



**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

TRENK, DiPASQUALE, DELLA FERA & SODONO, P.C.

Joseph DiPasquale

Thomas M. Walsh

347 Mount Pleasant Avenue, Suite 300

West Orange, NJ 07052

Telephone: (973) 243-8600

Telecopy: (973) 243-8677

Counsel for the Debtor

-and-

SILLS CUMMIS & GROSS P.C.

Andrew H. Sherman

One Riverfront Plaza

Newark, NJ 07102

Telephone: (973) 643-7000

Telecopy: (973) 643-6500

*Counsel for the Official Committee
of Unsecured Creditors*

In re:

HUDSON HEALTHCARE, INC.

Debtor-in-Possession.

Case No. 11-33014 (DHS)

Judge: Donald H. Steckroth

Hearing Date: July 17, 2012
2:00 p.m.

**FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER CONFIRMING
THE THIRD AMENDED JOINT PLAN OF ORDERLY LIQUIDATION**

The relief set forth on the following pages, numbered two (2) through thirty five (35), is
hereby **ORDERED**.

DATED: 07/31/2012



Honorable Donald H. Steckroth
United States Bankruptcy Judge

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THIS MATTER having been brought to the Court on July 17, 2012, the return date pursuant to Bankruptcy Code section 1128(a) of the hearing (the “Confirmation Hearing”) on confirmation of the Third Amended Joint Plan of Orderly Liquidation under Chapter 11 of the Bankruptcy Code dated as of and filed on May 7, 2012 (as amended by (i) the Order Approving Disclosure Statement and Technical Amendments Thereto and Fixing Time for Filing Acceptances or Rejections of Third Amended Joint Plan of Orderly Liquidation Proposed by the Debtor and the Official Committee of Unsecured Creditors and Providing Notice Thereof (the “Disclosure Statement Order”) [Docket No. 651] and (ii) the amendments approved by this Order, the “Plan”) [Docket No. 634]¹ jointly filed by Hudson Healthcare, Inc., the within debtor and debtor-in-possession (the “Debtor”), and the Official Committee of Unsecured Creditors of Hudson Healthcare, Inc. (the “Committee,” together with the Debtor, the “Plan Proponents”), pursuant to Bankruptcy Code section 1129 and Bankruptcy Rule 3017(c); and on May 29, 2012, the Court having entered the Disclosure Statement Order approving, among other things, the Disclosure Statement Pursuant to Section 1125 of the Bankruptcy Code for the Third Amended

¹ Unless otherwise specified, capitalized terms and phrases used herein have the meanings assigned to them in the Plan. The rules of interpretation set forth in the Plan will apply to these Findings of Fact, Conclusions of Law and Order (the “Confirmation Order”). Unless otherwise noted, references to “section ___” are to sections of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), and references to “Rule ___” are to the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”). In addition, in accordance with the Plan, any term used in the Plan or this Confirmation Order that is not defined in the Plan or this Confirmation Order, but that is used in the Bankruptcy Code or the Bankruptcy Rules, will have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules. Finally, if there is any direct conflict between the terms of the Plan and the terms of this Confirmation Order, the terms of this Confirmation Order will control; provided that the foregoing shall remain subject to paragraph 73 of the Sale and Settlement Order.

