced Chapter 11 Case, submits this *Disclosure Statement Under 11 U.S.C. § 1125 in Support of the Plan of Liquidation for Forest Park Medical Center at Southlake, LLC Under Chapter 11 of the United States Bankruptcy Code* (the “Disclosure Statement”). A copy of the Plan is attached as **Exhibit 1** to this Disclosure Statement.<sup>1</sup>

This Disclosure Statement sets forth certain relevant information regarding the Debtor’s prepetition operations and financial history, the need to seek Chapter 11 protection, significant events that have occurred during the Chapter 11 Case, an analysis of the expected return to the Debtor’s Creditors and the anticipated procedures for liquidating the Debtor’s remaining assets. This Disclosure Statement also describes terms and provisions of the Plan, including certain alternatives to the Plan, certain effects of confirmation of the Plan, certain risk factors associated with the Plan, and the manner in which Distributions will be made under the Plan. Additionally, this Disclosure Statement discusses the confirmation process and the voting procedures that holders of Claims must follow for their votes to be counted.

### **A. Filing of the Debtor’s Chapter 11 Case.**

The Debtor filed its voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court on January 19, 2016. Since the Petition Date, the Debtor has continued to manage its properties and assets as debtor-in-possession pursuant to Bankruptcy Code §§ 1107 and 1108.

### **B. Distributions under the Plan.**

The Plan provides for the liquidation of the Debtor’s remaining assets and the distribution of the Debtor’s assets to Creditors, pursuant to the priority provisions of the Bankruptcy Code. Under the Plan, the Debtor anticipates that Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Priority Non-Tax Claims, and Allowed Secured Claims will be paid in full to the extent that any such Claims exist. The Estate assets that remain after satisfaction of Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Priority Non-Tax Claims, Allowed Secured Claims, and the costs and expenses incurred by the Liquidation Trustee and/or the Liquidation Trust in connection with the administration of the Liquidation Trust will be distributed to the Holders of General Unsecured Claims through the Liquidation Trust.

Holders of Interests will not receive any distribution under the Plan, and all Interests in the Debtor will be canceled and extinguished.

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<sup>1</sup> Except as otherwise provided in this Disclosure Statement, capitalized terms herein have the meanings ascribed to them in the Plan. Any capitalized term used herein that is not defined in the Plan shall have the meaning ascribed to that term in the Bankruptcy Code or Bankruptcy Rules, whichever is applicable.

### Summary of Plan Treatment

<u><b>Class Description</b></u>	<u><b>Treatment</b></u>	<u><b>Estimated Recovery</b></u>
<u><b>Class 1 - GAHC3 DIP Lender</b></u>	On the Effective Date, GAHC3 DIP Lender shall receive, in full and final satisfaction of the Debtor's obligation pursuant to the GAHC3 DIP Lender Allowed Secured Claim, payment of all outstanding principal and interest due under the GAHC3 DIP Loan Agreement, except as otherwise agreed to by GAHC3 DIP Lender.	100%
<u><b>Class 2 - Allowed Secured Tax Claims</b></u>	If there is more than one Allowed Secured Tax Claim, each separate Allowed Secured Tax Claim will be classified in a separate sub-Class. Unless otherwise provided for pursuant to an order of the Bankruptcy Court, each Holder of an Allowed Secured Tax Claim shall receive in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Secured Tax Claim within ten (10) days after the later of (a) the Effective Date, (b) the Allowance Date, and (c) such date as is mutually agreed upon by the Liquidation Trustee and the Holder of such Allowed Secured Tax Claim, either Cash, including from the Priority Tax Claim Reserve, equal to the unpaid amount of such Allowed Secured Tax Claim or such other less favorable treatment as to which the Liquidation Trustee and the Holder of such Allowed Secured Tax Claim shall have agreed upon in writing. Each Holder of a Secured Tax Claim shall retain its Liens on applicable collateral to the same extent and priority previously held, notwithstanding the transfer of such collateral into the Liquidation Trust, until either (i) its Secured Claim has been Allowed and treated in accordance with this provision of the Plan, or (ii) its Secured Claim has been Disallowed. The Holder of an Allowed Secured Tax Claim shall not be entitled to foreclose such Lien absent further order of the Bankruptcy Court.	100%
<u><b>Class 3 - Allowed Priority Non-Tax Claims</b></u>	Unless otherwise provided for pursuant to an order of the Bankruptcy Court, each Holder of an Allowed Priority Non-Tax Claim shall receive from the Liquidation Trust in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Priority Non-Tax Claim on the later of (a) the Effective Date, (b) the Allowance Date, and (c) such date as is mutually agreed upon by the Liquidation Trustee and the Holder of such Allowed Priority Non-Tax Claim, either Cash equal to the unpaid amount of such Allowed Priority Non-Tax Claim or such other less favorable treatment as to which the Liquidation Trustee and the Holder of such Allowed Priority Non-Tax Claim shall have agreed upon in writing. In the event that there is insufficient Cash in the Priority Non-Tax Claim Reserve to pay all Allowed Class 3 Claims in full, Holders of Allowed Claims entitled to priority under Bankruptcy Code §§ 507(a)(4), (a)(5), (a)(6), and (a)(7) shall be paid in full in Cash before Distributions are made to Holders of Allowed Claims entitled to priority under other subsections of section 507. In the event that there is insufficient Cash in the Priority Non-Tax Claims Reserve to pay all Allowed Class 3 Claims entitled to priority under a section of the Bankruptcy Code other than §§ 507(a)(4), (a)(5), (a)(6), and (a)(7) in full, the Holders of such Claims will receive a Pro Rata Share of the available Cash. For the avoidance of doubt, Holders of Allowed General Unsecured Claims shall not receive any Distributions until all	100%

	Allowed Priority Non-Tax Claims have been paid in full.	
<u>Class 4 - Allowed General Unsecured Claims</u>	<p>Unless otherwise provided for pursuant to an order of the Bankruptcy Court, each Holder of an Allowed General Unsecured Claim shall receive in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed General Unsecured Claim, a beneficial interest in the Liquidation Trust as set forth in Article V of the Plan entitling such Holder to receive on account of such Claim, such Holder's Pro Rata Share of any Cash Distribution from the Liquidation Trust to Holders of Allowed General Unsecured Claims in accordance with Article V of the Plan, on or as soon as practicable after the later of (a) the Effective Date, (b) the Allowance Date, (c) the initial Distribution Date and on each periodic Distribution Date thereafter, (d) the date on which all estimated Allowed Claims in Classes 1, 2, and 3 have been paid in full (unless sufficient reserves exist, as determined by the Liquidation Trustee in his or her business judgment, to ensure payment in full of all such estimated Allowed Claims), and (e) such date as is mutually agreed upon by the Liquidation Trustee and the Holder of an Allowed General Unsecured Claim. For the avoidance of doubt, Holders of Allowed General Unsecured Claims shall not receive any Distributions unless and until all Allowed Administrative Claims (including Allowed Professional Fee Claims), Allowed Priority Tax Claims and Allowed Priority Non-Tax Claims have been paid in full. Each Holder of Allowed General Unsecured Claims shall receive such Distributions in accordance with the provisions set forth in Article V of the Plan. Notwithstanding the foregoing, the Holder of an Allowed General Unsecured Claim may receive such other less favorable treatment as may be agreed to by such Holder and the Liquidation Trustee.</p>	0% - 5%
<u>Class 5 - Allowed Claim of GAHC3 Landlord</u>	<p>As a result of the Debtor's rejection of its Hospital Lease pursuant to the Hospital Lease Rejection Order, GAHC3 Landlord received the Lease Rejection Damages Claim in the amount of \$23,957,479.93. The Lease Rejection Damages Claim constitutes an Allowed Claim.</p> <p>GAHC3 Landlord shall receive in full satisfaction, settlement, release, and discharge of and in exchange for the Lease Rejection Damages Claim, a beneficial interest in the Liquidation Trust as set forth in Article V of the Plan entitling GAHC3 Landlord to receive on account of the Lease Rejection Damages Claim, its Pro Rata Share of any Cash Distribution from the Liquidation Trust <i>pari passu</i> with the rights of Allowed General Unsecured Claims in accordance with Article V of the Plan, , except that GAHC3 Landlord will not receive any distributions on account of the Lease Rejection Damages Claim until such time as \$750,000 has been distributed to Holders of Allowed General Unsecured Claims. Notwithstanding the foregoing, GAHC3 Landlord may receive such other less favorable treatment on account of the Lease Rejection Damages Claim as may be agreed to by GAHC3 Landlord and the Liquidation Trustee.</p>	\$0
<u>Class 6 - Interests</u>	On the Effective Date, all Interests in Class 6 shall be canceled and extinguished and Interest Holders shall not be entitled to receive any Distributions on account of such Interests.	\$0

**C. Purpose of Disclosure Statement.**

Bankruptcy Code § 1125 requires the Debtor to prepare and obtain court approval of a Disclosure Statement as a prerequisite to soliciting votes on the Debtor's Plan. The purpose of the Disclosure Statement is to provide information to Creditors and Interest Holders that will assist them in deciding how to vote on the Plan.

This Disclosure Statement has been conditionally approved by the Bankruptcy Court. Such conditional approval does not constitute a judgment by the Bankruptcy Court as to the desirability of the Plan or as to the value or suitability of any consideration offered thereunder. The Court's conditional approval, however, permits the Debtor to solicit votes on the Plan and to seek a combined hearing on the Plan and the Disclosure Statement where the Bankruptcy Court will make a final determination regarding whether the Disclosure Statement contains adequate information to permit parties-in-interest to make an informed judgment regarding acceptance or rejection of the Plan.

**D. Combined Hearing on Approval of the Disclosure Statement and Confirmation of the Plan.**

The Bankruptcy Court has set August 18, 2016 @ 9:30 a.m. (the "Combined Hearing"), as the time and date for the hearing to consider approval of this Disclosure Statement and the Confirmation Hearing to determine whether the Plan has been accepted by the requisite number of Holders of Claims, and whether the other standards for Confirmation of the Plan have been satisfied. Once commenced, the Combined Hearing may be adjourned or continued by announcement in open court with no further notice.

**E. Disclaimers.**

**THE CONDITIONAL APPROVAL BY THE BANKRUPTCY COURT OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE AN ENDORSEMENT BY THE BANKRUPTCY COURT OF THE PLAN OR A GUARANTEE OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN. THE MATERIAL CONTAINED HEREIN IS INTENDED SOLELY FOR THE USE OF CREDITORS AND INTEREST HOLDERS OF THE DEBTOR IN EVALUATING THE PLAN AND VOTING TO ACCEPT OR REJECT THE PLAN AND, ACCORDINGLY, MAY NOT BE RELIED ON FOR ANY PURPOSE OTHER THAN THE DETERMINATION OF HOW TO VOTE ON, OR WHETHER TO OBJECT TO, THE PLAN.**

**THE DEBTOR BELIEVES THAT THE PLAN AND THE TREATMENT OF CLAIMS AND INTERESTS THEREUNDER IS IN THE BEST INTERESTS OF CLAIM HOLDERS AND INTEREST HOLDERS AND URGES THAT YOU VOTE TO ACCEPT THE PLAN.**

**THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE COMMISSION PASSED ON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. ANY REPRESENTATION TO**

**THE CONTRARY IS UNLAWFUL. THE PLAN SHOULD BE REVIEWED CAREFULLY.**

**F. Sources of Information.**

Except as otherwise expressly indicated, the portions of this Disclosure Statement describing the Debtor, its business, properties and management, and the Plan have been prepared from information furnished by current and former directors, officers, and employees of the Debtor. The statements contained in this Disclosure Statement are made as of the date hereof unless another time is specified.

**ARTICLE 2  
EXPLANATION OF CHAPTER 11**

**A. Overview of Chapter 11.**

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Under Chapter 11, a debtor-in-possession may seek to reorganize its business or to sell the business for the benefit of the debtor's creditors and other interested parties.

The commencement of a Chapter 11 case creates an estate comprising all of the debtor's legal and equitable interests in property as of the date the petition is filed. Unless the bankruptcy court orders the appointment of a trustee, a Chapter 11 debtor may continue to operate its business and control the assets of its estate as a "debtor-in-possession," as the Debtor has done in the Chapter 11 Case since the Petition Date.

Formulation of a plan of reorganization is the principal purpose of a Chapter 11 case. The plan sets forth the means for satisfying the claims of creditors against, and interests of equity security holders in, the debtor.

**B. Plan of Reorganization.**

Although usually referred to as a plan of reorganization, a plan may simply provide for an orderly liquidation of a debtor's property and assets. As described in more detail in Article 4 herein, the vast majority of the Debtor's assets previously consisted of the Hospital Lease, the equipment used in the operation of the hospital, various executory contracts, and certain licenses and other intellectual property, which have mostly been sold, assumed and assigned, or rejected. The chief remaining assets after the FPMC Sale include Remaining Cash, all Rights of Action, Pre-Petition Accounts Receivable (after satisfaction of payment to Methodist), Post-Petition/Pre-Closing Accounts Receivable and certain other personal property and claims. The Plan provides for the use of these remaining assets to satisfy Claims against the Debtor's Estate pursuant to the priority provisions of the Bankruptcy Code.

After a plan is filed, the holders of claims against, or interests in, a debtor are generally permitted to vote to either accept or reject the plan. Chapter 11 does not require that each holder of a claim against, or interest in, a debtor vote in favor of a plan in order for the plan to be confirmed. At a minimum, however, a plan must be accepted by a majority in number and two-thirds (2/3) in amount of those claims actually voting from at least one class of claims



Impaired under the plan, or two-thirds (2/3) in amount of those interests actually voting from at least one class of interests Unimpaired under the plan.

Classes of claims or interests that are not Impaired under a plan of reorganization are conclusively presumed to have accepted the plan and therefore are not entitled to vote. A class is Impaired if the plan modifies the legal, equitable, or contractual rights attaching to the claims or interests of that class. Classes of claims or interests that receive or retain no property under a plan are conclusively presumed to have rejected the plan and therefore are not entitled to vote.

### **ARTICLE 3 VOTING PROCEDURES AND CONFIRMATION REQUIREMENTS**

#### **A. Ballots and Voting Deadline.**

A Ballot for voting to accept or reject the Plan is enclosed with this Disclosure Statement, and has been mailed to Creditors (or their authorized representatives) entitled to vote. After carefully reviewing the Disclosure Statement, including all exhibits, each Creditor (or its authorized representative) entitled to vote should indicate its vote on the enclosed Ballot. All Creditors (or their authorized representatives) entitled to vote must (i) carefully review the Ballot and instructions thereon, (ii) execute the Ballot, and (iii) return it to the address indicated on the Ballot by August 11, 2016 at 4:00 p.m. Central Time (the "Voting Deadline") for the Ballot to be considered.

The Bankruptcy Court has ordered that the Balloting Agent is authorized to accept Ballots either by (a) regular mail to the address listed below (facilitated by a return envelope that the Debtor will provide with each Ballot), (b) overnight courier, (c) via email to [DRCVote@DonlinRecano.com](mailto:DRCVote@DonlinRecano.com) with "FPMC – Southlake" in the subject line, (d) via facsimile to (212) 709-3338, or (e) personal delivery.

Donlin, Recano & Company, Inc.  
Re: Forest Park Medical Center at Southlake, LLC  
P.O. Box 192016  
Blythebourne Station  
Brooklyn, NY 11219

**BALLOTS MUST BE RECEIVED ON OR BEFORE AUGUST 11, 2016 AT 4:00 P.M. CENTRAL TIME. ANY BALLOTS RECEIVED AFTER THAT DEADLINE WILL NOT BE COUNTED.**

#### **B. Holders of Claims and Interests Entitled to Vote.**

Any Creditor whose Claim is Impaired under the Plan is entitled to vote if either (i) the Claim has been listed in the Schedules (and the Claim is not scheduled as disputed, contingent, or unliquidated) or (ii) the Creditor has filed a Proof of Claim on or before any deadline set by the Bankruptcy Court for such filings and the Debtor or another party-in-interest has not objected to such Proof of Claim prior to July 28, 2016 (the "Deadline to Object to Claims for Voting Purposes").

**Any Holder of a Claim as to which an objection has been filed before the Deadline to Object to Claims for Voting Purposes (and such objection is still pending) is not entitled to vote, unless on or prior to August 4, 2016 (the “Deadline to Request Temporary Allowance of Claims for Voting Purposes”) such Holder of a Claim has filed a request for temporary allowance of claims for voting purposes and the Bankruptcy Court (on motion by a party whose Claim is subject to an objection) temporarily allows the Claim in an amount that it deems proper for the purpose of accepting or rejecting the Plan. Such motion must be heard and determined by the Bankruptcy Court on or before the first date set by the Bankruptcy Court for the Confirmation Hearing on the Plan.**

In addition, a vote may be disregarded if the Bankruptcy Court determines that the acceptance or rejection was not solicited or procured in good faith or in accordance with the applicable provisions of the Bankruptcy Code.

**C. Bar Dates for Filing Proofs of Claim.**

The Bankruptcy Court established June 16, 2016 as the deadline to file Proofs of Claim against the Debtor. Pursuant to 11 U.S.C. § 502(b)(9), July 17, 2016 is the deadline for Governmental Units to file Proofs of Claim against the Debtor.

**D. Classes Impaired Under the Plan.**

Holders of Claims in Classes 1, 3, 4, and 5 are Impaired under the Plan and are eligible to vote to accept or reject the Plan.

Holders of Interests in Class 6 are Impaired but are conclusively presumed to have rejected the Plan and, therefore, are not entitled to vote to accept or reject the Plan.

**E. Information on Voting and Ballots.**

**1. Ballot Tabulation Procedures.**

For purposes of voting on the Plan, the amount and classification of a Claim and the procedures that will be used to tabulate acceptances and rejections of the Plan shall be exclusively as follows:

(a) If no Proof of Claim has been timely filed, the vote amount of a Claim shall be equal to the amount listed for the particular Claim in the Debtor's Schedules, as and if amended, to the extent such Claim is not listed as contingent, unliquidated, or disputed, and the Claim shall be placed in the appropriate Class, based on the Debtor's records, and consistent with the Debtor's Schedules;

(b) If a Proof of Claim has been timely filed, and has not been objected to before the expiration of the Deadline to Object to Claims for Voting Purposes, the vote amount of that Claim shall be as specified in the Proof of Claim filed with the Clerk or DRC;

(c) If a Proof of Claim contains any amount that is either contingent, unliquidated, disputed or unknown as determined by the Debtor in its reasonable discretion, then any vote cast on account of such Claim shall only be tabulated (i) with respect to the non-contingent and liquidated amount set forth in the Proof of Claim, as determined by the Debtor in its reasonable discretion, or (ii) \$1.00 if no portion of the Claim is determined to be non-contingent and liquidated.

(d) Subject to subparagraph (e) below, a Claim that is the subject of an objection filed before the Deadline to Object to Claims for Voting Purposes shall be disallowed for voting purposes, except to the extent and in the manner that the Debtor indicated in any objection or other pleading that the Claim should be allowed for voting or other purposes;

(e) If a Claim has been estimated or otherwise allowed for voting purposes by order of the Bankruptcy Court, the vote amount and classification shall be that set by the Bankruptcy Court;

(f) If a Creditor or its authorized representative did not use the Ballot provided by the Debtor, the Official Ballot Form authorized under the Federal Rules of Bankruptcy Procedure, or a substantially similar form of ballot, such Ballot will not be counted;

(g) If the Ballot is not received by the Balloting Agent on or before the Voting Deadline at the place fixed by the Bankruptcy Court, the Ballot will not be counted;

(h) If the Ballot is not signed by the Creditor or its authorized representative, the Ballot will not be counted;

(i) If the Ballot partially accepts and partially rejects the Plan, the Ballot will not be counted;

(j) If the individual or institution casting the Ballot (whether directly or as a representative) was not the Holder of a Claim on the Record Date, the Ballot will not be counted;

(k) If the Creditor or its authorized representative did not check one of the boxes indicating acceptance or rejection of the Plan, or checked both such boxes, the Ballot will not be counted; and

(l) Whenever a Creditor (or its authorized representative) submits more than one Ballot voting the same Claim(s) before the Voting Deadline, except as otherwise directed by the Bankruptcy Court after notice and a hearing, the last such Ballot shall be deemed to reflect the Creditor's intent and shall supersede any prior Ballots.

## **2. Execution of Ballots by Representatives.**

If a Ballot is signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations, or others acting in a fiduciary or representative capacity, such persons must indicate their capacity when signing and, at the Debtor's request, must submit proper evidence satisfactory to the Debtor of their authority to so act.

## **3. Defects and Other Irregularities Regarding Ballots.**

All questions concerning the validity, form, eligibility (including time of receipt), acceptance, and revocation or withdrawal of Ballots will be resolved by the Debtor in the exercise of the Debtor's reasonable business judgment. In the event of a dispute, the affected Claim Holder may seek a determination of the dispute by the Bankruptcy Court, and all parties' rights will be reserved with respect thereto.

## **4. Withdrawal of Ballots and Revocation.**

The Debtor may allow any claimant who submits a properly completed Ballot to withdraw such Ballot on or before the Voting Deadline. In the event the Debtor does permit such withdrawal, the claimant, for cause, may change or withdraw its acceptance or rejection of the Plan in accordance with Bankruptcy Rule 3018(a). To be valid, a notice of withdrawal must: (a) contain the description of the Claim(s) to which it relates and the aggregate principal amount represented by such Claim(s); (b) be signed by the Creditor (or its authorized representative) in the same manner as the Ballot; and (c) be received by the Balloting Agent in a timely manner at the address set forth in the Disclosure Statement for the submission of Ballots. The Balloting Agent, in its discretion, may, but is not required to, contact voters to cure any defects in the Ballots and is authorized to so cure any defects. Subject to any contrary order of the Court, the Debtor may waive any defects or irregularities as to any particular Ballot at any time, either before or after the Voting Deadline, and any such waivers shall be documented in the vote tabulation certification prepared by the Balloting Agent.

Any Creditor (or its authorized representative) who has previously submitted a properly completed Ballot before the Voting Deadline may revoke such Ballot and change its vote by submitting before the Voting Deadline a subsequent, properly completed Ballot for acceptance or rejection of the Plan.

## **F. Confirmation of Plan.**

### **1. Solicitation of Acceptances.**

The Debtor is soliciting your vote. The Debtor will bear the cost of any solicitation by the Debtor. No other additional compensation shall be received by any party for any solicitation other than as disclosed to the Bankruptcy Court.

**NO REPRESENTATIONS OR ASSURANCES, IF ANY, CONCERNING THE DEBTOR OR THE PLAN ARE AUTHORIZED BY THE DEBTOR OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE BY ANY PERSON TO**

**SECURE YOUR VOTE OTHER THAN THOSE CONTAINED IN OR ACCOMPANYING THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED ON BY YOU IN ARRIVING AT YOUR DECISION, AND SUCH ADDITIONAL REPRESENTATIONS OR INDUCEMENTS SHOULD BE REPORTED TO COUNSEL FOR THE DEBTOR FOR SUCH ACTION AS MAY BE DEEMED APPROPRIATE.**

**THIS IS A SOLICITATION SOLELY BY THE DEBTOR AND IS NOT A SOLICITATION BY ANY SHAREHOLDER, ATTORNEY, OR ACCOUNTANT FOR THE DEBTOR. THE REPRESENTATIONS, IF ANY, MADE HEREIN ARE THOSE OF THE DEBTOR AND NOT OF SUCH SHAREHOLDERS, ATTORNEYS, OR ACCOUNTANTS, EXCEPT AS MAY BE OTHERWISE SPECIFICALLY AND EXPRESSLY INDICATED.**

Under the Bankruptcy Code, a vote for acceptance or rejection of a plan may not be solicited unless the claimant or interest holder has received a copy of a disclosure statement approved by the bankruptcy court prior to, or concurrently with, such solicitation. This solicitation of votes on the Plan is governed by Bankruptcy Code § 1125(b). Violation of Bankruptcy Code § 1125(b) may result in sanctions by the Bankruptcy Court, including disallowance of any improperly solicited vote.

## **2. Requirements for Confirmation of the Plan.**

At the Confirmation Hearing, the Bankruptcy Court shall determine whether the requirements of Bankruptcy Code § 1129 have been satisfied, in which event the Bankruptcy Court shall enter an order confirming the Plan. For the Plan to be confirmed, Bankruptcy Code § 1129 requires that:

- (i) The Plan comply with the applicable provisions of the Bankruptcy Code;
- (ii) The Debtor has complied with the applicable provisions of the Bankruptcy Code;
- (iii) The Plan has been proposed in good faith and not by any means forbidden by law;
- (iv) Any payment or Distribution made or promised by the Debtor or by a person issuing securities or acquiring property under the Plan for services or for costs and expenses in connection with the Plan has been disclosed to the Bankruptcy Court, and any such payment made before the Confirmation of the Plan is reasonable, or if such payment is to be fixed after Confirmation of the Plan, such payment is subject to the approval of the Bankruptcy Court as reasonable;
- (v) The Debtor has disclosed the identity and affiliation of any individual proposed to serve, after Confirmation of the Plan, as a director, officer or voting trustee of the Debtor, or a successor to the Debtor under the Plan; the appointment to, or continuance in, such office of such individual is consistent with the interests of Creditors and Interest Holders and with public policy; and the Debtor has disclosed the identity of any insider that will be employed or retained by the

Liquidation Trustee after confirmation and the nature of any compensation for such insider;

- (vi) Any government regulatory commission with jurisdiction (after Confirmation of the Plan) over the rates of the Debtor has approved any rate change provided for in the Plan, or such rate change is expressly conditioned on such approval;
- (vii) With respect to each Impaired Class of Claims, either each Holder of a Claim of the Class has accepted the Plan, or will receive or retain under the Plan on account of that Claim, property of a value, as of the Effective Date of the Plan, that is not less than the amount that such Holder would so receive or retain if the Debtor were liquidated on such date under Chapter 7 of the Bankruptcy Code. If Bankruptcy Code § 1111(b)(2) applies to the Claims of a Class, each holder of a Claim of that Class will receive or retain under the Plan on account of that Claim property of a value, as of the Effective Date, that is not less than the value of that Holder's interest in the Debtor's interest in the property that secures that Claim;
- (viii) Each Class of Claims or Interests has either accepted the Plan or is not Impaired under the Plan;
- (ix) Except to the extent that the Holder of a particular Administrative Claim, Priority Tax Claim or Priority Non-Tax Claim has agreed to a different treatment of its Claim, the Plan provides that Administrative Claims, Priority Tax Claims and Priority Non-Tax Claims shall be paid in full on the Effective Date or the Allowance Date;
- (x) If a Class of Claims or Interests is Impaired under the Plan, at least one such Class of Claims or Interests has accepted the Plan, determined without including any acceptance of the Plan by any insider holding a Claim or Interest of that Class; and
- (xi) Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor or any successor to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan.

The Debtor believes that the Plan satisfies all of the statutory requirements of the Bankruptcy Code for Confirmation and that the Plan was proposed in good faith. The Debtor believes that it has complied, or will have complied, with all the requirements of the Bankruptcy Code governing Confirmation of the Plan.

### **3. Acceptances Necessary to Confirm the Plan.**

Voting on the Plan by each Creditor (or its authorized representative) is important. Chapter 11 of the Bankruptcy Code does not require that each Creditor vote in favor of the Plan in order for the Bankruptcy Court to confirm the Plan. Generally, to be confirmed under the acceptance provisions of Bankruptcy Code § 1126(a), the Plan must be accepted by each Class of Claims that is Impaired under the Plan by parties holding at least two-thirds in dollar amount and more than one-half in number of the Allowed Claims of such Class actually voting in connection

with the Plan. With respect to each Class of Interests that is impaired under the Plan, the Plan must be accepted by parties holding at least two-thirds in amount of the Allowed Interests of such Class actually voting in connection with the Plan. Even if all Classes of Claims and Interests accept the Plan, the Bankruptcy Court may refuse to confirm the Plan.

#### **4. Cramdown.**

In the event that any impaired Class of Claims or Interests does not accept the Plan, the Bankruptcy Court may still “cramdown” and confirm the Plan at the request of the Debtor if, as to each impaired Class that has not accepted the Plan, the Plan “does not discriminate unfairly” and is “fair and equitable.” A plan of reorganization does not discriminate unfairly within the meaning of the Bankruptcy Code if no class receives more than it is legally entitled to receive for its claims or interests. “Fair and equitable” has different meanings for holders of secured and unsecured claims and interests.

With respect to a secured claim, “fair and equitable” means either (i) the impaired secured creditor retains its liens to the extent of its allowed claim and receives deferred cash payments at least equal to the allowed amount of its claims with a present value as of the effective date of the plan at least equal to the value of such creditor’s interest in the property securing its liens, (ii) property subject to the lien of the impaired secured creditor is sold free and clear of that lien, with that lien attaching to the proceeds of sale, and such lien proceeds must be treated in accordance with clauses (i) and (iii) hereof, or (iii) the impaired secured creditor realizes the “indubitable equivalent” of its claim under the plan.

With respect to an unsecured claim, “fair and equitable” means either (i) each impaired creditor receives or retains property of a value equal to the amount of its allowed claim or (ii) the holders of claims and interests that are junior to the claims of the dissenting class will not receive any property under the plan.

With respect to interests, “fair and equitable” means either (i) each impaired interest receives or retains, on account of that interest, property of a value equal to the greater of the allowed amount of any fixed liquidation preference to which the holder is entitled, any fixed redemption price to which the holder is entitled, or the value of the interest; or (ii) the holder of any interest that is junior to the interest of that class will not receive or retain under the plan, on account of that junior interest, any property.

In the event at least one Class of Impaired Claims or Interests rejects or is deemed to have rejected the Plan, the Bankruptcy Court will determine at the Confirmation Hearing whether the Plan is fair and equitable and does not discriminate unfairly against any rejecting impaired Class of Claims or Interests.

The Debtor believes that the Plan does not discriminate unfairly and is fair and equitable with respect to each Impaired Class of Claims and Interests.



## **ARTICLE 4 BACKGROUND OF THE DEBTOR**

### **A. History.**

The Debtor operated a 54 private bed state-of-the-art medical facility, including 10 family suites, and 6 intensive care beds in Southlake, Texas (the “Hospital”). The Hospital was a licensed, full service, acute-care medical facility with an emergency room, full service imaging and lab, twelve operating rooms and two procedure rooms. The Hospital provided all manner of in-patient and out-patient services and treatments, including primarily elective scheduled outpatient surgery. The Hospital was opened in June of 2013, and since that time had performed over 15,000 surgeries and provided numerous non-surgical procedures, x-rays, lab work, ER, and related services to patients.

The Debtor was initially organized by Dr. Wade Barker, Dr. Richard Toussaint, Mr. Mac Burt, Dr. David Genecov, Dr. Bob Wyatt, and Mr. Alan Beauchamp (the “Founders”). The Founders set up seven identical structures for hospitals in and near Austin, Frisco, Southlake, Dallas, Fort Worth, and San Antonio, Texas and in Kansas City, Missouri. The Founders’ original model contemplated that each of the hospitals would be an upscale, state-of-the-art medical facility that would rely on non-government sources of revenue. For each hospital venture, the Founders sought investment from doctors they recruited that would own a portion of a hospital company and would also work at the hospital. Thus, while each hospital maintained a similar corporate and operational structure, the ownership structure of each hospital company would be different because each would be largely owned by the doctors working at the hospital. An entity controlled by the Founders was the managing member of each hospital entity and separate entities controlled by the Founders entered into management services agreement with most or all of the hospital companies. The Founders also formed FPMC Services, LLC (“FPMC Services”) to employ all employees onsite and offsite, with the offsite employees providing administration and back-office support. FPMC Services was owned in equal parts by the seven different hospital entities.

Soon after the Debtor was formed, a separate real estate entity, Southlake Texas Medical Development, L.P. (the “Original Landlord”) was formed to finance the purchase of real estate and the construction of the Hospital. The Debtor entered into a lease agreement with the Original Landlord pursuant to which the Debtor leased the Hospital (as subsequently amended, the “Hospital Lease”). The monthly rent under the Hospital Lease was approximately \$925,000. In December 2014, the Hospital Lease was assigned to GAHC3 Southlake Texas Hospital, LLC (“GAHC3 Landlord”).

The Debtor also entered into the Management Services Agreement with Vibrant Healthcare Southlake, LLC (“Vibrant Manager”) and FPMC Services pursuant to which Vibrant Manager would develop and manage the delivery of onsite and offsite services for the Debtor relating to the operation of the Hospital. Further, Vibrant Manager had the obligation to manage operations at the Hospital as well as the employees at FPMC Services. The Management Services Agreement provided that Vibrant Manager would receive 3% of gross revenues as its management fee (the “Management Fee”).



Pursuant to the legal and operational structure evidenced in the company agreement and Management Services Agreement, all employees performing services onsite or offsite at or for the Hospital (and all other FPMC hospitals) would be employed through FPMC Services rather than the Debtor. As of the Petition Date, approximately 219 non-insider clinical and non-clinical professionals and staff worked at the Hospital, while other professionals performed accounting, procurement, human resources, information technology and other services at an offsite location. The Debtor also contracted for certain service employees who provided food and nutrition services, security, accounting, business office, and professional consulting services (e.g. hospitalist, cardiology, neurology, and pulmonary).

## **B. Organizational Structure and Intercompany Claims.**

The Debtor is a Texas limited liability company. The ownership structure of Debtor is as follows: (i) eighty percent (80%) of the Debtor's membership interests are owned by certain Investing Physicians; (ii) five percent (5%) of the Debtor's membership interests are owned by Vibrant Healthcare Southlake Holdings, LLC ("Vibrant Holdings"); (iii) five percent (5%) of the Debtor's membership interests are owned by FPMC Dallas; and (iv) the remaining ten percent (10%) of the Debtor's membership interests are owned by SLFP Investments, LP. The Debtor's managing member is Vibrant Holdings.

A chart of the Debtor's ownership structure is attached as **Exhibit 2**.

## **C. Significant Debt.**

As of the Petition Date, the Debtor's secured debt obligations totaled approximately \$16.2 million. The Debtor was indebted pursuant to that certain revolving credit facility (the "Revolver"), with Texas Capital Bank ("TCB") as lender. As of the Petition Date, the Debtor was in default on the Revolver and owed approximately \$3.4 million including unpaid principal, plus accrued but unpaid interest and other unpaid fees and expenses. The Revolver was primarily secured by the Debtor's accounts receivable.

In addition to the secured debt discussed above, as of the Petition Date, the Debtor had obligations pursuant to several equipment loans. The Debtor owed approximately \$2.7 million to TCB pursuant to an equipment loan (the "TCB Equipment Loan"). The TCB Equipment Loan was primarily secured by certain equipment acquired by the Debtor using the proceeds of the TCB Equipment Loan. The Revolver and the TCB Equipment Loan were cross-collateralized.

The Debtor was also indebted on the following purchase money equipment loans: (i) various equipment loans financed through GE Healthcare Financial Services totaling approximately \$2.9 million (the "GE Equipment Loans") and secured by certain equipment acquired by the Debtor using the proceeds of the GE Equipment Loans; (ii) an equipment loan held by Commerce Bank in the approximate amount of \$3.1 million (the "Commerce Bank Loan") secured by certain equipment acquired by the Debtor using the proceeds of the Commerce Bank Loan; (iii) an equipment loan held by CIT Finance, LLC in the approximate amount of \$448,656 (the "CIT Equipment Loan") and secured by certain of the Debtor's equipment acquired by the Debtor using the proceeds of the CIT Equipment Loan; and (iv) an equipment loan held by Olympus America Inc. in the approximate amount of \$2.5 million (the

“Olympus Equipment Loan”) and secured by certain of the Debtor’s equipment acquired by the Debtor using the proceeds of the Olympus Equipment Loan.

In addition to the secured debt and equipment loans mentioned above, the Debtor also had (i) letters of credit secured by Accounts Receivable, (ii) a secured loan from Karl Storz Capital in the approximate amount of \$500,000, and (iii) a capital lease with Huntington Capital Bank under which the Debtor owed approximately \$950,000.

The Debtor also has significant unsecured debt obligations comprised primarily of accrued and unpaid management fees, trade debt, accrued payroll and benefits, taxes, and unpaid obligations under the Hospital Lease.

#### **D. Events Leading to the Debtor’s Chapter 11 Case.**

The Debtor’s original business plan was based on an “out-of-network” model that relied heavily on reimbursement rates higher than the reimbursements that would be obtained through in-network contracts with insurance providers. Soon after commencing operations, however, the Debtor discovered that the out-of-network model was not generating sufficient revenue to sustain operations, particularly in light of the equipment lease costs and the monthly payments under the Hospital Lease. To increase revenues, the Debtor entered into network contracts with various insurance providers. The Debtor believed that by entering into network contracts, the revenue per procedure would likely decrease but increased volume would increase total revenue. Unfortunately, entering into network contracts did not sufficiently increase revenue and with inadequate capitalization, the Debtor continued to operate at a net loss for most of the previous year.

The decline in revenues resulted in multiple payment defaults under the Hospital Lease. To address its precarious financial position the Debtor began unsuccessfully exploring various options to increase its revenues, lower expenses, or attract new capital.

Leading up to the bankruptcy filing, the Debtor began discussions with GAHC3 DIP Lender to identify a solution to the Debtor’s financial problems. While those discussions were ongoing, on January 12, 2016, TCB swept approximately \$1.2 million from the Debtor’s bank account and froze the account. Because the Debtor was unable to fund payroll and continue operations after the sweep without emergency financing that could only be obtained through a bankruptcy proceeding, the Debtor commenced the Chapter 11 Case.

#### **E. Preference and Other Avoidance Litigation.**

During the ninety (90)-day period immediately preceding the Petition Date, while insolvent, the Debtor made various payments and other transfers to Creditors on account of antecedent debts. In addition, during the one (1)-year period immediately preceding the Petition Date, the Debtor made various payments and other transfers to or for the benefit of certain “insiders” as defined by Bankruptcy Code § 101(31). A summary of the transfers described in this paragraph was provided in response to Question 3 in the Statement of Financial Affairs filed on the docket in the Debtor’s Chapter 11 case. The Schedule attached to Question 3 in the Statement of Financial Affairs is attached hereto as **Exhibit 3** and incorporated herein by reference. Some of those transfers may be subject to avoidance and recovery by the Debtor’s

Estate as preferential and/or fraudulent transfers pursuant to, *inter alia*, Bankruptcy Code §§ 544, 547, 548, 549 and 550.

For the avoidance of doubt, the Avoidance Actions preserved by the Debtor for the Liquidation Trust are not limited to those that may be brought against the parties listed on **Exhibit 3**. Pursuant to Bankruptcy Code §§ 547 and 550, a debtor or trustee may avoid and recover transfers of property made by the debtor, while insolvent, within ninety (90) days, and in the case of insiders within one (1) year, prior to the filing of the bankruptcy case, where such a transfer was made on account of an antecedent debt owing by the debtor and resulted in the transferee receiving more value than if the transfer had not been made, the debtor were liquidated under Chapter 7 of the Bankruptcy Code, and the transferee were limited to recovery on the debt through the Chapter 7 process.

Pursuant to Bankruptcy Code §§ 548 and 550, a debtor or trustee may avoid and recover transfers of property made by the debtor within one (1) year prior to the filing of the bankruptcy case, if the debtor voluntarily or involuntarily (a) made such a transfer with actual intent to hinder, delay, or defraud an entity to which the debtor was or became, on or after the date that such transfer was made, indebted, or (b) received less than reasonably equivalent value in exchange for such transfer and (i) was insolvent on the date that such transfer was made, or became insolvent as a result of such transfer, (ii) was engaged in business or a transaction, or was about to engage in business or a transaction, for which any property remaining with the debtor was an unreasonably small capital, or (iii) intended to incur, or believed that the debtor would incur, debts that would be beyond the debtor's ability to pay as such debts matured. Pursuant to Bankruptcy Code §§ 544(b) and 550, a debtor or trustee may avoid and recover transfers of property made by the debtor that are voidable under applicable non-bankruptcy law by a creditor holding an unsecured claim that is allowable under Bankruptcy Code § 502 or that is not allowable only under Bankruptcy Code § 502(e). In this regard, Chapter 24 of the Texas Business and Commerce Code sets out the provisions of the Uniform Fraudulent Transfer Act, as adopted in Texas (the "**TUFTA**"), which contain provisions similar to those set forth in Bankruptcy Code §§ 548 and 550, except that the provisions extend to transfers made within the prior four (4) years. See, e.g., Tex. Bus. & Com. Code §§ 24.005, 24.006 and 24.008. All of the claims and causes of action set forth above are included within the definition of Avoidance Actions.

The Liquidation Trust will hold all claims, Rights of Action, and other legal and equitable rights that the Debtor had (or had power to assert) immediately prior to Confirmation of the Plan, including Avoidance Actions, and the Liquidation Trustee, on behalf of the Estate and/or its successors-in-interest, may commence or continue any suit or other proceeding for the enforcement of such actions in any appropriate court or tribunal.