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Joint Plan of Orderly Liquidation Under Chapter 11 of the Bankruptcy Code, filed on May 7, 2012 (as amended by the Disclosure Statement Order, the “Disclosure Statement”) [Docket No. 654]; and due notice of the Confirmation Hearing having been given to all known holders of Claims against the Debtor; and the solicitation of acceptances or rejections from holders of Claims against the Debtor having been made in the manner required under prior Court Order and by applicable law; and the ballots (“Ballots”) in favor of and in opposition to the Plan having been filed with Epiq Bankruptcy Solutions, LLC (“Balloting Agent”); and upon the Declaration of Stephenie Kjontvedt on Behalf of Epiq Bankruptcy Solutions, LLC, Regarding Voting and Tabulation of Ballots Accepting and Rejecting the Third Amended Joint Plan of Orderly Liquidation pursuant to LBR 3018-2 of the Local Rules of Bankruptcy Procedure for this District [Docket No. 692] (the “Voting Declaration”); and all of the objections having been resolved, withdrawn or overruled on the record at the Confirmation Hearing; and the Court having reviewed the Plan and all modifications thereto, if any, the Disclosure Statement and all Exhibits thereto; and the Court having considered the Certification of Vincent Riccitelli submitted in support of confirmation of the Plan; and upon the entire record of the case properly before the Court, including the record made and evidence adduced at the Confirmation Hearing; and the Court finding that the Plan Proponents have established just cause for the relief granted herein; the Court hereby makes the following findings of fact and conclusions of law, setting forth the reasons for the Court’s issuance of this Order confirming the Plan.

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A. FINDINGS AND CONCLUSIONS

1. This Confirmation Order constitutes the Court's findings of fact and conclusions of law under Fed. R. Civ. P. 52, as made applicable by Rule 9014 and 7052. Any and all findings of fact will constitute findings of fact even if they are stated as conclusions of law, and any conclusions of law will constitute conclusions of law even if they are stated as findings of fact.

B. JUDICIAL NOTICE

2. The Court takes judicial notice of the Docket in this Chapter 11 Case and any related adversary proceedings maintained by the Clerk of the Bankruptcy Court and/or the Clerk's duly-appointed agent, Epiq Bankruptcy Solutions, LLC ("Epiq"), including, without limitation, all pleadings and other documents filed, all orders entered, and all evidence and argument made, proffered, or adduced at the hearings held before the Court during the pendency of the Chapter 11 Case, including, but not limited to, the hearings to consider the adequacy of the Disclosure Statement.

C. JURISDICTION AND VENUE

3. On August 1, 2011 (the "Commencement Date"), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtor is a debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtor was and is qualified to be a Debtor under section 109 of the Bankruptcy Code.

4. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157(a) and 1334. This is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(A), (L) and (O).

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5. This Court can exercise its subject matter jurisdiction pursuant to 28 U.S.C. § 157(b)(1).

6. As of the Commencement Date, the Debtor's principal place of business was Hoboken, New Jersey. Accordingly, venue in the District of Jersey (Newark Vicinage) was proper as of the Commencement Date and continues to be proper under 28 U.S.C. §§ 1408 and 1409.

D. TRANSMITTAL AND MAILING OF MATERIALS

7. The Disclosure Statement, the Plan, the Ballots, the Disclosure Statement Order, and related materials were transmitted and served as required by the Disclosure Statement Order, have been transmitted and served in compliance with the Bankruptcy Code, the Bankruptcy Rules, and all local bankruptcy rules, and such transmittal and service constitutes proper and sufficient notice, and no other or further notice is or shall be required. As established through the Voting Declaration, sworn to July 10, 2012 and filed on July 12, 2012, the Plan Proponents provided good and sufficient notice of the Confirmation Hearing and the deadline for filing and serving objections to the Plan.

E. VOTING

8. Votes to accept and reject the Plan have been solicited with proper and sufficient notice and tabulated fairly, in good faith, and in a manner consistent with the Bankruptcy Code, the Bankruptcy Rules and industry practice.

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F. BURDEN OF PROOF

9. The Plan Proponents have the burden of proving the elements of section 1129(a) of the Bankruptcy Code by a preponderance of the evidence and they have met that burden as further found and determined herein.