The Schedules identify Creditors whose Claims are disputed, and the Debtor's Statement of Financial Affairs identifies some of the parties who received payments and transfers from the Debtor within the preference look-back periods which may be avoidable under the Bankruptcy Code. The Debtor has not undertaken an in depth analysis of (i) potential Avoidance Actions or (ii) potential objections to Claims and Rights of Action; therefore, the Debtor is unable to provide a meaningful estimate of amounts that could be recovered. **THE PLAN DOES NOT, AND IS NOT INTENDED TO, RELEASE ANY SUCH RIGHTS OF ACTION OR**

**OBJECTIONS TO PROOFS OF CLAIM. ALL SUCH RIGHTS ARE SPECIFICALLY RESERVED IN FAVOR OF THE DEBTOR AND THE LIQUIDATION TRUST.**

Creditors should understand that Rights of Action the Debtor may have against them, if any exist, are retained under the Plan for prosecution unless a specific order of the Bankruptcy Court authorizes the Debtor to release such claims. As such, Creditors are cautioned not to rely on (i) the absence of the listing of any legal right, claim or Right of Action against a particular Creditor in the Disclosure Statement, Plan, or Schedules or (ii) the absence of litigation or demand prior to the Effective Date of the Plan as any indication that the Debtor does not possess or does not intend to prosecute a particular right, claim or Right of Action if a particular Creditor votes to accept the Plan. Unless otherwise specifically provided for in the Plan, it is the expressed intention of the Plan to preserve rights, claims, and Rights of Action of the Debtor, whether now known or unknown, for the benefit of the Debtor's Estate and its Creditors.

**ARTICLE 5  
SIGNIFICANT POST-BANKRUPTCY EVENTS**

**A. First Day Motions.**

On or shortly after the Petition Date, the Debtor filed a number of motions designed to allow it to continue as a going concern and minimize the disruption caused by the bankruptcy filings. Pursuant to those motions, the Bankruptcy Court entered, *inter alia*, the following orders:

- *Order Authorizing Debtors to (I) Pay Certain Pre-Petition Wages, Other Compensation and Reimbursable Employee Expenses and (II) Continue Employee Benefits Programs* [Docket No. 38];
- *Order Granting Emergency Motion of Debtor (I) to Authorize Certain Procedures to Maintain the Confidentiality of Patient Information, (II) for Authority to File Under Seal Separate Matrix and Schedule F Containing Patient Information, (III) to Modify Notice to Patients, and (IV) for Relief from Required Form of Mailing Matrix with Regard to Separate Matrix* [Docket Nos. 37 and 41];
- *Order (I) Authorizing Continued Use of Existing Business Forms and Records, (II) Authorizing Maintenance of Existing Corporate Bank Accounts and Cash Management System, and (III) Waiving Certain U.S. Trustee Requirements* [Docket No. 39];
- *Order Granting Complex Chapter 11 Bankruptcy Case Treatment* [Docket No. 42];
- *Order Authorizing the Debtor to Pay Prepetition Sales, Use, Property, and Other Taxes and Related Obligations* [Docket No. 74]; and
- *Order under 11 U.S.C. §§ 105(a) and 366(i) Prohibiting Utility Companies from Altering or Discontinuing Service on Account of Prepetition Invoices,*

*(II) Approving Deposit Account as Adequate Assurance of Payment, and  
(III) Establishing Procedures for Resolving Requests by Utility Companies for  
Additional Assurance of Payment* [Docket No. 75].

**B. Payments to Critical Vendors.**

On February 2, 2016, the Court entered an order (the “Critical Vendor Order”) [Docket No. 76] authorizing, but not directing, the Debtor to pay the prepetition claims of certain critical suppliers and service providers (the “Critical Vendors”) that were essential to the Debtor’s continued operation of its business. The Debtor entered into agreements with some, but not all, of the Critical Vendors for the payment of a portion of their prepetition claims in exchange for their agreement to continue providing goods and services after the Petition Date.

**C. First Meeting of Creditors.**

The Debtor’s first meeting of creditors required by Bankruptcy Code § 341 was held and concluded on March 18, 2016.

**D. Schedules and Statements of Financial Affairs.**

The Debtor filed its Schedules [Docket No. 162] and Statement of Financial Affairs [Docket No. 161] on March 11, 2016. The Schedules and Statement of Financial Affairs are available on the DRC website at: <https://www.donlinrecano.com/Clients/fpsl/Static/SOALS>.

**E. Significant Post-Petition Events.**

Since the Petition Date, the Debtor has continued to manage its properties as a debtor-in-possession.

**1. DIP Financing.**

Faced with insufficient cash to meet payroll after TCB swept the Debtor’s operating account, the Debtor reached an agreement with GAHC3 DIP Lender pursuant to which the Debtor entered into the GAHC3 DIP Loan Agreement to finance the Chapter 11 Case. On February 11, 2016, the Bankruptcy Court entered the DIP Order [Docket No. 96]. The maturity date for the GAHC3 DIP Loan was initially set as the earlier to occur of May 18, 2016 or the consummation of a sale of substantially all of the Debtor’s assets. The Debtor and GAHC3 DIP Lender entered into the GAHC3 Cash Collateral Stipulation pursuant to which the maturity date of the GAHC3 DIP Loan has been extended through the earliest to occur of (a) August 15, 2016, (b) the occurrence of an event of default under the GAHCS DIP Loan Agreement, the DIP Order, or the GAHC3 Cash Collateral Stipulation; and (c) the Confirmation Date.

**2. Appointment of a CRO and RO.**

Pursuant to the GAHC3 DIP Loan Agreement and the DIP Order, the Debtor was required to appoint a chief restructuring officer to oversee the Debtor’s bankruptcy.

The Debtor filed the CRO Motion pursuant to which the Debtor sought the appointment of a chief restructuring officer with expanded powers. The relief requested in the CRO Motion, including the request to provide the chief restructuring officer with expanded powers, was agreed to by the Debtor, Vibrant Manager, and Vibrant Holdings. The U.S. Trustee opposed the CRO Motion. The Bankruptcy Court approved the CRO Motion over the objection of the U.S. Trustee and entered the CRO Order.

Pursuant to the CRO Order, J. Robert Medlin was appointed as the Debtor's CRO and Walt Brown was appointed as the Debtor's restructuring officer. Pursuant to the CRO Order, the Debtor was likewise authorized to retain other FTI employees as the Debtor's temporary employees. The CRO Order gave the CRO expanded powers to make final decisions that would otherwise be made by the Debtor's managing member and/or its board of directors.

### **3. The Post-Petition Sale Process and The Sale of the Debtor's Business and Assets.**

A condition to GAHC3 DIP Lender's willingness to provide the GAHC3 DIP Loan was the Debtor's agreement to commence a sale process to sell substantially all of the Debtor's assets. On February 12, 2016, the Debtor filed its *Debtor's Expedited Motion, Pursuant to Bankruptcy Code Sections 105(a), 363, and 365, and Bankruptcy Rules 2002, 6004, and 6006, for Entry of an Order (A) Approving Sale and Bidding Procedures in Connection with Sale of Assets of the Debtor and (B) Granting Related Relief* (the "Sale Procedures Motion") [Docket No. 101] pursuant to which the Debtor proposed procedures for the marketing and sale of substantially all of its assets.

On February 25, 2016, the Court entered its order approving the Sale Procedures Motion (the "Sale Procedures Order") [Docket No. 131]. The Sale Procedures Order required the Debtor to, among other things: (i) have received one or more letters of intent for the Debtor's assets no later than March 25, 2016; (ii) file with the Bankruptcy Court a motion seeking approval of a sale of the assets on terms and conditions acceptable to the GAHC3 DIP Lender not later than April 10, 2016; (iii) obtain entry of a sale order in a form acceptable to the GAHC3 DIP Lender not later than May 2, 2016; and (iv) consummate and close a sale of all or substantially all of the Debtor's assets that (a) cures all defaults under the Hospital Lease and repays the GAHC3 DIP Loan in full, or (b) is otherwise acceptable to GAHC3 DIP Lender not later than May 18, 2016.

In connection with the sale process, the Debtor's professionals established a data room and invited dozens of potential interested buyers to conduct due diligence of the Debtor's assets. As more fully described in the Sale Motion (defined below), the Debtor and its professionals held discussions with at least thirteen parties that expressed an interest in a transaction involving the Debtor's business. These parties generally consisted of (i) operators currently in the business of owning or operating hospitals and (ii) financial partners interested in providing working capital. The Debtor entered into non-disclosure agreements with certain of these interested parties through which it provided additional relevant information.

The Sale Procedures Order required interested bidders to submit letters of intent to the Debtor no later than March 25, 2016. Methodist was the only party that provided the Debtor with a letter of intent by the March 25, 2016 deadline. The Debtor and Methodist negotiated the



terms of the letter of intent. On April 8, 2016, the Debtor accepted the revised letter of intent submitted by Methodist. The Debtor subsequently filed its *Notice of (A) Extension of Certain Deadlines Contained in the Bidding Procedures and (B) Status Conference Regarding Debtor's Sale Process* [Docket No. 203], pursuant to which the Debtor notified the Court and parties-in-interest that (i) a letter of intent had been received and accepted and extended the deadline for filing an asset purchase agreement with Methodist through April 21, 2016 and (ii) a status conference would be held on April 18, 2016 to update the Court on the status of the sale process.

On April 19, 2016, the Court entered an order modifying the Sale Procedures Order (the "Modified Sale Procedures Order") [Docket No. 215]. The Modified Sale Procedures Order authorized the Debtor to forego an auction and to pursue an exclusive transaction with Methodist. The Modified Sale Procedures Order also set the sale hearing for May 2, 2016 at 9:30 a.m. On April 22, 2016, the Debtor filed its motion seeking approval of the FPMC Sale [Docket No. 219].

Prior to the hearing on the FPMC Sale, various parties in interest filed objections to the proposed FPMC Sale. At the sale hearing the Court approved the FPMC Sale to Methodist and all objections were either resolved, subject to agreement by interested parties on the final language in the FPMC Sale Order, or overruled.

On May 16, 2016 the Bankruptcy Court entered the FPMC Sale Order approving the FPMC Sale to Methodist. In connection with the FPMC Sale, the Debtor also assumed and assigned various contracts to Methodist. On May 17, 2016, the Debtor consummated the FPMC Sale to Methodist and filed the *Notice of Closing of Sale* [Docket No. 273].

## **F. Rejection of Executory Contracts and Unexpired Leases.**

The Debtor has filed various motions to reject executory contracts and unexpired leases. Below is a summary of some of the more notable rejection motions filed in the Debtor's Chapter 11 Case as well as a description of the treatment under the Plan of any remaining executory contracts and unexpired leases.

### **1. MOB Lease Rejection.**

Shortly after the Hospital was built, the Debtor entered into an agreement to lease space in a medical office building (the "MOB") that is located adjacent to the Hospital. Although the MOB was not fully complete at the time, the Debtor entered into a lease agreement to lease 27,877 square feet of the MOB's almost 80,000 square foot facility (the "MOB Lease"). The MOB was completed on September 1, 2014. The Debtor never occupied any of the space covered by the MOB Lease and was never granted access, keys or even performed a walk-through of its designated MOB space. After review and analysis by the Debtor and its professionals, the Debtor concluded that the MOB Lease did not provide any benefit to the Debtor or its Estate, and that it was in the best interests of the Debtor and its estate for the Debtor to reject the MOB Lease. On February 29, 2016, the Debtor filed a motion to reject the MOB Lease [Docket No. 137]. The Bankruptcy Court entered its order approving the rejection of the MOB Lease on March 25, 2016 [Docket No. 187].

## **2. Valley Food Services Rejection.**

When the Debtor first began operating the Hospital, it entered into that certain Food Service Agreement Between Valley Services, Inc. and Forest Park Medical Center at Southlake (the “Food Service Agreement”), pursuant to which Valley Services, Inc. (“Valley”) managed and operated food services for the Hospital. The original term of the Food Service Agreement commenced on April 22, 2013 and was set to continue until April 21, 2016. The Food Service Agreement provided that the agreement would automatically renew for a one year term absent notice of intent to terminate by either party at least 30 days prior to the termination date. On March 4, 2016, Valley filed its *Motion to Compel Debtor to Assume or Reject Food Services Agreement* (the “Valley Motion to Compel”) [Docket No. 148]. After analyzing the relative benefits and burdens of assuming the Food Service Agreement, the Debtor determined that it was in the best interests of its Estate to reject the Food Service Agreement. The Debtor filed its motion to reject the Food Service Agreement on March 11, 2016 [Docket No. 160]. After discussions with Valley, the Debtor and Valley were able to agree upon a process pursuant to which the Debtor would reject the Food Service Agreement and the operation and management of food services would transition from Valley to the Debtor. The parties memorialized their agreement in an agreed order that was approved by the Bankruptcy Court and entered on the Docket on April 14, 2016 [Docket Nos. 209 and 210].

## **3. Omnibus Rejection Motions.**

During the Debtor’s negotiations with Methodist and leading up to the consummation of the FPMC Sale to Methodist, the Debtor and its professionals, along with Methodist and its professionals, conducted an internal review of the Debtor’s Executory Contracts and Unexpired Leases to determine which Executory Contracts and Unexpired Leases would be assumed and assigned to Methodist, which Executory Contracts and Unexpired Leases would remain in place, and which Executory Contracts and Unexpired Leases should be rejected effective as of the FPMC Sale Closing Date. The Debtor has filed three omnibus rejection motions rejecting a majority of the Debtor’s Executory Contracts and Unexpired Leases that were not assumed and assigned to Methodist in connection with the FPMC Sale. Each of the Debtor’s omnibus rejection motions have been approved [Docket Nos. 262, 263, and 285].

## **4. Rejection of the Hospital Lease.**

The Hospital Lease was one of the Debtor’s primary assets. Without the Hospital Lease the Debtor would have been unable to operate its business. Leading up to the Petition Date, the Debtor was in default on its obligations under the Hospital Lease. During the sale process, the Debtor, Methodist and GAHC3 Landlord had multiple discussions regarding the treatment of the Hospital Lease in connection with the FPMC Sale. Ultimately, Methodist and GAHC3 Landlord entered into a new lease agreement which made the assumption and assignment of the Hospital Lease unnecessary and made it necessary for the Debtor to reject the Hospital Lease. On April 25, 2016, the Debtor filed a motion with the Bankruptcy Court seeking to reject the Hospital Lease and to enter into a settlement agreement with GAHC3 Landlord (the “Hospital Lease Rejection Motion”) [Docket No. 223]. The Debtor’s request for relief under the Hospital Lease Rejection Motion was conditioned on the approval of and closing on the FPMC Sale. After the FPMC Sale closed, the Debtor and GAHC3 Landlord modified the settlement



agreement proposed in the Hospital Lease Rejection Motion and memorialized their agreement in a proposed agreed order that was ultimately approved by the Court on May 19, 2016 (the “Hospital Lease Rejection Order”) [Docket No. 275]. The Hospital Lease Rejection Order, *inter alia*, approved the rejection of the Hospital Lease effective as of the FPMC Sale Closing Date, and also granted GAHC3 Landlord the Lease Rejection Damages Claim in the amount of \$23,957,479.93. As part of the agreed upon settlement, GAHC3 Landlord agreed that it would forego any right to receive a distribution on account of its Lease Rejection Damages Claim until such time as \$750,000 is distributed to Holders of Allowed General Unsecured Claims. Thereafter GAHC3 Landlord will share on account of the Lease Rejection Damages Claim *pari passu* with the Holders of Allowed General Unsecured Claims with respect to any payments beyond \$750,000.

## **5. Treatment of Executory Contracts and Unexpired Leases under the Plan.**

Upon Confirmation, the Debtor will no longer require the benefit of its remaining Executory Contracts and Unexpired Leases except as otherwise identified in the Plan Supplement or other notice prior to the Confirmation Hearing. The Plan provides that all remaining Executory Contracts and Unexpired Leases will be rejected as of the Effective Date. The bar date for filing claims for damages related to the rejection of all Executory Contracts and Unexpired Leases, whether rejected pursuant to the Confirmation Order or any prior order of the Bankruptcy Court, will be thirty (30) days after the Effective Date or such earlier time period as the Bankruptcy Court may establish by order.

### **G. Administrative Expense Claim Asserted by Vibrant Manager.**

On or about February 25, 2016, Vibrant Manager filed the *Vibrant Healthcare Southlake, LLC’s First Application for Payment of Administrative Expenses* (the “Vibrant Application”) [Docket No. 135]. In the Vibrant Application, Vibrant Manager sought the allowance and payment of an administrative expense claim for services provided after the Petition Date pursuant to the *Second Amended and Restated Hospital Development and Management Services Agreement among Debtor, Vibrant Manager, and FPMC Services dated January 1, 2013* (the “Management Services Agreement”). Vibrant Manager alleged that pursuant to the Management Services Agreement it was entitled to a management fee equal to three percent (3%) of the Debtor’s adjusted gross revenues. Contemporaneously with the filing of the Vibrant Application, Vibrant Manager and FPMC Services filed a motion to compel the Debtor to either assume or reject the Management Agreement [Docket No. 136].

On March 31, 2016, the Debtor filed its response opposing the Vibrant Application (the “Response to Vibrant Application”) [Docket No. 176] and its *Motion to Convert Vibrant Healthcare Southlake, LLC’s First Application for Payment of Administrative Expenses to an Adversary Proceeding* (the “Motion to Convert”) [Docket No. 178]. In the Response to Vibrant Application and the Motion to Convert the Debtor contested Vibrant Manager’s right to an allowed administrative expense claim, identified potential compulsory counterclaims it held against Vibrant Manager and FPMC Services, and stated its intention to seek to equitably subordinate any administrative expense claim allowed by the Bankruptcy Court pursuant to Bankruptcy Code § 510. In the Motion to Convert, the Debtor requested that the Vibrant

Application be converted to an adversary proceeding. The Court granted the Motion to Convert on April 20, 2016 [Docket No. 217]. The Management Services Agreement was rejected pursuant to the first and second omnibus rejection motions effective as of the FPMC Sale Closing Date [Docket No. 262 and 263].

Because litigation with the Vibrant Parties would be vigorously contested, would involve material issues of disputed fact, and would cause the Debtor to incur significant expense in presenting evidence in support of its claims, the Debtor determined that it would be in the best interests of the Estate to consider a settlement of Vibrant Manager's claims. After carefully weighing the risks and benefits of the litigation, the Debtor entered into settlement discussions with Vibrant Manager, FPMC Services and the other Vibrant Parties. After several weeks of negotiations, on June 24, 2016 the Debtor and the Vibrant Parties entered into the Vibrant Settlement Agreement pursuant to which, *inter alia*, (i) Vibrant Manager and FPMC Services were granted the Vibrant Administrative Claim to be paid in multiple installments as more fully described in the Vibrant Settlement Agreement, (ii) the Debtor and the Vibrant Parties were granted mutual releases, and (iii) the Vibrant Parties agreed to cooperate with the Debtor and its designated third party service providers to grant access to information and databases held or controlled by the Vibrant Parties. On June 29, 2016, the Debtor filed the Vibrant 9019 Motion seeking approval of the Vibrant Settlement Agreement. A hearing on the Vibrant 9019 Motion has been set for July 12, 2016.

#### **H. Retention and Payment of the Debtor's Professionals.**

As more fully described below, the Bankruptcy Court has approved the Debtor's retention of various professionals during the course of the Chapter 11 Case. On February 25, 2016, the Bankruptcy Court entered the Fee Procedures Order. The Debtor has compensated its professionals during the Chapter 11 Case in accordance with the provisions of the Fee Procedures Order and as more fully described below.

##### **1. Haynes and Boone, LLP.**

The Debtor retained, and the Court approved, the retention of Haynes and Boone, LLP to serve as the Debtor's restructuring counsel during the course of the Debtor's Chapter 11 Case. Pursuant to the Fee Procedures Order, Haynes and Boone has been paid eighty percent (80%) of its fees and one hundred percent (100%) of its expenses requested pursuant to its monthly invoices through May, 2016.

##### **2. FTI Consulting, Inc.**

As previously mentioned, as required by the GAHC3 DIP Loan Agreement, the Debtor sought and obtained authority from the Bankruptcy Court to retain Bob Medlin as CRO, and to retain certain FTI professionals as temporary employees to aid the CRO in performing his obligations under the CRO Order. Pursuant to the CRO Order, FTI has been paid one hundred percent (100%) of its requested fees and expenses through May, 2016.

### **3. Donlin Recano & Company, Inc.**

To aid the Debtor in connection with claims administration, balloting, the preparation of the Schedules and Statements, and other miscellaneous administrative tasks, the Debtor retained DRC pursuant to the DRC Retention Orders. Pursuant to the Fee Procedures Order, DRC has been paid eighty percent (80%) of its fees and one hundred percent (100%) of its expenses requested pursuant to its monthly invoices through May, 2016.

### **4. Tax Advisors Group, Inc.**

On March 25, 2016, the Bankruptcy Court entered an order authorizing the retention of Tax Advisors Group, Inc. ("TAG") to aid the Debtor in matters relating to the Debtor's ad valorem tax obligations (the "TAG Retention Order") [Docket No. 188]. The TAG Retention Order provides that TAG will be compensated on a contingency fee basis. As more fully described in the TAG Retention Order, TAG is authorized to recover as payment from the Debtor twenty-five percent (25%) of any reduction obtained by TAG of the Debtor's ad valorem tax obligations as claimed by applicable ad valorem taxing authorities. TAG has not yet been paid any compensation by the Debtor.

### **5. Tax Advisors Group Sales and Use Tax, LLC.**

On March 25, 2016, the Bankruptcy Court entered an order authorizing the retention of Tax Advisors Group Sales and Use Tax, LLC ("TAGSU") to aid the Debtor in matters relating to the Debtor's sales and use tax obligations (the "TAGSU Retention Order") [Docket No. 189]. The TAGSU Retention Order provides that TAGSU will be compensated on a contingency fee basis. As more fully described in the TAGSU Retention Order, TAGSU is authorized to recover as payment from the Debtor thirty-three percent (33%) of any reduction obtained by TAGSU of the Debtor's sales and use tax obligations as claimed by applicable taxing authorities. TAGSU has not yet been paid any compensation by the Debtor.

### **6. Ordinary Course Professionals.**

On March 8, 2016, the Bankruptcy Court entered an order authorizing, but not directing, the Debtor to retain Wagner, Eubank & Nichols, LLP ("Wagner Eubank") to continue providing ordinary course professional services as the Debtor's tax accountant and Watson, Caraway, Midkiff & Lunningham, LLP ("Watson Caraway") to continue providing ordinary course professional services as the Debtor's medical malpractice counsel (the "OCP Order") [Docket No. 153]. The OCP Order authorized the Debtor to provide Wagner Eubank with a \$15,000 retainer. The OCP Order also authorized the Debtor to continue paying Wagner Eubank and Watson Caraway in the ordinary course of business without the need for filing a fee application unless the total amount of compensation in a given month exceeded \$30,000. The OCP Order likewise provided that at three month intervals the Debtor must file a summary statement with the Bankruptcy Court disclosing all amounts paid to ordinary course professionals during the applicable three month period. The Debtor filed its first such notice on May 26, 2016 [Docket No. 280] in which the Debtor disclosed that the only compensation provided to ordinary course professionals retained pursuant to the OCP Order from the Petition Date through April 30, 2016, consists of the \$15,000 retainer provided to Wagner Eubank.

## **I. Patient Records.**

Millions of pages of Patient Records have been generated and/or obtained during the Debtor's operation of the Hospital. The Patient Records exist primarily in electronic format on servers controlled by FPMC Services and include over 3,000,000 images. The Patient Records are generated and stored using a proprietary software program that requires the payment of a periodic licensing fee. Due to the formatting and file type of the Patient Records, it is virtually impossible to search, view, or otherwise access the Patient Records without the current software program.

Section 8.7 of the Methodist APA originally contemplated that Methodist would maintain and preserve the Patient Records in accordance with applicable law. Section 8.7 of the Methodist APA was modified by ¶¶ NN and 78 of the FPMC Sale Order. The FPMC Sale Order provided that Methodist would not be required to take possession of the Patient Records but provided that (a) Methodist would promptly reimburse the Debtor for Patient Record Costs, (b) the Debtor would not retain a third party to preserve or maintain the Patient Records without Methodist's prior written approval, (c) the Debtor would not incur any Patient Records Costs without Methodist's prior written approval, and (d) the Debtor and Methodist would cooperate in good faith after the FPMC Sale Closing Date to minimize any Patient Record Costs.

Under state and federal law, Patient Records must be stored for ten (10) or more years depending on the nature of a specific Patient Record. See e.g. Tex. Health & Safety Code § 241.103; 25 Tex. Admin. Code § 133.41(j)(8) & (11). The Debtor's professionals have communicated with multiple third party providers to ascertain the costs and logistics associated with the migration, uploading, and storage of the Patient Records in a searchable format conducive to responding to patient requests, for the time periods required by state and federal law. After significant investigation and due diligence, the Debtor has determined that the costs associated with the migration, uploading, and storage of the Patient Records is prohibitively expensive. Given the high cost of storing the Patient Records, the Debtor does not believe that the Estate has funds sufficient to pay for the storage of Patient Records in the manner required under applicable Federal or State law.

Through Bankruptcy Code § 351 Congress provided for shortened storage requirements for patient records. The Plan provides that the Debtor and/or Liquidation Trustee (as applicable), will manage and dispose of the Patient Records consistent with Bankruptcy Code § 351, as more fully described in Article V.D of the Plan. Methodist's obligation with respect to the payment of Patient Records Costs as described in ¶¶ NN and 78 of the FPMC Sale Order, shall remain in full force and effect.

## **J. Employee Bonus Claims.**

The Schedules list Claims by the Debtor's employees identified in the Schedules as bonuses. The Debtor believes that the bonus claims listed in the Schedules were never approved in accordance with the Debtor's governing corporate documents and that any such Claims listed in the Schedules will likely be the subject of an objection by the Liquidation Trustee. The Debtor's failure to object prior to the Confirmation Hearing should not be deemed as a determination by the Debtor that any such Claims for employee bonuses are Allowed Claims.

**K. Potential Claims of the Debtor against Third Parties.**

The Debtor possesses a number of potential claims against third parties. As described in Article 6.F herein, entitled “Preservation of Rights of Action,” pursuant to Article X of the Plan, the Debtor shall retain, and the Liquidation Trust shall have the exclusive right to enforce, any claims, rights, and causes of action that the Debtor or the Estate holds against any entity.

The Debtor or the Liquidating Trustee may discover claims against other individuals or entities or additional claims against the parties identified in the course of prosecuting the claims discussed herein and obtaining documents from the related individuals and entities. The Liquidation Trustee shall have the right to pursue claims against third parties on behalf of the Estate for the benefit of the beneficiaries of the Liquidating Trust.

The Debtor has not undertaken an in-depth analysis of the claims, rights, and causes of action the Debtor or the Estate may hold against third parties. As such, the Debtor can make no statement regarding a range of recovery relating to any such potential claims, rights, or causes of action.

**ARTICLE 6  
DESCRIPTION OF THE PLAN**

**A. Introduction.**

A summary of the principal provisions of the Plan and the treatment of Classes of Allowed Claims and Interests is set out below. This Disclosure Statement is only a summary of the terms of the Plan and is entirely qualified by the Plan; it is the Plan and not the Disclosure Statement that governs the rights and obligations of the parties.

The Plan seeks to distribute all value in the Debtor’s Estate to Creditors according to the priority scheme established by the Bankruptcy Code.

**B. Identification of Claims and Interests.**

The following is a designation of the classes of Claims and Interests under the Plan. Pursuant to Bankruptcy Code § 1122, a Claim or Interest is placed in a particular Class for purposes of voting on the Plan and receiving Distributions under the Plan only to the extent: (i) the Claim or Interest qualifies within the description of that Class; (ii) the Claim or Interest is an Allowed Claim or Allowed Interest in that Class; and (iii) the Claim or Interest has not been paid, released, or otherwise compromised before the Effective Date. In accordance with Bankruptcy Code § 1123(a)(1), all Claims and Interests except Administrative Claims and Priority Tax Claims are classified in the Classes set forth below.

1. Class 1 - GAHC3 DIP Lender: Class 1 shall consist of the GAHC3 DIP Lender Allowed Secured Claim.
2. Class 2 -Allowed Secured Tax Claims: Class 2 shall consist of all Allowed Secured Tax Claims.

3. Class 3 - Allowed Priority Non-Tax Claims: Class 3 shall consist of all Allowed Priority Non-Tax Claims.

4. Class 4 - Allowed General Unsecured Claims: Class 4 shall consist of all Allowed General Unsecured Claims.

5. Class 5 - Allowed GAHC3 Landlord Claim: Class 5 shall consist of the Lease Rejection Damages Claim held by GAHC3 Landlord.

6. Class 6 - Interests: Class 6 shall consist of all Interests in the Debtor.

**C. Treatment of Unclassified Claims.**

In accordance with Bankruptcy Code § 1123(a)(1), Administrative Claims and Priority Tax Claims have not been classified and thus are excluded from the Classes of Claims set forth in the Plan.

**1. Allowed Administrative Claims.**

(a) General: Subject to the Administrative Claims Bar Date provisions herein and unless otherwise provided for in the Plan or an order of the Bankruptcy Court, each Holder of an Allowed Administrative Claim shall receive in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Administrative Claim within ten (10) Business Days after the later of (a) the Effective Date, (b) the Allowance Date, and (c) such date as is mutually agreed upon by the Debtor or the Liquidation Trustee (as applicable) and the Holder of such Allowed Administrative Claim, either payment in Cash from the Liquidation Trust equal to the unpaid amount of such Allowed Administrative Claim or such other less favorable treatment as to which the Debtor or the Liquidation Trustee (as applicable) and the Holder of such Allowed Administrative Claim shall have agreed upon in writing.

(b) Payment of Statutory Fees: All fees payable pursuant to 28 U.S.C. § 1930 shall be paid in full in Cash from the Liquidation Trust when due.

(c) Administrative Claim Bar Dates and Objection Deadlines:

a. Deadline: Except as otherwise provided in this section of the Plan, requests for payment of unpaid Administrative Claims for which no bar date has otherwise been previously established must be included in a motion or application and filed and served on the Post-Confirmation Service List no later than the Administrative Claims Bar Date. Holders of Administrative Claims that are required to file requests for payment of such Administrative Claims and that do not file such requests by the Administrative Claims Bar Date are forever barred from asserting such Administrative Claims against the Debtor, the Liquidation Trust,



the Reserves, or their property. Objections to Administrative Claims must be filed and served on the Liquidation Trustee and the Holder of the Administrative Claim that is the subject of such objection no later than the Administrative Claim Objection Deadline.

b. Form: Requests for payment of Administrative Claims included in a Proof of Claim are of no force and effect, and are Disallowed in their entirety as of the Confirmation Date unless such Administrative Claim is subsequently filed by timely motion or application as provided herein. However, to the extent a Governmental Unit is not required to file a request for payment of an Administrative Claim pursuant to Bankruptcy Code § 503(b)(1)(D), a Proof of Claim filed by such Governmental Unit prior to the applicable bar date set forth in the Plan for filing a request for payment of such Administrative Claim shall fulfill the requirements of this section of the Plan.

c. Professionals: All Professionals shall file and serve on the Post-Confirmation Service List an application for final allowance of any Professional Fee Claim no later than the Professional Fee Claim Bar Date. Objections to Professional Fee Claims must be filed and served on the Liquidation Trustee and the Professional to whose application the objections are addressed no later than the Professional Fee Claim Objection Deadline. Any Professional that does not file an application for final allowance of any Professional Fee Claim by the Professional Fee Claim Bar Date is forever barred from asserting any such Professional Fee Claim against the Debtor, the Liquidation Trust, the Professional Fee Reserve, or their respective property.

d. Fees and Expenses of Liquidation Trustee: The Liquidation Trustee shall be reimbursed for his or her reasonable fees and out-of-pocket expenses (including the reasonable fees and expenses of any professionals employed by the Liquidation Trustee), incurred in connection with services provided to the Liquidation Trust, from the Liquidation Trust Expense Reserve and the assets of the Liquidation Trust (excluding the funds in the Remaining Reserves) in accordance with the Liquidation Trust Agreement without application to the Bankruptcy Court. Except to the extent otherwise provided in the Liquidation Trust Agreement, any professional fees and reimbursements for expenses incurred by the Liquidation Trustee after the Effective Date may be paid solely from the Liquidation Trust Expense Reserve and the assets of the Liquidation Trust (excluding the funds in the Remaining Reserves) without application to the Bankruptcy Court.

e. Post-Petition Tax Claims: Requests for payment of Post-Petition Tax Claims for which no bar date has otherwise been previously established must be filed on or before the Post-Petition Tax Claim Bar Date. A Holder of any Post-Petition Tax Claim that is required to file a request for payment of such taxes and does not file and serve such request on the Post-Confirmation Service List by the Post-Petition Tax Claim Bar Date is forever barred from asserting any such Post-Petition Tax Claim against the Debtor, the Liquidation Trust, the Reserves, or their respective property, whether any such Post-Petition Tax Claim is deemed to arise prior to, on, or subsequent to the Effective Date. To the extent that the Holder of an Allowed Post-Petition Tax Claim holds a Lien to secure its Post-Petition Tax Claim under applicable state law, the Holder of such Post-Petition Tax Claim shall retain its Lien until its Allowed Post-Petition Tax Claim has been paid in full. Objections to Post-Petition Tax Claims must be filed and served on the Liquidation Trustee and the Holder of the Post-Petition Tax Claim that is the subject of such objection no later than the Post-Petition Tax Claim Objection Deadline.

(d) Governmental Claims Bar Dates:

a. Deadline: Except as otherwise provided in this section of the Plan, the deadline for filing Proofs of Claim by Governmental Units shall be the Governmental Bar Date (July 17, 2016) for all Governmental Units. Governmental Units that are required to file Proofs of Claim and that did not file such Proofs of Claim by the Governmental Bar Date are forever barred from asserting such Claims against the Debtor, the Liquidation Trust, the Reserves, or their property. Objections to Proofs of Claim of Governmental Units must be filed and served on the Liquidation Trustee and the Governmental Unit that is the subject of such objection.

b. Form: To the extent a Governmental Unit is not required to file a request for payment of an Administrative Claim pursuant to Bankruptcy Code § 503(b)(1)(D), such Governmental Unit must have filed a Proof of Claim prior to the Governmental Bar Date or such claim is Disallowed as of the Effective Date.

## **2. Allowed Priority Tax Claims.**

Unless otherwise provided for pursuant to an order of the Bankruptcy Court, each Holder of an Allowed Priority Tax Claim shall receive from the Liquidation Trust in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Priority Tax Claim within ten (10) Business Days after the later of (a) the Effective Date, (b) the Allowance Date, or (c) such date as is mutually agreed upon by the Liquidation Trustee and the Holder of such Allowed Priority Tax Claim, either Cash equal to the unpaid amount of such Allowed Priority



Tax Claim or such other less favorable treatment as to which the Liquidation Trustee and the Holder of such Allowed Priority Tax Claim shall have agreed upon in writing. To the extent that there is insufficient available Cash in the Liquidation Trust to pay all Allowed Priority Tax Claims in full, no distributions will be made on account of Allowed Priority Tax Claims until the Liquidation Trust holds sufficient Cash to pay all Allowed Priority Tax Claims in full.

**3. Reservation of Rights under § 505.**

For the avoidance of doubt, and without limiting the generality of any similar provision of this Plan, the Debtor and the Estate reserve all rights under Bankruptcy Code § 505, as otherwise applicable, to contest Priority Tax Claims and to seek appropriate determinations under § 505 with respect thereto, all of which rights are transferred under the Plan to the Liquidation Trust.

**4. Ordinary Course Liabilities.**

Unless the Liquidation Trustee determines in the Liquidation Trustee's business judgment that an Ordinary Course Liability may not constitute an actual, necessary cost and expense of preserving the Estate in accordance with Bankruptcy Code § 503(b) (in which case the Liquidation Trustee shall notify the Holder of an Ordinary Course Liability that it must file a motion for payment of Administrative Claim), the Liquidation Trustee shall pay each Ordinary Course Liability pursuant to the payment terms and conditions of the particular transaction giving rise to the Ordinary Course Liability. Holders of an Ordinary Course Liability will not be required to file or serve any request for payment of the Ordinary Course Liability unless the Liquidation Trustee has informed such Holder of the requirement to file such a notice or motion in accordance with the foregoing sentence.

**D. Treatment of Classified Claims and Interests.**

**1. Treatment of Class 1 - GAHC3 Allowed Secured Claim.**

On the Effective Date, GAHC3 DIP Lender shall receive, in full and final satisfaction of the Debtor's obligation pursuant to the GAHC3 DIP Lender Allowed Secured Claim, payment of all outstanding principal and interest due under the GAHC3 DIP Loan Agreement, except as otherwise agreed to by GAHC3 DIP Lender.

**2. Treatment of Class 2 - Allowed Secured Tax Claims.**

If there is more than one Allowed Secured Tax Claim, each separate Allowed Secured Tax Claim will be classified in a separate sub-Class. Unless otherwise provided for pursuant to an order of the Bankruptcy Court, each Holder of an Allowed Secured Tax Claim shall receive in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Secured Tax Claim within ten (10) days after the later of (a) the Effective Date, (b) the Allowance Date, and (c) such date as is mutually agreed upon by the Liquidation Trustee and the Holder of such Allowed Secured Tax Claim, either Cash, including from the Priority Tax Claim Reserve, equal to the unpaid amount of such Allowed Secured Tax Claim or such other less favorable treatment as to which the Liquidation Trustee and the Holder of such Allowed Secured Tax Claim shall have agreed upon in writing. Each Holder of a Secured Tax Claim shall retain its Liens on

applicable collateral to the same extent and priority previously held, notwithstanding the transfer of such collateral into the Liquidation Trust, until either (i) its Secured Claim has been Allowed and treated in accordance with this provision of the Plan, or (ii) its Secured Claim has been Disallowed. The Holder of an Allowed Secured Tax Claim shall not be entitled to foreclose such Lien absent further order of the Bankruptcy Court.

### **3. Treatment of Class 3 - Allowed Priority Non-Tax Claims.**

Unless otherwise provided for pursuant to an order of the Bankruptcy Court, each Holder of an Allowed Priority Non-Tax Claim shall receive from the Liquidation Trust in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Priority Non-Tax Claim on the later of (a) the Effective Date, (b) the Allowance Date, and (c) such date as is mutually agreed upon by the Liquidation Trustee and the Holder of such Allowed Priority Non-Tax Claim, either Cash equal to the unpaid amount of such Allowed Priority Non-Tax Claim or such other less favorable treatment as to which the Liquidation Trustee and the Holder of such Allowed Priority Non-Tax Claim shall have agreed upon in writing. In the event that there is insufficient Cash in the Priority Non-Tax Claim Reserve to pay all Allowed Class 3 Claims in full, Holders of Allowed Claims entitled to priority under Bankruptcy Code §§ 507(a)(4), (a)(5), (a)(6), and (a)(7) shall be paid in full in Cash before Distributions are made to Holders of Allowed Claims entitled to priority under other subsections of section 507. In the event that there is insufficient Cash in the Priority Non-Tax Claims Reserve to pay all Allowed Class 3 Claims entitled to priority under a section of the Bankruptcy Code other than §§ 507(a)(4), (a)(5), (a)(6), and (a)(7) in full, the Holders of such Claims will receive a Pro Rata Share of the available Cash. For the avoidance of doubt, Holders of Allowed General Unsecured Claims shall not receive any Distributions until all Priority Non-Tax Claims have been paid in full.

### **4. Treatment of Class 4 - Allowed General Unsecured Claims.**

Unless otherwise provided for pursuant to an order of the Bankruptcy Court, each Holder of an Allowed General Unsecured Claim shall receive in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed General Unsecured Claim, a beneficial interest in the Liquidation Trust as set forth in Article V of the Plan entitling such Holder to receive on account of such Claim, such Holder's Pro Rata Share of any Cash Distribution from the Liquidation Trust to Holders of Allowed General Unsecured Claims in accordance with Article V of the Plan, on or as soon as practicable after the later of (a) the Effective Date, (b) the Allowance Date, (c) the initial Distribution Date and on each periodic Distribution Date thereafter, (d) the date on which all estimated Allowed Claims in Classes 1, 2, and 3 have been paid in full (unless sufficient reserves exist, as determined by the Liquidation Trustee in his or her business judgment, to ensure payment in full of all such estimated Allowed Claims), and (e) such date as is mutually agreed upon by the Liquidation Trustee and the Holder of an Allowed General Unsecured Claim. For the avoidance of doubt, Holders of Allowed General Unsecured Claims shall not receive any Distributions unless and until all Allowed Administrative Claims (including Allowed Professional Fee Claims), Allowed Priority Tax Claims and Allowed Priority Non-Tax Claims have been paid in full. Each Holder of Allowed General Unsecured Claims shall receive such Distributions in accordance with the provisions set forth in Article V of the Plan. Notwithstanding the foregoing, the Holder of an Allowed General

Unsecured Claim may receive such other less favorable treatment as may be agreed to by such Holder and the Liquidation Trustee.

**5. Treatment of Class 5 - Allowed GAHC3 Landlord Claim.**

As a result of the Debtor's rejection of its Hospital Lease pursuant to the Hospital Lease Rejection Order, GAHC3 Landlord received the Lease Rejection Damages Claim in the amount of \$23,957,479.93. The Lease Rejection Damages Claim constitutes an Allowed Claim.

GAHC3 Landlord shall receive in full satisfaction, settlement, release, and discharge of and in exchange for the Lease Rejection Damages Claim, a beneficial interest in the Liquidation Trust as set forth in Article V of the Plan entitling GAHC3 Landlord to receive on account of the Lease Rejection Damages Claim, its Pro Rata Share of any Cash Distribution from the Liquidation Trust *pari passu* with the rights of Allowed General Unsecured Claims in accordance with Article V of this Plan, except that GAHC3 Landlord will not receive any distributions on account of the Lease Rejection Damages Claim until such time as \$750,000 has been distributed to Holders of Allowed General Unsecured Claims. Notwithstanding the foregoing, GAHC3 Landlord may receive such other less favorable treatment on account of the Lease Rejection Damages Claim as may be agreed to by GAHC3 Landlord and the Liquidation Trustee.

**6. Treatment of Class 6 – Interests.**

On the Effective Date, all Interests in Class 6 shall be canceled and extinguished and Interest Holders shall not be entitled to receive any Distributions on account of such Interests.

**E. Treatment of Executory Contracts.**

**1. Rejection of Executory Contracts and Unexpired Leases.**

Unless rejected or assumed by prior order of the Bankruptcy Court, each Executory Contract and Unexpired Lease shall be rejected as of the Confirmation Date (which rejection shall be effective on the Effective Date), and such rejected Executory Contracts and Unexpired Leases shall no longer represent binding obligations of the Debtor or the Liquidation Trust after the Effective Date. Entry of the Confirmation Order shall constitute approval of such rejections under Bankruptcy Code §§ 365 and 1123.

**2. Rejection Claim Bar Date.**

Any Claim arising out of the rejection of an Executory Contract or Unexpired Lease pursuant to the Confirmation Order or prior order of the Bankruptcy Court must be filed with the Bankruptcy Court on or before the Rejection Claim Bar Date, and must be served on the Liquidation Trustee and his/her counsel, if the Liquidation Trustee has retained counsel. Any such Claims not filed by the Rejection Claim Bar Date are discharged and forever barred. Each Allowed Claim arising from the rejection of an Executory Contract shall be treated as an Allowed General Unsecured Claim. The Bankruptcy Court shall determine the amount, if any, of the Claim of any Entity seeking damages by reason of the rejection of any Executory Contract or Unexpired Lease.

### **3. Reservation of Rights.**

Neither the exclusion nor inclusion of any contract or lease by the Debtor on its Schedules, nor anything contained in the Plan, will constitute an admission by the Debtor or the Liquidation Trust that any such contract or lease is or is not in fact an Executory Contract or Unexpired Lease or that the Debtor or the Liquidation Trustee has any liability under any such contract or lease. Nothing in the Plan will waive, excuse, limit, diminish, or otherwise alter any of the defenses, Claims, Rights of Action, or other rights of the Debtor, or the Liquidation Trust under any Executory Contract or non-Executory Contract or any Unexpired Lease or expired lease. Nothing in the Plan will increase, augment, or add to any of the duties, obligations, responsibilities, or liabilities of the Debtor or the Liquidation Trustee under any Executory Contract or non-Executory Contract or any Unexpired Lease or expired lease.

#### **F. Objections to and Procedures for Resolving Disputes Regarding Claims and Interests.**

##### **1. Objections to Claims and Interests.**

Unless otherwise provided in the Plan or as otherwise ordered by the Bankruptcy Court after notice and a hearing, objections to Claims shall be filed with the Bankruptcy Court and served upon the Holders of each of the Claims to which objections are made as soon as practicable, but in no event later than one hundred eighty (180) days after the Effective Date. The deadline to object to Claims can be extended automatically for an additional ninety (90) days by the Liquidation Trustee filing a notice with the Bankruptcy Court. Further extensions to the deadline to object to Claims may be granted by the Bankruptcy Court upon motion of the Liquidation Trustee without notice or a hearing. The fact that a Claim has not been objected to prior to the Confirmation Hearing or solicitation on the Plan should not be deemed by any Holder of a Claim, whether the Claim arises from a Proof of Claim, the Schedules, or a motion with the Bankruptcy Court, to be a determination by the Debtor that such Claim is an Allowed Claim. The Debtor, or the Liquidation Trustee, as applicable, may object to any Claim for which the applicable objection deadline has not passed, including with respect to Claims that arise from the Debtor's Schedules.

##### **2. Claims Filed After Objection Deadline.**

Following the Proof of Claim Bar Date, no proofs of claim may be filed in the Chapter 11 Case without prior authorization of the Bankruptcy Court and any such proof of claim which is filed without such authorization shall be deemed null, void and of no force or effect. Except as otherwise provided in the Plan, following the Confirmation Date, a Claim may not be amended unless such amendment results in a decrease of the amount of the Claim, the change in priority of the Claim to a lower priority under the Bankruptcy Code, or the withdrawal of the Claim, and any such unauthorized amendment shall be deemed null, void and of no force or effect. Claims filed or identified in the Schedules may be amended or reconsidered only as provided in the Bankruptcy Code and Bankruptcy Rules, **except that Claims filed or identified in the Schedules may be objected to by following the same procedures for objecting to Proofs of Claim as provided in the Bankruptcy Code, the Bankruptcy Rules, or the Plan.**

**3. Claims Listed as Contingent, Unliquidated, or Disputed in Schedules.**

**ANY CLAIM THAT HAS BEEN OR IS HEREAFTER LISTED IN THE SCHEDULES AS CONTINGENT, UNLIQUIDATED OR DISPUTED, AND FOR WHICH NO PROOF OF CLAIM HAS BEEN TIMELY FILED IS CONSIDERED DISALLOWED ON THE EFFECTIVE DATE WITHOUT FURTHER ACTION BY THE DEBTOR OR THE LIQUIDATION TRUSTEE AND WITHOUT ANY FURTHER NOTICE TO OR ACTION, ORDER, OR APPROVAL OF THE BANKRUPTCY COURT.**

**4. Retention of Claims and Defenses.**

After the Effective Date, except as released in the Plan or by Bankruptcy Court order, the Liquidation Trustee shall have and retain any and all rights and defenses the Debtor had with respect to any Claims and Rights of Action immediately prior to the Effective Date.

**5. Claims Administration Responsibilities.**

Except as otherwise specifically provided in the Plan, after the Effective Date, the Liquidation Trustee shall have the authority: (1) to file, withdraw, or litigate to judgment any objections to Claims; (2) to settle or compromise any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court; and (3) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court.

**6. Adjustment to Claims Without Objection.**

Any Claim that has been paid or satisfied or any Claim that has been amended or superseded may be adjusted for Distribution purposes by the Liquidation Trustee without any further notice to or action, order, or approval of the Bankruptcy Court.

**7. Disallowance of Claims or Interests.**

Any Claims held by Entities from which property is recoverable under Bankruptcy Code §§ 542, 543, 550, or 553 or that is a transferee of a transfer avoidable under Bankruptcy Code §§ 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a), shall be deemed Disallowed pursuant to Bankruptcy Code § 502(d), and Holders of such Claims may not receive any Distributions on account of such Claims until such time as such Rights of Action against that Entity have been settled or a Bankruptcy Court order with respect thereto has been entered and all sums due, if any, to the Estate by that Entity have been turned over or paid to the Liquidation Trustee.

**8. Offer of Judgment.**

The Liquidation Trustee is authorized to serve upon a Holder of a Claim an offer to allow judgment to be taken on account of such Holder's Claim, and, pursuant to Bankruptcy Rules 7068 and 9014, Federal Rule of Civil Procedure 68 shall apply to such offer of judgment. To the extent the Holder of a Claim must pay the costs incurred by the Liquidation Trustee after the Liquidation Trustee makes such offer, the Liquidation Trustee, as applicable, is entitled to set off

such amounts against the amount of any distribution to be paid to such Holder without any further notice to or action, order, or approval of the Bankruptcy Court.

#### **G. Preservation of Rights of Action.**

Article X of the Plan provides that Except as otherwise provided in the Plan or in any contract, instrument, release, or other agreement entered into in connection with the Plan, in accordance with Bankruptcy Code § 1123(b)(3), the Liquidation Trustee shall retain and shall have the exclusive right, authority, and discretion (without further order of the Bankruptcy Court) to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, or withdraw, litigate to judgment, or exercise attorney/client privilege in relation to any and all Rights of Action that the Debtor or the Estate may hold against any Entity, whether arising before or after the Petition Date, and the powers and duties of a trustee under the Bankruptcy Code with respect to such Rights of Action. The Debtor reserves and shall retain the foregoing Rights of Action for the Liquidation Trust notwithstanding the rejection of any Executory Contract or Unexpired Lease during the Chapter 11 Case.

Without limiting the effectiveness or generality of the foregoing provisions, and out of an abundance of caution, the Debtor and the Estate specifically reserve and retain the claims and causes of action, to be transferred as part of the Rights of Action as more fully described in Exhibit B of the Plan. The description in Exhibit B of the Plan is provided to give maximum notice of potential claims that the Debtor is presently aware of and shall in no way act as a limitation on any other potential claims that may exist, including by way of expression *unius est exclusio alterius* or any other applicable doctrine or rule of contractual interpretation. It is the specific intention of the Plan that each and every Avoidance Action, and any other claim or cause of action, whether arising before or after the Petition Date, and whether arising under state law or the Bankruptcy Code, be preserved and retained under the Plan and be transferred to the Liquidation Trust on the Effective Date of the Plan.

Unless a Right of Action is expressly waived, relinquished, released, compromised or settled in the Plan or any Final Order, such Rights of Action (including any counterclaims) are preserved and shall be retained by the Liquidation Trustee for later adjudication for the benefit of the beneficiaries of the Liquidation Trust including, without limitation, all: (i) defenses to Claims; (ii) affirmative defenses to Claims; (iii) setoffs and recoupments against any Claim, Creditor or other person; (iv) rights to turnover, accounting, contribution, indemnification, or reimbursement against any Creditor or other person; (v) rights to any tax refund; (vi) Avoidance Actions; (vii) Rights of Action; and (viii) claims and causes of action against any Creditor or person whatsoever, including for affirmative relief and to reduce any liability. Therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable or otherwise) or laches shall apply to such Rights of Action (including counterclaims) on or after the Confirmation of the Plan.

#### **H. Exculpation and Release of Certain Parties in Interest.**

Article IX.D of the Plan provides that:



**EFFECTIVE AS OF THE EFFECTIVE DATE, THE DEBTOR, ON BEHALF OF ITSELF AND THE ESTATE, HEREBY RELEASES THE RELEASE PARTIES FROM (I) ANY AND ALL CLAIMS, CAUSES OF ACTION, AND OTHER LIABILITIES ARISING BEFORE THE EFFECTIVE DATE, AND (II) ANY AND ALL CLAIMS, CAUSES OF ACTION, AND OTHER LIABILITIES ARISING FROM THE ACTIONS TAKEN OR NOT TAKEN IN CONNECTION WITH THE PLAN AND THE CHAPTER 11 CASE UNLESS SUCH CONDUCT AMOUNTS TO GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR ACTUAL FRAUD.**

If the Plan is confirmed with this provision, parties in interest will lose whatever rights they may currently have to sue the identified parties for negligent acts occurring between the Petition Date and the Effective Date of the Plan.

Article IX.E of the Plan provides as follows:

**ON THE EFFECTIVE DATE, (I) THE DEBTOR'S CRO, RO, AND FTI AND (II) THE DEBTOR'S ATTORNEYS, ADVISORS AND OTHER PROFESSIONALS SHALL HAVE NO LIABILITY TO THE DEBTOR, THE DEBTOR'S ESTATE, ANY HOLDER OF A CLAIM OR EQUITY INTEREST OR TO ANY OTHER PERSON BASED IN WHOLE OR IN PART ON ANY ACT, ACTION TAKEN, TRANSACTION, OMISSION, ACTION NOT TAKEN, OR OTHER EVENT OCCURRING BEFORE THE COMMENCEMENT OF THE CHAPTER 11 CASE OR DURING THE COURSE OF THE CHAPTER 11 CASE (INCLUDING THROUGH THE EFFECTIVE DATE), IN ANY WAY RELATING TO THE CHAPTER 11 CASE, THE PLAN, THE GAHC3 DIP LOAN AGREEMENT, THE HOSPITAL, THE OPERATIONS OF THE HOSPITAL, THE PROVISION OF OR BILLING FOR THE PROVISION OF HEALTHCARE SERVICES, THE COMPLIANCE OF THE HOSPITAL WITH APPLICABLE STATE, FEDERAL AND LOCAL LAWS AND RULES REGARDING THE OPERATION, LICENSURE OR MANAGEMENT OF THE FACILITY AND THE RELATED PATIENT RECORDS, THE DECISION TO FILE A BANKRUPTCY PETITION ON BEHALF OF THE DEBTOR, THE WINDDOWN AND OPERATION OF THE DEBTOR DURING THE CHAPTER 11 CASE, THE ADMINISTRATION OF THE CHAPTER 11 CASE, THE NEGOTIATION AND IMPLEMENTATION OF THE PLAN, CONFIRMATION OF THE PLAN, CONSUMMATION OF THE PLAN (INCLUDING ALL DISTRIBUTIONS HEREUNDER), THE ADMINISTRATION OF THE PLAN, AND THE PROPERTY TO BE DISTRIBUTED UNDER THE PLAN (EXCEPT AS TO RIGHTS, OBLIGATIONS, DUTIES, AND CLAIMS ESTABLISHED UNDER THE PLAN). IN ALL SUCH INSTANCES, SUCH PARTIES SHALL BE AND HAVE BEEN ENTITLED TO REASONABLY RELY ON THE ADVICE OF COUNSEL WITH RESPECT TO THEIR DUTIES AND RESPONSIBILITIES IN CONNECTION WITH THE CHAPTER 11 CASE AND UNDER THE PLAN. ANY AND ALL CLAIMS, CAUSES OF ACTIONS, RIGHTS, OR ANY LIABILITIES DESCRIBED ABOVE HELD BY ANY PERSON OR PARTY IN INTEREST AGAINST THE FOREGOING PARTIES LISTED IN SUBSECTIONS (I) AND (II) ABOVE ARE FULLY WAIVED, BARRED, RELEASED, AND DISCHARGED IN ALL RESPECTS (EXCEPT AS TO RIGHTS, OBLIGATIONS, DUTIES, AND CLAIMS ESTABLISHED UNDER THE PLAN). NOTWITHSTANDING ANYTHING IN THE PLAN TO THE CONTRARY,**



**NOTHING IN THE PLAN, THE PLAN DOCUMENTS, OR THE CONFIRMATION ORDER SHALL AFFECT THE LIABILITY OF ANY PERSON THAT RESULTS FROM ANY ACT OR OMISSION DETERMINED BY A FINAL ORDER TO HAVE CONSTITUTED WILLFUL MISCONDUCT, GROSS NEGLIGENCE, INTENTIONAL FRAUD, OR CRIMINAL CONDUCT. NOTWITHSTANDING ANY LANGUAGE HEREIN TO THE CONTRARY, NOTHING HEREIN IS INTENDED, NOR SHALL IT BE CONSTRUED, TO ELIMINATE, WAIVE OR RELEASE ANY OF DEBTOR'S PRESENT OR FORMER MANAGERS, OFFICERS OR DIRECTORS (OTHER THAN THE CRO AND RO) FROM ANY LIABILITIES THAT MAY HAVE ARISEN OR OCCURRED PREPETITION, INCLUDING, WITHOUT LIMITATION, THE RIGHTS OF ACTION (AS DEFINED HEREIN) AGAINST ANY OF DEBTOR'S PRESENT OR FORMER MANAGERS, OFFICERS OR DIRECTORS (OTHER THAN THE CRO AND RO).**

Article V.E.7 of the Plan provides as follows:

**FROM AND AFTER THE EFFECTIVE DATE, THE LIQUIDATION TRUSTEE AND ITS PROFESSIONALS SHALL BE EXCULPATED BY THE ESTATE AND ALL HOLDERS OF CLAIMS OR INTERESTS FROM ANY AND ALL CLAIMS OR CAUSES OF ACTION AND ASSERTIONS OF LIABILITY ARISING OUT OF THEIR PERFORMANCE OF THE DUTIES CONFERRED UPON THEM BY THE PLAN, THE LIQUIDATION TRUST AGREEMENT, OR ANY ORDERS OF THE BANKRUPTCY COURT, EXCEPT TO THE EXTENT AN ACT CONSTITUTES BAD FAITH, GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR ACTUAL FRAUD. NO HOLDER OF A CLAIM OR INTEREST OR REPRESENTATIVE THEREOF SHALL HAVE OR PURSUE ANY CLAIM OR CAUSE OF ACTION AGAINST THE LIQUIDATION TRUSTEE OR ITS PROFESSIONALS FOR TAKING ANY ACTION IN ACCORDANCE WITH THE PLAN, THE LIQUIDATION TRUST AGREEMENT, OR TO IMPLEMENT THE PROVISIONS OF THE PLAN OR ANY ORDER OF THE BANKRUPTCY COURT. NOTHING IN THIS PROVISION SHALL BE DEEMED TO ALTER THE PROVISIONS OF THE LIQUIDATION TRUST AGREEMENT.**

#### **ARTICLE 7**

#### **MEANS FOR EXECUTION AND IMPLEMENTATION OF THE PLAN**

##### **A. Cancellation of Interests and Dissolution of Debtor.**

On the Effective Date, except as otherwise specifically provided for in the Plan: (i) all Interests in the Debtor shall be canceled; (ii) the obligations of, Claims against, and Interests in the Debtor arising under, evidenced by, or relating to any agreements, contracts, indentures, certificates of designation, bylaws, certificates or articles of incorporation, or similar documents governing the Interests shall be released and discharged; and (iii) the Debtor shall be dissolved. The Liquidation Trustee may, in his or her discretion, file all necessary certificates of dissolution and take any other actions necessary or appropriate to reflect the dissolution of the Debtor under applicable state law where the Debtor was organized or formed. All applicable regulatory or governmental agencies shall accept any certificates of dissolution or other papers filed by the Liquidation Trustee on behalf of the Debtor and shall take all steps necessary to allow and reflect

the prompt dissolution of the Debtor as provided herein, without the payment of any fee, tax, or charge and without need for the filing of reports or certificates, except as the Liquidation Trustee may determine in his or her sole discretion.

#### **B. The Debtor's Assets.**

The Debtor's assets include: (i) Remaining Cash, including, without limitation, any and all Cash held in any general, escrow or segregated separate accounts during the pendency of the Chapter 11 Case; (ii) the remaining Pre-Petition Accounts Receivable; (iii) Post-Petition/Pre-Closing Accounts Receivable; (iv) all Rights of Action, including Avoidance Actions, and the proceeds thereof, including, without limitation, those Rights of Action identified in Article X and Exhibit B of the Plan; (v) the FPMC Services Membership Interests; and (vi) all other property interests, rights, claims, defenses and causes of action of the Debtor or its Estate, including but not limited to unpaid Tax Refunds, insurance policy proceeds, returned deposits, unexercised contract rights, and unpaid insurance policy premium refunds.

On the Effective Date, all of the assets of the Debtor and the Estate existing as of the Effective Date, shall be transferred and become vested in the Liquidation Trust pursuant to and in accordance with the terms of this Plan.

#### **C. Corporate Action.**

The entry of the Confirmation Order shall constitute authorization for the Debtor and Liquidation Trustee (as applicable) to take or cause to be taken all corporate actions necessary or appropriate to implement all provisions of, and to consummate, the Plan prior to, on and after the Effective Date and all such actions taken or caused to be taken shall be deemed to have been authorized and approved by the Bankruptcy Court without further approval, act or action under any applicable law, order, rule or regulation, including, without limitation, any action required by the Interest holders, officers, or directors of the Debtor, including, among other things: (1) the cancellation of the Interests in the Debtor; (2) all transfers of assets that are to occur pursuant to the Plan; (3) the incurrence of all obligations contemplated by the Plan and the making of Distributions; and (4) the implementation of all settlements and compromises as set forth in or contemplated by the Plan. As of the Effective Date, the Liquidation Trustee is authorized and directed to do all things and to execute and deliver all agreements, documents, instruments, notices and certificates as are contemplated by the Plan and to take all necessary actions required in connection therewith, in the name of and on behalf of the Debtor and the Liquidation Trustee, as applicable.

#### **D. Patient Records.**

Through Bankruptcy Code § 351 Congress provided for shortened storage requirements for patient records. Methodist's obligation with respect to the Patient Records as described in ¶¶ NN and 78 of the FPMC Sale Order, shall remain in full force and effect. The Debtor and/or Liquidation Trustee (as applicable), will take the following steps pursuant to Bankruptcy Code § 351 with respect to the Patient Records:

**1. Publication Notice.**

On the Effective Date, or as soon thereafter as reasonably possible, the Debtor and/or Liquidation Trustee shall publish in such newspaper or newspapers as shall be ordered by the Bankruptcy Court, the Publication Notice.

**2. Mailing of Notice to Patients.**

During the first one hundred-eighty (180) days after the publication of the Publication Notice in accordance with Article V.D.1 of the Plan, the Liquidation Trustee shall mail the Patient Records Mail Notice to all of the parties on the Patient Mailing List.

**3. Patient Records Service Provider.**

The Debtor and/or Liquidation Trustee, as applicable, is authorized to engage the Patient Records Service Provider on the terms and conditions set forth in the Patient Records Service Provider Agreement, which shall be included in the Plan Supplement, to maintain and store the Patient Records and to respond to requests for such records during the Patient Records Maintenance Period, which services by the Patient Records Service Provider shall comply with the requirements imposed by Bankruptcy Code § 351.

**4. Notice to HHS.**

If the Publication Notice has been published and the Patient Records Mail Notice has been mailed as provided in accordance with Article V.D.1 of the Plan, the Liquidation Trustee shall mail, by certified mail, at the end of the Patient Records Maintenance Period the HHS Patient Records Request requesting permission to deposit with HHS any remaining Patient Records that have not been claimed by an authorized party during the Patient Records Maintenance Period. HHS shall have thirty (30) days to grant or deny the HHS Patient Records Request, and if no written response is received by the Liquidation Trustee either granting or denying the HHS Patient Records Request, the HHS Patient Records Request shall be deemed denied on the thirty-third (33rd) day following the date the Liquidation Trustee mails the HHS Patient Records Request.

**5. Destruction of Patient Records.**

After the Patient Records Maintenance Period has concluded, if the HHS Patient Records Request has been denied, any remaining Patient Records that have not been claimed by an authorized party shall be caused to be destroyed by the Liquidation Trustee as provided in Bankruptcy Code § 351(3). Promptly after the remaining Patient Records have been destroyed in accordance with Bankruptcy code § 351(3), the Liquidation Trustee shall file a notice with the Bankruptcy Court certifying that the remaining Patient Records have been destroyed.

## **E. Liquidation Trust.**

### **1. Creation of the Liquidation Trust and Appointment of the Liquidation Trustee.**

On the Effective Date, the Liquidation Trust shall be created pursuant to the Liquidation Trust Agreement. The Liquidation Trust shall operate under the provisions of the Liquidation Trust Agreement. The Liquidation Trust shall be administered by the Liquidation Trustee. The Liquidation Trustee shall be appointed as of the Effective Date and shall be compensated and otherwise bound by the terms of the Liquidation Trust Agreement without further order of the Bankruptcy Court. The Plan will be administered and actions will be taken in the name of the Debtor or Liquidation Trust, as appropriate, through the Liquidation Trustee, irrespective of whether the Debtor has been dissolved. The Liquidation Trust Agreement shall be deemed approved and effective on the Effective Date subject to execution by the Liquidation Trustee and the Debtor. The identity of the Liquidation Trustee and a form of Liquidation Trust Agreement will be included in the Plan Supplement.

### **2. Property of the Liquidation Trust.**

On the Effective Date, the Debtor and Estate shall be deemed to have transferred and/or assigned any and all assets of the Debtor and the Estate as of the Effective Date, including, without limitation and except as otherwise provided in the Plan, (i) Remaining Cash and accounts, including, without limitation, any and all Cash held in any general, escrow or segregated separate accounts during the pendency of the Chapter 11 Case, (ii) the remaining Pre-Petition Accounts Receivable, (iii) Post-Petition/Pre-Closing Accounts Receivable, (iv) all Rights of Action, including Avoidance Actions, and the proceeds thereof, including, without limitation, those Rights of Action identified in Article X and Exhibit B of the Plan, (v) the FPMC Services Membership Interests, (vi) all other property interests, rights, claims, defenses and causes of action of the Debtor or its Estate, including but not limited to unpaid Tax Refunds, insurance policy proceeds, returned deposits, unexercised contract rights, and unpaid insurance policy premium refunds, and (vii) attorney-client, work-product and all other privileges.

### **3. Creation of Reserves.**

To the extent not otherwise provided for in the Plan or ordered by the Bankruptcy Court, the Liquidation Trustee shall estimate appropriate reserves of Cash to be set aside in order to pay or reserve for accrued expenses and for payment of prospective expenses and liabilities of the Estate and the Liquidation Trust after the Effective Date. On the Effective Date, the Liquidation Trustee will establish and appropriately fund the following Reserves: (i) the Professional Fee Reserve; (ii) the Non-Professional Administrative Claim Reserve; (iii) the Priority Tax Claim Reserve; (iv) the Priority Non-Tax Claim Reserve; and (v) the Liquidation Trust Expense Reserve. Distributions from the Reserves shall be made by the Liquidation Trustee. Within ten (10) days after all Allowed Professional Fee Claims, Allowed Non-Professional Administrative Claims, Allowed Priority Tax Claims, and Allowed Priority Non-Tax Claims have been paid in full (provided all Disputed Non-Professional Administrative Claims, Professional Fee Claims, Secured Tax Claims, Priority Tax Claims, and Priority Non-Tax Claims have been resolved), the Liquidation Trustee shall transfer any unused portion of the Remaining

Reserves to the Liquidation Trust to be administered in accordance with the Liquidation Trust Agreement and the Plan. The Liquidation Trustee may, in the exercise of his or her business judgment, transfer any unused portion of the Remaining Reserves to the general fund of the Liquidation Trust prior to the resolution of all Disputed Claims with a priority senior to an Allowed General Unsecured Claim, provided that the Trustee maintains sufficient Cash in the Remaining Reserves to fully pay any such Disputed Claims.

Notwithstanding any contrary provision contained herein (other than the requirements for segregation of undeliverable distributions set forth in Article VIII below), the Liquidation Trustee shall not be obligated to physically segregate and maintain separate accounts for reserves or for other purposes. Separate reserves and funds may be merely bookkeeping entries or accounting methodologies, which may be revised from time to time, to enable the Liquidation Trustee to determine Cash available for Distributions, reserves and amounts to be paid to parties-in-interest.

#### **4. Officers, Directors, and Shareholders.**

a. Directors, Officers, and Employees: On the Effective Date, the authority, power and incumbency of J. Robert Medlin, as chief restructuring officer of the Debtor and Walt Brown, as restructuring officer of the Debtor, shall be terminated and cease and J. Robert Medlin and Walt Brown shall be deemed to have resigned. In addition, on the Effective Date, the authority, power and incumbency of all other directors and officers of the Debtor shall be terminated and cease and all other directors and officers shall be deemed to have resigned.

b. Succession by Liquidation Trustee: On the Effective Date, the Liquidation Trustee succeeds to such powers as would have been applicable to the Debtor's officers, directors and shareholders.

#### **5. Liquidation Trustee.**

The salient terms of the Liquidation Trustee's employment, including the Liquidation Trustee's duties and compensation, to the extent not set forth in the Plan, shall be set forth in the Liquidation Trust Agreement. In general, the Liquidation Trustee shall be the exclusive trustee of the Liquidation Trust for the purposes of 31 U.S.C. § 3713(b) and 26 U.S.C. § 6012(b)(3), as well as the representative of the Estate appointed pursuant to § 1123(b)(3)(B) of the Bankruptcy Code. The Liquidation Trustee shall have fiduciary duties to beneficiaries of the Liquidation Trust in the same manner that members of an official committee of creditors appointed pursuant to § 1102 of the Bankruptcy Code have fiduciary duties to the creditor constituents represented by such a committee. The Liquidation Trust Agreement shall specify the terms and conditions of the Liquidation Trustee's compensation, responsibilities and powers. The duties and powers of the Liquidation Trustee shall generally include, without limitation, the following:<sup>2</sup>

a. To exercise all power and authority, that may be or could have been exercised, commence all proceedings that may be or could have been commenced and take all actions that may be or could have been taken by any officer, director

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<sup>2</sup> In the case of a conflict between the Liquidation Trust Agreement and the Plan, the Liquidation Trust Agreement shall control.

or shareholder of the Debtor with like effect as if authorized, exercised and taken by unanimous action of such officers, directors and shareholders; including, without limitation, amendment of the articles of organization and by-laws of the Debtor, the dissolution of the Debtor, and the assertion or waiver of any of the Debtor's attorney/client privilege;

b. To maintain escrows and other accounts, make Distributions and take other actions consistent with the Plan and the implementation thereof, including the establishment, re-evaluation, adjustment and maintenance of appropriate Reserves, in the name of either of the Debtor or the Liquidation Trustee, even in the event of the dissolution of the Debtor;

c. Subject to the applicable provisions of the Plan, to collect and liquidate all assets of the Estate pursuant to the Plan and to administer the winding-up of the affairs of the Debtor;

d. To object to, defend, compromise, and/or settle any Claims (Disputed or otherwise) as discussed in Article VII of the Plan without the necessity of approval of the Bankruptcy Court and/or to seek Court approval for any Claims settlement to the extent thought appropriate by the Liquidation Trustee or to the extent such approval is required by prior order of the Bankruptcy Court;

e. To the extent ordered by the Bankruptcy Court, to defend, compromise and/or settle any Rights of Action transferred to the Liquidation Trust in the Plan by filing a notice of compromise and settlement with the Bankruptcy Court, which shall be deemed approved if no objection is filed within twenty-three (23) days after the date of filing, and which shall be subject to approval of the Bankruptcy Court to the extent an objection is filed;

f. To make decisions, without further Court approval, regarding the retention or engagement of professionals, employees and consultants by the Liquidation Trust and to pay the charges incurred by the Liquidation Trust on or after the Effective Date for services of professionals, disbursements, expenses or related support services relating to the winding down of the Debtor and implementation of the Plan, without application to the Bankruptcy Court, with such charges to be paid solely from the Liquidation Trust Expense Reserve and the Liquidation Trust Assets (excluding the Remaining Reserves);

g. To cause, on behalf of the Liquidation Trust, the Debtor and the Estate, that all necessary tax returns and all other appropriate or necessary documents related to municipal, State, Federal or other tax law are prepared and filed timely;

h. To make all Distributions to holders of Allowed Claims provided for or contemplated by the Plan;

i. To invest Cash in accordance with Bankruptcy Code § 345 or as otherwise permitted by a Final Order of the Bankruptcy Court and as deemed appropriate by the Liquidation Trustee;

- j. To collect any accounts receivable or other claims and assets of the Debtor or the Estate not otherwise disposed of pursuant to the Plan, including without limitation, the Pre-Petition Accounts Receivable and the Post-Petition/Pre-Closing Accounts Receivable;
- k. To enter into any agreement or execute any document required by or consistent with the Plan and perform all of the obligations of the Debtor or the Liquidation Trustee thereunder;
- l. To abandon in any commercially reasonable manner, including abandonment or donation to a charitable organization at the discretion of the Liquidation Trustee, any assets that the Liquidation Trustee concludes are of inconsequential benefit to Creditors of the Estate or, at the conclusion of the Chapter 11 Case, are determined to be too impractical to distribute;
- m. To investigate, prosecute and/or settle Rights of Action, including, but not limited to Avoidance Actions, participate in or initiate any proceeding before the Bankruptcy Court or any other court of appropriate jurisdiction, participate as a party or otherwise in any administrative, arbitative or other non-judicial proceeding, litigate or settle such Rights of Action on behalf of the Liquidation Trust and pursue to settlement or judgment such actions;
- n. To utilize trust assets to purchase or create and carry all appropriate new insurance policies and pay all insurance premiums and costs it deems necessary or advisable to insure the acts and omissions of the Liquidation Trustee;
- o. To implement and/or enforce all provisions of the Plan;
- p. To maintain appropriate books and records (including financial books and records);
- q. To collect and liquidate all assets of the Estate pursuant to the Plan and administer the winding-up of the affairs of the Debtor including, but not limited to, closing the Chapter 11 Case;
- r. To pay fees incurred pursuant to 28 U.S.C. § 1930(a)(6) and to file with the Bankruptcy Court and serve on the U.S. Trustee quarterly financial reports until such time as such reports are no longer required, a Final Decree is entered closing the Chapter 11 Case or the Chapter 11 Case is converted or dismissed, or the Bankruptcy Court orders otherwise;
- s. To file with the Bankruptcy Court and serve upon the Post-Confirmation Service List, within twenty-five (25) days after the end of each quarter, a report setting forth: (i) the receipt and disposition by the Liquidation Trustee of property of the Estate or the Debtor during the prior quarter, including the disposition of funds in the Liquidation Trust; (ii) all Disputed Claims resolved by the Liquidation Trustee during such period; and (iii) the status of Rights of Action; and



t. To do all other acts or things consistent with the provisions of the Plan that the Liquidation Trustee deems reasonably necessary or desirable with respect to implementing the Plan.

## **ARTICLE 8 RECOVERY ANALYSIS, FEASIBILITY AND RISKS**

### **A. Recovery Analysis and Feasibility.**

Recoveries to holders of General Unsecured Claims are subject to many variables at this point. As of the time of this Disclosure Statement, and due to these numerous variables, the Debtor cannot accurately predict the recovery for holders of General Unsecured Claims.

Under the Plan, the Debtor anticipates that Allowed Administrative Claims, Allowed Priority Tax Claims, if any, and Allowed Priority Non-Tax Claims, if any, will be paid in full. To the extent that the Debtor has insufficient cash to pay Allowed Administrative Claims, Allowed Priority Tax Claims, if any, and Allowed Priority Non-Tax Claims, if any, pursuant to the terms of the Plan, all such claims will not be paid in full, and shall be paid in accordance with the priority provisions of the Bankruptcy Code. Important variables affecting the amount of funds available for distribution include (i) the total amount of Allowed Claims entitled to payment before payments to holders of General Unsecured Claims, (ii) the total amount of Allowed General Unsecured Claims, and (iii) the outcome of the Rights of Action retained by the Litigation Trust pursuant to Article X of the Plan. A pro forma recovery analysis estimating the expenses and distributions contemplated by the Plan is attached hereto as **Exhibit 5**.

Under the Plan, Holders of Allowed General Unsecured Claims will each receive a beneficial interest in the Liquidation Trust. The Liquidation Trust will receive the Liquidation Trust Assets, which include all assets of the Estate, including certain Rights of Action.

The Debtor anticipates that the recovery to the Holders of Allowed General Unsecured Claims will be less than five percent (5%) but may increase if the Liquidation Trustee is successful in pursuing Rights of Action transferred to the Liquidation Trust.

### **B. Risks Associated with Confirming the Plan.**

Both the Confirmation and consummation of the Plan are subject to a number of risks. Specifically, if certain standards set forth in the Bankruptcy Code are not met, the Bankruptcy Court will not confirm the Plan even if Holders of Claims accept the Plan. Although the Debtor believes that the Plan meets such standards, there can be no assurance that the Bankruptcy Court will reach the same conclusion. If the Bankruptcy Court were to determine that such requirements were not met, it could require the Debtor to re-solicit acceptances, which could delay and/or jeopardize Confirmation of the Plan. The Debtor believes that the solicitation of votes on the Plan will comply with Bankruptcy Code § 1126(b) and that the Bankruptcy Court will confirm the Plan. The Debtor, however, can provide no assurance that modifications of the Plan will not be required to obtain Confirmation of the Plan, or that any such modifications will not require a re-solicitation of acceptances.

Even if the Plan is confirmed, the Plan provides that certain conditions precedent must be met or waived prior to the occurrence of the Effective Date. There is no guarantee as to the timing of the Effective Date. Additionally, if the conditions precedent to the Effective Date are not satisfied or waived, the Bankruptcy Court may vacate the Confirmation Order. In that event, the Plan would be deemed null and void and (i) the Debtor or any other party might propose or solicit votes on an alternative plan, (ii) the Chapter 11 Case might be dismissed, or (iii) the Chapter 11 Case might be converted to a case under Chapter 7 of the Bankruptcy Code.

## **ARTICLE 9 ALTERNATIVES TO PLAN**

If the Plan is not confirmed, it is likely that the Chapter 11 Case will be converted to a case under Chapter 7 of the Bankruptcy Code, in which case a trustee would be elected or appointed to liquidate the assets of the Debtor for Distribution to Creditors in accordance with the priorities established by the Bankruptcy Code. Whether a bankruptcy case is one under Chapter 7 or Chapter 11, Holders of Secured Claims, Administrative Claims and Priority Claims are entitled to be paid in Cash and in full before Holders of General Unsecured Claims receive any funds, and Holders of General Unsecured Claims are entitled to be paid in full before Holders of Interests receive any funds. A liquidation analysis estimating returns to the Debtor's Creditors in a Chapter 7 liquidation is attached hereto as **Exhibit 4**.

Since the Plan liquidates all of the Debtor's assets consistent with the Bankruptcy Code's priority scheme, conversion to Chapter 7 for the purpose of liquidation would confer no advantage upon Creditors. Moreover, upon conversion, distributions to General Unsecured Creditors would be reduced by the fees and commissions of the Chapter 7 trustee and their counsel as discussed below.

Further, if the Chapter 11 Case is converted to Chapter 7, the present Administrative Claims may have a priority lower than Priority Claims generated by the Chapter 7 case, such as the Chapter 7 trustee's fees or the fees of attorneys, accountants and other professionals engaged by the trustee. The Debtor believes that conversion to Chapter 7 is likely to result in higher costs of administration than Confirmation of the Plan. First, the Chapter 7 Trustee will receive a percentage of the money distributed to Holders of Allowed Claims as compensation. Like the Liquidation Trustee, the Chapter 7 Trustee will have to retain attorneys to pursue litigation claims of the Estate as well as to pursue Claims objections. The Debtor's business relationships were complicated, and if new professionals are required to familiarize themselves with the Debtor's past operations to be able to prosecute the litigation claims and Claims objections, it could result in additional expense to the Estate. Like the Liquidation Trustee, the Chapter 7 Trustee will also have to retain accountants in connection with making claim reconciliations, filing necessary tax returns and otherwise closing the Estate.

Perhaps most importantly, pursuant to the Plan, GAHC3 Landlord has agreed it will not receive any distributions on account of the Lease Rejection Damages Claim (as more fully described in the Plan) until such time as \$750,000 has been distributed to Holders of Allowed General Unsecured Claims. Through this agreement with GAHC3 Landlord on the proposed treatment of the Lease Rejection Damages Claim, the Debtor has significantly increased the likelihood that value will be available for distribution to the Debtor's other creditors. GAHC3

Landlord has not agreed to limit its recovery against the Debtor's Estate in a hypothetical Chapter 7 case. Therefore, the potential recovery for General Unsecured Creditors would likely be significantly diminished in a Chapter 7 liquidation.

**ARTICLE 10**  
**CERTAIN UNITED STATES FEDERAL INCOME TAX**  
**CONSEQUENCES OF THE PLAN**

The following discussion is a summary of certain U.S. federal income tax consequences of the consummation of the Plan to Holders of Claims against, and Interests in, the Debtor. This summary is based on the Internal Revenue Code of 1986, as amended (the "IRC"), the U.S. Treasury Regulations (the "Tax Regulations") promulgated thereunder, judicial authorities, published administrative positions of the IRS and other applicable authorities, all as available and in effect on the date of this Disclosure Statement. All of the foregoing are subject to change, possibly with retroactive effect, or differing interpretations which could affect the tax consequences described herein. No rulings or determinations of the IRS or any other taxing authorities have been sought or obtained with respect to the tax consequences discussed herein, and the discussion below is not binding upon the IRS or the courts. No assurance can be given that the IRS would not assert, or that a court would not sustain, a different position than any position discussed herein. Events occurring after the date of this Disclosure Statement, including changes in law and changes in administrative positions, could affect the U.S. federal income tax consequences of the Plan.

This discussion does not purport to address all aspects of U.S. federal income taxation that may be relevant to the Debtor or to such Holders in light of their individual circumstances. This discussion does not address tax issues with respect to such Holders subject to special treatment under the U.S. federal income tax laws (including, for example, non-U.S. persons, banks, governmental authorities or agencies, pass-through entities, dealers and traders in securities or currencies, including those that market to market, insurance companies, financial institutions, grantor trusts, tax-exempt organizations, small business investment companies, real estate investment trusts, regulated investment companies, persons that have a functional currency other than the U.S. dollar, certain former citizens and long term residents of the United States, and persons that will hold an equity interest or a security in the Debtor as part of a position in a straddle or as part of a hedging, conversion or integrated transaction for U.S. federal income tax purposes). In addition, this summary does not address estate tax, gift tax, Medicare tax on investment income, alternative minimum tax, foreign, state, or local tax consequences of the Plan.

THE FOLLOWING SUMMARY OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF AN ALLOWED CLAIM. ALL HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE U.S. FEDERAL, STATE, LOCAL AND NON-UNITED STATES TAX CONSEQUENCES OF THE PLAN.

**A. Certain U.S. Federal Income Tax Consequences to Holders of Allowed Claims.**

**1. General.**

The U.S. federal income tax consequences to a Holder receiving, or entitled to receive, a payment in partial or total satisfaction of a Claim will depend on a number of factors, including the nature of the Claim, the Holder's method of tax accounting, and its own particular tax situation.

Because each Holder's Claim and tax situation differs, Holders should consult their own tax advisors to determine how the Plan affects them for federal, state and local tax purposes, based on their particular tax situations. Among other things, the U.S. federal income tax consequences of a payment to a Holder may depend initially on the nature of the original transaction pursuant to which the Claim arose. For example, a payment in repayment of the principal amount of a loan is generally not included in the gross income of an original lender.