G. COMPLIANCE WITH SECTION 1129 OF THE CODE

10. Section 1129(a)(1) - Compliance of the Plan with Applicable Provisions of the Bankruptcy Code:

a. Sections 1122 and 1123(a)(1) through (4) - Classification and Treatment of Claims

The Plan complies with all applicable provisions of the Bankruptcy Code as required by section 1129(a)(1) of the Bankruptcy Code, including, without limitation, sections 1122 and 1123 of the Bankruptcy Code. Pursuant to sections 1122(a) and 1123(a)(1) of the Bankruptcy Code, the Plan designates separate Classes of Claims, other than Administrative Expense Claims, Priority Claims, and other unclassified Claims set forth in the Plan, each of which contains only Claims that are substantially similar to the other Claims within that Class. Pursuant to sections 1123(a)(2) through (4) of the Bankruptcy Code, the Plan identifies each Class that is not impaired and specifies the treatment of each Class that is impaired, and the Plan provides the same treatment for each Claim within a particular Class.

b. Section 1123(a)(5) - Adequate Means for Implementation of the Plan

The Plan sets forth adequate means for its implementation. The Plan sets forth in detail the mechanisms for carrying out the Plan. The Plan provides for the establishment of the Liquidating Trust and appointment of the Liquidating Trustee on or before the Effective Date. On the Effective Date, the Estate's title to all of the Assets, except the D&O and Tort

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Claims and rights in and proceeds of any Insurance Policies, automatically will pass to the Liquidating Trust under the exclusive control of the Liquidating Trustee, in accordance with the Plan and the Liquidating Trust Agreement. For all purposes, including federal income tax purposes, such transfer shall be deemed to involve the transfer of the Assets to and for the benefit of certain Holders of Allowed Claims. Notwithstanding any provision of state law to the contrary, the D&O and Tort Claims and rights in and proceeds of any Insurance Policies will revert in the Debtor on the Effective Date, and, subject to the terms and conditions of the Plan and the Sale and Settlement Order, the Debtor Representative shall be authorized to institute and prosecute to settlement and/or judgment the D&O and Tort Claims. The proceeds (but not the underlying claims and/or causes of action) of the D&O and Tort Claims shall be transferred to the Liquidating Trust for distribution in accordance with the Plan. The rights and authority of the Liquidating Trustee and any limitations thereon are set forth in Article VIII of the Plan and are further defined and limited by the Liquidating Trust Agreement. Consistent with the terms of the applicable Liquidating Trust Agreement and/or the Plan, the Liquidating Trustee and the Debtor Representative may commit the Liquidating Trust or the Estate, as the case may be, to payment of reasonable compensation to attorneys, accountants, financial advisors and other professionals for services rendered and expenses incurred. A law firm or other professional shall not be disqualified from being employed by or rendering services to the Liquidating Trustee solely because of its current or prior retention as counsel or professional to the Debtor or the Creditors' Committee in the Chapter 11 Case.

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To the extent applicable, this Court finds and determines that the transfers of estate property and any asset which is to be revested in the Debtor as of the Effective Date shall be valid and enforceable and that the Bankruptcy Code preempts any anti-assignment contractual provisions and applicable state law to the contrary.

c. Section 1123(a)(6) and (a)(7) - Prohibition Against the Issuance of Nonvoting Equity Securities and Selection of Directors and Officers in a Manner Consistent with the Interests of Creditors and Equity Security Holders and Public Policy

Section 1123(a)(6) and (a)(7) are not applicable to this case, since the Debtor is a non-stock corporation. The Plan calls for the liquidation of the Debtor and does not provide for (i) the issuance of any interests in the reorganized Debtor, or (ii) the selection of officers and directors. As of the Effective Date, the Liquidating Trustee or the Debtor Representative, as the case may be, shall administer the respective Liquidating Trust and the D&O and Tort Claims and will be vested with the property, rights, interests and powers of the Debtor specified in the Plan. The provisions of the organizational documents of the Liquidating Trust are consistent with the interests of creditors and with public policy. Accordingly, to the extent that sections 1123(a)(6) and 1123(a)(7) of the Bankruptcy Code applies to the Debtor's case, the Plan complies with such provisions.

d. Section 1123(b)(1) - Impairment of Claims and Interests

The Plan properly identifies and impairs or leaves unimpaired, as the applicable case may be, each Class of Claims.

e. Section 1123(b)(2) - Contracts and Leases

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Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document entered into in connection with the Plan, each of the pre-petition executory contracts and unexpired leases to which any Debtor is a party will, on the Effective Date, be deemed rejected by the Debtor, except (i) executory contracts and unexpired leases that were previously assumed, assumed and assigned or rejected by Final Order of the Bankruptcy Court (which contracts will be treated in accordance with such Final Order); and (ii) Designated Contracts under the Debtor APA.