The U.S. federal income tax consequences of a payment to a Holder may also depend on whether the item to which the payment relates has previously been included in the holder's gross income or has previously been subject to a loss or a worthless security or bad debt deduction. For example, if a payment is made in satisfaction of a receivable acquired in the ordinary course of a Holder's trade or business, the Holder had previously included the amount of such receivable payment in its gross income under its method of tax accounting, and had not previously claimed a loss or a worthless security or bad debt deduction for that amount, the receipt of the payment should not result in additional income to the holder but may result in a loss. Conversely, if the Holder had previously claimed a loss or worthless security or bad debt deduction with respect to the item previously included in income, the holder generally would be required to include the amount of the payment in income.

A Holder receiving a payment pursuant to the Plan in satisfaction of its Claim generally may recognize taxable income or loss measured by the difference between (i) the amount of cash and the fair market value (if any) of any property received by the holder (other than any consideration attributable to a Claim for accrued but unpaid interest), including, as discussed below, any beneficial interests in the Liquidation Trust, and (ii) its adjusted tax basis in the Claim (other than basis attributable to accrued but unpaid interest previously included in the holder's taxable income). For this purpose, the adjusted tax basis may include amounts previously included in income (less any bad debt or loss deduction) with respect to that item. Generally, the income or loss will be ordinary income or loss, unless the Claim is a capital asset in the Holder's hands. Each Holder of a Claim should consult its own tax advisor to determine whether income or loss recognized by such Holder will be ordinary or capital in nature and the specific tax effect thereof on such Holder.

As discussed below, each Holder of a Claim that receives a beneficial interest in the Liquidation Trust will be treated for U.S. federal income tax purposes as directly receiving, and as a direct owner of, its respective share of the Liquidation Trust property, consistent with its economic rights in the Liquidation Trust. Pursuant to the Plan, the Liquidation Trustee will in good faith value the Liquidation Trust property, and all parties to the Liquidation Trust

(including holders of Claims receiving Beneficial Interests in the Liquidation Trust) must consistently use such valuation for all U.S. federal income tax purposes.

A Holder's share of any proceeds received by the Liquidation Trust upon the sale or other disposition of Liquidation Trust property (other than any such amounts received as a result of the subsequent disallowance of Contested Claims or the reallocation among holders of the Claims of undeliverable Plan distributions) should not be included, for U.S. federal income tax purposes, in the Holder's amount realized in respect of its Claim but should be separately treated as amounts realized in respect of such Holder's ownership interest in the underlying assets of the Liquidation Trust.

**2. U.S. Federal Income Tax Consequences to Holders of Class 3 – Allowed Priority Non-Tax Claims.**

Pursuant to the Plan, each Holder of an Allowed Priority Non-Tax Claim is intended to receive from the Liquidation Trust in full satisfaction of such Allowed Priority Non-Tax Claim either Cash equal to the unpaid amount of such Allowed Priority Non-Tax Claim or such other less favorable treatment as to which the Liquidation Trustee and the Holder of such Allowed Priority Non-Tax Claim shall have agreed upon in writing. Holders of Class 3 that receive Cash or other property will each recognize income or loss in accordance with the discussion above under "Certain U.S. Federal Income Tax Consequences to the Holders of Allowed Claims."

**3. U.S. Federal Income Tax Consequences to Holders of Class 4 and Class 5 – General Unsecured Claims and Allowed Claim of GAHC3 Landlord.**

Pursuant to the Plan, each Holder of an Allowed General Unsecured Claim and an Allowed Claim of GAHC3 Landlord is intended to receive in full satisfaction of such Allowed Claim, a beneficial interest in the Liquidation Trust as set forth in Article V of the Plan entitling such Holder to receive on account of such Claim, such Holder's Pro Rata Share of any Cash Distribution from the Liquidation Trust to Holders of Allowed General Unsecured Claims in accordance with Article V of this Plan; provided that the Holder of an Allowed General Unsecured Claim may receive such other less favorable treatment as may be agreed to by such Holder and the Liquidation Trustee. Holders of Class 4 and 5 that receive Cash or other property in satisfaction of an Allowed Claim will each recognize income or loss in accordance with the discussion above under "Certain U.S. Federal Income Tax Consequences to the Holders of Allowed Claims."

**4. Allocation of Consideration to Interests.**

Pursuant to the Plan, all distributions in respect of Allowed Claims will be allocated first to the principal amount of the Allowed Claim (as determined for U.S. federal income tax purposes), with any excess allocated to accrued but unpaid interest. However, there is no assurance that such allocation would be respected by the IRS for U.S. federal income tax purposes. In general, to the extent any amount received (whether Cash, or other property) by a Holder of a debt instrument is received in satisfaction of accrued interest during its holding period, such amount will be taxable to the Holder as interest income (if not previously included

in the holder's gross income under the Holder's normal method of accounting). Conversely, a Holder generally recognizes a deductible loss to the extent any accrued interest claimed was previously included in its gross income and is not paid in full. Each Holder of an Allowed Claim is urged to consult its own tax advisor regarding the allocation of consideration and the taxation or deductibility of unpaid interest for tax purposes.

## **5. Information Reporting and Backup Withholding.**

In general, information reporting requirements may apply to distributions or payments under the Plan. Furthermore, all distributions to Holders of Allowed Claims under the Plan are subject to any applicable tax withholding, including employment tax withholding. Under U.S. federal income tax law, interest, dividends, and other reportable payments may, under certain circumstances, be subject to "backup withholding" at the applicable withholding rate.

Backup withholding generally applies if the Holder (a) fails to furnish its social security number or other taxpayer identification number, (b) furnishes an incorrect taxpayer identification number, (c) fails properly to report interest or dividends, or (d) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the tax identification number provided is its correct number and that it is not subject to backup withholding. Backup withholding is not an additional tax but merely an advance payment, which may be refunded to the extent it results in an overpayment of tax. Certain persons are exempt from backup withholding, including, in certain circumstances, corporations and financial institutions. These categories are very broad; however, there are numerous exceptions. Holders of Allowed Claims are urged to consult their tax advisors regarding the Treasury Regulations governing backup withholding and whether the transactions contemplated by the Plan would be subject to these Treasury Regulations.

In addition, Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds. Holders are urged to consult their tax advisors regarding these Treasury Regulations and whether the transactions contemplated by the Plan would be subject to these Treasury Regulations and require disclosure on the Holder's tax returns.

## **B. Tax Treatment of the Liquidation Trust and Holders of Beneficial Interests.**

### **1. Classification of the Liquidation Trust.**

The Liquidation Trust created pursuant to the Plan is intended to qualify as a "liquidating trust" for U.S. federal income tax purposes. In general, a liquidating trust is not a separate taxable entity but rather is treated for U.S. federal income tax purposes as a "grantor trust" (i.e., all income and loss is taxed directly to the liquidating trust beneficiaries). However, merely establishing a trust as a liquidating trust does not ensure that it will be treated as a grantor trust for U.S. federal income tax purposes. The IRS, in Revenue Procedure 94-45, 1994-2 C.B. 684, set forth the general criteria for obtaining an IRS ruling as to the grantor trust status of a liquidating trust under a Chapter 11 plan. Pursuant to the Plan, and in conformity with Revenue



Procedure 94-45, all parties (including, without limitation, the Debtor, the Liquidation Trustee, and holders) will be required to treat, for U.S. federal income tax purposes, the Liquidation Trust as a grantor trust. The Holders of Beneficial Interests in the Liquidation Trust are the owners and grantors of the Liquidation Trust.

The following discussion assumes that the Liquidation Trust will be so respected for U.S. federal income tax purposes. The Liquidation Trust does not intend to request a ruling from the IRS concerning the tax status of the Liquidation Trust as a grantor trust. If the IRS were to successfully challenge the classification of the Liquidation Trust, the U.S. federal income tax consequences to the Liquidation Trust and the holders of Beneficial Interests in the Liquidation Trust, respectively, could vary from those discussed herein (including the potential for an entity-level tax on income of the Liquidation Trust).

## **2. General Tax Reporting by the Liquidation Trust and Holders of Beneficial Interests.**

For all U.S. federal income tax purposes, all parties (including, without limitation, the Debtor, the Liquidation Trustee, and holders) must treat the transfer of the Liquidation Trust Property to the Liquidation Trust in accordance with the terms of the Plan. Pursuant to the Plan, the Liquidation Trust property (other than assets allocable to contested Claims) is treated, for U.S. federal income tax purposes, as having been transferred, subject to any obligations relating to such property, directly to the holders of the respective Claims receiving Beneficial Interests in the Liquidation Trust (with each holder receiving an undivided interest in such assets in accordance with their economic interests in such assets), followed by the transfer by the holders of such assets to the Liquidation Trust in exchange for a Beneficial Interest in the Liquidation Trust. Accordingly, all parties must treat the Liquidation Trust as a grantor trust of which the holders of Beneficial Interests in the Liquidation Trust are the owners and grantors, and treat the holders of Beneficial Interests in the Liquidation Trust as the direct owners of an undivided interest in the Liquidation Trust Property (other than any assets allocable to contested Claims), consistent with their economic interests therein, for all U.S. federal income tax purposes.

Each holder of a Beneficial Interest in the Liquidation Trust must report on its U.S. federal income tax return its pro rata allocable share of income, gain, loss, deduction and credit recognized or incurred by the Liquidation Trust. Moreover, upon the sale or other disposition (or deemed disposition) of any Liquidation Trust asset, each holder of a Beneficial Interest in the Liquidation Trust must report on its U.S. federal income tax return its share of any gain or loss measured by the difference between (1) its share of the amount of Cash and/or the fair market value of any property received by the Liquidation Trust in exchange for the Liquidation Trust asset so sold or otherwise disposed of and (2) such holder's adjusted tax basis in its pro rata share of such Liquidation Trust asset. The character of any such gain or loss to the holder will be determined as if such holder itself had directly sold or otherwise disposed of the Liquidation Trust asset. The character of items of income, gain, loss, deduction and credit to any holder of a beneficial interest in the Liquidation Trust, and the ability of the holder to benefit from any deductions or losses, depends on the particular circumstances or status of the holder.

As soon as reasonably practicable after the transfer of the Liquidation Trust Property to the Liquidation Trust, the Liquidation Trustee shall make a good faith valuation of the



Liquidation Trust Property. All parties to the Liquidation Trust (including, without limitation, the Debtor and holders of Beneficial Interests) must consistently use such valuation for all U.S. federal income tax purposes. The valuation will be made available, from time to time, as relevant for tax reporting purposes.

Taxable income or loss allocated to a Holder of a Beneficial Interest in the Liquidation Trust will be treated as income or loss with respect to Holder's undivided interest in the Liquidation Trust Property, and not as income or loss with respect to its prior Allowed Claim. The character of any income and the character and ability to use any loss will depend on the particular situation of the Holder of a Beneficial Interest in the Liquidation Trust.

The U.S. federal income tax obligations of a Holder with respect to its Beneficial Interest in the Liquidation Trust are not dependent on the Liquidation Trust distributing any Cash or other proceeds. Thus, a Holder may incur a U.S. federal income tax liability with respect to its allocable share of Liquidation Trust income even if the Liquidation Trust does not make a concurrent distribution to the Holder. In general, other than in respect of cash retained on account of contested claims and distributions resulting from undeliverable distributions (the subsequent distribution of which still relates to a holder's Allowed Claim), a distribution of Cash by the Liquidation Trust will not be separately taxable to a Holder of a Beneficial Interest in the Liquidation Trust since the beneficiary is already regarded for U.S. federal income tax purposes as owning the underlying assets (and was taxed at the time the Cash was earned or received by the Liquidation Trust). Holders are urged to consult their tax advisors regarding the appropriate U.S. federal income tax treatment of any subsequent distributions of Cash originally retained by the Liquidation Trust on account of contested claims. The Liquidation Trustee will comply with all applicable governmental withholding requirements.

The Liquidation Trustee will file with the IRS tax returns for the Liquidation Trust consistent with its classification as a grantor trust pursuant to Treasury Regulation Section 1.671-4(a). The Liquidation Trustee also will send annually to each Holder of a Beneficial Interest in the Liquidation Trust a separate statement regarding the receipts and expenditures of the Liquidation Trust as relevant for U.S. federal income tax purposes and will instruct all such Holders to use such information in preparing their U.S. federal income tax returns or to forward the appropriate information to such Holder's underlying beneficial holders with instructions to utilize such information in preparing their U.S. federal income tax returns.

### **C. U.S. Federal Income Tax Consequences to Holders of Partnership Interests of the Debtor.**

As a partnership, the Debtor is not subject to federal income tax and Holders of its Interests are required to report their respective shares of the Debtor's income, gain, loss, deduction or credit for any portion of the Debtor's taxable year that such Interest Holder was a partner for federal income tax purposes. The Debtor intends to report cancellation of debt ("COD") income as of the Effective Date to the extent that any debt of the Debtor is not satisfied in full on the Effective Date (taking into account the fair market value of property transferred to the Liquidation Trust), except to the extent that a specific exception applies. For example, because the Debtor is on the cash method of accounting, no COD income will be realized with

respect to the payment of any debts that would have given rise to a deduction for federal income tax purposes.

A taxpayer is required to report COD income as taxable income in the year in which realized, unless an exception applies. Generally, a taxpayer in bankruptcy is permitted to exclude from taxable income any COD income arising out of the bankruptcy, and a taxpayer that is not in bankruptcy but who or which is insolvent may exclude COD income, but only to the extent of such taxpayer's insolvency. In the case of a partnership, both the bankruptcy and insolvency exception must be determined and applied at the partner level. Thus, even though the Debtor is both insolvent and in bankruptcy, a Holder of an Interest in the Debtor will be permitted to exclude its share of any COD income properly allocated to such holder from the Debtor only to the extent such holder is itself insolvent or only if (a) such holder is itself under the jurisdiction of the Bankruptcy Court in a case under the Bankruptcy Code (*viz.*, a case under title 11 of the United States Code), and (b) the relevant debt is discharged by the Bankruptcy Court or pursuant to a plan approved by the Bankruptcy Court.

To the extent that a Holder of an Interest is entitled to exclude any COD income properly allocated to him or her by the Debtor from such holder's income as a result of the insolvency or bankruptcy exception, that Holder is required to reduce the amount of certain of such Holder's tax attributes, including any net operating loss carry-forwards and, subject to certain limitations, the tax basis of such Holder's assets held as of the beginning of the Holder's next succeeding taxable year.

THE FOREGOING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE ABOVE DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A CLAIM OR INTEREST HOLDER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, HOLDERS OF CLAIMS AND INTERESTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS ABOUT THE U.S. FEDERAL, STATE AND LOCAL AND APPLICABLE NON-U.S. INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.

## **ARTICLE 11 CONCLUSION**

This Disclosure Statement has attempted to provide information regarding the Debtor's bankruptcy Estate and the potential benefits that might accrue to holders of Claims against and Interests in the Debtor under the Plan as proposed. The Plan provides for the orderly liquidation of the Debtor's remaining assets and the distribution of the proceeds in accordance with the priority scheme established by the Bankruptcy Code. The Debtor urges interested parties to vote in favor of the Plan.

DATED: July 11, 2016

**DEBTOR AND DEBTOR-IN-POSSESSION**

/s/ J. Robert Medlin

By: J. Robert Medlin  
Its: Chief Restructuring Officer

- and -

**HAYNES AND BOONE, LLP**

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**COUNSEL TO THE DEBTOR AND  
THE DEBTOR-IN-POSSESSION**

**EXHIBIT 1**  
**THE PLAN**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
FORT WORTH DIVISION**

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In re:	§	Chapter 11
	§	
FOREST PARK MEDICAL CENTER AT	§	Case No. 16-40273-rfn-11
SOUTHLAKE, LLC,	§	
	§	
Debtor.	§	

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**FIRST AMENDED PLAN OF LIQUIDATION FOR FOREST PARK MEDICAL  
CENTER AT SOUTHLAKE, LLC UNDER CHAPTER 11 OF THE UNITED STATES  
BANKRUPTCY CODE**

---

**Dated July 11, 2016**

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**ATTORNEYS FOR DEBTOR**

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## **INTRODUCTION**

Forest Park Medical Center at Southlake, LLC, the Debtor and debtor-in-possession in this Chapter 11 Case, hereby proposes this Chapter 11 Plan under Bankruptcy Code § 1121. The Plan is a liquidating Plan designed to maximize the value of the Estate by the establishment of a Liquidation Trust to liquidate the remaining assets of the Debtor's Estate, to create reserves for payment of certain Allowed Claims, to resolve the outstanding Claims against and Interests in the Debtor, and to coordinate distribution of the Cash in the Estate and any other proceeds of liquidation in furtherance of the Plan.

ALL HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. No materials, other than the Disclosure Statement and any exhibits and schedules attached thereto or referenced therein, have been approved by the Debtor for use in soliciting acceptances or rejections of the Plan.

## **ARTICLE I.**

### **DEFINED TERMS, RULES OF INTERPRETATION, CONSTRUCTION OF TERMS, COMPUTATION OF TIME AND GOVERNING LAW**

#### **A. Defined Terms.**

All capitalized terms not defined elsewhere in the Plan shall have the meaning assigned to them in the Glossary of Defined Terms attached hereto as **Exhibit A**. Any capitalized term used in the Plan and not defined herein, but that is defined in the Bankruptcy Code, has the meaning assigned to that term in the Bankruptcy Code. Any capitalized term used in this Plan and not defined herein or in the Bankruptcy Code, but that is defined in the Bankruptcy Rules, has the meaning assigned to that term in the Bankruptcy Rules.

#### **B. Rules of Interpretation and Construction of Terms.**

1. For the purposes of the Plan, any reference in the Plan to an existing document or exhibit filed or to be filed means that document or exhibit as it may have been or may be amended, supplemented, or otherwise modified.
2. The words "herein," "hereof," and "hereunder" and other words of similar import refer to the Plan as a whole and not to any particular article, section, subsection or clause contained in the Plan, unless the context requires otherwise.
3. Whenever from the context it appears appropriate, each term stated in either the singular or the plural includes the singular and the plural, and pronouns stated in the masculine, feminine, or neuter form include the masculine, feminine, and neuter form.
4. Captions and headings to articles, sections, and exhibits are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of the Plan.

5. The rules of construction set forth in Bankruptcy Code §102 shall apply.

6. All exhibits to the Plan are incorporated into the Plan by this reference and are a part of the Plan as if set forth fully herein. The Plan Supplement shall be filed with the Bankruptcy Court not less than ten (10) days prior to the commencement of the Confirmation Hearing. When filed, the Plan Supplement will be part of the Plan. Holders of Claims and Interests may obtain a copy of all Plan Documents, once filed, by written request sent to Haynes and Boone, LLP, Attn: Kim Morzak, 2323 Victory Ave., Suite 700, Dallas, Texas 75219-7673.

#### **C. Computation of Time.**

In computing any period of time, date, or deadline prescribed or allowed in the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply. If the date on which a transaction may or must occur pursuant to the Plan shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day.

#### **D. Reference to Monetary Figures.**

All references in the Plan to monetary figures shall refer to currency of the United States of America, unless otherwise expressly provided.

#### **E. Governing Law.**

Except to the extent the Bankruptcy Code or the Bankruptcy Rules are applicable, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Texas without giving effect to the principles of conflicts of law thereof.

### **ARTICLE II. TREATMENT OF UNCLASSIFIED ADMINISTRATIVE AND PRIORITY CLAIMS**

In accordance with Bankruptcy Code § 1123(a)(1), Administrative Claims and Priority Tax Claims have not been classified and thus are excluded from the Classes of Claims set forth in the Plan.

#### **A. Allowed Administrative Claims.**

1. General: Subject to the Administrative Claims Bar Date provisions herein and unless otherwise provided for in the Plan or an order of the Bankruptcy Court, each Holder of an Allowed Administrative Claim shall receive in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Administrative Claim within ten (10) Business Days after the later of (a) the Effective Date, (b) the Allowance Date, and (c) such date as is mutually agreed upon by the Debtor or the Liquidation Trustee (as applicable) and the Holder of such Allowed Administrative Claim, either payment in Cash from the Liquidation Trust equal to the unpaid amount of such Allowed Administrative Claim or such other less favorable treatment as to which the Debtor or the

Liquidation Trustee (as applicable) and the Holder of such Allowed Administrative Claim shall have agreed upon in writing.

2. Payment of Statutory Fees: All fees payable pursuant to 28 U.S.C. § 1930 shall be paid in full in Cash from the Liquidation Trust when due.

3. Administrative Claims Bar Dates and Objection Deadlines:

a. Deadline: Except as otherwise provided in this section of the Plan, requests for payment of unpaid Administrative Claims for which no bar date has otherwise been previously established must be included in a motion or application and filed and served on the Post-Confirmation Service List no later than the Administrative Claims Bar Date. Holders of Administrative Claims that are required to file requests for payment of such Administrative Claims and that do not file such requests by the Administrative Claims Bar Date are forever barred from asserting such Administrative Claims against the Debtor, the Liquidation Trust, the Reserves, or their property. Objections to Administrative Claims must be filed and served on the Liquidation Trustee and the Holder of the Administrative Claim that is the subject of such objection no later than the Administrative Claim Objection Deadline.

b. Form: Requests for payment of Administrative Claims included in a Proof of Claim are of no force and effect, and are Disallowed in their entirety as of the Confirmation Date unless such Administrative Claim is subsequently filed by timely motion or application as provided herein. However, to the extent a Governmental Unit is not required to file a request for payment of an Administrative Claim pursuant to Bankruptcy Code § 503(b)(1)(D), a Proof of Claim filed by such Governmental Unit prior to the applicable bar date set forth in the Plan for filing a request for payment of such Administrative Claim shall fulfill the requirements of this section of the Plan.

c. Professionals: All Professionals shall file and serve on the Post-Confirmation Service List an application for final allowance of any Professional Fee Claim no later than the Professional Fee Claim Bar Date. Objections to Professional Fee Claims must be filed and served on the Liquidation Trustee and the Professional to whose application the objections are addressed no later than the Professional Fee Claim Objection Deadline. Any Professional that does not file an application for final allowance of any Professional Fee Claim by the Professional Fee Claim Bar Date is forever barred from asserting any such Professional Fee Claim against the Debtor, the Liquidation Trust, the Professional Fee Reserve, or their respective property.

d. Fees and Expenses of Liquidation Trustee: The Liquidation Trustee shall be reimbursed for his or her reasonable fees and out-of-pocket expenses (including the reasonable fees and expenses of any professionals employed by the Liquidation Trustee), incurred in connection with services provided to the Liquidation Trust, from the Liquidation Trust Expense Reserve and the assets of

the Liquidation Trust (excluding the funds in the Remaining Reserves) in accordance with the Liquidation Trust Agreement without application to the Bankruptcy Court. Except to the extent otherwise provided in the Liquidation Trust Agreement, any professional fees and reimbursements for expenses incurred by the Liquidation Trustee after the Effective Date may be paid solely from the Liquidation Trust Expense Reserve and the assets of the Liquidation Trust (excluding the funds in the Remaining Reserves) without application to the Bankruptcy Court.

e. Post-Petition Tax Claims: Requests for payment of Post-Petition Tax Claims for which no bar date has otherwise been previously established must be filed on or before the Post-Petition Tax Claim Bar Date. A Holder of any Post-Petition Tax Claim that is required to file a request for payment of such taxes and does not file and serve such request on the Post-Confirmation Service List by the Post-Petition Tax Claim Bar Date is forever barred from asserting any such Post-Petition Tax Claim against the Debtor, the Liquidation Trust, the Reserves, or their respective property, whether any such Post-Petition Tax Claim is deemed to arise prior to, on, or subsequent to the Effective Date. To the extent that the Holder of an Allowed Post-Petition Tax Claim holds a Lien to secure its Post-Petition Tax Claim under applicable state law, the Holder of such Post-Petition Tax Claim shall retain its Lien until its Allowed Post-Petition Tax Claim has been paid in full. Objections to Post-Petition Tax Claims must be filed and served on the Liquidation Trustee, and the Holder of the Post-Petition Tax Claim that is the subject of such objection no later than the Post-Petition Tax Claim Objection Deadline.

4. Governmental Bar Dates:

a. Deadline: Except as otherwise provided in this section of the Plan, the deadline for filing Proofs of Claim by Governmental Units shall be the Governmental Bar Date (July 17, 2016) for all Governmental Units. Governmental Units that are required to file Proofs of Claim and that did not file such Proofs of Claim by the Governmental Bar Date are forever barred from asserting such Claims against the Debtor, the Liquidation Trust, the Reserves, or their property. Objections to Proofs of Claim of Governmental Units must be filed and served on the Liquidation Trustee and the Governmental Unit that is the subject of such objection.

b. Form: To the extent a Governmental Unit is not required to file a request for payment of an Administrative Claim pursuant to Bankruptcy Code § 503(b)(1)(D), such Governmental Unit must have filed a Proof of Claim prior to the Governmental Bar Date or such claim is Disallowed as of the Effective Date.

**B. Allowed Priority Tax Claims.**

Unless otherwise provided for pursuant to an order of the Bankruptcy Court, each Holder of an Allowed Priority Tax Claim shall receive from the Liquidation Trust in full satisfaction,

settlement, release, and discharge of and in exchange for such Allowed Priority Tax Claim within ten (10) Business Days after the later of (a) the Effective Date, (b) the Allowance Date, and (c) such date as is mutually agreed upon by the Liquidation Trustee and the Holder of such Allowed Priority Tax Claim, either Cash equal to the unpaid amount of such Allowed Priority Tax Claim or such other less favorable treatment as to which the Liquidation Trustee and the Holder of such Allowed Priority Tax Claim shall have agreed upon in writing. To the extent that there is insufficient available Cash in the Liquidation Trust to pay all Allowed Priority Tax Claims in full, no distributions will be made on account of Allowed Priority Tax Claims until the Liquidation Trust holds sufficient Cash to pay all Allowed Priority Tax Claims in full.

### **C. Reservation of Rights Under Bankruptcy Code § 505.**

For the avoidance of doubt, and without limiting the generality of any similar provision of this Plan, the Debtor and the Estate reserve all rights under Bankruptcy Code § 505, as otherwise applicable, to contest Priority Tax Claims and to seek appropriate determinations under § 505 with respect thereto, all of which rights are transferred under this Plan to the Liquidation Trust.

### **D. Ordinary Course Liabilities.**

Unless the Liquidation Trustee determines in the Liquidation Trustee's business judgment that an Ordinary Course Liability may not constitute an actual, necessary cost and expense of preserving the Estate in accordance with Bankruptcy Code § 503(b) (in which case the Liquidation Trustee shall notify the Holder of an Ordinary Course Liability that it must file a motion for payment of Administrative Claim), the Liquidation Trustee shall pay each Ordinary Course Liability pursuant to the payment terms and conditions of the particular transaction giving rise to the Ordinary Course Liability. Holders of an Ordinary Course Liability will not be required to file or serve any request for payment of the Ordinary Course Liability unless the Trustee has informed such Holder of the requirement to file such a notice or motion in accordance with the foregoing sentence.

## **ARTICLE III. CLASSIFICATION OF CLAIMS AND INTERESTS**

### **A. Classification of Claims and Interests.**

1. Pursuant to Bankruptcy Code § 1122, a Claim or Interest is placed in a particular Class for purposes of voting on the Plan and receiving Distributions under the Plan only to the extent: (i) the Claim or Interest qualifies within the description of that Class; (ii) the Claim or Interest is an Allowed Claim or Allowed Interest in that Class; and (iii) the Claim or Interest has not been paid, released, or otherwise compromised before the Effective Date. In accordance with Bankruptcy Code § 1123(a)(1), all Claims and Interests except Administrative Claims and Priority Tax Claims are classified in the Classes set forth below.

**B. Identification of Classes.**

1. Class 1 - GAHC3 DIP Lender: Class 1 shall consist of the GAHC3 DIP Lender Allowed Secured Claim.
2. Class 2 -Allowed Secured Tax Claims: Class 2 shall consist of all Allowed Secured Tax Claims.
3. Class 3 - Allowed Priority Non-Tax Claims: Class 3 shall consist of all Allowed Priority Non-Tax Claims.
4. Class 4 - Allowed General Unsecured Claims: Class 4 shall consist of all Allowed General Unsecured Claims.
5. Class 5 - Allowed Claim of GAHC3 Landlord: Class 5 shall consist of the Lease Rejection Damages Claim held by GAHC3 Landlord.
6. Class 6 - Interests: Class 6 shall consist of all Interests in the Debtor.

**C. Unimpaired Classes.**

Class 2, Allowed Secured Tax Claims, is not Impaired under the Plan.

**D. Impaired, Voting Classes.**

Classes 1, 3, 4, and 5 are Impaired under the Plan. Under Bankruptcy Code §1126(a), holders of Claims and Interests in Classes 1, 3, 4, and 5 are entitled to vote to accept or reject the Plan.

**E. Impaired, Non-Voting Classes.**

Class 6 is Impaired under the Plan. Holders of Interests in Class 6 will not retain their Interests under the Plan, and no Distributions on account of such Interests will be made. Under Bankruptcy Code § 1126(g), Holders of Interests in Class 6 are conclusively presumed to have rejected the Plan, and therefore the Debtor will not solicit their votes.

**F. Acceptance or Rejection of the Plan.**

1. Voting and Acceptance by Impaired Classes of Claims: Each Impaired, Voting Class is entitled to vote separately to accept or reject the Plan. An Impaired, Voting Class of Claims has accepted the Plan if the Holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims in such Class actually voting have voted to accept the Plan.
2. Voting of Disputed Claims and Interests: A Holder of a Disputed Claim that has not been temporarily allowed for purposes of voting on the Plan may vote only such Disputed Claim in an amount equal to the portion, if any, of such Claim shown as fixed, liquidated, and undisputed in the Schedules.



3. **Cramdown:** If the Bankruptcy Court determines that all applicable requirements of Bankruptcy Code § 1129(a) are met with the exception of Bankruptcy Code § 1129(a)(8), the Plan shall be treated as a request by the Debtor for Confirmation of the Plan in accordance with Bankruptcy Code § 1129(b), notwithstanding the failure to satisfy the requirements of Bankruptcy Code § 1129(a)(8), on the basis that the Plan is fair and equitable and does not discriminate unfairly with respect to each Class of Claims or Interests that is impaired under, and has not accepted, the Plan.

#### **G. Elimination of Classes for Voting Purposes.**

Any Class as to which there are no Allowed Claims or Interests or as to which no vote is cast shall be deemed deleted from the Plan for purposes of voting on acceptance or rejection of the Plan by such Class under Bankruptcy Code § 1129(a)(8).

#### **H. Controversy Concerning Classification, Impairment or Voting Rights.**

In the event a controversy or dispute should arise involving issues related to the classification, impairment or voting rights of any Holder of a Claim or Interest under the Plan, whether before or after the Confirmation Date, the Bankruptcy Court may, after notice and a hearing, determine such controversy. Without limiting the foregoing, the Bankruptcy Court may estimate for voting purposes (i) the amount of any contingent or unliquidated Claim the fixing or liquidation of which, as the case may be, would unduly delay the administration of the Chapter 11 Case and (ii) any right to payment arising from an equitable remedy for breach of performance. In addition, the Bankruptcy Court may, in accordance with Bankruptcy Code § 506(b), conduct valuation hearings to determine the Allowed Amount of any Secured Claim.

### **ARTICLE IV. TREATMENT OF CLASSIFIED CLAIMS AND INTERESTS**

#### **A. Treatment of Class 1 - GAHC3 DIP Lender Allowed Secured Claim.**

On the Effective Date, GAHC3 DIP Lender shall receive, in full and final satisfaction of the Debtor's obligation pursuant to the GAHC3 DIP Lender Allowed Secured Claim, payment of all outstanding principal and interest due under the GAHC3 DIP Loan Agreement, except as otherwise agreed to by GAHC3 DIP Lender.

#### **B. Treatment of Class 2 - Allowed Secured Tax Claims.**

If there is more than one Allowed Secured Tax Claim, each separate Allowed Secured Tax Claim will be classified in a separate sub-Class. Unless otherwise provided for pursuant to an order of the Bankruptcy Court, each Holder of an Allowed Secured Tax Claim shall receive in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Secured Tax Claim within ten (10) days after the later of (a) the Effective Date, (b) the Allowance Date, and (c) such date as is mutually agreed upon by the Liquidation Trustee and the Holder of such Allowed Secured Tax Claim, either Cash, including from the Priority Tax Claim Reserve, equal to the unpaid amount of such Allowed Secured Tax Claim or such other less favorable treatment as to which the Liquidation Trustee and the Holder of such Allowed Secured Tax Claim shall have agreed upon in writing. Each Holder of a Secured Tax Claim shall retain its Liens on

applicable collateral to the same extent and priority previously held, notwithstanding the transfer of such collateral into the Liquidation Trust, until either (i) its Secured Claim has been Allowed and treated in accordance with this provision of the Plan, or (ii) its Secured Claim has been Disallowed. The Holder of an Allowed Secured Tax Claim shall not be entitled to foreclose such Lien absent further order of the Bankruptcy Court.

### **C. Treatment of Class 3 - Allowed Priority Non-Tax Claims.**

Unless otherwise provided for pursuant to an order of the Bankruptcy Court, each Holder of an Allowed Priority Non-Tax Claim shall receive from the Liquidation Trust in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Priority Non-Tax Claim on the later of (a) the Effective Date, (b) the Allowance Date, and (c) such date as is mutually agreed upon by the Liquidation Trustee and the Holder of such Allowed Priority Non-Tax Claim, either Cash equal to the unpaid amount of such Allowed Priority Non-Tax Claim or such other less favorable treatment as to which the Liquidation Trustee and the Holder of such Allowed Priority Non-Tax Claim shall have agreed upon in writing. In the event that there is insufficient Cash in the Priority Non-Tax Claim Reserve to pay all Allowed Class 3 Claims in full, Holders of Allowed Claims entitled to priority under Bankruptcy Code §§ 507(a)(4), (a)(5), (a)(6), and (a)(7) shall be paid in full in Cash before Distributions are made to Holders of Allowed Claims entitled to priority under other subsections of § 507. In the event that there is insufficient Cash in the Priority Non-Tax Claims Reserve to pay all Allowed Class 3 Claims entitled to priority under a section of the Bankruptcy Code other than §§ 507(a)(4), (a)(5), (a)(6), and (a)(7) in full, the Holders of such Claims will receive a Pro Rata Share of the available Cash. For the avoidance of doubt, Holders of Allowed General Unsecured Claims shall not receive any Distributions until all Priority Non-Tax Claims have been paid in full.

### **D. Treatment of Class 4 - Allowed General Unsecured Claims.**

Unless otherwise provided for pursuant to an order of the Bankruptcy Court, each Holder of an Allowed General Unsecured Claim shall receive in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed General Unsecured Claim, a beneficial interest in the Liquidation Trust as set forth in Article V hereof entitling such Holder to receive on account of such Claim, such Holder's Pro Rata Share of any Cash Distribution from the Liquidation Trust to Holders of Allowed General Unsecured Claims in accordance with Article V of this Plan, on or as soon as practicable after the later of (a) the Effective Date, (b) the Allowance Date, (c) the initial Distribution Date and on each periodic Distribution Date thereafter, (d) the date on which all estimated Allowed Claims in Classes 1, 2, and 3 have been paid in full (unless sufficient reserves exist, as determined by the Liquidation Trustee in his or her business judgment, to ensure payment in full of all such estimated Allowed Claims), and (e) such date as is mutually agreed upon by the Liquidation Trustee and the Holder of an Allowed General Unsecured Claim. For the avoidance of doubt, Holders of Allowed General Unsecured Claims shall not receive any Distributions unless and until all Allowed Administrative Claims (including Allowed Professional Fee Claims), Allowed Priority Tax Claims and Allowed Priority Non-Tax Claims have been paid in full. Each Holder of Allowed General Unsecured Claims shall receive such Distributions in accordance with the provisions set forth in Article V. Notwithstanding the foregoing, the Holder of an Allowed General Unsecured Claim may receive such other less favorable treatment as may be agreed to by such Holder and the Liquidation Trustee.

**E. Treatment of Class 5 - Allowed Claim of GAHC3 Landlord.**

As a result of the Debtor's rejection of its Hospital Lease pursuant to the Hospital Lease Rejection Order, GAHC3 Landlord received the Lease Rejection Damages Claim in the amount of \$23,957,479.93. The Lease Rejection Damages Claim constitutes an Allowed Claim.

GAHC3 Landlord shall receive in full satisfaction, settlement, release, and discharge of and in exchange for the Lease Rejection Damages Claim, a beneficial interest in the Liquidation Trust as set forth in Article V of the Plan entitling GAHC3 Landlord to receive on account of the Lease Rejection Damages Claim, its Pro Rata Share of any Cash Distribution from the Liquidation Trust *pari passu* with the rights of Allowed General Unsecured Claims in accordance with Article V of this Plan, except that GAHC3 Landlord will not receive any distributions on account of the Lease Rejection Damages Claim until such time as \$750,000 has been distributed to Holders of Allowed General Unsecured Claims. Notwithstanding the foregoing, GAHC3 Landlord may receive such other less favorable treatment on account of the Lease Rejection Damages Claim as may be agreed to by GAHC3 Landlord and the Liquidation Trustee.

**F. Treatment of Class 6 – Interests.**

On the Effective Date, all Interests in Class 6 shall be canceled and extinguished and Interest Holders shall not be entitled to receive any Distributions on account of such Interests.

**ARTICLE V.  
MEANS FOR IMPLEMENTATION OF THE PLAN**

**A. Cancellation of Interests and Dissolution of Debtor.**

On the Effective Date, except as otherwise specifically provided for in the Plan: (i) all Interests in the Debtor shall be canceled; (ii) the obligations of, Claims against, and Interests in the Debtor arising under, evidenced by, or relating to any agreements, contracts, indentures, certificates of designation, bylaws, certificates or articles of incorporation, or similar documents governing the Interests shall be released and discharged; and (iii) the Debtor shall be dissolved. The Liquidation Trustee may, in his or her discretion, file all necessary certificates of dissolution and take any other actions necessary or appropriate to reflect the dissolution of the Debtor under applicable state law where the Debtor was organized or formed. All applicable regulatory or governmental agencies shall accept any certificates of dissolution or other papers filed by the Liquidation Trustee on behalf of the Debtor and shall take all steps necessary to allow and reflect the prompt dissolution of the Debtor as provided herein, without the payment of any fee, tax, or charge and without need for the filing of reports or certificates, except as the Liquidation Trustee may determine in his or her sole discretion.

**B. The Debtor's Assets.**

The Debtor's assets include: (i) Remaining Cash, including, without limitation, any and all Cash held in any general, escrow or segregated separate accounts during the pendency of the Chapter 11 Case; (ii) the remaining Pre-Petition Accounts Receivable; (iii) Post-Petition / Pre-Closing Accounts Receivable; (iv) all Rights of Action, including Avoidance Actions, and

the proceeds thereof, including, without limitation, those Rights of Action identified in Article X and **Exhibit B** of the Plan; (v) the FPMC Services Membership Interests; and (vi) all other property interests, rights, claims, defenses and causes of action of the Debtor or its Estate, including but not limited to unpaid Tax Refunds, insurance policy proceeds, returned deposits, unexercised contract rights, and unpaid insurance policy premium refunds.

On the Effective Date, all of the assets of the Debtor and the Estate existing as of the Effective Date, shall be transferred and become vested in the Liquidation Trust pursuant to and in accordance with the terms of this Plan.

### **C. Corporate Action.**

The entry of the Confirmation Order shall constitute authorization for the Debtor and Liquidation Trustee (as applicable) to take or cause to be taken all corporate actions necessary or appropriate to implement all provisions of, and to consummate, the Plan prior to, on and after the Effective Date and all such actions taken or caused to be taken shall be deemed to have been authorized and approved by the Bankruptcy Court without further approval, act or action under any applicable law, order, rule or regulation, including, without limitation, any action required by the Interest holders, officers, or directors of the Debtor, including, among other things: (1) the cancellation of the Interests in the Debtor; (2) all transfers of assets that are to occur pursuant to the Plan; (3) the incurrence of all obligations contemplated by the Plan and the making of Distributions; and (4) the implementation of all settlements and compromises as set forth in or contemplated by the Plan. As of the Effective Date, the Liquidation Trustee is authorized and directed to do all things and to execute and deliver all agreements, documents, instruments, notices and certificates as are contemplated by the Plan and to take all necessary actions required in connection therewith, in the name of and on behalf of the Debtor and the Liquidation Trustee, as applicable.

### **D. Patient Records.**

Methodist's obligations with respect to the payment of Patient Records Costs as described in ¶¶ NN and 78 of the FPMC Sale Order, shall remain in full force and effect. Through Bankruptcy Code § 351 Congress provided for shortened storage requirements for patient records. The Debtor and/or Liquidation Trustee (as applicable), will take the following steps pursuant to Bankruptcy Code § 351 with respect to the Patient Records:

1. Publication Notice: On the Effective Date, or as soon thereafter as reasonably possible, the Debtor and/or Liquidation Trustee shall publish in such newspaper or newspapers as shall be ordered by the Bankruptcy Court, the Publication Notice.
2. Mailing of Notice to Patients. During the first one hundred-eighty (180) days after the publication of the Publication Notice in accordance with Article V.D.1 of the Plan, the Liquidation Trustee shall mail the Patient Records Mail Notice to all of the parties on the Patient Mailing List.
3. Patient Records Service Provider. The Debtor and/or Liquidation Trustee, as applicable, is authorized to engage the Patient Records Service Provider on the terms and conditions set forth in the Patient Records Service Provider Agreement, which shall be

included in the Plan Supplement, to maintain and store the Patient Records and to respond to requests for such records during the Patient Records Maintenance Period, which services by the Patient Records Service Provider shall comply with the requirements imposed by Bankruptcy Code § 351.

4. Notice to HHS. If the Publication Notice has been published and the Patient Records Mail Notice has been mailed as provided in accordance with Article V.D.1 of the Plan, the Liquidation Trustee shall mail, by certified mail, at the end of the Patient Records Maintenance Period the HHS Patient Records Request requesting permission to deposit with HHS any remaining Patient Records that have not been claimed by an authorized party during the Patient Records Maintenance Period. HHS shall have thirty (30) days to grant or deny the HHS Patient Records Request, and if no written response is received by the Liquidation Trustee either granting or denying the HHS Patient Records Request, the HHS Patient Records Request shall be deemed denied on the thirty-third (33rd) day following the date the Liquidation Trustee mails the HHS Patient Records Request.

5. Destruction of Patient Records. After the Patient Records Maintenance Period has concluded, if the HHS Patient Records Request has been denied, any remaining Patient Records that have not been claimed by an authorized party shall be caused to be destroyed by the Liquidation Trustee as provided in Bankruptcy Code § 351(3). Promptly after the remaining Patient Records have been destroyed in accordance with Bankruptcy Code § 351(3), the Liquidation Trustee shall file a notice with the Bankruptcy Court consistent with Bankruptcy Rule 6011 certifying that the remaining Patient Records have been destroyed.

## **E. Liquidation Trust.**

1. Creation of the Liquidation Trust and Appointment of the Liquidation Trustee: On the Effective Date, the Liquidation Trust shall be created pursuant to the Liquidation Trust Agreement. The Liquidation Trust shall operate under the provisions of the Liquidation Trust Agreement. The Liquidation Trust shall be administered by the Liquidation Trustee. The Liquidation Trustee shall be appointed as of the Effective Date and shall be compensated and otherwise bound by the terms of the Liquidation Trust Agreement without further order of the Bankruptcy Court. The Plan will be administered and actions will be taken in the name of the Debtor or Liquidation Trust, as appropriate, through the Liquidation Trustee, irrespective of whether the Debtor has been dissolved. The Liquidation Trust Agreement shall be deemed approved and effective on the Effective Date subject to execution by the Liquidation Trustee and the Debtor. The identity of the Liquidation Trustee and a form of Liquidation Trust Agreement will be included in the Plan Supplement.

2. Property of the Liquidation Trust: On the Effective Date, the Debtor and Estate shall be deemed to have transferred and/or assigned any and all assets of the Debtor and the Estate as of the Effective Date, including, without limitation and except as otherwise provided in the Plan, (i) Remaining Cash and accounts, including, without limitation, any and all Cash held in any general, escrow or segregated separate accounts during the



pendency of the Chapter 11 Case, (ii) the remaining Pre-Petition Accounts Receivable, (iii) Post-Petition/Pre-Closing Accounts Receivable, (iv) all Rights of Action, including Avoidance Actions, and the proceeds thereof, including, without limitation, those Rights of Action identified in Article X and **Exhibit B** of the Plan, (v) the FPMC Services Membership Interests, (vi) all other property interests, rights, claims, defenses and causes of action of the Debtor or its Estate, including but not limited to unpaid Tax Refunds, insurance policy proceeds, returned deposits, unexercised contract rights, and unpaid insurance policy premium refunds, and (vii) attorney-client, work-product and all other privileges.

3. Creation of Reserves: To the extent not otherwise provided for herein or ordered by the Bankruptcy Court, the Liquidation Trustee shall estimate appropriate reserves of Cash to be set aside in order to pay or reserve for accrued expenses and for payment of prospective expenses and liabilities of the Estate and the Liquidation Trust after the Effective Date. On the Effective Date, the Liquidation Trustee will establish and appropriately fund the following Reserves: (i) the Professional Fee Reserve; (ii) the Non-Professional Administrative Claim Reserve; (iii) the Priority Tax Claim Reserve; (iv) the Priority Non-Tax Claim Reserve; and (v) the Liquidation Trust Expense Reserve. Distributions from the Reserves shall be made by the Liquidation Trustee. Within ten (10) days after all Allowed Professional Fee Claims, Allowed Non-Professional Administrative Claims, Allowed Priority Tax Claims, and Allowed Priority Non-Tax Claims have been paid in full (provided all Disputed Non-Professional Administrative Claims, Professional Fee Claims, Secured Tax Claims, Priority Tax Claims, and Priority Non-Tax Claims have been resolved), the Liquidation Trustee shall transfer any unused portion of the Remaining Reserves to the Liquidation Trust to be administered in accordance with the Liquidation Trust Agreement and the Plan. The Liquidation Trustee may, in the exercise of his or her business judgment, transfer any unused portion of the Remaining Reserves to the Liquidation Trust prior to the resolution of all Disputed Claims with a priority senior to an Allowed General Unsecured Claim, provided that the Trustee maintains sufficient Cash in the Remaining Reserves to fully pay any such Disputed Claims.

Notwithstanding any contrary provision contained herein (other than the requirements for segregation of undeliverable distributions set forth in Article VIII below), the Liquidation Trustee shall not be obligated to physically segregate and maintain separate accounts for reserves or for other purposes. Separate reserves and funds may be merely bookkeeping entries or accounting methodologies, which may be revised from time to time, to enable the Liquidation Trustee to determine Cash available for Distributions, Reserves and amounts to be paid to parties-in-interest.

4. Officers, Directors, and Shareholders:

a. Directors, Officers, and Employees: On the Effective Date, the authority, power and incumbency of J. Robert Medlin, as chief restructuring officer of the Debtor and Walt Brown, as restructuring officer of the Debtor, shall be terminated and cease and J. Robert Medlin and Walt Brown shall be deemed to have resigned. In addition, on the Effective Date, the authority, power and incumbency

of all other directors and officers of the Debtor shall be terminated and cease and all other directors and officers shall be deemed to have resigned.

b. Succession by Liquidation Trustee: On the Effective Date, the Liquidation Trustee succeeds to such powers as would have been applicable to the Debtor's officers, directors and shareholders.

5. Liquidation Trustee: The salient terms of the Liquidation Trustee's employment, including the Liquidation Trustee's duties and compensation, to the extent not set forth in the Plan, shall be set forth in the Liquidation Trust Agreement. In general, the Liquidation Trustee shall be the exclusive trustee of the Liquidation Trust for the purposes of 31 U.S.C. § 3713(b) and 26 U.S.C. § 6012(b)(3), as well as the representative of the Estate appointed pursuant to Bankruptcy Code § 1123(b)(3)(B). The Liquidation Trustee shall have fiduciary duties to beneficiaries of the Liquidation Trust in the same manner that members of an official committee of creditors appointed pursuant to Bankruptcy Code § 1102 have fiduciary duties to the creditor constituents represented by such a committee. The Liquidation Trust Agreement shall specify the terms and conditions of the Liquidation Trustee's compensation, responsibilities and powers. The duties and powers of the Liquidation Trustee shall generally include, without limitation, the following:<sup>1</sup>

- a. To exercise all power and authority, that may be or could have been exercised, commence all proceedings that may be or could have been commenced and take all actions that may be or could have been taken by any officer, director or shareholder of the Debtor with like effect as if authorized, exercised and taken by unanimous action of such officers, directors and shareholders; including, without limitation, amendment of the articles of organization and by-laws of the Debtor, the dissolution of the Debtor, and the assertion or waiver of any of the Debtor's attorney/client privilege;
- b. To maintain escrows and other accounts, make Distributions and take other actions consistent with the Plan and the implementation thereof, including the establishment, re-evaluation, adjustment and maintenance of appropriate Reserves, in the name of either of the Debtor or the Liquidation Trustee, even in the event of the dissolution of the Debtor;
- c. Subject to the applicable provisions of the Plan, to collect and liquidate all assets of the Estate pursuant to the Plan and to administer the winding-up of the affairs of the Debtor;
- d. To object to, defend, compromise, and/or settle any Claims (Disputed or otherwise) as discussed in Article VII hereof without the necessity of approval of the Bankruptcy Court and/or to seek Court approval for any Claims settlement to the extent thought appropriate by the Liquidation Trustee or to the extent such approval is required by prior order of the Bankruptcy Court;

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<sup>1</sup> In the case of a conflict between the Liquidation Trust Agreement and the Plan, the Liquidation Trust Agreement shall control.



- e. To the extent ordered by the Bankruptcy Court, to defend, compromise and/or settle any Rights of Action transferred to the Liquidation Trust in this Plan by filing a notice of compromise and settlement with the Bankruptcy Court, which shall be deemed approved if no objection is filed within twenty-three (23) days after the date of filing, and which shall be subject to approval of the Bankruptcy Court to the extent an objection is filed;
- f. To make decisions, without further Court approval, regarding the retention or engagement of professionals, employees and consultants by the Liquidation Trust and to pay the charges incurred by the Liquidation Trust on or after the Effective Date for services of professionals, disbursements, expenses or related support services relating to the winding down of the Debtor and implementation of the Plan, without application to the Bankruptcy Court, with such charges to be paid solely from the Liquidation Trust Expense Reserve and the Liquidation Trust Assets (excluding the Remaining Reserves);
- g. To cause, on behalf of the Liquidation Trust, the Debtor and the Estate, that all necessary tax returns and all other appropriate or necessary documents related to municipal, State, Federal or other tax law are prepared and filed timely;
- h. To make all Distributions to holders of Allowed Claims provided for or contemplated by the Plan;
- i. To invest Cash in accordance with Bankruptcy Code § 345 or as otherwise permitted by a Final Order of the Bankruptcy Court and as deemed appropriate by the Liquidation Trustee;
- j. To collect any accounts receivable or other claims and assets of the Debtor or the Estate not otherwise disposed of pursuant to the Plan, including without limitation, the Pre-Petition Accounts Receivable and the Post-Petition/Pre-Closing Accounts Receivable;
- k. To enter into any agreement or execute any document required by or consistent with the Plan and perform all of the obligations of the Debtor or the Liquidation Trustee thereunder;
- l. To abandon in any commercially reasonable manner, including abandonment or donation to a charitable organization at the discretion of the Liquidation Trustee, any assets that the Liquidation Trustee concludes are of inconsequential benefit to Creditors of the Estate or, at the conclusion of the Chapter 11 Case, are determined to be too impractical to distribute;
- m. To investigate, prosecute and/or settle Rights of Action, including, but not limited to Avoidance Actions, participate in or initiate any proceeding before the Bankruptcy Court or any other court of appropriate jurisdiction, participate as a party or otherwise in any administrative, arbitral or other non-judicial proceeding, litigate or settle such Rights of Action on behalf of the Liquidation Trust and pursue to settlement or judgment such actions;

- n. To utilize trust assets to purchase or create and carry all appropriate new insurance policies and pay all insurance premiums and costs it deems necessary or advisable to insure the acts and omissions of the Liquidation Trustee;
- o. To implement and/or enforce all provisions of the Plan;
- p. To maintain appropriate books and records (including financial books and records);
- q. To collect and liquidate all assets of the Estate pursuant to the Plan and administer the winding-up of the affairs of the Debtor including, but not limited to, closing the Chapter 11 Case;
- r. To pay fees incurred pursuant to 28 U.S.C. § 1930(a)(6) and to file with the Bankruptcy Court and serve on the U.S. Trustee quarterly financial reports until such time as such reports are no longer required, a Final Decree is entered closing the Chapter 11 Case or the Chapter 11 Case is converted or dismissed, or the Bankruptcy Court orders otherwise;
- s. To file with the Bankruptcy Court and serve upon the Post-Confirmation Service List, within twenty-five (25) days after the end of each quarter, a report setting forth: (i) the receipt and disposition by the Liquidation Trustee of property of the Estate or the Debtor during the prior quarter, including the disposition of funds in the Liquidation Trust; (ii) all Disputed Claims resolved by the Liquidation Trustee during such period; and (iii) the status of Rights of Action; and
- t. To do all other acts or things consistent with the provisions of the Plan that the Liquidation Trustee deems reasonably necessary or desirable with respect to implementing the Plan.

6. Resignation, Death, or Removal of the Liquidation Trustee: The Liquidation Trustee may resign at any time upon thirty (30) days' written notice to the Post-Confirmation Service List provided that a successor Liquidation Trustee is appointed pursuant to the Liquidation Trust Agreement. No successor Liquidation Trustee shall in any event have any liability or responsibility for the acts or omissions of any of his or her predecessors. Every successor Liquidation Trustee shall execute, acknowledge and file with the Bankruptcy Court and deliver to the Post-Confirmation Service List an instrument in writing accepting such appointment hereunder, and thereupon such successor Liquidation Trustee, without any further act, shall become fully vested with all of the rights, powers, duties and obligations of his or her predecessor.

7. Exculpation of the Liquidation Trustee: **FROM AND AFTER THE EFFECTIVE DATE, THE LIQUIDATION TRUSTEE AND ITS PROFESSIONALS SHALL BE EXCULPATED BY THE ESTATE AND ALL HOLDERS OF CLAIMS OR INTERESTS FROM ANY AND ALL CLAIMS OR CAUSES OF ACTION AND ASSERTIONS OF LIABILITY ARISING OUT OF THEIR PERFORMANCE OF THE DUTIES CONFERRED UPON THEM BY**

**THE PLAN, THE LIQUIDATION TRUST AGREEMENT, OR ANY ORDERS OF THE BANKRUPTCY COURT, EXCEPT TO THE EXTENT AN ACT CONSTITUTES BAD FAITH, GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR ACTUAL FRAUD. NO HOLDER OF A CLAIM OR INTEREST OR REPRESENTATIVE THEREOF SHALL HAVE OR PURSUE ANY CLAIM OR CAUSE OF ACTION AGAINST THE LIQUIDATION TRUSTEE OR ITS PROFESSIONALS FOR TAKING ANY ACTION IN ACCORDANCE WITH THE PLAN, THE LIQUIDATION TRUST AGREEMENT, OR TO IMPLEMENT THE PROVISIONS OF THE PLAN OR ANY ORDER OF THE BANKRUPTCY COURT. NOTHING IN THIS PROVISION SHALL BE DEEMED TO ALTER THE PROVISIONS OF THE LIQUIDATION TRUST AGREEMENT.**

**8. Injunction: EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN AND EXCEPT IN CONNECTION WITH THE ENFORCEMENT OF THE TERMS OF THIS PLAN OR ANY DOCUMENTS PROVIDED FOR UNDER THIS PLAN, ALL ENTITIES THAT HAVE, HOLD, OR MAY HOLD CLAIMS AGAINST OR INTERESTS IN THE DEBTOR OR THE ESTATE THAT AROSE PRIOR TO THE EFFECTIVE DATE ARE PERMANENTLY ENJOINED FROM: (I) COMMENCING OR CONTINUING IN ANY MANNER, DIRECTLY OR INDIRECTLY, ANY ACTION OR OTHER PROCEEDING OF ANY KIND AGAINST THE LIQUIDATION TRUSTEE, LIQUIDATION TRUST, AND THE ESTATE, WITH RESPECT TO ANY SUCH CLAIM OR INTEREST, INCLUDING BUT NOT LIMITED TO THE ENFORCEMENT, ATTACHMENT, COLLECTION OR RECOVERY BY ANY MANNER OR MEANS, DIRECTLY OR INDIRECTLY, OF ANY JUDGMENT, AWARD, DECREE, OR ORDER AGAINST THE LIQUIDATION TRUSTEE, LIQUIDATION TRUST, OR THE ESTATE, OR ANY PROPERTY OF THE LIQUIDATION TRUST OR THE ESTATE, WITH RESPECT TO ANY SUCH CLAIM OR INTEREST, (II) CREATING, PERFECTING OR ENFORCING, DIRECTLY OR INDIRECTLY, ANY LIEN OR ENCUMBRANCE OF ANY KIND AGAINST THE LIQUIDATION TRUSTEE, LIQUIDATION TRUST OR THE ESTATE, OR ANY PROPERTY OF THE DEBTOR, THE LIQUIDATION TRUST OR THE ESTATE, WITH RESPECT TO ANY SUCH CLAIM OR INTEREST; OR (III) TAKING ANY ACTION, IN ANY MANNER, IN ANY PLACE WHATSOEVER, THAT DOES NOT CONFORM TO OR COMPLY WITH THE PROVISIONS OF THE PLAN WITH RESPECT TO SUCH CLAIM OR INTEREST.**

**9. Reliance by the Liquidation Trustee: The Liquidation Trustee may rely, and shall be fully protected in acting or refraining from acting, upon any resolution, statement, certificate, instrument, opinion, report, notice, request, consent, order or other instrument or document which it reasonably believes to be genuine and to have been signed or presented by the proper party or parties, and the Liquidation Trustee may conclusively rely as to the truth of the statements and correctness of the opinions expressed therein.**

**10. Tax Treatment of Liquidation Trust: The Debtor intends that the Liquidation Trust will be treated as a “liquidating trust” within the meaning of Section 301.7701-4(d)**

of the Treasury Regulations. Accordingly, the Liquidation Trustee shall, in an expeditious but orderly manner, liquidate and convert to Cash any non-Cash assets, make timely distributions to the beneficiaries of the Liquidation Trust, and not unduly prolong its duration. The transfer of the Debtor's and the Estate's remaining assets to the Liquidation Trust shall be treated as a transfer to the beneficiaries of the Liquidation Trust for all purposes of the Internal Revenue Code (e.g., sections 61(a)(12), 483, 1001, 1012 and 1274) followed by a deemed transfer by such beneficiaries to the Liquidation Trust. The Liquidation Trust shall be considered a "grantor" trust, and the beneficiaries of the Liquidation Trust shall be treated as the grantors and deemed owners of the Liquidation Trust. To the extent valuation of the transferred property to the Liquidation Trust is required under applicable law, the Liquidation Trustee shall value the transferred property and notify in writing the beneficiaries of the Liquidation Trust of such valuations. The assets transferred to the Liquidation Trust shall be valued consistently by the Liquidation Trustee and the Trust beneficiaries, and these valuations will be used for all federal income tax purposes.

11. Liquidation Trust Interests: Liquidation Trust Interests shall not be represented by certificates and shall be transferable subject, as applicable, to Bankruptcy Rule 3001(e) and any other provision of law.

12. Costs of Liquidation Trust: The Liquidation Trustee shall pay Plan administration costs, costs of holding and liquidating any non-Cash property, and costs of prosecution of any and all Rights of Action held by the Liquidation Trust, including but not limited to taxes and professional fees, from the funds in the Liquidation Trust Expense Reserve and the Liquidation Trust, excluding funds in the Remaining Reserves.

13. Distributions: Distributions to Holders of Allowed General Unsecured Claims shall be made at the discretion of the Liquidation Trustee through the exercise of its business judgment. After the payment in full of all Allowed Administrative Claims, Allowed Professional Fee Claims, Allowed Priority Tax Claims, Allowed Priority Non-Tax Claims, and Allowed Secured Claims, the Remaining Cash not otherwise allocated to the payment of costs of the Liquidation Trust, including without limitation any remaining cash held in the Liquidating Trust Expense Reserve, shall be distributed to the holders of Allowed General Unsecured Claims.

## **ARTICLE VI. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

### **A. Rejection of Executory Contracts and Unexpired Leases.**

Unless rejected or assumed by prior order of the Bankruptcy Court, each Executory Contract and Unexpired Lease shall be rejected as of the Confirmation Date (which rejection shall be effective on the Effective Date), and such rejected Executory Contracts and Unexpired Leases shall no longer represent binding obligations of the Debtor or the Liquidation Trust after the Effective Date. Entry of the Confirmation Order shall constitute approval of such rejections under Bankruptcy Code §§ 365 and 1123.

**B. Rejection Claim Bar Date.**

Any Claim arising out of the rejection of an Executory Contract or Unexpired Lease pursuant to the Confirmation Order or prior order of the Bankruptcy Court must be filed with the Bankruptcy Court on or before the Rejection Claim Bar Date, and must be served on the Liquidation Trustee and his/her counsel, if the Liquidation Trustee has retained counsel. Any such Claims not filed by the Rejection Claim Bar Date are discharged and forever barred. Each Allowed Claim arising from the rejection of an Executory Contract shall be treated as an Allowed General Unsecured Claim. The Bankruptcy Court shall determine the amount, if any, of the Claim of any Entity seeking damages by reason of the rejection of any Executory Contract or Unexpired Lease.

**C. Reservation of Rights.**

Neither the exclusion nor inclusion of any contract or lease by the Debtor on its Schedules, nor anything contained in the Plan, will constitute an admission by the Debtor or the Liquidation Trust that any such contract or lease is or is not in fact an Executory Contract or Unexpired Lease or that the Debtor or the Liquidation Trustee has any liability under any such contract or lease. Nothing in the Plan will waive, excuse, limit, diminish, or otherwise alter any of the defenses, Claims, Rights of Action, or other rights of the Debtor or the Liquidation Trust under any Executory Contract or non-Executory Contract or any Unexpired Lease or expired lease. Nothing in the Plan will increase, augment, or add to any of the duties, obligations, responsibilities, or liabilities of the Debtor or the Liquidation Trustee under any Executory Contract or non-Executory Contract or any Unexpired Lease or expired lease.

**ARTICLE VII.  
OBJECTIONS TO AND PROCEDURES FOR  
RESOLVING DISPUTES REGARDING CLAIMS AND INTERESTS**

**A. Objections to Claims and Interests.**

Unless otherwise provided herein or as otherwise ordered by the Bankruptcy Court after notice and a hearing, objections to Claims shall be filed with the Bankruptcy Court and served upon the Holders of each of the Claims to which objections are made as soon as practicable, but in no event later than one hundred eighty (180) days after the Effective Date. The deadline to object to Claims can be extended automatically for an additional ninety (90) days by the Liquidation Trustee filing a notice with the Bankruptcy Court. Further extensions to the deadline to object to Claims may be granted by the Bankruptcy Court upon motion of the Liquidation Trustee without notice or a hearing. The fact that a Claim has not been objected to prior to the Confirmation Hearing or solicitation on the Plan should not be deemed by any Holder of a Claim, whether the Claim arises from a Proof of Claim, the Schedules, or a motion with the Bankruptcy Court, to be a determination by the Debtor that such Claim is an Allowed Claim. The Debtor, or the Liquidation Trustee, as applicable, may object to any Claim for which the applicable objection deadline has not passed, including with respect to Claims that arise from the Debtor's Schedules.

**B. Claims Filed After Objection Deadline.**

Following the Proof of Claim Bar Date, no proofs of claim may be filed in the Chapter 11 Case without prior authorization of the Bankruptcy Court and any such proof of claim which is filed without such authorization shall be deemed null, void and of no force or effect. Except as otherwise provided in the Plan, following the Confirmation Date, a Claim may not be amended unless such amendment results in a decrease of the amount of the Claim, the change in priority of the Claim to a lower priority under the Bankruptcy Code, or the withdrawal of the Claim, and any such unauthorized amendment shall be deemed null, void and of no force or effect. Claims filed or identified in the Schedules may be amended or reconsidered only as provided in the Bankruptcy Code and Bankruptcy Rules, except that Claims filed or identified in the Schedules may be objected to by following the same procedures for objecting to Proofs of Claim as provided in the Bankruptcy Code, the Bankruptcy Rules, or the Plan.

**C. Claims Listed as Contingent, Unliquidated, or Disputed in Schedules.**

**ANY CLAIM THAT HAS BEEN OR IS HEREAFTER LISTED IN THE SCHEDULES AS CONTINGENT, UNLIQUIDATED OR DISPUTED, AND FOR WHICH NO PROOF OF CLAIM HAS BEEN TIMELY FILED IS CONSIDERED DISALLOWED ON THE EFFECTIVE DATE WITHOUT FURTHER ACTION BY THE DEBTOR OR THE LIQUIDATION TRUSTEE AND WITHOUT ANY FURTHER NOTICE TO OR ACTION, ORDER, OR APPROVAL OF THE BANKRUPTCY COURT. THE FACT THAT A CLAIM HAS NOT BEEN LISTED IN THE SCHEDULES AS CONTINGENT, UNLIQUIDATED OR DISPUTED, SHOULD NOT BE DEEMED AS A FINAL DETERMINATION BY THE DEBTOR OR ITS PROFESSIONALS THAT SUCH CLAIM IS A VALID CLAIM. UNTIL THE APPLICABLE DEADLINE FOR OBJECTING TO CLAIMS HAS PASSED, OR UNTIL SUCH TIME AS A FINAL ORDER OF THE BANKRUPTCY COURT HAS BEEN ENTERED ALLOWING A CLAIM, THE DEBTOR, THE LIQUIDATION TRUSTEE, OR ANY OTHER PERSON OR ENTITY WITH STANDING MAY OBJECT TO ANY SUCH CLAIMS.**

**D. Retention of Claims and Defenses.**

After the Effective Date, except as released in the Plan or by Bankruptcy Court order, the Liquidation Trustee shall have and retain any and all rights and defenses the Debtor had with respect to any Claims and Rights of Action immediately prior to the Effective Date.

**E. Claims Administration Responsibilities.**

Except as otherwise specifically provided in the Plan, after the Effective Date, the Liquidation Trustee shall have the authority: (1) to file, withdraw, or litigate to judgment any objections to Claims; (2) to settle or compromise any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court; and (3) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court.



#### **F. Adjustment to Claims Without Objection.**

Any Claim that has been paid or satisfied or any Claim that has been amended or superseded may be adjusted for Distribution purposes by the Liquidation Trustee without any further notice to or action, order, or approval of the Bankruptcy Court.

#### **G. Disallowance of Claims or Interests.**

Any Claims held by Entities from which property is recoverable under Bankruptcy Code §§ 542, 543, 550, or 553 or that is a transferee of a transfer avoidable under Bankruptcy Code §§ 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a), shall be deemed Disallowed pursuant to Bankruptcy Code § 502(d), and Holders of such Claims may not receive any Distributions on account of such Claims until such time as such Rights of Action against that Entity have been settled or a Bankruptcy Court order with respect thereto has been entered and all sums due, if any, to the Estate by that Entity have been turned over or paid to the Liquidation Trustee.

#### **H. Offer of Judgment.**

The Liquidation Trustee is authorized to serve upon a Holder of a Claim an offer to allow judgment to be taken on account of such Holder's Claim, and, pursuant to Bankruptcy Rules 7068 and 9014, Federal Rule of Civil Procedure 68 shall apply to such offer of judgment. To the extent the Holder of a Claim must pay the costs incurred by the Liquidation Trustee after the Liquidation Trustee makes such offer, the Liquidation Trustee, as applicable, is entitled to set off such amounts against the amount of any distribution to be paid to such Holder without any further notice to or action, order, or approval of the Bankruptcy Court.

### **ARTICLE VIII. PROVISIONS GOVERNING DISTRIBUTIONS OF PROPERTY UNDER THE PLAN**

#### **A. General.**

Except as otherwise specified herein, the Liquidation Trustee shall make all Distributions required under the Plan.

#### **B. Delivery of Distributions.**

Subject to Bankruptcy Rule 9010, Distributions to Holders of Allowed Claims will be made by mail (1) at the address of each such Holder as set forth on the Proof of Claim filed by such Holder, (2) at the address set forth in any written notice of address change delivered after the date of any related Proof of Claim to the Liquidation Trustee, or (3) at the address reflected in the Schedules filed by the Debtor if no Proof of Claim is filed and the Liquidation Trustee has not received a written notice of address change.

If any Distribution to the Holder of an Allowed Claim is returned as undeliverable, the Liquidation Trustee shall use reasonable efforts to determine such Holder's then-current address. After reasonable efforts, if the Liquidation Trustee still cannot determine such Holder's



then-current address, no further Distributions shall be made to such Holder unless and until the Liquidation Trustee is notified of such Holder's then-current address.

Undeliverable distributions shall be set aside and held in a segregated account in the name of the Liquidation Trustee. If the Liquidation Trustee is able to determine or is notified of such Holder's then-current address, then such Distribution shall be paid or distributed to such Holder within ten (10) Business Days of the date the Liquidation Trustee determines the Holder's then-current address. If the Liquidation Trustee cannot determine, or is not notified of, a Holder's then-current address by the later of three (3) months after the Distribution Date or three (3) months after the date of the first Distribution to such Holder, the Distribution reserved for such Holder shall be deemed an unclaimed Distribution to which section D of this Article shall apply.

### **C. Rounding of Fractional Distributions.**

Notwithstanding any other provision of the Plan, the Liquidation Trustee shall not be required to make any Distributions or payment of fractional cents. Whenever any payment of Cash of a fraction of a cent would otherwise be required under the Plan, the actual payment may reflect a rounding of such fraction (up or down) to the nearest whole cent, with half cents or less being rounded down.

### **D. Unclaimed Distributions.**

If the current address of a Holder of an Allowed Claim entitled to a Distribution has not been determined by the later of three (3) months after the Distribution Date or three (3) months after the date of the first Distribution to such Holder, then such Holder shall be deemed to have released such Allowed Claim. If such Holder was entitled to a pro-rata Distribution as a Holder of an Allowed Claim, then that Holder's Distribution(s) shall revert back to the Liquidation Trust to be further administered pursuant to the provisions of the Plan.

### **E. Uncashed Checks.**

Checks issued in respect of Allowed Claims will be null and void if not negotiated within ninety days after the date of issuance thereof. In no event shall any funds escheat to a Governmental Unit.

### **F. Compliance with Tax Requirements.**

In connection with the Plan and to the extent applicable, the Liquidation Trustee shall comply with all withholding and reporting requirements imposed on it by any Governmental Unit, and all Distributions pursuant to the Plan shall be subject to such withholding and reporting requirements.

### **G. De Minimis Distributions.**

Ratable Distributions to Holders of Allowed Claims will not be made if such Distribution will result in a Distribution amount of less than \$10.00.

**ARTICLE IX.  
EFFECT OF CONFIRMATION OF THE PLAN**

**A. Legally Binding Effect.**

Provisions of this Plan shall bind all Claim and Interest Holders, whether or not they accept this Plan. On and after the Effective Date, all Claim and Interest Holders shall be precluded and enjoined from asserting any Claim or Interest against the Estate or the Liquidation Trust or their assets or properties based on any transaction or other activity of any kind that occurred prior to the Confirmation Date except as permitted under the Plan.

**B. Vesting of Property in the Liquidation Trust.**

On the Effective Date, except as otherwise expressly provided in the Plan, title to all Estate property shall vest in the Liquidation Trust free and clear of all Liens of any kind.

**C. Derivative Litigation Claims.**

Claims or causes of action derivative of or from the Debtor are Estate property under Bankruptcy Code § 541. On and after the Effective Date, all such Derivative Litigation Claims, regardless of whether pending on the Petition Date, will be retained by, vest in, and/or become property of the Liquidation Trust.

**D. Release.**

**EFFECTIVE AS OF THE EFFECTIVE DATE, THE DEBTOR, ON BEHALF OF ITSELF AND THE ESTATE, HEREBY RELEASES THE RELEASE PARTIES FROM (I) ANY AND ALL CLAIMS, CAUSES OF ACTION, AND OTHER LIABILITIES ARISING BEFORE THE EFFECTIVE DATE, AND (II) ANY AND ALL CLAIMS, CAUSES OF ACTION, AND OTHER LIABILITIES ARISING FROM THE ACTIONS TAKEN OR NOT TAKEN IN CONNECTION WITH THE PLAN AND THE CHAPTER 11 CASE UNLESS SUCH CONDUCT AMOUNTS TO GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR ACTUAL FRAUD.**

**E. Exculpation.**

**ON THE EFFECTIVE DATE, (I) THE DEBTOR'S CRO, RO, AND FTI AND (II) THE DEBTOR'S ATTORNEYS, ADVISORS AND OTHER PROFESSIONALS SHALL HAVE NO LIABILITY TO THE DEBTOR, THE DEBTOR'S ESTATE, ANY HOLDER OF A CLAIM OR EQUITY INTEREST OR TO ANY OTHER PERSON BASED IN WHOLE OR IN PART ON ANY ACT, ACTION TAKEN, TRANSACTION, OMISSION, ACTION NOT TAKEN, OR OTHER EVENT OCCURRING BEFORE THE COMMENCEMENT OF THE CHAPTER 11 CASE OR DURING THE COURSE OF THE CHAPTER 11 CASE (INCLUDING THROUGH THE EFFECTIVE DATE), IN ANY WAY RELATING TO THE CHAPTER 11 CASE, THE PLAN, THE GAHC3 DIP LOAN AGREEMENT, THE HOSPITAL, THE OPERATIONS OF THE HOSPITAL, THE PROVISION OF OR BILLING FOR THE PROVISION OF HEALTHCARE SERVICES, THE COMPLIANCE OF THE HOSPITAL WITH APPLICABLE STATE,**

**FEDERAL AND LOCAL LAWS AND RULES REGARDING THE OPERATION, LICENSURE OR MANAGEMENT OF THE FACILITY AND THE RELATED PATIENT RECORDS, THE DECISION TO FILE A BANKRUPTCY PETITION ON BEHALF OF THE DEBTOR, THE WINDDOWN AND OPERATION OF THE DEBTOR DURING THE CHAPTER 11 CASE, THE ADMINISTRATION OF THE CHAPTER 11 CASE, THE NEGOTIATION AND IMPLEMENTATION OF THE PLAN, CONFIRMATION OF THE PLAN, CONSUMMATION OF THE PLAN (INCLUDING ALL DISTRIBUTIONS HEREUNDER), THE ADMINISTRATION OF THE PLAN, AND THE PROPERTY TO BE DISTRIBUTED UNDER THE PLAN (EXCEPT AS TO RIGHTS, OBLIGATIONS, DUTIES, AND CLAIMS ESTABLISHED UNDER THE PLAN). IN ALL SUCH INSTANCES, SUCH PARTIES SHALL BE AND HAVE BEEN ENTITLED TO REASONABLY RELY ON THE ADVICE OF COUNSEL WITH RESPECT TO THEIR DUTIES AND RESPONSIBILITIES IN CONNECTION WITH THE CHAPTER 11 CASE AND UNDER THE PLAN. ANY AND ALL CLAIMS, CAUSES OF ACTIONS, RIGHTS, OR ANY LIABILITIES DESCRIBED ABOVE HELD BY ANY PERSON OR PARTY IN INTEREST AGAINST THE FOREGOING PARTIES LISTED IN SUBSECTIONS (I) AND (II) ABOVE ARE FULLY WAIVED, BARRED, RELEASED, AND DISCHARGED IN ALL RESPECTS (EXCEPT AS TO RIGHTS, OBLIGATIONS, DUTIES, AND CLAIMS ESTABLISHED UNDER THE PLAN). NOTWITHSTANDING ANYTHING IN THE PLAN TO THE CONTRARY, NOTHING IN THE PLAN, THE PLAN DOCUMENTS, OR THE CONFIRMATION ORDER SHALL AFFECT THE LIABILITY OF ANY PERSON THAT RESULTS FROM ANY ACT OR OMISSION DETERMINED BY A FINAL ORDER TO HAVE CONSTITUTED WILLFUL MISCONDUCT, GROSS NEGLIGENCE, INTENTIONAL FRAUD, OR CRIMINAL CONDUCT. NOTWITHSTANDING ANY LANGUAGE HEREIN TO THE CONTRARY, NOTHING HEREIN IS INTENDED, NOR SHALL IT BE CONSTRUED, TO ELIMINATE, WAIVE OR RELEASE ANY OF DEBTOR'S PRESENT OR FORMER MANAGERS, OFFICERS OR DIRECTORS (OTHER THAN THE CRO AND RO) FROM ANY LIABILITIES THAT MAY HAVE ARISEN OR OCCURRED PREPETITION, INCLUDING, WITHOUT LIMITATION, THE RIGHTS OF ACTION (AS DEFINED HEREIN) AGAINST ANY OF DEBTOR'S PRESENT OR FORMER MANAGERS, OFFICERS OR DIRECTORS (OTHER THAN THE CRO AND RO).**

## **ARTICLE X. RETENTION OF RIGHTS OF ACTION**

### **A. Liquidation Trustee's Preservation, Retention and Maintenance of Rights of Action.**

Except as otherwise provided in the Plan or in any contract, instrument, release, or other agreement entered into in connection with the Plan, in accordance with Bankruptcy Code § 1123(b)(3), the Liquidation Trustee shall retain and shall have the exclusive right, authority, and discretion (without further order of the Bankruptcy Court) to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, or withdraw, litigate to judgment, or exercise attorney/client privilege in relation to any and all Rights of Action that the Debtor or the Estate may hold against any Entity, whether arising before or after the Petition Date, and the powers and duties of a trustee under the Bankruptcy Code with respect to such Rights of Action.

The Debtor reserves and shall retain the foregoing Rights of Action for the Liquidation Trust notwithstanding the rejection of any Executory Contract or Unexpired Lease during the Chapter 11 Case.

Without limiting the effectiveness or generality of the foregoing provisions, and out of an abundance of caution, the Debtor and the Estate specifically reserve and retain the claims and causes of action, to be transferred as part of the Rights of Action as more fully described in **Exhibit B**. This Article X of the Plan, Exhibit B to the Plan, Article 4.E of the Disclosure Statement and Exhibit 3 of the Disclosure Statement are provided to give maximum notice of potential claims that the Debtor is presently aware of and shall in no way act as a limitation on any other potential claims that may exist, including by way of expression *unius est exclusio alterius* or any other applicable doctrine or rule of contractual interpretation. It is the specific intention of the Plan that each and every Avoidance Action, and any other claim or cause of action, whether arising before or after the Petition Date, and whether arising under state law or the Bankruptcy Code, be preserved and retained under this Plan and be transferred to the Liquidation Trust on the Effective Date of this Plan.

#### **B. Preservation of All Rights of Action Not Expressly Settled or Released.**

Unless a Right of Action is expressly waived, relinquished, released, compromised or settled in the Plan or any Final Order, such Rights of Action (including any counterclaims) are preserved and shall be retained by the Liquidation Trustee for later adjudication for the benefit of the beneficiaries of the Liquidation Trust including, without limitation, all: (i) defenses to Claims; (ii) affirmative defenses to Claims; (iii) setoffs and recoupments against any Claim, Creditor or other person; (iv) rights to turnover, accounting, contribution, indemnification, or reimbursement against any Creditor or other person; (v) rights to any tax refund; (vi) Avoidance Actions; (vii) Rights of Action; and (viii) claims and causes of action against any Creditor or person whatsoever, including for affirmative relief and to reduce any liability. Therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable or otherwise) or laches shall apply to such Rights of Action (including counterclaims) on or after the Confirmation of the Plan.

### **ARTICLE XI.**

#### **MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN**

##### **A. Modification or Amendment of the Plan.**

This Plan may be amended or modified by the Liquidation Trustee as provided in Bankruptcy Code § 1127 and Bankruptcy Rule 3019.

##### **B. Revocation or Withdrawal of the Plan.**

The Debtor reserves the right to revoke or withdraw this Plan at any time prior to the Confirmation Date and to file subsequent plans. If the Debtor revokes or withdraws this Plan prior to the Confirmation Date, or if the Confirmation Date or the Effective Date does not occur, then: (i) this Plan shall be deemed null and void in all respects; (ii) any settlement or compromise embodied in this Plan (including the fixing or limiting to an amount certain of any Claim or Interest or Class of Claims or Interests), rejection of Executory Contracts or Unexpired

Leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void in all respects; and (iii) nothing contained in the Plan shall be deemed to constitute an admission, waiver or release of any claims by or against the Debtor or any other Entity, or to prejudice in any manner the rights of the Debtor, its Estate or any Entity in any further proceedings involving the Debtor.

## **ARTICLE XII. RETENTION OF JURISDICTION**

### **A. Bankruptcy Court Jurisdiction.**

Notwithstanding the entry of the Confirmation Order or the occurrence of the Effective Date, the Bankruptcy Court, even after the Chapter 11 Case has been closed, shall have jurisdiction over all matters arising under, arising in, or relating to the Chapter 11 Case, including proceedings to:

1. Ensure that the Plan is fully consummated and implemented;
2. Enter such orders that may be necessary or appropriate to implement, consummate, or enforce the provisions of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan or the Disclosure Statement;
3. Consider any modification of the Plan under Bankruptcy Code § 1127;
4. Hear and determine all Claims, controversies, suits, and disputes against the Debtor or the Liquidation Trustee to the full extent permitted under 28 U.S.C. §§ 157 and 1334;
5. Allow, disallow, determine, liquidate, classify, estimate, or establish the priority or secured or unsecured status of any Claim, including the resolution of any and all objections to the allowance or priority of Claims;
6. Hear, determine, and adjudicate any litigation involving the Rights of Action or other claims or causes of action constituting Estate property or property of the Liquidation Trust;
7. Decide or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any motions or applications involving the Debtor or the Liquidation Trustee that are pending on or commenced after the Effective Date;
8. Resolve any cases, controversies, suits, or disputes that may arise in connection with the consummation, interpretation, or enforcement of the Plan, or any entity's obligations incurred in connection with the Plan, or any other agreements governing, instruments evidencing, or documents relating to any of the foregoing, including the interpretation or enforcement of any rights, remedies, or obligations under any of the foregoing;

9. Hear and determine all controversies, suits, and disputes that may arise out of or in connection with the enforcement of any subordination and similar agreements among Creditors under Bankruptcy Code § 510;
10. Hear and determine all requests for compensation and/or reimbursement of expenses that may be made for fees and expenses incurred before the Effective Date;
11. Enforce any Final Order, the Confirmation Order, the Final Decree, and all injunctions contained in those orders;
12. Enter an order concluding and terminating the Chapter 11 Case;
13. Correct any defect, cure any omission, or reconcile any inconsistency in the Plan, or the Confirmation Order, or any other document or instruments created or entered into in connection with the Plan;
14. Determine all questions and disputes regarding title to the Estate property;
15. Classify the Claims of any Creditor and the treatment of those Claims under the Plan, re-examine Claims that may have been allowed for purposes of voting, and determine objections that may be filed to any Claims;
16. Take any action described in the Plan involving the Debtor or the Liquidation Trustee;
17. Enter and implement such orders that are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;
18. Hear, determine and adjudicate any motions or other litigation or controversy brought pursuant to Bankruptcy Code § 1112;
19. Hear, determine, and adjudicate all matters the Bankruptcy Court has authority to determine under Bankruptcy Code § 505, including determining the amount of any unpaid liability of the Debtor or the Estate for any tax incurred or accrued during the calendar year in which the Plan is confirmed;
20. Enter a Final Decree as contemplated by Bankruptcy Rule 3022; and
21. Hear, determine, and adjudicate any and all Claims brought under the Plan.