This Confirmation Order will constitute an Order (i) approving rejection of and deeming rejected all Executory Contracts and unexpired leases and Designated Contracts as of the Effective Date (other than: (A) Executory Contracts and unexpired leases that were previously assumed, assumed and assigned or rejected by Final Order of the Bankruptcy Court (which contracts will be treated in accordance with such Final Order); and (B) Designated Contracts under the Debtor APA)); (ii) approving rejection of and deeming rejected all Designated Contracts not assumed by the Purchaser effective as of March 4, 2012; and (iii) determining that the Insurance Policies (other than the Professional Liability Policies, as to which this subsection (iii) shall be neutral) are not executory within the meaning of Bankruptcy Code section 365. The Plan is neutral regarding the issue of whether the Professional Liability Policies are executory within the meaning of Bankruptcy Code section 365. Nonetheless, the Professional Liability Policies may not be rejected by the Debtor or the Debtor Representative without the prior written unanimous consent of the Purchaser, the City and the Authority.

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Subject to the provisions of Sections 7.1(d), 7.1(e), 7.1(f), 7.1(g) and Article XII of the Plan and the terms and conditions of the Sale and Settlement Order, the rights, claims and defenses of insureds, additional insureds, insured entities, individual insureds (as such individuals or entities are named or identified in the respective Insurance Policies), beneficiaries, claimants and Insurance Carriers under Insurance Policies shall be treated in accordance with the terms and conditions of the Insurance Policies, the Bankruptcy Code and applicable non-bankruptcy law.

This Confirmation Order shall constitute a determination and a finding that: (i) the D&O Carriers have been afforded due process in connection with the Chapter 11 Case and the Bankruptcy Documents and are bound thereby, (ii) no monetary default exists with respect to any D&O Policy requiring any Cure, and that (iii) nothing in the Bankruptcy Documents shall be construed or applied to impair the enforceability of any D&O Policy or any coverage thereunder with regard to any Claims against any Entity, including but not limited to the D&O and Tort Claims; provided, however, that nothing in the Plan or this Confirmation Order shall impair or preclude National Union from raising, and the Debtor Representative and/or any insureds, additional insureds, insured entities, and/or individual insureds (as such individuals or entities are named or identified in the respective D&O Policies) from opposing, each or any of the following defenses (and no other defenses shall be raised by National Union based upon or arising from the Bankruptcy Documents) to any claim submitted to National Union under any D&O Policy:

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- (i) that the negotiation and entry of the Bankruptcy Documents constituted a breach on the part of the insureds of any duty of cooperation;
- (ii) that the negotiation and entry of the Bankruptcy Documents constituted a breach on the part of the insureds of any duty to obtain National Union's consent thereto;
- (iii) that coverage is precluded under the definition of Loss;
- (iv) that the Bankruptcy Documents violate the anti-assignment clause;
- (v) the application of any insured v. insured exclusion;
- (vi) that the proceeds of any D&O Policy are not the property of the Debtor; and
- (vii) any defense to coverage that is not based upon the Bankruptcy Documents,

provided that nothing in this paragraph shall constitute a finding or admission of the validity or invalidity of any coverage defense that may be asserted by National Union.

Subject to the provisions of Sections 7.1(d), 7.1(e), 7.1(f) and Article XII of the Plan and the terms and conditions of the Sale and Settlement Order, nothing in the Plan or this Confirmation Order shall be deemed to alter, impair, amend, abridge or otherwise modify any of the rights, claims and defenses of insureds, additional insureds, insured entities (as such entities are named or identified in the respective Professional Liability Policies), beneficiaries, claimants and Insurance Carriers under any Professional Liability Policy or under applicable nonbankruptcy law.