**B. Limitation on Jurisdiction.**

In no event shall the provisions of this Plan be deemed to confer in the Bankruptcy Court jurisdiction greater than that established by the provisions of 28 U.S.C. §§ 157 and 1334.

## **ARTICLE XIII. MISCELLANEOUS PROVISIONS**

### **A. Conditions to Effectiveness.**

The Plan will not be effective unless:

1. The Confirmation Order becomes a Final Order. This condition may be waived at the sole discretion of the Debtor.
2. All Plan Documents and other applicable corporate documents necessary or appropriate to the implementation of the Plan have been executed, delivered, and where applicable, filed with the appropriate governmental authorities, including, but not limited to, the execution of the Liquidation Trust Agreement substantially in the form it appears in the Plan Supplement. This condition may be waived at the sole discretion of the Debtor.
3. The Debtor has cash sufficient to pay all Allowed Administrative Expense Claims that have been Allowed as of the Effective Date, and all Allowed Priority Tax Claims, unless otherwise agreed by affected Holders of Allowed Administrative Expense Claims and Allowed Priority Tax Claims.

### **B. Due Authorization by Claim Holders.**

Each and every Creditor who elects to participate in the Distributions provided for herein warrants that the Creditor is authorized to accept in consideration of its Claim against the Debtor the Distributions provided for in this Plan and that there are no outstanding commitments, agreements, or understandings, express or implied, that may or can in any way defeat or modify the rights conveyed or obligations undertaken by the Creditor under this Plan.

### **C. Filing of Additional Documentation.**

On or before the Effective Date, the Debtor may file with the Bankruptcy Court such agreements and other documents as may be reasonably necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan.

### **D. Further Authorizations.**

The Liquidation Trustee may seek such orders, judgments, injunctions, and rulings as he or she may deem necessary to further carry out the intentions and purposes of, and give full effect to the provisions of, the Plan.

### **E. Post Confirmation Service List.**

Any Entity that desires to receive notices or other documents required to be served under the Plan after the Confirmation Date must request that the Liquidation Trustee add such Entity to the Post-Confirmation Service List to be maintained by the Liquidation Trustee. Entities not on the Post-Confirmation Service List shall not receive notices or other documents required to be



served under the Plan after the Confirmation Date. Any Entity that provides an e-mail address may be served by e-mail after the Confirmation Date. The Liquidation Trustee shall file the Post-Confirmation Service List with the Bankruptcy Court and amend the Post-Service Confirmation List from time to time.

**F. Successors and Assigns.**

The rights, benefits and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such Entity.

**G. Transfer of Claims.**

Any transfer of beneficial interests in the Liquidation Trust shall be in accordance with Bankruptcy Rule 3001(e). Notice of any such transfer shall be forwarded to the Liquidation Trustee and counsel of record for the Liquidation Trustee by registered or certified mail. Both the transferee and transferor shall execute any notice, and the signatures of the parties shall be acknowledged before a notary public. The notice must clearly describe the beneficial interest to be transferred. No transfer of a partial interest shall be allowed. All transfers must be of one hundred percent of the transferor's interest in the beneficial trust interest.

**H. Exemption from Transfer Tax.**

Under Bankruptcy Code § 1146(c), the issuance, transfer, or exchange of a security, or the making or delivery of an instrument of transfer under the Plan, may not be taxed under any law imposing a stamp tax or similar tax.

**I. Notices.**

Any notice required to be given under this Plan shall be in writing. Any notice that is allowed or required hereunder except for a notice of change of address shall be considered complete on the earlier of (a) three days following the date the notice is sent by United States mail, postage prepaid, or by overnight courier service, or in the case of mailing to a non-United States address, air mail, postage prepaid, or personally delivered, (b) the date the notice is actually received by the Entities on the Post-Confirmation Service List by facsimile or computer transmission, or (c) three days following the date the notice is sent to those Entities on the Post-Confirmation Service List as it is adopted by the Bankruptcy Court at the Confirmation Hearing and as amended from time to time.

**J. U.S. Trustee Fees.**

The Debtor will pay pre-Confirmation fees owed to the U.S. Trustee by the Effective Date of the Plan or such other date as agreed upon by the Debtor and the U.S. Trustee. After Confirmation, the Liquidation Trustee will file with the Bankruptcy Court and serve on the U.S. Trustee quarterly financial reports in a format prescribed by the U.S. Trustee, and the Liquidation Trustee will pay post-confirmation quarterly fees from the Liquidation Trust to the U.S. Trustee until a Final Decree is entered or the case is converted or dismissed as provided in 28 U.S.C. § 1930(a)(6).

**K. Implementation.**

The Liquidation Trustee shall be authorized to perform all reasonable, necessary and authorized acts to consummate the terms and conditions of the Plan.

**L. Oversight Between the Confirmation Date and the Effective Date.**

During the period from the Confirmation Date through and until the Effective Date, the Debtor shall continue to maintain its property as debtor in possession, subject to the oversight of the Bankruptcy Court as provided in the Bankruptcy Code, the Bankruptcy Rules and all orders of the Bankruptcy Court that are then in full force and effect.

**M. No Admissions.**

Notwithstanding anything herein to the contrary, nothing contained in the Plan shall be deemed an admission by the Debtor, the Liquidation Trustee or any other Entity with respect to any matter set forth herein, including, without limitation, liability on any Claim or Interest or the propriety of the classification of any Claim or Interest.

**N. Substantial Consummation.**

Substantial Consummation of the Plan shall occur on the Effective Date.

**O. Good Faith.**

Confirmation of the Plan shall constitute a finding that (i) the Plan has been proposed in good faith and in compliance with the provisions of the Bankruptcy Code and (ii) the solicitation of acceptances or rejections of the Plan to all Entities and the offer, issuance, sale, or purchase of any security offered or sold under the Plan has been in good faith and in compliance with applicable provisions of the Bankruptcy Code.

**P. Final Decree.**

On Substantial Consummation, the Liquidation Trustee may request the Bankruptcy Court to enter a Final Decree closing the Chapter 11 Case and such other orders that may be necessary and appropriate.

Dated: July 11, 2016

**Debtor and Debtor-In-Possession**

/s/ J. Robert Medlin

By: J. Robert Medlin  
Its: Chief Restructuring Officer

- and -

**HAYNES AND BOONE, LLP**

By: /s/ Stephen M. Pezanosky  
Stephen M. Pezanosky  
State Bar No. 15881850  
Ian T. Peck  
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**COUNSEL TO THE DEBTOR AND  
THE DEBTOR-IN-POSSESSION**

**EXHIBIT A**  
**GLOSSARY OF DEFINED TERMS**

1. Administrative Claim: A Claim for costs and expenses of administration pursuant to Bankruptcy Code §§ 503(b) and 507(a)(2) including: (a) the actual and necessary costs and expenses incurred after the Petition Date of preserving the Estate and operating the business of the Debtor (such as wages, salaries, or payments for goods and other services); (b) compensation for legal, financial advisory, accounting, and other services, and reimbursement of expenses Allowed pursuant to Bankruptcy Code §§ 328, 330(a), or 331 or otherwise for the period commencing on the Petition Date and ending on the Effective Date; (c) all fees and charges assessed against the Estate pursuant to chapter 123 of the Judicial Code; and (d) all requests for compensation or expense reimbursement for making a substantial contribution in the Chapter 11 Case pursuant to Bankruptcy Code §§ 503(b)(3), (4), and (5).
2. Administrative Claims Bar Date: The first Business Day that is thirty (30) days after the Effective Date or such earlier deadline established by an order of the Bankruptcy Court.
3. Administrative Claim Objection Deadline: The first Business Day that is at least thirty (30) days after the Administrative Claims Bar Date or such earlier applicable deadline established by an order of the Bankruptcy Court.
4. Allowance Date: (a) As to a Disputed Claim, the date on which such Disputed Claim becomes an Allowed Claim by a Final Order, (b) as to a Claim Allowed by a Final Order, the date on which the order allowing such Claim becomes a Final Order, and (c) as to any other Claim the date on which such Claim becomes an Allowed Claim in accordance with the Plan.
5. Allowed: Allowed means, with respect to any Claim, a Claim: (i) which is scheduled as undisputed, non-contingent and liquidated in the Schedules and as to which neither a Proof of Claim nor objection thereto has been timely filed, and as to which the deadline for objecting to Claims has passed as provided in the Plan or any other Final Order of the Bankruptcy Court; (ii) as to which a Proof of Claim has been timely filed in a liquidated, non-contingent amount and either (a) no objection thereto has been timely filed and the deadline for objecting to such Claim has passed as provided in the Plan or any other Final Order of the Bankruptcy Court, or (b) such Claim has been allowed (but only to the extent allowed) by a Final Order of the Bankruptcy Court; (iii) which has been expressly allowed under the provisions of this Plan; or (iv) which is an Administrative Claim approved by Final Order of the Bankruptcy Court. An Allowed Claim: (y) includes a previously Disputed Claim to the extent such Disputed Claim becomes Allowed when the context so requires; and (z) shall be net of any valid setoff amount against such Claim based on a valid offset right of the Debtor, which valid setoff amount shall be deemed to have been setoff in accordance with the provisions of this Plan. Unless otherwise specified herein or by order of the Bankruptcy Court, Allowed Administrative Claims and Allowed Claims shall not, for any purpose under the Plan, include interest on such Administrative Claims or Claims on or after the Petition Date.
6. Allowed Amount: The amount at which a Claim or Interest is Allowed.

7. Avoidance Actions: Any causes of action arising under Bankruptcy Code §§ 506, 510, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, and 553 or comparable provisions of applicable non-bankruptcy law, including, but not limited to, claims or causes of actions against parties listed in response to questions 3 and 4 of the Debtor's Statement of Financial Affairs.
8. Ballot: The form or forms distributed to Holders of Claims in Impaired Voting Classes to be used to indicate acceptance or rejection of the Plan.
9. Balloting Agent: DRC.
10. Bankruptcy Code: Title 11 of the United States Code, 11 U.S.C. §§ 101-1532.
11. Bankruptcy Court: The United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division.
12. Bankruptcy Rules: The Federal Rules of Bankruptcy Procedure, and the general, local, and chambers rules and orders of the Bankruptcy Court.
13. Business Day: Any day, other than a Saturday, Sunday, or legal holiday.
14. Cash: Cash, cash equivalents, and other readily marketable securities or instruments, including, without limitation, direct obligations of the United States and certificates of deposit issued by federally insured banks, including interest accrued or earned thereon.
15. Chapter 11 Case: The Chapter 11 case filed by the Debtor on the Petition Date in the Bankruptcy Court under case number 16-40273-rfn-11.
16. Claim: Any claim against the Debtor as defined in Bankruptcy Code § 101(5).
17. Claims Register: The official register of Proofs of Claims in the Chapter 11 Case maintained by DRC pursuant to the DRC Retention Orders and available at <https://www.donlinrecano.com/Clients/fpsl/Index>.
18. Class: A class of Holders of Claims or Interests as set forth in the Plan.
19. Clerk: Clerk of the Bankruptcy Court.
20. Confirmation: The entry of the Confirmation Order.
21. Confirmation Date: The date upon which the Confirmation Order is entered by the Bankruptcy Court on its docket, within the meaning of Bankruptcy Rules 5003 and 9021.
22. Confirmation Hearing: The hearing held by the Bankruptcy Court to consider confirmation of the Plan.
23. Confirmation Order: The order of the Bankruptcy Court confirming the Plan pursuant to Bankruptcy Code § 1129.
24. Creditor: A Holder of a Claim.

25. CRO: J. Robert Medlin, the Debtor's chief restructuring officer.

26. CRO Motion: The Debtor's Application for an Entry of an Order Under 11 U.S.C §§ 105(a) and 363 Authorizing the Debtor to: (I) Retain and Employ FTI Consulting, Inc., (II) Designate J. Robert Medlin as Chief Restructuring Officer and (III) Designate Walt L. Brown as Restructuring Officer for the Debtor Nunc Pro Tunc to January 25, 2016 [Docket No. 48] pursuant to which the Debtor requested authorization to retain the CRO and certain FTI employees as the Debtor's temporary employees.

27. CRO Order: That certain Order Approving Debtor's Application for an Entry of an Order Under 11 U.S.C §§ 105(a) and 363 Authorizing the Debtor to: (I) Retain and Employ FTI Consulting, Inc., (II) Designate J. Robert Medlin as Chief Restructuring Officer and (III) Designate Walt L. Brown as Restructuring Officer for the Debtor Nunc Pro Tunc to January 25, 2016 [Docket No. 77], entered by the Bankruptcy Court on February 2, 2016, approving the CRO Motion, appointing the CRO, and authorizing the retention of certain FTI employees as the Debtor's temporary employees to aid the CRO in fulfilling his responsibilities and obligations as CRO.

28. D&O Claims: All Rights of Action against the Debtor's current and former officers, directors, and agents or those acting in concert with any of the foregoing for actions at any time prior to the Petition Date and that are not released or exculpated under the Plan, including but not limited to such claims and causes of action described in Exhibit B to the Plan.

29. Debtor: Forest Park Medical Center at Southlake, LLC.

30. Derivative Litigation Claim: Any Claim, cause of action, demand, or any other right to payment derivative of or from the Debtor that is property of the Estate under 11 U.S.C. § 541.

31. DIP Order: That certain Final Order (1) Authorizing the Debtor to Obtain Post-Petition Financing on a Senior Secured Superpriority Basis; (2) Granting Security Interests, Superpriority Claims, and Other Adequate Protection; (3) Modifying the Automatic Stay; and (4) Granting Related Relief [Docket No. 96], entered by the Bankruptcy Court on February 11, 2016.

32. Disallowed: A Claim, or any portion thereof, that (a) has been disallowed by either a Final Order, pursuant to a settlement, or by operation or law, or (b)(i) is listed in the Schedules at zero or as contingent, disputed or unliquidated and (ii) as to which a bar date has been established but no Proof of Claim has been filed or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court or otherwise deemed timely filed under applicable law.

33. Disclosure Statement: Disclosure Statement Under 11 U.S.C. § 1125 in Support of the Plan of Liquidation for Forest Park Medical Center at Southlake, LLC.

34. Disclosure Statement Approval Date: The date the Bankruptcy Court enters the Disclosure Statement Approval Order.

35. Disclosure Statement Approval Order: The order of the Bankruptcy Court approving the Disclosure Statement and authorizing the solicitation of acceptances of the Plan.

36. Disclosure Statement Hearing: The hearing held by the Bankruptcy Court to consider approval of the Disclosure Statement.

37. Disputed: With respect to any Claim, any Claim as to which a proof of claim has been filed or is deemed to have been filed under applicable law or an Administrative Claim as to which an objection has been or is filed in accordance with the Plan, the Bankruptcy Code, or the Bankruptcy Rules, which objection has not been withdrawn or determined by a Final Order. For the purposes of the Plan, a Claim is a Disputed Claim prior to any objection to the extent that (a) the amount of a Claim specified in a Proof of Claim exceeds the amount of any corresponding Claim scheduled by the Debtor in the Schedules; (b) any corresponding Claim scheduled by the Debtor in the Schedules has been scheduled as disputed, contingent or unliquidated, irrespective of the amount scheduled; (c) no corresponding Claim has been scheduled by the Debtor in the Schedules; or (d) the Claim is subject to disallowance pursuant to Bankruptcy Code § 502(d).

38. Distribution: A distribution in accordance with this Plan and/or the Liquidation Trust Agreement of property required by the Plan and/or the Liquidation Trust Agreement to be distributed to the Holders of Allowed Claims, or the property so distributed.

39. Distribution Date: A Date when Distributions occur under the Plan and/or the Liquidation Trust Agreement.

40. DRC: Donlin, Recano & Company, Inc., the Debtor's administrative agent and claims, noticing, and solicitation agent.

41. DRC Retention Orders: The Bankruptcy Court orders entered at Docket Nos. 74 and 134 approving the retention of DRC as the Debtor's (i) claims, noticing, and solicitation agent and (ii) administrative agent.

42. Effective Date: The date selected by the Debtor that is a Business Day after the Confirmation Date on which the conditions as specified in Article XIII(A) of the Plan have been satisfied or waived. Unless otherwise specifically provided in the Plan, anything required to be done by the Debtor or the Liquidation Trustee on the Effective Date may be done on the Effective Date or as soon as reasonably practicable thereafter.

43. Entity: The meaning assigned to such term by § 101(15) of the Bankruptcy Code.

44. Estate: The bankruptcy estate of the Debtor created by virtue of Bankruptcy Code § 541 upon the commencement of the Chapter 11 Case.

45. Estate Professionals: The professionals that have been retained during the course of the Chapter 11 Case by the Debtor pursuant to either §§ 327 or 328 of the Bankruptcy Code.

46. Executory Contract: A contract to which the Debtor is a party that is subject to assumption or rejection under Bankruptcy Code § 365.



47. Fee Procedures Order: That certain *Order Granting Debtor's Motion to Establish Procedures for Interim Compensation and Reimbursement of Expenses for Case Professionals* [Docket No. 132], entered by the Bankruptcy Court on February 25, 2016, pursuant to which the Bankruptcy Court approved procedures for the interim payment of Estate Professionals.

48. Final Decree: The decree or decrees for the Chapter 11 Case contemplated under Bankruptcy Rule 3022.

49. Final Order: As applicable, an order or judgment of the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter, which has not been reversed, stayed, modified, or amended, and as to which the time to appeal or seek certiorari has expired and no appeal or petition for certiorari has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought.

50. Founders: Dr. Wade Barker, Dr. Richard Toussaint, Mr. Mac Burt, Dr. David Genecov, Dr. Bob Wyatt, and Mr. Alan Beauchamp.

51. FPMC Services Membership Interests: The membership interests in FPMC Services, LLC owned by the Debtor.

52. FPMC Sale: The sale of substantially all of the Debtor's assets to Methodist pursuant to the FPMC Sale Order.

53. FPMC Sale Closing Date: May 17, 2016.

54. FPMC Sale Order: The *Order (A) Approving Sale of Substantially all Assets Free and Clear of all Liens, Claims, Encumbrances and Other Interests, (B) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (C) Granting Related Relief* [Docket No. 268] pursuant to which the Bankruptcy Court approved the FPMC Sale.

55. FPMC Sale Proceeds: The Cash proceeds received by the Debtor from Methodist pursuant to the FPMC Sale net of closing costs.

56. FPMC Services: FPMC Services, LLC.

57. FTI: FTI Consulting, Inc.

58. GAHC3 Cash Collateral Stipulation: The *Stipulation and Agreed Order Extending Term of Final Order (1) Authorizing the Debtor to Obtain Post-Petition Financing on a Senior Secured Superpriority Basis; (2) Granting Security Interests, Superpriority Claims, and Other Adequate Protection; (3) Modifying the Automatic Stay; and (4) Granting Related Relief* entered into by and between the Debtor and GAHC3 DIP Lender and entered on the docket by the Bankruptcy Court on June 14, 2016 [Docket No. 286].

59. GAHC3 DIP Lender: GAHC3 Southlake DIP Lender, LLC, the Debtor's lender under the GAHC3 DIP Loan Agreement.

60. GAHC3 DIP Lender Allowed Secured Claim: The Allowed Secured Claim of GAHC3 DIP Lender consisting of all unpaid principal, accrued but unpaid interest, fees (including, but not limited to, any forbearance fees), costs, expenses, Allowed Professional Fee Claims of the GAHC3 DIP Lender Professionals, and all other amounts due and owing under and pursuant to the DIP Loan Agreement, the DIP Order, the GAHC3 Cash Collateral Stipulation and applicable law.

61. GAHC3 DIP Lender Professionals: Winstead, P.C.

62. GAHC3 DIP Loan: The amounts loaned by GAHC3 DIP Lender to the Debtor pursuant to the GAHC3 DIP Loan Agreement.

63. GAHC3 DIP Loan Agreement: That certain Senior Secured Superpriority Debtor-In-Possession Loan and Security Agreement entered into by the Debtor and GAHC3 DIP Lender and approved by the Bankruptcy Court pursuant to the DIP Order, along with all other documents, instruments, and agreements relating thereto, including, without limitation, all promissory notes, security agreements, pledge agreements, mortgages, deeds of trust, financing statements, and other security documents, pursuant to which GAHC3 DIP Lender has loaned the amounts included in the GAHC3 DIP Loan to the Debtor.

64. GAHC3 Landlord: GAHC3 Southlake Texas Hospital, LLC.

65. General Unsecured Claim: Any Claim that is not an Administrative Claim, Secured Claim, Priority Tax Claim, or Priority Non-Tax Claim against the Debtor, including, without limitation, (a) any claim arising from the rejection of an Executory Contract or Unexpired Lease and (b) any portion of a Claim to the extent the value of the Holder's interest in property securing such Claim is less than the amount of the Claim, as determined pursuant to § 506(a) of the Bankruptcy Code.

66. Governmental Bar Date: July 17, 2016, the date that is the first Business Day after one hundred eighty (180) days from the Petition Date.

67. Governmental Unit: Any Entity or organization qualifying as a governmental unit as defined in Bankruptcy Code § 101(27).

68. HHS: The United States Department of Health and Human Services.

69. HHS Patient Records Request: The request to be sent by certified mail to HHS in compliance with the requirements of Bankruptcy Code § 351(2) requesting permission from HHS to deposit the Patient Records with HHS.

70. Holder: An Entity holding a Claim, Interest, or Liquidation Trust Interest as applicable.

71. Hospital: That certain hospital building located at 421 East State Hwy, 114 Southlake, Texas 76092, owned by GAHC3 Landlord, leased to the Debtor pursuant to the Hospital Lease, and operated by the Debtor prior to the closing of the FPMC Sale.
72. Hospital Lease: The Debtor's lease pursuant to which it leased the Hospital prior to the closing of the FPMC Sale.
73. Hospital Lease Rejection Order: That certain *Order Granting Debtor's Expedited Motion Under Bankruptcy Code § 365 and Bankruptcy Rules 6006 and 9019 Seeking Approval (I) to Reject Hospital Lease Agreement and (II) of Settlement Agreement in Connection Therewith* [Docket No. 275] pursuant to which the Debtor rejected the Hospital Lease.
74. Impaired: With respect to any Class of Claims or Interests, impairment within the meaning of Bankruptcy Code § 1124.
75. Interest: Any partnership, limited liability company, or similar equity interest in the Debtor, including without limitation, warrants, options, or contractual rights to purchase or acquire such interest at any time and all rights arising with respect thereto.
76. Internal Revenue Code: The Internal Revenue Code of 1986, as amended.
77. IRS: The Internal Revenue Service.
78. Judicial Code: Title 28 of the United States Code, 28 U.S.C. §§ 1-4001.
79. Lease Rejection Damages Claim: GAHC3 Landlord's Allowed General Unsecured Claim in the amount of \$23,957,479.93 as stipulated to by the Debtor and GAHC3 Landlord pursuant to the Hospital Lease Rejection Order.
80. Lien: With respect to any property or asset, any mortgage, lien, interest pledge, charge, security interest, encumbrance, mechanics' lien, materialman's lien, statutory lien or right, and other consensual or non-consensual lien, whenever granted and including, without limitation, those charges or interests in property within the meaning of "lien" under Bankruptcy Code § 101(37).
81. Liquidation Analysis: The liquidation analysis attached as Exhibit 5 to the Disclosure Statement.
82. Liquidation Trust: The trust created pursuant to Article V of the Plan and the Liquidation Trust Agreement.
83. Liquidation Trust Agreement: Agreement for the establishment and operation of the Liquidation Trust substantially in the form as included in the Plan Supplement.
84. Liquidation Trust Assets: All assets of the Debtor's Estate transferred to the Liquidation Trust as more fully described in Article V.B of the Plan and any proceeds thereof.

85. Liquidation Trust Expense Reserve: The reserve to be established by the Liquidation Trustee within a reasonable time after the Effective Date and funded with an amount of Remaining Cash, to be determined by the Liquidation Trustee in the Liquidation Trustee's reasonable business judgment, to be used by the Liquidation Trustee to administer and fund the administration of the Liquidation Trust, including without limitation for the payment of the Liquidation Trustee's reasonable fees and expenses as well as for the reasonable fees and expenses of any professionals employed by the Liquidation Trustee.

86. Liquidation Trust Interests: All beneficial interests in the Liquidation Trust.

87. Liquidation Trustee: The individual identified in the Plan Supplement (or his/her designee) after the Effective Date, appointed pursuant to the Plan for the purpose of acting as initial trustee of the Liquidation Trust.

88. Management Services Agreement: That certain *Second Amended and Restated Hospital Development and Management Services Agreement* among Debtor, Vibrant Manager, and FPMC Services dated January 1, 2013.

89. Methodist: Methodist Hospitals of Dallas d/b/a Methodist Health System and its affiliate MetSL LLC as applicable.

90. Methodist APA: That certain *Asset Purchase Agreement by and Between Forest Park Medical Center at Southlake, LLC and Methodist Hospitals of Dallas* dated April 22, 2016, approved by the Bankruptcy Court pursuant to the FPMC Sale Order and filed on the Debtor's bankruptcy docket at Docket Numbers 267 and 269.

91. Non-Professional Administrative Claim Reserve: The reserve to be established by the Liquidation Trustee within a reasonable time after the Effective Date in an amount that, in the Liquidation Trustee's business judgment, is sufficient to pay estimated Allowed Non-Professional Administrative Claims.

92. Non-Professional Administrative Claim: All Administrative Claims other than Professional Fee Claims.

93. Ordinary Course Liability: Claims incurred after the Petition Date and prior to the Effective Date in the ordinary course of business of the Debtor, relating to the Debtor's business, consistent with past practices during the pendency of and, as applicable, taking into account, the Chapter 11 Case.

94. Patient List: The Patient Matrix filed by the Debtor pursuant to the *Order Granting Emergency Motion of Debtor (I) to Authorize Certain Procedures to Maintain the Confidentiality of Patient Information, (II) for Authority to File Under Seal Separate Matrix and Schedule F Containing Patient Information, (III) to Modify Notice to Patients and (IV) for Relief from Required Form of Mailing Matrix with Regard to Separate Matrix* [Docket No. 41].

95. Patient Records: Records, held primarily on servers controlled by FPMC Services, that relate to the treatment of patients at the Hospital that constitute "patient records" as that term is defined in Bankruptcy Code § 101(40B).

96. Patient Records Costs: Any costs reasonably incurred by the Debtor, the Estate, or the Liquidation Trustee after the FPMC Sale Closing Date in connection with the preservation, maintenance, storage, transfer, or destruction of the Patient Records, including without limitation any costs incurred by the Liquidation Trustee or the Liquidation Trustee's agents in complying with the requirements of Article V.D of the Plan.

97. Patient Records Mailing List: The Patient List, as may be supplemented by a list of new patients treated at the Hospital between the Petition Date and the FPMC Sale Closing Date, to be generated by the Debtor and/or the Liquidation Trustee from the Debtor's electronic billing records to the extent such electronic billing records may reasonably be obtained by the Debtor or Liquidation Trustee, as applicable.

98. Patient Records Mail Notice: The notice that is consistent with Bankruptcy Rule 6011(b), in substantially the same form as the notice to be filed in the Plan Supplement, as may be modified by order of the Bankruptcy Court, to be mailed by first class mail to all parties on the Patient Records Mailing List.

99. Patient Records Maintenance Period. The 365 day period identified in 11 U.S.C. § 351(1)(A) immediately following publication of the Publication Notice.

100. Patient Records Service Provider: The third party service provider to be retained pursuant to the Patient Records Service Provider Agreement.

101. Patient Records Service Provider Agreement: The agreement, substantially in the form as included in the Plan Supplement, or as otherwise approved by the Bankruptcy Court, pursuant to which the Patient Records Service Provider will agree to maintain and store the Patient Records and respond to requests for such Patient Records during the Patient Records Maintenance Period consistent with Bankruptcy Code § 351.

102. Petition Date: January 19, 2016.

103. Plan: The Chapter 11 plan filed by the Debtor, as such document may be amended or modified.

104. Plan Documents: The Plan and all exhibits thereto, the Disclosure Statement and all exhibits thereto, and the Plan Supplement.

105. Plan Objection Deadline: August 11, 2016 at 4:00 p.m. (prevailing Central Time).

106. Plan Supplement: The supplement to the Plan containing, inter alia, the form of the Liquidation Trust Agreement as referred to in the Plan and any exhibits thereto, to be filed no later than ten (10) days prior to the Confirmation Hearing.

107. Post-Confirmation Service List: The list of those Entities who have notified the Liquidation Trustee in writing, at or following the Confirmation Hearing [or Effective Date], of their desire to receive notice of all pleadings filed after the Confirmation Date and have provided the e-mail or physical address to which such notices shall be sent.

108. Post-Petition/Pre-Closing Accounts Receivable: The Debtor's accounts receivable generated from procedures and/or other goods and services provided at the Hospital beginning on the Petition Date through and including the day immediately preceding the FPMC Sale Closing Date.

109. Post-Petition Tax Claim: An Administrative Claim or other Claim by a Governmental Unit for taxes (and for interest and/or penalties related to such taxes) for any tax year or period, which accrued or were assessed within the period from and including the Petition Date through and including the Effective Date.

110. Post-Petition Tax Claim Bar Date: The first Business Day that is the later of (i) forty-five (45) days following the Effective Date and (ii) ninety (90) days following the filing with the applicable Governmental Unit of the tax return for such taxes for such tax year or period, or by such earlier deadline governing a particular Post-Petition Tax Claim contained in an order of the Bankruptcy Court entered before the Effective Date.

111. Post-Petition Tax Claim Objection Deadline: The first Business Day that is thirty (30) days after the Post-Petition Tax Claim Bar Date or such earlier deadline governing the objection to a particular Post-Petition Tax Claim contained in an order of the Bankruptcy Court entered before the Effective Date.

112. Pre-Petition Accounts Receivable: The Debtor's accounts receivable generated from procedures and/or other goods and services provided at the Hospital before the Petition Date.

113. Priority Non-Tax Claim: Any Claim accorded priority in right of payment pursuant to Bankruptcy Code § 507(a), other than a Priority Tax Claim or an Administrative Claim.

114. Priority Non-Tax Claim Reserve: The reserve to be established by the Liquidation Trustee within a reasonable time after the Effective Date in an amount that, in the Liquidation Trustee's business judgment, is sufficient to pay estimated Priority Non-Tax Claims.

115. Priority Tax Claim: Any Claim of the kind specified in Bankruptcy Code § 507(a)(8).

116. Priority Tax Claim Reserve: The reserve to be established by the Liquidation Trustee within a reasonable time after the Effective Date in an amount that, in the Liquidation Trustee's business judgment, is sufficient to pay estimated Priority Tax Claims.

117. Professional: An Entity retained or to be compensated under Bankruptcy Code §§ 327, 328, 330, 331, 503(b)(3)(D), 503(b)(4), 503(b)(5) or 1103.

118. Professional Fee Claim: An Administrative Claim of a Professional for compensation for services rendered and/or reimbursement of costs and expenses incurred on or before the tenth (10<sup>th</sup>) day after the Effective Date and including fees and expenses incurred in preparing final fee applications and participating in hearings on such applications.

119. Professional Fee Claim Bar Date: The first Business Day that is at least thirty (30) days after the Effective Date or such earlier deadline governing a particular Professional Fee Claim contained in an order of the Bankruptcy Court entered before the Effective Date.

120. Professional Fee Claim Objection Deadline: With respect to each application for allowance of a Professional Fee Claim, the first Business Day that is at least twenty (20) days after such application is filed.

121. Professional Fee Reserve: The reserve to be established by the Liquidation Trustee within a reasonable time after the Effective Date in an amount that, in the Liquidation Trustee's business judgment, is sufficient to pay estimated Allowed Professional Fee Claims.

122. Proof of Claim: Any proof of claim filed with the Bankruptcy Court or with DRC with respect to the Debtor pursuant to Bankruptcy Code § 501 and Bankruptcy Rules 3001 and 3002.

123. Proof of Claim Bar Date: June 16, 2016, the date established by the Bankruptcy Court for filing Proofs of Claim, with certain exceptions, in the *Notice of Chapter 11 Bankruptcy Case, Meeting of Creditors, & Deadlines* [Docket No. 10].

124. Pro Rata Share: As to a particular Holder of a particular Claim, the ratio that the amount of such Claim held by such Claim Holder bears to the aggregate amount of all Claims in the particular Class or category. Such ratio shall be calculated as if all Claims in the particular Class or category asserted against the Debtor are Allowed Claims as of the Effective Date, unless specifically provided otherwise in the Plan.

125. Publication Notice: The notice relating to Patient Records to be published in the newspaper or newspapers as shall be ordered by the Bankruptcy Court in substantially the same form as the notice to be provided in the Plan Supplement or as otherwise approved by the Bankruptcy Court.

126. Non-Voting Class: A Class of Claims or Interests not entitled to vote to accept or reject the Plan.

127. Record Date: July 12, 2016, or such other date as shall be ordered by the Bankruptcy Court.

128. Rejection Claim Bar Date: The first Business Day that is at least thirty (30) days after the Effective Date or such earlier date that may be set by the Bankruptcy Court concerning a particular Executory Contract or Unexpired Lease.

129. Release Parties: The CRO, RO, Estate Professionals, FTI, and each of their respective shareholders, officers, directors, and professionals, including lawyers and financial advisors.

130. Remaining Cash: All available Cash on hand in the possession of or received by the Debtor or the Liquidation Trustee on behalf of the Liquidation Trust on or after the Effective Date, including any remaining FPMC Sale Proceeds, the unencumbered proceeds of accounts receivable, any tax refund, insurance policy proceeds, return of deposit, and premium refund received by the Debtor.

131. Remaining Reserves: All of the Reserves except for the Liquidation Trustee Expense Reserve.



132. Reserves: The reserves established on the Effective Date, including: (i) the Professional Fee Reserve, (ii) the Non-Professional Administrative Claim Reserve, (iii) the Priority Tax Claim Reserve, (iv) the Priority Non-Tax Claim Reserve, and (v) the Liquidation Trustee Expense Reserve.

133. Rights of Action: Any and all claims, debts, demands, rights, defenses, actions, causes of action, suits, controversies, contracts, agreements, promises, obligations, accounts, defenses, offsets, powers, privileges (including attorney/client privilege), licenses, and franchises, of any kind or character whatsoever, including Avoidance Actions, whether known or unknown, suspected or unsuspected, reduced to judgment, not reduced to judgment, liquidated, unliquidated, secured, unsecured, whether arising before, on, or after the Petition Date, in contract or in tort, at law or in equity, or under any other theory of law, whether asserted or assertable directly or indirectly or derivatively, including, without limitation, those Rights of Action identified in Article X and **Exhibit B** of the Plan.

134. RO: Walt L. Brown, the Debtor's restructuring officer.

135. Schedules: The schedules of assets and liabilities and schedules of Executory Contracts and Unexpired Leases, as may be amended from time to time, filed by the Debtor pursuant to Bankruptcy Code § 521, the official bankruptcy forms, and the Bankruptcy Rules [Docket No. 162].

136. Secured Claim: A Claim that is (a) secured in whole or part, as of the Petition Date (or otherwise by an order of the Bankruptcy Court or pursuant to the terms of the Plan), by a Lien against property of the Debtor that is valid, perfected, and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code or applicable nonbankruptcy law or (b) subject to setoff under Bankruptcy Code § 553; provided however, with respect to both (a) and (b), a Claim is a Secured Claim only to the extent of the value, net of any Lien senior to the applicable Lien, of the Estate's interest in the assets or property securing any such Claim or the amount subject to setoff, as the case may be.

137. Secured Tax Claim: A Secured Claim of a Governmental Unit based on a tax allegedly owed by the Debtor.

138. Statement of Financial Affairs: The statement of financial affairs, as may be amended from time to time, filed by the Debtor pursuant to Bankruptcy Code § 521, the official bankruptcy forms, and the Bankruptcy Rules [Docket No. 161].

139. Substantial Consummation: The actions taken on the Effective Date.

140. Tax Refunds: All refunds received by the Debtor from any state taxing authority or from the IRS after a determination that the Debtor has no federal or applicable state tax liability.

141. TCB: Texas Capital Bank.

142. Treasury Regulations: The regulations promulgated under the Internal Revenue Code by the Department of the Treasury of the United States.

143. Unexpired Lease: A lease to which the Debtor is a party that is subject to assumption or rejection under Bankruptcy Code § 365.

144. Unimpaired: With respect to a Class of Claims or Interests, a Class of Claims or Interests that is unimpaired within the meaning of Bankruptcy Code § 1124.

145. U.S. Trustee: The Office of the United States Trustee for Region 6.

146. Vibrant 9019 Motion: That certain motion filed by the Debtor on June 29, 2016 [Docket 294] pursuant to which the Debtor has requested the approval of the Vibrant Settlement Agreement.

147. Vibrant Administrative Claim: That certain allowed administrative expense claim given to Vibrant Manager and FPMC Services pursuant to the Vibrant Settlement Agreement in the total amount of \$432,000 to be paid in accordance with the payment schedule as more fully described in the Vibrant Settlement Agreement. Vibrant Manager's allocated portion of the Vibrant Administrative Claim is \$402,000 and FPMC Services' allocated portion is \$30,000.

148. Vibrant Holdings: Vibrant Healthcare Southlake Holdings, LLC, the Debtor's managing member.

149. Vibrant Manager: Vibrant Healthcare Southlake, LLC, the Debtor's manager pursuant to the Management Services Agreement.

150. Vibrant Parties: Vibrant Manager, FPMC Services, Vibrant Holdings, glendonTodd Capital, LLC, Todd Furniss, and Mary Hatcher.

151. Vibrant Settlement Agreement: That certain *Settlement Agreement* entered into by and between the Debtor and the Vibrant Parties dated as of June 24, 2016.

152. Voting Class: A Class entitled to vote to accept or reject the Plan.

153. Voting Deadline: August 11, 2016 at 4:00 p.m. (prevailing Central Time).

**EXHIBIT B**  
**RIGHTS OF ACTION**

Pursuant to the terms of the Plan and 11 U.S.C. § 1123(b)(3)(B) and except for items excluded pursuant to Article X of the Plan, on the Effective Date, all of the Debtor's Rights of Action and counterclaims will be retained under the Plan and transferred to and vest in the Liquidation Trust to be prosecuted exclusively by the Liquidation Trustee for the benefit of Holders of Liquidation Trust Interests, including, without limitation, the following Rights of Action:<sup>2</sup>

1. All claims, counterclaims, causes of action and potential claims and causes of action held by the Debtor and the Estate, whether or not previously asserted, against the Founders of the Debtor, and/or anyone acting in concert with them, including, but not limited to, avoidance actions, the D&O Claims, commercial torts, tortious interference with contractual and/or business relations, unfair competition, breach of contract, loss of income, setoff, recoupment, fraud, fraudulent inducement, misrepresentation, fraudulent or negligent omission, fraudulent or preferential transfers arising other than under the United States Bankruptcy Code, conversion, replevin, lender liability, recharacterization of debt as equity, equitable subordination, challenges as to the extent, priority and validity of any purported claims, liens and/or security interests, injury to property and/or title to property, negligence, recklessness, conspiracy, aiding and abetting, breach of fiduciary duty, breach of confidential relationship, mismanagement, violation of securities laws, self-dealing, usurpation of corporate opportunity, insolvent trading, breach of duty of loyalty, allowing, authorizing and/or receiving unlawful or improper distributions, unreasonable related party transactions, uncommercial transactions, improper redemption of equity interests, breach of duty of good faith, breach of duty to provide information, breach of duties of care and/or diligence, failure to make informed decisions, improper use of information to gain improper advantage, and actions seeking affirmative recoveries, and other, similarly grounded claims and causes of action.
2. All Avoidance Actions (as that term is defined in the plan), including without limitation, (i) for all payments made by the Debtor to creditors within 90 days prior to the filing of the bankruptcy petition, including but not limited to, all persons and entities identified in question 3 of the Debtor's Statement of Financial Affairs filed in the Chapter 11 Case, and (ii) for all payments made by the Debtor to "insiders" within one year prior to the filing of the bankruptcy petition, including but not limited to, those persons and entities identified in question 4 of the Debtor's Statement of Financial Affairs, and (iii) arising under sections 506(c), 510, 542, 543, 544, 545, 547, 548, 549, 550, 551, 552(b), 553, or 724 of the Bankruptcy Code, or arising under similar state and federal statutes and common law, including the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act, or similar state law.
3. All Claims, counterclaims, defenses, and Rights of Action referenced in the Plan.
4. All other counterclaims and defenses, including without limitation the rights of setoff and recoupment, and all defenses of the Estate under 11 U.S.C. § 558.

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<sup>2</sup> For the Avoidance of Doubt, the Debtor's Rights of Action do not include any Rights of Action against the Vibrant Parties that have been or will be released as provided in the Vibrant Settlement Agreement.

5. All claims, counterclaims, causes of action and potential claims and causes of action held by the Debtor and the Estate as of the Effective Date, whether or not previously asserted, are preserved under the Plan for the benefit of the Liquidation Trust. The Debtor and/or the Liquidation Trustee, as the case may be, expressly reserve and preserve all rights to supplement at any time any and all retained claims and causes of action, including, without limitation, those described hereinafter, whether based on the results of prior, ongoing, or future investigations or otherwise.
6. Claims and/or causes of action for, without limitation, commercial torts, tortious interference with contractual and/or business relations, unfair competition, breach of contract, loss of income, setoff, recoupment, fraud, fraudulent inducement, misrepresentation, fraudulent or negligent omission, fraudulent or preferential transfers arising other than under the United States Bankruptcy Code, conversion, replevin, lender liability, recharacterization of debt as equity, equitable subordination, challenges as to the extent, priority and validity of any purported claims, liens and/or security interests, injury to property and/or title to property, negligence, recklessness, conspiracy, aiding and abetting, breach of fiduciary duty, breach of confidential relationship, mismanagement, violation of securities laws, self-dealing, usurpation of corporate opportunity, insolvent trading, breach of duty of loyalty, allowing, authorizing and/or receiving unlawful or improper distributions, unreasonable related party transactions, uncommercial transactions, improper redemption of equity interests, breach of duty of good faith, breach of duty to provide information, breach of duties of care and/or diligence, failure to make informed decisions, improper use of information to gain improper advantage and other, similarly grounded claims and causes of action against, without limitation, current and/or former shareholders, members, equity interest holders, debt holders, partners, prospective joint venture participants, joint venture participants, prospective contracting parties, contracting parties, prospective purchasers, purchasers, prospective sellers, sellers, directors, officers, managers, employees, agents, contractors, insurers, sureties, investment bankers, consultants, advisors, representatives, competitors, vendors and/or other creditors of the Debtor and/or entities affiliated with or otherwise related to any of the foregoing.
7. All claims, counterclaims, causes of action and potential claims and causes of action held by the Debtor and the Estate, whether or not previously asserted, including, without limitation, commercial torts, tortious interference with contractual and/or business relations, unfair competition, breach of contract, loss of income, setoff, recoupment, fraud, fraudulent inducement, misrepresentation, fraudulent or negligent omission, fraudulent or preferential transfers arising other than under the United States Bankruptcy Code, conversion, replevin, lender liability, recharacterization of debt as equity, equitable subordination, challenges as to the extent, priority and validity of any purported claims, liens and/or security interests, injury to property and/or title to property, negligence, recklessness, conspiracy, aiding and abetting, breach of fiduciary duty, breach of confidential relationship, mismanagement, violation of securities laws, self-dealing, usurpation of corporate opportunity, insolvent trading, breach of duty of loyalty, allowing, authorizing and/or receiving unlawful or improper distributions, unreasonable related party transactions, uncommercial transactions, improper redemption of equity interests, breach of duty of good faith, breach of duty to provide information, breach of

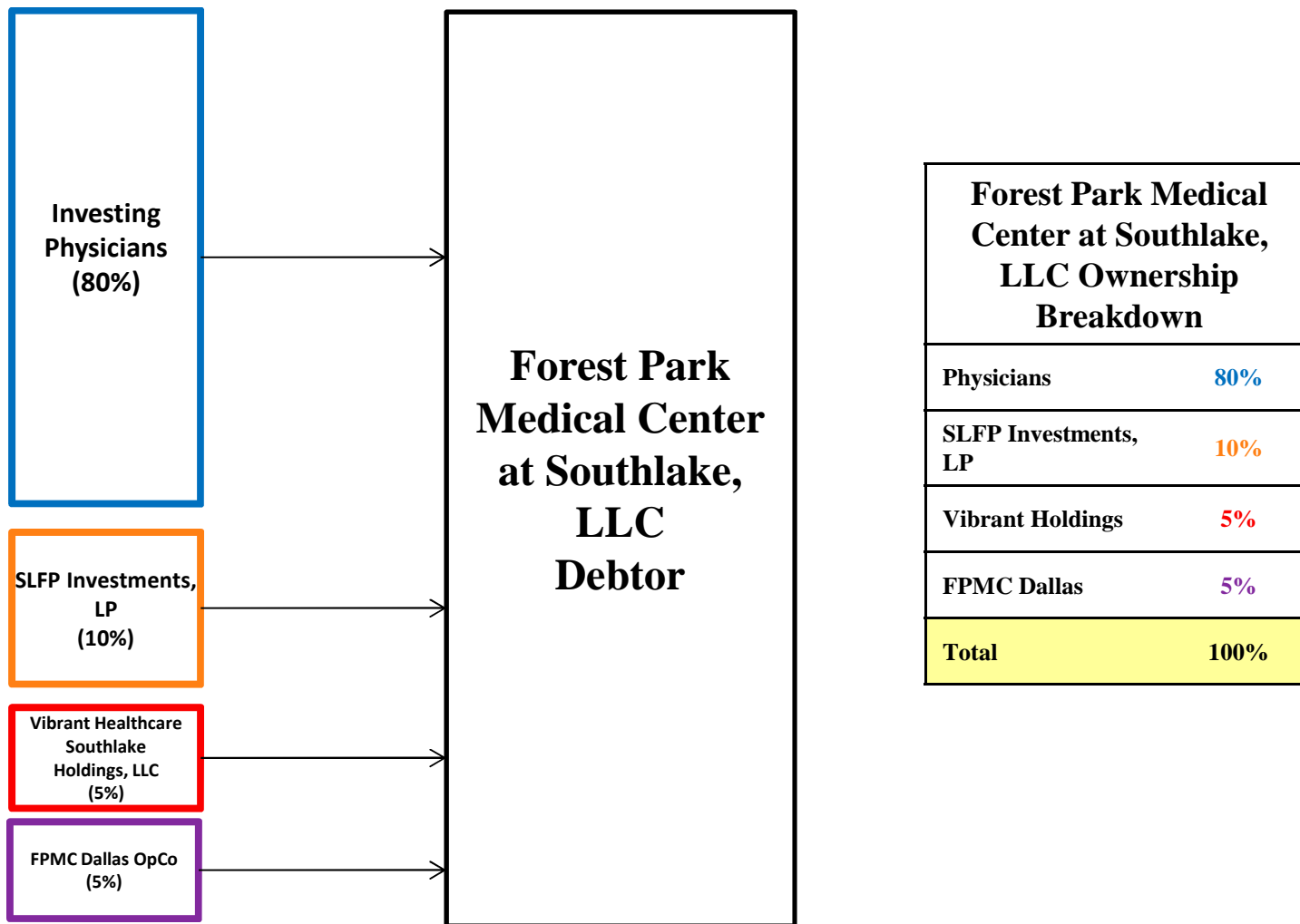
duties of care and/or diligence, failure to make informed decisions, improper use of information to gain improper advantage and other, similarly grounded claims and causes of action against, without limitation, current and/or former shareholders, members, equity interest holders, debt holders, partners, prospective joint venture participants, joint venture participants, prospective contracting parties, contracting parties, prospective purchasers, purchasers, prospective sellers, sellers, directors, officers, managers, employees, agents, contractors, insurers, sureties, investment bankers, consultants, advisors, representatives, competitors, vendors and/or other creditors of the Debtor and/or persons or entities affiliated with or otherwise related to any of the foregoing.

8. All Rights of Action against any person or Entity listed on question 3 of the Debtor's Statement of Financial Affairs [Docket No. 162], as well as related Entities, principals, officers, and employees of any of the foregoing and any mediate or immediate transferees, including without limitation, all Avoidance Actions.
9. All Rights of Action against any person or Entity listed on question 4 of the Debtor's Statement of Financial Affairs [Docket No. 162], as well as related Entities, principals, officers, and employees of any of the foregoing and any mediate or immediate transferees, including without limitation, all Avoidance Actions.
10. All claims and causes of action against any person or Entity for fraudulent or preferential transfers under any applicable law.
11. All Rights of Action against any person or Entity for recovery of accounts receivable or enforcement of contractual obligations.
12. All Rights of Action against any federal, state, local or foreign taxing authority, including without limitation, for the recovery of tax credits, refunds, overpayments or other payments are retained and included in the Liquidation Trust Assets to the extent such Rights of Action have not been otherwise sold or transferred to Methodist and are not capable of being setoff to reduce any claim of a taxing authority.
13. All Rights of Action arising under or related to any policy of insurance against any insurer, such insurer's agents, affiliates, related Entities, principals, officers and employees, or any other person or Entity.
14. All Rights of Action asserting alter ego, veil piercing, or reverse veil piercing.
15. All privileges, including the attorney-client, work-product and other privileges will belong to both the Liquidation Trust and the Debtor.

The Liquidation Trust and Liquidation Trustee shall continue to analyze all potential Rights of Action and take appropriate action, including, but not limited to, filing lawsuits in appropriate venues. The Debtor does not waive any Rights of Action, counterclaims, or defenses that may exist. Nor shall conditional approval of the Disclosure Statement prejudice the Liquidation Trust's, as applicable, right to assert any claims and causes of action not identified herein, and all such claims and causes of action are expressly reserved and preserved.

**EXHIBIT 2**  
**OWNERSHIP STRUCTURE**

# Forest Park Medical Center at Southlake, LLC Ownership Structure





**EXHIBIT 3**  
**PRE-PETITION TRANSFERS**

# EXHIBIT A

**SOFA 2.3 CERTAIN PAYMENTS OR TRANSFERS TO CREDITORS WITHIN 90 DAYS BEFORE FILING THIS CASE**

[illegible]

**EXHIBIT A**

	<b>CREDITOR'S NAME AND ADDRESS</b>	<b>REASON FOR PAYMENT OR TRANSFER</b>	<b>DATE OF PAYMENT/TRANSFER (MM/DD/YYYY)</b>	<b>TOTAL AMOUNT OR VALUE \$</b>
7.	ATMOS ENERGY PO BOX 790311 ST LOUIS, MO 63179-0311	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	11/13/2015 12/16/2015 12/28/2015	\$13,282 \$3,986 \$19,402
	<b>ATMOS ENERGY Total</b>			\$36,670
8.	BACTERIN INTERNATIONAL INC DEPT CH16872 PALATINE, IL 60055-6872	SUPPLIERS OR VENDORS	12/18/2015	\$6,985
	<b>BACTERIN INTERNATIONAL INC Total</b>			\$6,985
9.	BAXTER HEALTHCARE CORP PO BOX 730531 DALLAS, TX 75373	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	10/23/2015 10/29/2015 12/2/2015 12/15/2015 12/16/2015 1/5/2016	\$10,754 \$2,609 \$7,101 \$456 \$15,409 \$6,622
	<b>BAXTER HEALTHCARE CORP Total</b>			\$42,951
10.	BIO RAD PO BOX 849740 LOS ANGELES, CA 90084-9740	SUPPLIERS OR VENDORS	10/28/2015	\$9,524
	<b>BIO RAD Total</b>			\$9,524
11.	BLUECROSS BLUE SHIELD PO BOX 660044 DALLAS, TX 75266-0044	INSURANCE REFUND INSURANCE REFUND	1/8/2016 1/8/2016	\$616 \$4,661
	<b>BLUECROSS BLUE SHIELD Total</b>			\$5,277
12.	CARDINAL HEALTH PO BOX 730112 DALLAS, TX 75373-0112	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	10/23/2015 11/13/2015 12/18/2015 12/18/2015	\$714 \$3,898 \$3,500 \$1,787
	<b>CARDINAL HEALTH Total</b>			\$9,899
13.	CARDINAL HEALTH MEDICAL PO BOX 730112 DALLAS, TX 75373-0112	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	10/23/2015 11/4/2015 11/20/2015 11/27/2015 12/4/2015 12/11/2015 12/24/2015 12/31/2015	\$3,500 \$7,000 \$3,500 \$3,500 \$3,500 \$3,500 \$3,500 \$3,500
	<b>CARDINAL HEALTH MEDICAL Total</b>			\$31,500
14.	CARDINAL HEALTH PHARMACY SOLUTIONS 21377 NETWORK PLACE CHICAGO, IL 60673	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	11/13/2015 12/11/2015 12/17/2015	\$16,844 \$16,544 \$3,344
	<b>CARDINAL HEALTH PHARMACY SOLUTIONS Total</b>			\$36,732
15.	CAREFUSION SOLUTIONS LLC 25082 NETWORK PLACE CHICAGO, IL 60673-1250	SERVICES SERVICES SERVICES	10/23/2015 12/16/2015 12/31/2015	\$25,757 \$24,280 \$22,960
	<b>CAREFUSION SOLUTIONS LLC Total</b>			\$72,997

**EXHIBIT A**

	CREDITOR'S NAME AND ADDRESS	REASON FOR PAYMENT OR TRANSFER	DATE OF PAYMENT/TRANSFER (MM/DD/YYYY)	TOTAL AMOUNT OR VALUE \$
16.	CARTER BLOODCARE PO BOX 916068 FORT WORTH, TX 76191-6068	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	10/29/2015 11/12/2015 12/3/2015	\$924 \$5,809 \$2,537
	<b>CARTER BLOODCARE Total</b>			\$9,270
17.	CHAMPION ENERGY SERVICES LLC PO BOX 4190 FORT WORTH, TX 77210-4190	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	10/29/2015 11/13/2015 12/11/2015 12/28/2015	\$969 \$41,782 \$36,117 \$1,135
	<b>CHAMPION ENERGY SERVICES LLC Total</b>			\$80,003
18.	CITADEL OUTSOURCE GROUP LLC 162 IMPERIAL BLVD HENDERSONVILLE, TN 37075	SERVICES SERVICES SERVICES	11/13/2015 12/14/2015 12/28/2015	\$84,116 \$79,000 \$94,784
	<b>CITADEL OUTSOURCE GROUP LLC Total</b>			\$257,900
19.	CIT-DEBT 10201 CENTRION PKWY #100 JACKSONVILLE, FL 32256	SECURED DEBT SECURED DEBT SECURED DEBT	11/2/2015 12/1/2015 1/4/2016	\$51,110 \$51,110 \$51,110
	<b>CIT-DEBT Total</b>			\$153,330
20.	CITY OF SOUTHLAKE 1400 MAIN ST STE 200 SOUTHLAKE, TX 76092	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	11/4/2015 12/16/2015	\$4,459 \$4,516
	<b>CITY OF SOUTHLAKE Total</b>			\$8,975
21.	COLOPLAST CORP 1601 WEST RIVER ROAD NORTH MINNEAPOLIS, MN 55411	SUPPLIERS OR VENDORS; SERVICE	11/18/2015	\$7,225
	<b>COLOPLAST CORP Total</b>			\$7,225
22.	COMMERCE-DEBT ATTN EQUIPMENT FINANCE DEPT PO BOX 11309 ST LOUIS, MO 63105	SECURED DEBT SECURED DEBT	11/9/2015 12/8/2015	\$183,348 \$183,348
	<b>COMMERCE-DEBT Total</b>			\$366,696
23.	CONSENSUS ORTHOPEDICS INC PO BOX 843942 DALLAS, TX 75284	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	12/3/2015 12/11/2015	\$27,900 \$20,910
	<b>CONSENSUS ORTHOPEDICS INC Total</b>			\$48,810
24.	CR BARD INC PO BOX 75767 CHARLOTTE, NC 28275	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	10/22/2015 10/22/2015 10/23/2015 11/25/2015 11/27/2015 12/31/2015	\$9,981 \$30 \$4,952 \$8,482 \$421 \$3,604
	<b>CR BARD INC Total</b>			\$27,470
25.	CYBERONICS INC DELAWARE PO BOX 301303 DALLAS, TX 75303-1303	SUPPLIERS OR VENDORS	10/23/2015	\$33,974
	<b>CYBERONICS INC DELAWARE Total</b>			\$33,974

**EXHIBIT A**

	CREDITOR'S NAME AND ADDRESS	REASON FOR PAYMENT OR TRANSFER	DATE OF PAYMENT/TRANSFER (MM/DD/YYYY)	TOTAL AMOUNT OR VALUE \$
26.	DEPUY SYNTHES SALES INC PO BOX 32639 PALM BEACH GARDENS, FL 33420-2639	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	10/22/2015 10/23/2015 10/27/2015 11/6/2015 11/9/2015 11/11/2015 11/17/2015 11/19/2015 12/1/2015 12/2/2015 12/4/2015 12/7/2015 12/8/2015 12/9/2015 12/9/2015 12/10/2015 12/14/2015	\$13,360 \$67 \$5,249 \$8,934 \$23,859 \$16,228 \$7,329 \$5,249 \$7,329 \$5,249 \$7,329 \$7,329 \$7,329 \$7,329 \$5,249 \$7,329 \$22,130 \$13,360
	<b>DEPUY SYNTHES SALES INC Total</b>			\$162,908
27.	FISHER HEALTHCARE PO BOX 404705 ATLANTA, GA 30384-4705	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	11/13/2015 12/7/2015	\$1,704 \$10,000
	<b>FISHER HEALTHCARE Total</b>			\$11,704
28.	FOREST PARK SLEEP INSTITUTE LLC 11970 N CENTRAL EXPWY STE 640 DALLAS, TX 75243	SERVICES	11/20/2015	\$49,823
	<b>FOREST PARK SLEEP INSTITUTE LLC Total</b>			\$49,823
29.	GE 20225 WATERTOWER BLVD BROOKFIELD, WI 53045	SECURED DEBT SECURED DEBT SECURED DEBT SECURED DEBT SECURED DEBT SECURED DEBT SECURED DEBT SECURED DEBT SECURED DEBT SECURED DEBT SECURED DEBT SECURED DEBT SECURED DEBT SECURED DEBT SECURED DEBT SECURED DEBT SECURED DEBT SECURED DEBT SECURED DEBT SECURED DEBT	11/2/2015 11/2/2015 11/2/2015 11/2/2015 11/2/2015 12/1/2015 12/1/2015 12/1/2015 12/1/2015 12/1/2015 12/1/2015 12/1/2015 12/1/2015 12/1/2015 1/4/2016 1/4/2016 1/4/2016 1/4/2016 1/4/2016 1/4/2016	\$36,038 \$21,186 \$88,927 \$54,797 \$87,144 \$36,038 \$88,927 \$54,797 \$87,144 \$21,186 \$36,038 \$88,927 \$54,797 \$87,144 \$21,186 \$36,038 \$88,927 \$54,797 \$87,144 \$21,186
	<b>GE Total</b>			\$864,276
30.	GE CAPITAL INFORMATION PO BOX 740441 ATLANTA, GA 30374-0441	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	11/24/2015 11/25/2015	\$6,768 \$7,194
	<b>GE CAPITAL INFORMATION Total</b>			\$13,962
31.	GENZYME BIOSURGERY 62665 COLLECTIONS CENTER DRIVE CHICAGO, IL 60693-0626	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	10/26/2015 10/27/2015	\$5,541 \$8,312
	<b>GENZYME BIOSURGERY Total</b>			\$13,853
32.	HALYARD HEALTH INC PO BOX 732583 DALLAS, TX 75373-2583	SUPPLIERS OR VENDORS	11/19/2015	\$15,460
	<b>HALYARD HEALTH INC Total</b>			\$15,460
33.	HAYNES AND BOONE LLP 2323 VICTORY AVE # 700 DALLAS, TX 75219	SERVICES	11/20/2015	\$17,373
	<b>HAYNES AND BOONE LLP Total</b>			\$17,373

**EXHIBIT A**

	CREDITOR'S NAME AND ADDRESS	REASON FOR PAYMENT OR TRANSFER	DATE OF PAYMENT/TRANSFER (MM/DD/YYYY)	TOTAL AMOUNT OR VALUE \$
34.	HOLOGIC LP 24506 NETWORK PLACE CHICAGO, IL 60673-1245	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	11/17/2015 12/16/2015 12/29/2015	\$13,774 \$8,604 \$14,546
	<b>HOLOGIC LP Total</b>			\$36,924
35.	HTA HEALTHCARE TRUST AMERICA 16435 N SCOTTSDALE RD STE 320 SCOTTSDALE, AZ 85254	SUPPLIERS OR VENDORS	11/25/2015	\$81,461
	<b>HTA HEALTHCARE TRUST AMERICA Total</b>			\$81,461
36.	INPATIENT PHYSICIAN ASSOC PLLC 6901 SNIDER PLAZA #130 DALLAS, TX 75205 INPATIENT PHYSICIAN ASSOC PLLC	SERVICES SERVICES	11/16/2015 12/15/2015	\$65,000 \$65,000
	<b>INPATIENT PHYSICIAN ASSOC PLLC Total</b>			\$130,000
37.	INTEGRA LIFESCIENCES CORPORATION PO BOX 404129 ATLANTA, GA 30384-4129	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	10/26/2015 10/28/2015 11/20/2015 11/23/2015 12/4/2015 12/17/2015 12/18/2015	\$1,936 \$830 \$3,696 \$642 \$380 \$6,494 \$4,633
	<b>INTEGRA LIFESCIENCES CORPORATION Total</b>			\$18,611
38.	INTERSECT ENT INC 1555 ADAMS DRIVE MENLO PARK, CA 94025-1439	SUPPLIERS OR VENDORS	11/25/2015	\$14,600
	<b>INTERSECT ENT INC Total</b>			\$14,600
39.	INTUITIVE SURGICAL PO BOX 39000 SAN FRANCISCO, CA 94139	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	10/29/2015 12/4/2015 12/23/2015	\$9,897 \$51,583 \$60,000
	<b>INTUITIVE SURGICAL Total</b>			\$121,480
40.	J AND J HEALTH CARE SYSTEMS 5972 COLLECTIONS CENTER DR CHICAGO, IL 60693	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	12/2/2015 12/18/2015 12/30/2015	\$10,034 \$4,895 \$5,201
	<b>J AND J HEALTH CARE SYSTEMS Total</b>			\$20,130
41.	JOHNSON AND JOHNSON HEALTHCARE 5972 COLLECTIONS CENTER DR CHICAGO, IL 60693	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	10/23/2015 11/4/2015 11/6/2015 11/16/2015 11/16/2015 11/27/2015 12/4/2015 12/15/2015 12/16/2015 12/28/2015 12/29/2015 12/29/2015	\$4,869 \$6,143 \$41,525 \$6,338 \$13,369 \$1,746 \$13,026 \$2,965 \$27,176 \$19,072 \$880 \$5,802
	<b>JOHNSON AND JOHNSON HEALTHCARE Total</b>			\$142,911
42.	KARL STORZ PO BOX 41602 PHILADELPHIA, PA 19101	SECURED DEBT SECURED DEBT SECURED DEBT	10/21/2015 12/1/2015 12/16/2015	\$79,739 \$79,739 \$79,633
	<b>KARL STORZ Total</b>			\$239,111
43.	KLS MARTIN LP PO BOX 204322 DALLAS, TX 75320-4322	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	10/27/2015 12/17/2015	\$3,869 \$13,605
	<b>KLS MARTIN LP Total</b>			\$17,474

**EXHIBIT A**

	<b>CREDITOR'S NAME AND ADDRESS</b>	<b>REASON FOR PAYMENT OR TRANSFER</b>	<b>DATE OF PAYMENT/TRANSFER (MM/DD/YYYY)</b>	<b>TOTAL AMOUNT OR VALUE \$</b>
44.	L2 SURGICAL LLC 5710 LBJ FREEWAY STE 300 DALLAS, TX 75240	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	10/23/2015 12/22/2015	\$40,160 \$21,105
	<b>L2 SURGICAL LLC Total</b>			\$61,265
45.	LABORATORY CORP OF AMERICA HOLDING P O BOX 12140 BURLINGTON, NC 27216-2140	SERVICES SERVICES SERVICES SERVICES	10/26/2015 11/27/2015 12/24/2015 12/31/2015	\$14,902 \$7,925 \$39,626 \$22,080
	<b>LABORATORY CORP OF AMERICA HOLDING Total</b>			\$84,533
46.	LDR SPINE USA INC PO BOX 671716 DALLAS, TX 75267	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	12/15/2015 12/18/2015	\$19,400 \$9,500
	<b>LDR SPINE USA INC Total</b>			\$28,900
47.	LEVEL 3 COMMUNICATIONS LLC PO BOX 910182 DENVER, CO 80291-0182	SERVICES SERVICES SERVICES	10/29/2015 12/16/2015 12/28/2015	\$4,156 \$4,184 \$4,184
	<b>LEVEL 3 COMMUNICATIONS LLC Total</b>			\$12,524
48.	LIFECCELL CORPORATION PO BOX 301582 DALLAS, TX 75303-1582	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	10/26/2015 11/4/2015 11/6/2015 12/7/2015 12/18/2015	\$657 \$3,980 \$6,768 \$27,012 \$13,516
	<b>LIFECCELL CORPORATION Total</b>			\$51,933
49.	LIFENET HEALTH PO BOX 79636 BALTIMORE, MD 21279-0636	SUPPLIERS OR VENDORS	12/17/2015	\$44,544
	<b>LIFENET HEALTH Total</b>			\$44,544
50.	MACQUARIE 2285 FRANKLIN ROAD PO BOX 2017 BLOOMFIELD HILLS, MI 48303-2017	SECURED DEBT	11/30/2015	\$253,442
	<b>MACQUARIE Total</b>			\$253,442
51.	MACQUARIE DEBT 2285 FRANKLIN ROAD PO BOX 2017 BLOOMFIELD HILLS, MI 48303-2017 MACQUARIE DEBT	SECURED DEBT SECURED DEBT	11/2/2015 12/1/2015	\$79,945 \$79,945
	<b>MACQUARIE DEBT Total</b>			\$159,890



**EXHIBIT A**

	<b>CREDITOR'S NAME AND ADDRESS</b>	<b>REASON FOR PAYMENT OR TRANSFER</b>	<b>DATE OF PAYMENT/TRANSFER (MM/DD/YYYY)</b>	<b>TOTAL AMOUNT OR VALUE \$</b>
52.	MATHESON TRI GAS INC PO BOX 123028 DALLAS, TX 75312	SUPPLIERS OR VENDORS	11/27/2015	\$11,009
	<b>MATHESON TRI GAS INC Total</b>			\$11,009
53.	MEDASSETS LOCKBOX #742081 6000 FELDWOOD ROAD COLLEGE PARK, GA 30349	SERVICES SERVICES SERVICES SERVICES	10/29/2015 11/6/2015 11/24/2015 12/11/2015	\$5,051 \$6,215 \$2,383 \$4,517
	<b>MEDASSETS Total</b>			\$18,166
54.	MEDICAL INFORMATION TECHNOLOGY INC PO BOX 74569 CHICAGO, IL 60696	SERVICES SERVICES	11/6/2015 12/11/2015	\$19,440 \$22,250
	<b>MEDICAL INFORMATION TECHNOLOGY INC Total</b>			\$41,690
55.	MEDIVATORS INC PO BOX 1450 MINNEAPOLIS, MN 55485	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	10/29/2015 11/16/2015 11/23/2015 12/15/2015	\$1,251 \$17,104 \$3,524 \$830
	<b>MEDIVATORS INC Total</b>			\$22,709
56.	MEDLINE INDUSTRIES ATTN LOCKBOX 382075 500 ROSS ST RM 154-0460 PITTSBURGH, PA 15262-0001	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	10/29/2015 11/9/2015 11/13/2015 11/16/2015 11/17/2015 11/23/2015 12/3/2015 12/14/2015 12/17/2015 12/18/2015 12/18/2015 12/24/2015 12/29/2015 1/8/2016	\$75,000 \$62,434 \$69,076 \$75,000 \$32,899 \$60,000 \$100,000 \$100,000 \$50,000 \$69,076 \$50,000 \$75,000 \$50,000 \$75,000
	<b>MEDLINE INDUSTRIES Total</b>			\$943,485
57.	MEDTRONIC USA PO BOX 848086 DALLAS, TX 75284-8086	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	10/23/2015 10/29/2015 11/6/2015 11/20/2015 11/24/2015 12/4/2015 12/4/2015 12/15/2015 12/18/2015 12/18/2015 12/22/2015 12/29/2015	\$2,364 \$740 \$2,364 \$1,518 \$20,376 \$1,323 \$1,138 \$2,784 \$2,364 \$2,364 \$8,925 \$6,125
	<b>MEDTRONIC USA Total</b>			\$52,385

**EXHIBIT A**

	<b>CREDITOR'S NAME AND ADDRESS</b>	<b>REASON FOR PAYMENT OR TRANSFER</b>	<b>DATE OF PAYMENT/TRANSFER (MM/DD/YYYY)</b>	<b>TOTAL AMOUNT OR VALUE \$</b>
58.	MEDTRONIC USA INC 4642 COLLECTIONS CENTER DR CHICAGO, IL 60693-0046	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	10/23/2015 11/6/2015 11/16/2015 11/20/2015 11/24/2015 12/4/2015 12/15/2015 12/31/2015	\$2,364 \$2,364 \$5,950 \$3,210 \$7,800 \$3,589 \$4,320 \$1,528
	<b>MEDTRONIC USA INC Total</b>			\$31,125
59.	MENTOR WORLDWIDE LLC 15600 COLLECTIONS CENTER DR CHICAGO, IL 60693	SUPPLIERS OR VENDORS	11/5/2015	\$8,900
	<b>MENTOR WORLDWIDE LLC Total</b>			\$8,900
60.	MICROAIRE SURGICAL INSTRUMENTS LOCKBOX 96565 CHICAGO, IL 60693	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	10/21/2015 11/25/2015	\$4,556 \$12,349
	<b>MICROAIRE SURGICAL INSTRUMENTS Total</b>			\$16,905
61.	MICROLINE SURGICAL INC 50 DUNHAM RD STE 1500 BEVERLY, MA 01915	SUPPLIERS OR VENDORS	12/29/2015	\$6,500
	<b>MICROLINE SURGICAL INC Total</b>			\$6,500
62.	MUSCULOSKELETAL TRANSPLANT PO BOX 415911 BOSTON, MA 02241	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	11/12/2015 11/25/2015 12/29/2015	\$20,181 \$4,629 \$6,916
	<b>MUSCULOSKELETAL TRANSPLANT Total</b>			\$31,726
63.	NUVASIVE FILE #50678 LOS ANGELES, CA 90074-0678	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	11/18/2015 11/23/2015	\$20,234 \$23,386
	<b>NUVASIVE Total</b>			\$43,620
64.	OCEAN FRESH LAUNDRIES INC 6805 WILD RIDGE COURT PLANO, TX 75024	SERVICES SERVICES SERVICES	10/30/2015 12/3/2015 12/22/2015	\$10,152 \$12,068 \$11,462
	<b>OCEAN FRESH LAUNDRIES INC Total</b>			\$33,682
65.	OLYMPUS AMERICA 3500 CORPORATE PARKWAY PO BOX 610 CENTER VALLEY, PA 18034-0610	SUPPLIERS OR VENDORS	12/18/2015	\$18,320
	<b>OLYMPUS AMERICA Total</b>			\$18,320

**EXHIBIT A**

	CREDITOR'S NAME AND ADDRESS	REASON FOR PAYMENT OR TRANSFER	DATE OF PAYMENT/TRANSFER (MM/DD/YYYY)	TOTAL AMOUNT OR VALUE \$
66.	OLYMPUS AMERICA INC PO BOX 120600 DALLAS, TX 75312-0600	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SECURED DEBT SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SECURED DEBT SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SECURED DEBT	10/23/2015 10/23/2015 10/26/2015 10/27/2015 10/28/2015 10/28/2015 11/2/2015 11/18/2015 11/19/2015 11/19/2015 11/20/2015 12/1/2015 12/4/2015 12/7/2015 1/4/2016	\$5,524 \$18,320 \$10,785 \$885 \$452 \$279 \$95,387 \$11,268 \$452 \$846 \$18,320 \$95,387 \$126 \$3 \$95,387
	<b>OLYMPUS AMERICA INC Total</b>			\$353,421
67.	OPERATIVE MEDICAL SOLUTIONS LLC 6732 TRINITY LANDING DR NORTH FORT WORTH, TX 76132	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	11/9/2015 12/15/2015	\$5,600 \$11,200
	<b>OPERATIVE MEDICAL SOLUTIONS LLC Total</b>			\$16,800
68.	PAYMENTECH FEE 14221 DALLAS PKWY DALLAS, TX 75254	CREDIT CARD FEES CREDIT CARD FEES CREDIT CARD FEES	11/3/2015 12/3/2015 1/5/2016	\$3,148 \$3,615 \$8,606
	<b>PAYMENTECH FEE Total</b>			\$15,369
69.	PHARMEDIUM HEALTHCARE CORP 39797 TREASUREY CENTER CHICAGO, IL 60694-3900	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	12/11/2015 12/24/2015	\$8,193 \$10,874
	<b>PHARMEDIUM HEALTHCARE CORP Total</b>			\$19,067
70.	PRECYSE SOLUTIONS LLC PO BOX 11407 BIRMINGHAM, AL 35246-1736	SERVICES SERVICES SERVICES SERVICES SERVICES SERVICES SERVICES SERVICES SERVICES SERVICES	10/30/2015 11/6/2015 11/13/2015 11/20/2015 11/27/2015 12/9/2015 12/14/2015 12/23/2015 12/31/2015 1/8/2016	\$25,472 \$6,314 \$13,138 \$6,314 \$13,138 \$6,314 \$19,452 \$13,138 \$6,824 \$6,824
	<b>PRECYSE SOLUTIONS LLC Total</b>			\$116,928
71.	RADIOLOGY RESOURCE INC 5050 QUORUM DR STE 700 DALLAS, TX 75254	SERVICES SERVICES	11/17/2015 12/21/2015	\$7,620 \$5,700
	<b>RADIOLOGY RESOURCE INC Total</b>			\$13,320
72.	RANJIT R NAIR MD 7505 GLENVIEW DR STE G NORTH RICHLAND HILLS, TX 76180	SERVICES SERVICES SERVICES	10/22/2015 11/5/2015 12/17/2015	\$750 \$4,950 \$1,150
	<b>RANJIT R NAIR MD Total</b>			\$6,850

**EXHIBIT A**

	<b>CREDITOR'S NAME AND ADDRESS</b>	<b>REASON FOR PAYMENT OR TRANSFER</b>	<b>DATE OF PAYMENT/TRANSFER (MM/DD/YYYY)</b>	<b>TOTAL AMOUNT OR VALUE \$</b>
73.	SMITH AND NEPHEW ENDOSCOPY DIVISION PO BOX 60333 CHARLOTTE, NC 28260-0333	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	11/4/2015 11/13/2015 12/3/2015 12/16/2015 12/24/2015	\$10,000 \$60,226 \$10,000 \$18,620 \$10,000
	<b>SMITH AND NEPHEW ENDOSCOPY DIVISION Total</b>			\$108,846
74.	SMITH AND NEPHEW INC PO BOX 951605 DALLAS, TX 75395-1605	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	11/4/2015 11/13/2015 12/3/2015 12/11/2015 12/24/2015	\$40,000 \$103,768 \$40,000 \$91,948 \$40,000
	<b>SMITH AND NEPHEW INC Total</b>			\$315,716
75.	SPINALGRAFT TECHNOLOGIES PO BOX 848086 DALLAS, TX 75284-8086	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	10/21/2015 10/22/2015 10/23/2015 11/12/2015 11/13/2015 12/15/2015 12/15/2015 12/15/2015 12/16/2015	\$308 \$1,308 \$4,200 \$2,297 \$2,297 \$689 \$2,605 \$720 \$11,287
	<b>SPINALGRAFT TECHNOLOGIES Total</b>			\$25,711
76.	ST JUDE MEDICAL INC 22400 NETWORK PLACE CHICAGO, IL 60673-1224	SUPPLIERS OR VENDORS	11/16/2015	\$30,685
	<b>ST JUDE MEDICAL INC Total</b>			\$30,685
77.	STAPLES BUSINESS ADVANTAGE PO BOX 83689 CHICAGO, IL 60696-3689 STAPLES BUSINESS ADVANTAGE	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	10/23/2015 11/23/2015	\$8,669 \$7,127
	<b>STAPLES BUSINESS ADVANTAGE Total</b>			\$15,796
78.	STERILE COMPOUNDING OF AMERICA 8821 KNOEDL COURT LITTLE ROCK, AZ 72205	SERVICES	11/5/2015	\$8,603
	<b>STERILE COMPOUNDING OF AMERICA Total</b>			\$8,603
79.	STRYKER ORTHOPAEDICS PO BOX 93213 CHICAGO, IL 60673-3213	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	10/27/2015 12/7/2015 12/16/2015	\$13,810 \$9,255 \$17,195
	<b>STRYKER ORTHOPAEDICS Total</b>			\$40,260
80.	SUPPLEMENTAL HEALTH CARE PO BOX 27124 SALT LAKE CITY, UT 84127-0124	SERVICES SERVICES	12/4/2015 12/23/2015	\$4,233 \$5,494
	<b>SUPPLEMENTAL HEALTH CARE Total</b>			\$9,727

**EXHIBIT A**

	CREDITOR'S NAME AND ADDRESS	REASON FOR PAYMENT OR TRANSFER	DATE OF PAYMENT/TRANSFER (MM/DD/YYYY)	TOTAL AMOUNT OR VALUE \$
81.	SYNTHESE PO BOX 8538-662 PHILADELPHIA, PA 19171-0662	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	10/22/2015 10/22/2015 10/23/2015 11/4/2015 11/10/2015 11/12/2015 11/17/2015 11/24/2015 11/24/2015 11/27/2015 12/4/2015 12/7/2015 12/18/2015 12/22/2015	\$1,875 \$1,309 \$5,545 \$15,966 \$250 \$4,522 \$2,043 \$5,092 \$1,210 \$1,622 \$1,331 \$8,847 \$18,835 \$1,544
	<b>SYNTHESE Total</b>			\$69,991
82.	TELEFLEX MEDICAL INC PO BOX 601608 CHARLOTTE, NC 28260-1608	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	10/23/2015 11/23/2015 11/27/2015 12/15/2015	\$2,889 \$2,515 \$2,924 \$4,882
	<b>TELEFLEX MEDICAL INC Total</b>			\$13,210
83.	TERUMO BCT INC PO BOX 841733 DALLAS, TX 75284-1733	SUPPLIERS OR VENDORS	12/22/2015	\$14,884
	<b>TERUMO BCT INC Total</b>			\$14,884
84.	TEXAS CAPITAL BA LOAN TRANS 9900 ATTN: CAROL ROBB 500 THROCKMORTON SUITE 300 FORT WORTH, TX 76102	SECURED DEBT SECURED DEBT BANK TRANSFER FEE	11/4/2015 11/4/2015 11/16/2015	\$17,517 \$35,034 \$100
	<b>TEXAS CAPITAL BA LOAN TRANS 9900 Total</b>			\$52,651
85.	TEXAS CAPITAL BA TCB LEASE ATTN: CAROL ROBB 500 THROCKMORTON SUITE 300 FORT WORTH, TX 76102	SECURED DEBT SECURED DEBT SECURED DEBT	11/2/2015 12/1/2015 1/4/2016	\$95,788 \$95,788 \$95,788
	<b>TEXAS CAPITAL BA TCB LEASE Total</b>			\$287,364
86.	THE MARENA GROUP 650 PROGRESS INDUSTRIAL BLVD LAWRENCEVILLE, GA 30043	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	11/4/2015 11/17/2015	\$2,017 \$5,408
	<b>THE MARENA GROUP Total</b>			\$7,425
87.	THE SSI GROUP INC PO BOX 11407 BIRMINGHAM, AL 35246-2455	SERVICES	11/25/2015	\$6,484
	<b>THE SSI GROUP INC Total</b>			\$6,484
88.	TOSOH BIOSCIENCE INC PO BOX 712415 CINCINNATI, OH 45271-2415	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	11/18/2015 11/19/2015 12/4/2015 12/29/2015	\$4,316 \$4,600 \$1,420 \$2,191
	<b>TOSOH BIOSCIENCE INC Total</b>			\$12,527

**EXHIBIT A**

	<b>CREDITOR'S NAME AND ADDRESS</b>	<b>REASON FOR PAYMENT OR TRANSFER</b>	<b>DATE OF PAYMENT/TRANSFER (MM/DD/YYYY)</b>	<b>TOTAL AMOUNT OR VALUE \$</b>
89.	UNISOURCE WORLDWIDE dba XPEDX LLC PO BOX 677319 DALLAS, TX 75267-7319	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	10/23/2015 11/5/2015	\$3,682 \$3,933
	<b>UNISOURCE WORLDWIDE Total</b>			\$7,615
90.	UNIVERSAL PROTECTION SERVICE LP PO BOX 101034 PASADENA, CA 91189-1034	SERVICES	12/22/2015	\$28,456
	<b>UNIVERSAL PROTECTION SERVICE LP Total</b>			\$28,456
91.	VALLEY SERVICES INC PO BOX 742992 ATLANTA, GA 30374-2992	SERVICES SERVICES SERVICES SERVICES SERVICES	11/4/2015 11/16/2015 12/4/2015 12/11/2015 12/24/2015	\$50,000 \$50,000 \$50,000 \$50,000 \$50,000
	<b>VALLEY SERVICES INC Total</b>			\$250,000
92.	WERFEN USA LLC PO BOX 347934 PITTSBURGH, PA 15251-4934	SERVICES SERVICES SERVICES SERVICES	11/18/2015 11/20/2015 12/4/2015 12/18/2015	\$242 \$13,483 \$173 \$4,905
	<b>WERFEN USA LLC Total</b>			\$18,803
93.	WRIGHT MEDICAL TECHNOLOGY INC ATTN TRACEY NELSON AR 123 CHERRY ROAD MEMPHIS, TN 38117	SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS SUPPLIERS OR VENDORS	11/5/2015 11/19/2015 11/19/2015 12/15/2015 12/16/2015	\$8,043 \$7,102 \$1,414 \$1,112 \$10,780
	<b>WRIGHT MEDICAL TECHNOLOGY INC Total</b>			\$28,451
94.	ZIMMER US INC 14235 COLLECTION CENTER DR CHICAGO, IL 60693	SUPPLIERS OR VENDORS	12/23/2015	\$23,656
	<b>ZIMMER US INC Total</b>			\$23,656
			<b>GRAND TOTAL:</b>	<b>\$7,860,868</b>

**SOFA 2.4 PAYMENTS OR OTHER TRANSFERS OF PROPERTY MADE WITHIN 1 YEAR BEFORE FILING THIS CASE  
THAT BENEFITED ANY INSIDER**

ITEM	INSIDER'S NAME ADDRESS	RELATIONSHIP TO DEBTOR	REASON FOR PAYMENT OR TRANSFER	DATE OF PAYMENT OR TRANSFER (MM/DD/YYYY)	TOTAL AMOUNT OR VALUE \$
1.	CHARLES NASEM 421 EAST TEXAS 114 FRONTAGE ROAD SOUTHLAKE, TX 76092	CEO	PAYROLL	1/23/2015	\$10,770
			PAYROLL	2/6/2015	\$10,770
			EXPENSE		
			REIMBURSEMENT	2/20/2015	\$270
			PAYROLL	2/20/2015	\$10,770
			PAYROLL	3/6/2015	\$10,770
			PAYROLL	3/20/2015	\$10,770
			EXPENSE		
			REIMBURSEMENT	3/26/2015	\$120
			PAYROLL	4/3/2015	\$10,770
			EXPENSE		
			REIMBURSEMENT	4/17/2015	\$38,741
			PAYROLL	4/17/2015	\$10,770
			PAYROLL	5/1/2015	\$10,770
			PAYROLL	5/15/2015	\$10,770
			PAYROLL	5/29/2015	\$10,770
			EXPENSE		
			REIMBURSEMENT	6/12/2015	\$240
			PAYROLL	6/12/2015	\$10,770
			PAYROLL	6/16/2015	\$10,770
			PAYROLL	7/10/2015	\$10,770
			EXPENSE		
			REIMBURSEMENT	7/23/2015	\$120
			PAYROLL	7/24/2015	\$10,770
			PAYROLL	8/7/2015	\$10,770
			PAYROLL	8/21/2015	\$10,770
			EXPENSE		
			REIMBURSEMENT	9/4/2015	\$120
			PAYROLL	9/4/2015	\$10,770
			EXPENSE		
			REIMBURSEMENT	9/18/2015	\$120
			PAYROLL	9/18/2015	\$10,770
			PAYROLL	10/2/2015	\$10,770
			EXPENSE		
			REIMBURSEMENT	10/15/2015	\$120
			PAYROLL	10/16/2015	\$10,770
			PAYROLL	10/30/2015	\$10,770
			PAYROLL	11/13/2015	\$10,770
			EXPENSE		
			REIMBURSEMENT	11/19/2015	\$140
			PAYROLL	11/27/2015	\$10,770
			EXPENSE		
			REIMBURSEMENT	12/3/2015	\$120
			PAYROLL	12/11/2015	\$10,770
			PAYROLL	12/25/2015	\$10,770
			PAYROLL	1/8/2016	\$10,770
	<b>CHARLES NASEM TOTAL:</b>				<b>\$320,131</b>

ITEM	INSIDER'S NAME ADDRESS	RELATIONSHIP TO DEBTOR	REASON FOR PAYMENT OR TRANSFER	DATE OF PAYMENT OR TRANSFER (MM/DD/YYYY)	TOTAL AMOUNT OR VALUE \$
2.	DAWN BELJIN 421 EAST TEXAS 114 FRONTAGE ROAD SOUTHLAKE, TX 76092	COO	PAYROLL	1/23/2015	\$7,512
			EXPENSE		
			REIMBURSEMENT	2/5/2015	\$266
			PAYROLL	2/6/2015	\$7,512
			PAYROLL	2/20/2015	\$7,512
			EXPENSE		
			REIMBURSEMENT	3/6/2015	\$217
			PAYROLL	3/6/2015	\$7,512
			PAYROLL	3/20/2015	\$7,512
			EXPENSE		
			REIMBURSEMENT	3/26/2015	\$768
			PAYROLL	4/3/2015	\$7,754
			PAYROLL	4/17/2015	\$7,754
			EXPENSE		
			REIMBURSEMENT	4/30/2015	\$117
			PAYROLL	5/1/2015	\$7,754
			EXPENSE		
			REIMBURSEMENT	5/14/2015	\$117
			PAYROLL	5/15/2015	\$7,754
			PAYROLL	5/29/2015	\$7,754
			PAYROLL	6/12/2015	\$7,754
			PAYROLL	6/16/2015	\$7,754
			EXPENSE		
			REIMBURSEMENT	7/9/2015	\$118
			PAYROLL	7/10/2015	\$7,754
			PAYROLL	7/24/2015	\$7,754
			EXPENSE		
			REIMBURSEMENT	8/7/2015	\$215
			PAYROLL	8/7/2015	\$7,754
			PAYROLL	8/21/2015	\$7,754
			EXPENSE		
			REIMBURSEMENT	9/4/2015	\$159
			PAYROLL	9/4/2015	\$7,754
			PAYROLL	9/18/2015	\$7,754
			PAYROLL	10/2/2015	\$7,754
			EXPENSE		
			REIMBURSEMENT	10/8/2015	\$365
			PAYROLL	10/16/2015	\$7,754
			PAYROLL	10/30/2015	\$7,754
			EXPENSE		
			REIMBURSEMENT	11/5/2015	\$503
			PAYROLL	11/13/2015	\$7,754
			PAYROLL	11/27/2015	\$7,754
			EXPENSE		
			REIMBURSEMENT	12/3/2015	\$119
			PAYROLL	12/11/2015	\$7,754
			EXPENSE		
			REIMBURSEMENT	12/22/2015	\$2,649
			PAYROLL	12/25/2015	\$7,754
			EXPENSE		
			REIMBURSEMENT	12/30/2015	\$523
			PAYROLL	1/8/2016	\$7,754
			<b>DAWN BELJIN TOTAL:</b>		<b>\$206,530</b>



ITEM	INSIDER'S NAME ADDRESS	RELATIONSHIP TO DEBTOR	REASON FOR PAYMENT OR TRANSFER	DATE OF PAYMENT OR TRANSFER (MM/DD/YYYY)	TOTAL AMOUNT OR VALUE \$
3.	DFW LITHOTRIPSY 6339 E SPEEDWAY BLVD STE 201 TUCSON, AZ 75243	COMPANY OWNED BY PHYSICIAN OWNER	KIDNEY STONE SHOCK WAVE THERAPY	1/23/2015	\$31,000
			KIDNEY STONE SHOCK WAVE THERAPY	1/30/2015	\$31,000
			KIDNEY STONE SHOCK WAVE THERAPY	2/6/2015	\$93,000
			KIDNEY STONE SHOCK WAVE THERAPY	3/2/2015	\$31,000
			KIDNEY STONE SHOCK WAVE THERAPY	3/6/2015	\$32,928
			KIDNEY STONE SHOCK WAVE THERAPY	3/13/2015	\$32,400
			KIDNEY STONE SHOCK WAVE THERAPY	3/20/2015	\$32,400
			KIDNEY STONE SHOCK WAVE THERAPY	3/27/2015	\$32,400
			KIDNEY STONE SHOCK WAVE THERAPY	4/3/2015	\$32,400
			KIDNEY STONE SHOCK WAVE THERAPY	4/10/2015	\$32,400
			KIDNEY STONE SHOCK WAVE THERAPY	4/17/2015	\$32,400
			KIDNEY STONE SHOCK WAVE THERAPY	4/24/2015	\$32,400
			KIDNEY STONE SHOCK WAVE THERAPY	5/1/2015	\$32,400
			KIDNEY STONE SHOCK WAVE THERAPY	5/8/2015	\$32,400
			KIDNEY STONE SHOCK WAVE THERAPY	5/15/2015	\$32,400
			KIDNEY STONE SHOCK WAVE THERAPY	5/22/2015	\$32,400
			KIDNEY STONE SHOCK WAVE THERAPY	6/12/2015	\$32,147
			KIDNEY STONE SHOCK WAVE THERAPY	6/15/2015	\$32,400
			KIDNEY STONE SHOCK WAVE THERAPY	6/19/2015	\$32,400
			KIDNEY STONE SHOCK WAVE THERAPY	6/26/2015	\$33,481
			KIDNEY STONE SHOCK WAVE THERAPY	7/17/2015	\$32,400
			KIDNEY STONE SHOCK WAVE THERAPY	8/18/2015	\$32,400
			KIDNEY STONE SHOCK WAVE THERAPY	8/28/2015	\$32,400
			KIDNEY STONE SHOCK WAVE THERAPY	9/4/2015	\$32,400
			KIDNEY STONE SHOCK WAVE THERAPY	9/11/2015	\$32,400
			KIDNEY STONE SHOCK WAVE THERAPY	9/18/2015	\$32,400
			KIDNEY STONE SHOCK WAVE THERAPY	10/9/2015	\$97,200
			KIDNEY STONE SHOCK WAVE THERAPY	10/16/2015	\$32,400
			KIDNEY STONE SHOCK WAVE THERAPY	10/23/2015	\$32,400

ITEM	INSIDER'S NAME ADDRESS	RELATIONSHIP TO DEBTOR	REASON FOR PAYMENT OR TRANSFER	DATE OF PAYMENT OR TRANSFER (MM/DD/YYYY)	TOTAL AMOUNT OR VALUE \$
	DFW LITHOTRIPSY (continued)		KIDNEY STONE SHOCK WAVE THERAPY	11/5/2015	\$32,400
			KIDNEY STONE SHOCK WAVE THERAPY	11/16/2015	\$32,400
			KIDNEY STONE SHOCK WAVE THERAPY	11/19/2015	\$32,400
			KIDNEY STONE SHOCK WAVE THERAPY	11/20/2015	\$32,400
			KIDNEY STONE SHOCK WAVE THERAPY	12/4/2015	\$32,400
			KIDNEY STONE SHOCK WAVE THERAPY	12/18/2015	\$32,400
			KIDNEY STONE SHOCK WAVE THERAPY	12/31/2015	\$32,400
			KIDNEY STONE SHOCK WAVE THERAPY	1/11/2016	\$32,400
	DFW LITHOTRIPSY TOTAL:				\$1,321,356

ITEM	INSIDER'S NAME ADDRESS	RELATIONSHIP TO DEBTOR	REASON FOR PAYMENT OR TRANSFER	DATE OF PAYMENT OR TRANSFER (MM/DD/YYYY)	TOTAL AMOUNT OR VALUE \$
4.	FMPC-DALLAS 1222 N. CENTRAL EXPY DALLAS, TX 75243	INTERCOMPANY	INTERCOMPANY EXPENSE REIMBURSEMENT	1/31/2015	\$400,000
			INTERCOMPANY EXPENSE REIMBURSEMENT	1/31/2015	\$70,000
			INTERCOMPANY EXPENSE REIMBURSEMENT	1/31/2015	\$47
			INTERCOMPANY EXPENSE REIMBURSEMENT	1/31/2015	\$61
			INTERCOMPANY EXPENSE REIMBURSEMENT	1/31/2015	\$51
			INTERCOMPANY EXPENSE REIMBURSEMENT	1/31/2015	\$150
			INTERCOMPANY EXPENSE REIMBURSEMENT	1/31/2015	\$93,000
			INTERCOMPANY EXPENSE REIMBURSEMENT	2/28/2015	\$92,000
			INTERCOMPANY EXPENSE REIMBURSEMENT	2/28/2015	\$62,000
			INTERCOMPANY EXPENSE REIMBURSEMENT	2/28/2015	\$24,000
			INTERCOMPANY EXPENSE REIMBURSEMENT	2/28/2015	\$185,510
			INTERCOMPANY EXPENSE REIMBURSEMENT	2/28/2015	\$1,682
			INTERCOMPANY EXPENSE REIMBURSEMENT	2/28/2015	\$1,669
			INTERCOMPANY EXPENSE REIMBURSEMENT	2/28/2015	\$11
			INTERCOMPANY EXPENSE REIMBURSEMENT	2/28/2015	\$234
			INTERCOMPANY EXPENSE REIMBURSEMENT	2/28/2015	\$75
			INTERCOMPANY EXPENSE REIMBURSEMENT	3/31/2015	\$66,000
			INTERCOMPANY EXPENSE REIMBURSEMENT	3/31/2015	\$92,000
			INTERCOMPANY EXPENSE REIMBURSEMENT	3/31/2015	\$4,709
			INTERCOMPANY EXPENSE REIMBURSEMENT	3/31/2015	\$4,601

ITEM	INSIDER'S NAME ADDRESS	RELATIONSHIP TO DEBTOR	REASON FOR PAYMENT OR TRANSFER	DATE OF PAYMENT OR TRANSFER (MM/DD/YYYY)	TOTAL AMOUNT OR VALUE \$
	FMPC-DALLAS (continued)		INTERCOMPANY EXPENSE REIMBURSEMENT	4/30/2015	\$98,000
			INTERCOMPANY EXPENSE REIMBURSEMENT	4/30/2015	\$75,000
			INTERCOMPANY EXPENSE REIMBURSEMENT	4/30/2015	\$59,000
			INTERCOMPANY EXPENSE REIMBURSEMENT	4/30/2015	\$680
			INTERCOMPANY EXPENSE REIMBURSEMENT	4/30/2015	\$747
			INTERCOMPANY EXPENSE REIMBURSEMENT	4/30/2015	\$388
			INTERCOMPANY EXPENSE REIMBURSEMENT	4/30/2015	\$581
			INTERCOMPANY EXPENSE REIMBURSEMENT	5/31/2015	\$58,000
			INTERCOMPANY EXPENSE REIMBURSEMENT	5/31/2015	\$70,400
			INTERCOMPANY EXPENSE REIMBURSEMENT	5/31/2015	\$1
			INTERCOMPANY EXPENSE REIMBURSEMENT	6/30/2015	\$56,000
			INTERCOMPANY EXPENSE REIMBURSEMENT	6/30/2015	\$59,000
			INTERCOMPANY EXPENSE REIMBURSEMENT	6/30/2015	\$11
			INTERCOMPANY EXPENSE REIMBURSEMENT	6/30/2015	\$11
			INTERCOMPANY EXPENSE REIMBURSEMENT	6/30/2015	\$11
			INTERCOMPANY EXPENSE REIMBURSEMENT	6/30/2015	\$22
			INTERCOMPANY EXPENSE REIMBURSEMENT	6/30/2015	\$16,580
			INTERCOMPANY EXPENSE REIMBURSEMENT	6/30/2015	\$501
			INTERCOMPANY EXPENSE REIMBURSEMENT	6/30/2015	\$157
			INTERCOMPANY EXPENSE REIMBURSEMENT	6/30/2015	\$1,065

ITEM	INSIDER'S NAME ADDRESS	RELATIONSHIP TO DEBTOR	REASON FOR PAYMENT OR TRANSFER	DATE OF PAYMENT OR TRANSFER (MM/DD/YYYY)	TOTAL AMOUNT OR VALUE \$
	FMPC-DALLAS (continued)		INTERCOMPANY EXPENSE REIMBURSEMENT	7/31/2015	\$133,451
			INTERCOMPANY EXPENSE REIMBURSEMENT	7/31/2015	\$1,523
			INTERCOMPANY EXPENSE REIMBURSEMENT	7/31/2015	\$72,500
			INTERCOMPANY EXPENSE REIMBURSEMENT	7/31/2015	\$66,500
			INTERCOMPANY EXPENSE REIMBURSEMENT	8/31/2015	\$150
			INTERCOMPANY EXPENSE REIMBURSEMENT	8/31/2015	\$150
			INTERCOMPANY EXPENSE REIMBURSEMENT	8/31/2015	\$150
			INTERCOMPANY EXPENSE REIMBURSEMENT	8/31/2015	\$450
			INTERCOMPANY EXPENSE REIMBURSEMENT	8/31/2015	\$38,000
			INTERCOMPANY EXPENSE REIMBURSEMENT	8/31/2015	\$63,000
			INTERCOMPANY EXPENSE REIMBURSEMENT	8/31/2015	\$65,500
			INTERCOMPANY EXPENSE REIMBURSEMENT	8/31/2015	\$10,527
			INTERCOMPANY EXPENSE REIMBURSEMENT	8/31/2015	\$249
			INTERCOMPANY EXPENSE REIMBURSEMENT	9/30/2015	\$65,500
			INTERCOMPANY EXPENSE REIMBURSEMENT	9/30/2015	\$75,500
			INTERCOMPANY EXPENSE REIMBURSEMENT	9/30/2015	\$79,200
			INTERCOMPANY EXPENSE REIMBURSEMENT	9/30/2015	\$28,000
			INTERCOMPANY EXPENSE REIMBURSEMENT	9/30/2015	\$194
			INTERCOMPANY EXPENSE REIMBURSEMENT	9/30/2015	\$102
			INTERCOMPANY EXPENSE REIMBURSEMENT	10/31/2015	\$17,022

ITEM	INSIDER'S NAME ADDRESS	RELATIONSHIP TO DEBTOR	REASON FOR PAYMENT OR TRANSFER	DATE OF PAYMENT OR TRANSFER (MM/DD/YYYY)	TOTAL AMOUNT OR VALUE \$
	FMPC-DALLAS (continued)		INTERCOMPANY EXPENSE REIMBURSEMENT	10/31/2015	\$2,130
			INTERCOMPANY EXPENSE REIMBURSEMENT	10/31/2015	\$2,153
			INTERCOMPANY EXPENSE REIMBURSEMENT	10/31/2015	\$2,168
			INTERCOMPANY EXPENSE REIMBURSEMENT	10/31/2015	\$88,600
			INTERCOMPANY EXPENSE REIMBURSEMENT	10/31/2015	\$74,800
			INTERCOMPANY EXPENSE REIMBURSEMENT	10/31/2015	\$6,450
			INTERCOMPANY EXPENSE REIMBURSEMENT	10/31/2015	\$998
			INTERCOMPANY EXPENSE REIMBURSEMENT	11/30/2015	\$134,000
			INTERCOMPANY EXPENSE REIMBURSEMENT	11/30/2015	\$138,448
			INTERCOMPANY EXPENSE REIMBURSEMENT	11/30/2015	\$34,431
			INTERCOMPANY EXPENSE REIMBURSEMENT	11/30/2015	\$21,720
			INTERCOMPANY EXPENSE REIMBURSEMENT	11/30/2015	\$52,195
			INTERCOMPANY EXPENSE REIMBURSEMENT	11/30/2015	\$81,461
			INTERCOMPANY EXPENSE REIMBURSEMENT	11/30/2015	\$49
			INTERCOMPANY EXPENSE REIMBURSEMENT	11/30/2015	\$21
			INTERCOMPANY EXPENSE REIMBURSEMENT	12/31/2015	\$189,000
			INTERCOMPANY EXPENSE REIMBURSEMENT	12/31/2015	\$116,181
			INTERCOMPANY EXPENSE REIMBURSEMENT	12/31/2015	\$95,014
			INTERCOMPANY EXPENSE REIMBURSEMENT	12/31/2015	\$9,256
			INTERCOMPANY EXPENSE REIMBURSEMENT	12/31/2015	\$49,003

ITEM	INSIDER'S NAME ADDRESS	RELATIONSHIP TO DEBTOR	REASON FOR PAYMENT OR TRANSFER	DATE OF PAYMENT OR TRANSFER (MM/DD/YYYY)	TOTAL AMOUNT OR VALUE \$
	FMPC-DALLAS (continued)		INTERCOMPANY EXPENSE REIMBURSEMENT	1/31/2016	\$104,305
			INTERCOMPANY EXPENSE REIMBURSEMENT	1/31/2016	\$273
			INTERCOMPANY EXPENSE REIMBURSEMENT	1/31/2016	\$12,943
			INTERCOMPANY EXPENSE REIMBURSEMENT	1/31/2016	\$3,673
			INTERCOMPANY EXPENSE REIMBURSEMENT	1/31/2016	\$103,006
			INTERCOMPANY EXPENSE REIMBURSEMENT	1/31/2016	\$42,230
	<b>FMPC-DALLAS TOTAL:</b>				<b>\$3,676,130</b>

ITEM	INSIDER'S NAME ADDRESS	RELATIONSHIP TO DEBTOR	REASON FOR PAYMENT OR TRANSFER	DATE OF PAYMENT OR TRANSFER (MM/DD/YYYY)	TOTAL AMOUNT OR VALUE \$
5.	FMPC-SERVICES 1222 N. CENTRAL EXPY DALLAS, TX 75243	INTERCOMPANY	SHARED SERVICES PAYROLL - DALLAS	1/21/2015	\$70,000
			SOUTHLAKE PAYROLL	1/21/2015	\$429,641
			CALLIDUS CAPITAL PAYMENT	1/23/2015	\$14,286
			SHARED SERVICES PAYROLL - DALLAS	2/4/2015	\$92,000
			SOUTHLAKE PAYROLL	2/4/2015	\$420,941
			SOUTHLAKE WAGE AND GARNISHMENT	2/4/2015	\$1,918
			HEALTH BENEFITS	2/6/2015	\$183,679
			UMBRELLA INSURANCE PAYMENT	2/11/2015	\$10,828
			SHARED SERVICES - NON PAYROLL COSTS	2/18/2015	\$24,000
			SHARED SERVICES PAYROLL - DALLAS	2/18/2015	\$62,000
			SOUTHLAKE PAYROLL	2/18/2015	\$428,957
			WORKERS COMP INSURANCE	2/27/2015	\$6,671
			SOUTHLAKE PAYROLL	3/4/2015	\$424,355
			SHARED SERVICES PAYROLL - DALLAS	3/5/2015	\$92,000
			HEALTH BENEFITS	3/9/2015	\$181,559
			UMBRELLA INSURANCE PAYMENT	3/11/2015	\$10,828
			HRA ADP / LEGAL BILLING	3/13/2015	\$41,420
			SHARED SERVICES PAYROLL - DALLAS	3/19/2015	\$66,000
			SOUTHLAKE PAYROLL	3/19/2015	\$425,797
			HRA ADP / LEGAL BILLING	3/19/2015	\$14,373
			HEALTH BENEFITS	3/27/2015	\$183,576
			SHARED SERVICES PAYROLL - DALLAS	4/1/2015	\$98,000
			SOUTHLAKE PAYROLL	4/1/2015	\$420,685
			UMBRELLA INSURANCE PAYMENT	4/9/2015	\$18,259
			HRA ADP / LEGAL BILLING	4/10/2015	\$23,232
			SHARED SERVICES PAYROLL - DALLAS	4/15/2015	\$59,000
			SOUTHLAKE PAYROLL	4/15/2015	\$405,207
			HRA ADP / LEGAL BILLING	4/23/2015	\$21,404
			HEALTH BENEFITS	4/23/2015	\$168,159
			SHARED SERVICES PAYROLL - DALLAS	4/29/2015	\$75,000
			SOUTHLAKE PAYROLL	4/29/2015	\$411,430
			DENNIS SETTLEMENT AGREEMENT	5/1/2015	\$14,286
			UMBRELLA INSURANCE PAYMENT	5/5/2015	\$18,259
			SHARED SERVICES PAYROLL - DALLAS	5/13/2015	\$58,000
			SOUTHLAKE PAYROLL	5/13/2015	\$410,209



ITEM	INSIDER'S NAME ADDRESS	RELATIONSHIP TO DEBTOR	REASON FOR PAYMENT OR TRANSFER	DATE OF PAYMENT OR TRANSFER (MM/DD/YYYY)	TOTAL AMOUNT OR VALUE \$
	FMPC-SERVICES (continued)		HRA ADP / LEGAL BILLING	5/19/2015	\$19,276
			SHARED SERVICES PAYROLL - DALLAS	5/27/2015	\$70,400
			SOUTHLAKE PAYROLL	5/27/2015	\$420,842
			DENNIS SETTLEMENT AGREEMENT	6/1/2015	\$1,429
			UMBRELLA INSURANCE PAYMENT	6/2/2015	\$18,259
			SHARED SERVICES PAYROLL - DALLAS	6/10/2015	\$56,000
			SOUTHLAKE PAYROLL	6/10/2015	\$420,747
			HRA ADP / LEGAL BILLING	6/12/2015	\$29,627
			HEALTH BENEFITS	6/12/2015	\$179,742
			SHARED SERVICES PAYROLL - DALLAS	6/24/2015	\$59,000
			SOUTHLAKE PAYROLL	6/24/2015	\$421,525
			HRA ADP / LEGAL BILLING	6/29/2015	\$18,003
			DENNIS SETTLEMENT AGREEMENT	6/30/2015	\$1,429
			HEALTH BENEFITS	7/2/2015	\$171,383
			SHARED SERVICES PAYROLL - DALLAS	7/8/2015	\$72,500
			SOUTHLAKE PAYROLL	7/8/2015	\$162,384
			SOUTHLAKE PAYROLL	7/10/2015	\$73,921
			SOUTHLAKE PAYROLL	7/10/2015	\$4,618
			SHARED SERVICES PAYROLL - DALLAS	7/22/2015	\$66,500
			SOUTHLAKE PAYROLL	7/22/2015	\$422,086
			HRA ADP / LEGAL BILLING	7/24/2015	\$17,491
			HEALTH BENEFITS	7/24/2015	\$181,390
			ECHO HEALTH LINE SOFTWARE FEES	7/29/2015	\$10,527
			DENNIS SETTLEMENT AGREEMENT	7/29/2015	\$1,429
			SHARED SERVICES PAYROLL - DALLAS	8/5/2015	\$63,000
			SOUTHLAKE PAYROLL	8/7/2015	\$437,961
			SHARED SERVICES - NON PAYROLL COSTS	8/14/2015	\$36,518
			DENNIS SETTLEMENT AGREEMENT	8/14/2015	\$1,482
			HRA ADP / LEGAL BILLING	8/14/2015	\$43,614
			SHARED SERVICES PAYROLL - DALLAS	8/19/2015	\$65,500
			SOUTHLAKE PAYROLL	8/19/2015	\$415,760
			HRA ADP / LEGAL BILLING	8/25/2015	\$6,771
			HEALTH BENEFITS	8/25/2015	\$183,915
			DENNIS SETTLEMENT AGREEMENT	8/31/2015	\$1,429
			SHARED SERVICES PAYROLL - DALLAS	9/2/2015	\$65,500
			PAYROLL	9/2/2015	\$426,642
			UMBRELLA INSURANCE PAYMENT	9/2/2015	\$18,259

ITEM	INSIDER'S NAME ADDRESS	RELATIONSHIP TO DEBTOR	REASON FOR PAYMENT OR TRANSFER	DATE OF PAYMENT OR TRANSFER (MM/DD/YYYY)	TOTAL AMOUNT OR VALUE \$
	FMPC-SERVICES (continued)		HRA ADP / LEGAL BILLING	9/8/2015	\$16,123
			HEALTH BENEFITS	9/9/2015	\$41,683
			HEALTH BENEFITS	9/15/2015	\$30,000
			SHARED SERVICES PAYROLL - DALLAS	9/16/2015	\$75,500
			SOUTHLAKE PAYROLL	9/16/2015	\$428,441
			HEALTH BENEFITS	9/16/2015	\$30,000
			HEALTH BENEFITS	9/17/2015	\$65,050
			SHARED SERVICES - NON PAYROLL COSTS	9/18/2015	\$28,000
			SOUTHLAKE PAYROLL	9/29/2015	\$419,188
			SHARED SERVICES PAYROLL - DALLAS	9/30/2015	\$79,200
			UMBRELLA INSURANCE PAYMENT	10/5/2015	\$18,259
			SAN ANTONIO BCBS INSURANCE PAYMENT	10/9/2015	\$95,000
			SOUTHLAKE PAYROLL	10/14/2015	\$409,457
			SHARED SERVICES PAYROLL - DALLAS	10/15/2015	\$88,600
			HRA ADP / LEGAL BILLING	10/20/2015	\$54,700
			SHARED SERVICES PAYROLL - DALLAS	10/28/2015	\$74,800
			SOUTHLAKE PAYROLL	10/28/2015	\$431,054
			HRA ADP / LEGAL BILLING	10/29/2015	\$16,169
			HEALTH BENEFITS	10/29/2015	\$160,013
			SHARED SERVICES PAYROLL - DALLAS	11/12/2015	\$134,000
			SOUTHLAKE PAYROLL	11/12/2015	\$426,363
			SHARED SERVICES PAYROLL CATCH UP- DALLAS	11/20/2015	\$21,720
			SHARED SERVICES VENDORS	11/20/2015	\$34,431
			SOUTHLAKE PAYROLL	11/24/2015	\$470,327
			SHARED SERVICES PAYROLL - DALLAS	11/25/2015	\$138,448
			SHARED SERVICES - NON PAYROLL COSTS	11/30/2015	\$52,195
			HEALTH BENEFITS	11/30/2015	\$147,278
			SOUTHLAKE PAYROLL	12/9/2015	\$418,179
			SHARED SERVICES PAYROLL - DALLAS	12/10/2015	\$116,181
			HRA ADP / LEGAL BILLING	12/15/2015	\$38,369
			SOUTHLAKE PAYROLL	12/22/2015	\$481,104
			SHARED SERVICES PAYROLL - DALLAS	12/23/2015	\$95,014
			HEALTH BENEFITS	12/30/2015	\$375,000
			D&O INSURANCE FMPC	12/31/2015	\$49,003
			WORKERS COMP INSURANCE	12/31/2015	\$9,256
			SHARED SERVICES PAYROLL - DALLAS	1/6/2016	\$104,305
			SOUTHLAKE PAYROLL	1/6/2016	\$452,670
	FMPC-SERVICES TOTAL:				\$16,177,898

ITEM	INSIDER'S NAME ADDRESS	RELATIONSHIP TO DEBTOR	REASON FOR PAYMENT OR TRANSFER	DATE OF PAYMENT OR TRANSFER (MM/DD/YYYY)	TOTAL AMOUNT OR VALUE \$
6.	GARY N. WILLIAMS 421 EAST TEXAS 114 FRONTAGE ROAD SOUTHLAKE, TX 76092	CFO	PAYROLL	1/23/2015	\$6,518
			PAYROLL	2/6/2015	\$6,518
			PAYROLL	2/20/2015	\$6,518
			EXPENSE REIMBURSEMENT	3/6/2015	\$1,514
			PAYROLL	3/6/2015	\$6,518
			PAYROLL	3/20/2015	\$6,518
			PAYROLL	4/3/2015	\$6,668
			PAYROLL	4/17/2015	\$6,668
			PAYROLL	5/1/2015	\$6,668
			PAYROLL	5/15/2015	\$6,668
			EXPENSE REIMBURSEMENT	5/28/2015	\$321
			PAYROLL	5/29/2015	\$6,668
			PAYROLL	6/12/2015	\$6,668
			PAYROLL	6/16/2015	\$6,668
			EXPENSE REIMBURSEMENT	6/25/2015	\$1,240
			PAYROLL	7/10/2015	\$6,668
			PAYROLL	7/24/2015	\$6,668
			EXPENSE REIMBURSEMENT	8/7/2015	\$720
			PAYROLL	8/7/2015	\$6,668
			EXPENSE REIMBURSEMENT	8/13/2015	\$575
			PAYROLL	8/21/2015	\$6,668
			PAYROLL	9/4/2015	\$6,668
			PAYROLL	9/18/2015	\$6,668
			PAYROLL	10/2/2015	\$6,668
			PAYROLL	10/16/2015	\$6,668
			PAYROLL	10/30/2015	\$6,668
			PAYROLL	11/13/2015	\$6,668
			EXPENSE REIMBURSEMENT	11/24/2015	\$475
			PAYROLL	11/27/2015	\$6,668
			EXPENSE REIMBURSEMENT	12/3/2015	\$2,542
			PAYROLL	12/11/2015	\$6,668
			EXPENSE REIMBURSEMENT	12/22/2015	\$2,698
			PAYROLL	12/25/2015	\$6,668
			EXPENSE REIMBURSEMENT	12/30/2015	\$2,246
			PAYROLL	1/8/2016	\$6,668
	GARY N. WILLIAMS TOTAL:				\$184,949

ITEM	INSIDER'S NAME ADDRESS	RELATIONSHIP TO DEBTOR	REASON FOR PAYMENT OR TRANSFER	DATE OF PAYMENT OR TRANSFER (MM/DD/YYYY)	TOTAL AMOUNT OR VALUE \$
7.	PAM YUSZ 421 EAST TEXAS 114 FRONTAGE ROAD SOUTHLAKE, TX 76092	CNO	PAYROLL	1/23/2015	\$5,841
			PAYROLL	2/6/2015	\$5,841
			EXPENSE		
			REIMBURSEMENT	2/20/2015	\$72
			PAYROLL	2/20/2015	\$5,841
			PAYROLL	3/6/2015	\$5,841
			EXPENSE		
			REIMBURSEMENT	3/12/2015	\$72
			PAYROLL	3/20/2015	\$5,841
			PAYROLL	4/3/2015	\$5,981
			EXPENSE		
			REIMBURSEMENT	4/9/2015	\$72
			PAYROLL	4/17/2015	\$5,981
			PAYROLL	5/1/2015	\$5,981
			EXPENSE		
			REIMBURSEMENT	5/8/2015	\$72
			PAYROLL	5/15/2015	\$5,981
			PAYROLL	5/29/2015	\$5,981
			EXPENSE		
			REIMBURSEMENT	6/12/2015	\$72
			PAYROLL	6/12/2015	\$5,981
			PAYROLL	6/16/2015	\$5,981
			EXPENSE		
			REIMBURSEMENT	7/9/2015	\$72
			PAYROLL	7/10/2015	\$5,981
			EXPENSE		
			REIMBURSEMENT	7/23/2015	\$100
			PAYROLL	7/24/2015	\$5,981
			EXPENSE		
			REIMBURSEMENT	8/7/2015	\$82
			PAYROLL	8/7/2015	\$5,981
			PAYROLL	8/21/2015	\$5,981
			PAYROLL	9/4/2015	\$5,981
			EXPENSE		
			REIMBURSEMENT	9/18/2015	\$81
			PAYROLL	9/18/2015	\$5,981
			PAYROLL	10/2/2015	\$5,981
			EXPENSE		
			REIMBURSEMENT	10/8/2015	\$82
			PAYROLL	10/16/2015	\$5,981
			PAYROLL	10/30/2015	\$5,981
			PAYROLL	11/13/2015	\$5,981
			EXPENSE		
			REIMBURSEMENT	11/19/2015	\$82
			PAYROLL	11/27/2015	\$5,981
			EXPENSE		
			REIMBURSEMENT	12/10/2015	\$82
			PAYROLL	12/11/2015	\$5,981
			PAYROLL	12/25/2015	\$5,981
			EXPENSE		
			REIMBURSEMENT	12/30/2015	\$375
			PAYROLL	1/8/2016	\$5,981
			<b>PAM YUSZ TOTAL:</b>		<b>\$156,122</b>

ITEM	INSIDER'S NAME ADDRESS	RELATIONSHIP TO DEBTOR	REASON FOR PAYMENT OR TRANSFER	DATE OF PAYMENT OR TRANSFER (MM/DD/YYYY)	TOTAL AMOUNT OR VALUE \$
8.	VIBRANT HEALTHCARE LLC 11990 N. CENTRAL EXPY DALLAS, TX 75234	INTERCOMPANY	MANAGEMENT COMPANY CONSULTING FEES	12/28/2015	\$66,565
	VIBRANT HEALTHCARE LLC TOTAL:				\$66,565
	GRAND TOTAL:				\$22,109,681

**EXHIBIT 4**  
**LIQUIDATION ANALYSIS**

**Forest Park Medical Center at Southlake, LLC**  
**Liquidation Analysis**  
**As of 9/1/16**

<b>Liquidation Analysis<sup>(1)</sup></b>	
<b>Estimated Estate Assets</b>	
<b>Week Ending 6/25/16 Cash Balance</b>	<b>\$ 735,290</b>
<b>Potential Asset Recoveries - Between 6/26/16 - 3/31/17</b>	
Estimated Net patient accounts receivable <sup>(2)</sup>	\$ 1,545,000
Estimated Prepaid expenses and other	175,000
Preference Actions	75,000
<b>Total Potential Asset Recoveries - Thru 3/31/17</b>	<b>\$ 2,530,290</b>
Winddown Costs <sup>(3)</sup>	\$ (373,825)
Pre-Conversion Estate Professional Fees <sup>(4)</sup>	(1,051,241)
<b>Estimated Net Asset Available to Distribute to Creditors</b>	<b>\$ 1,105,223</b>
Trustee Expenses <sup>(5)</sup>	(168,994)
<b>Net Amount after Trustee Expenses</b>	<b>\$ 936,229</b>

<b>Liability Waterfall</b>		<b>Recovery %</b>
Estimated Ending DIP Balance <sup>(6)</sup>	\$ 471,000	<b>100%</b>
Available for next class of creditor	465,229	
Estimated 503(b)9 Claims	\$ 46,000	<b>100%</b>
Available for next class of creditor	419,229	
Estimated Admin Expenses	\$ 375,000	<b>100%</b>
Available for next class of creditor	44,229	
Estimated Priority Claim	\$ 55,000	<b>80%</b>
Available for next class of creditor	(10,771)	
Estimated Unsecured Claims <sup>(7)</sup>	\$ 51,202,474	<b>0%</b>
Shortfall to repay creditor	(51,213,245)	

**Notes:**

(1) The September 1 date assumes that the Debtor's Plan is not confirmed and is converted to chapter 7 shortly after confirmation is denied.

(2) Recoveries on accounts receivable are projected to be approximately 25% less than in a liquidation pursuant to the Plan to account for, among other things, (i) delay between conversion and continued collections by the chapter 7 trustee which will lead to further difficulty in collecting and potential added expense and (ii) the chapter 7 trustee's lack of familiarity with the accounts.

(3) Wind-down costs consist of various IT costs, operating expenses, and other miscellaneous for the chapter 7 trust.

(4) This estimate reflects current outstanding unpaid estate professional fees as well as an estimate of estate professional fee claims through September 1, 2016.

(5) This estimate is based on the trustee's estimated legal fees and disbursements to the chapter 7 trustee under section 326 and the projected disbursements in this liquidation analysis.

(6) This number reflects the current balance on the DIP Loan as of July 11, 2016.

(7) The Allowed Claim of GAHC3 Landlord is included with general unsecured claims because the agreement by GAHC3 Landlord to subordinate recoveries to other general unsecured creditors applies only in the context of a plan, not a liquidation under chapter 7.

**EXHIBIT 5**  
**PLAN RECOVERY ANALYSIS**



**Forest Park Medical Center at Southlake, LLC**  
**Recovery Analysis**  
**As of 7/10/16**

<b>Recovery Analysis</b>	
<b>Estimated Estate Assets</b>	
<b>Week Ending 6/25/16 Cash Balance</b>	<b>\$ 735,290</b>
<b>Potential Asset Recoveries - Between 6/26/16 - 3/31/17</b>	
Estimated Net patient accounts receivable	\$ 1,910,000
Estimated Prepaid expenses and other	256,500
Preference Actions	175,000
<b>Total Potential Asset Recoveries - Thru 3/31/17</b>	<b>\$ 3,076,790</b>
Winddown Costs	\$ (373,825)
Continued Bankruptcy Fees	(1,050,126)
Patient Records Expense <sup>(1)</sup>	-
<b>Estimated Net Asset Available to Distribute to Creditors</b>	<b>\$ 1,652,839</b>
Liquidating Trustee Expenses	(280,000)
<b>Net Amount after Liquidating Trustee Expenses</b>	<b>\$ 1,372,839</b>

<b>Liability Waterfall</b>	<b>Recovery %</b>
Estimated Ending DIP Balance	\$ 471,000 <b>100%</b>
<i>Available for next class of creditor</i>	901,839
Estimated 503(b)9 Claims	\$ 46,000 <b>100%</b>
<i>Available for next class of creditor</i>	855,839
Estimated Admin Expenses	\$ 375,000 <b>100%</b>
<i>Available for next class of creditor</i>	480,839
Estimated Priority Claim	\$ 55,000 <b>100%</b>
<i>Available for next class of creditor</i>	425,839
Estimated Unsecured Claims - First \$750,000	\$ 14,099,080 <b>3%</b>
<i>Shortfall to repay creditor</i>	(13,673,241)
Estimated Unsecured Claims	\$ 51,202,474 <b>0%</b>
<i>Shortfall to repay creditor</i>	(64,875,715)

**Notes:**

(1) Methodist is responsible for costs relating to patient records and therefore the costs are not incorporated into the Recovery Analysis. The costs of complying with section 351 are estimated to be approximately \$150,000.