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Nothing in this Confirmation Order shall be deemed to alter, impair, amend, abridge or otherwise modify any of the terms or provisions of Section 7.1 of the Plan.

f. Section 1123(b)(3) - Retention, Enforcement and Settlement of Claims Held by the Debtors

Nothing contained herein shall modify or alter in any manner the terms and conditions of the Settlement Agreement, which terms and conditions shall survive the Effective Date and be binding upon the Debtor, the Debtor Representative, the Liquidating Trustee, each of the parties to the Settlement Agreement, and any of their respective successors or assigns.

With respect to the retention and enforcement of claims after the Effective Date, the Plan provides that the Liquidating Trust and the Debtor Representative shall retain all rights to commence and pursue, as appropriate, (i) any and all Causes of Action, including, without limitation, Avoidance Actions, in the case of the Liquidating Trustee and (ii) any and all D&O and Tort Claims in the case of the Debtor Representative, in each such case, whether arising before or after the Commencement Date, in any court or other tribunal including, without limitation, in an adversary proceeding filed in the Chapter 11 Case, except to the extent such Causes of Action have been waived or released pursuant to a prior Order of the Court or the Settlement Agreement.

g. Section 1123(b)(4) - Sale of all of the Property of the Estate and Distribution of the Proceeds Among Holders of Claims and Interests

The Plan provides for the transfer of the Assets to the Liquidating Trust for the sole and exclusive benefit of the beneficiaries of the Liquidating Trust, but subject to the

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provisions of the Plan and the Liquidating Trust Agreement. The transfer and subsequent sale of any such Assets pursuant to the Plan shall not be subject to any transfer or similar taxes pursuant to section 1146(c) of the Bankruptcy Code.

h. Section 1123(b)(6) - Other Provisions Not Inconsistent with Applicable Provisions of the Bankruptcy Code

The Plan includes additional appropriate provisions that are consistent with applicable provisions of the Bankruptcy Code, including: (i) provisions governing distributions on account of Allowed Claims, particularly as to the timing and calculation of amounts to be distributed; (ii) procedures for resolving Disputed Claims and making distributions on account of such Disputed Claims once resolved; (iii) provisions regarding the severability of Plan provisions; (iv) provisions for an injunction against certain entities from engaging in certain actions adverse to the Debtor and other entities; and (v) provisions for exculpation of the Debtor and other entities.

11. **Section 1129(a)(2) - Compliance of the Debtor with Applicable Provisions of the Bankruptcy Code:**

The Debtor and the Committee are proper proponents of the Plan and have solicited acceptances of the Plan in accordance with the requirements of section 1125 of the Bankruptcy Code, Bankruptcy Rule 3017 and the Disclosure Statement Order. The Debtor, the Committee and their respective agents and professionals have acted in “good faith,” within the meaning of section 1125(e) of the Bankruptcy Code. Pursuant to the Disclosure Statement Order, on or before June 8, 2012, the Debtor, through its agent, Epiq, mailed, by first class mail, postage prepaid, to each creditor specified in the Disclosure Statement Order, a solicitation

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package containing copies of, among other things: (i) a solicitation letter; (ii) the Plan; (iii) the Disclosure Statement; (iv) a Ballot and instructions for completing same; and (v) the Disclosure Statement Order. Creditors not entitled to vote on the Plan were mailed copies of the Disclosure Statement Order and a notice of disputed claim status. The Disclosure Statement and the procedures by which the Ballots for acceptance or rejection of the Plan were solicited and tabulated were fair, properly conducted and in accordance with Bankruptcy Rules 3017 and 3018 and section 1126(b) of the Bankruptcy Code. Therefore, the Plan complies with section 1129(a)(2) of the Bankruptcy Code.

12. Section 1129(a)(3) - Proposal of Plan in Good Faith:

The Debtor and the Committee proposed the Plan in good faith and not by any means forbidden by law. Therefore, the Plan complies with section 1129(a)(3) of the Bankruptcy Code.

13. Section 1129(a)(4) - Bankruptcy Court Approval of Certain Payments as Reasonable:

The Plan provides that Professionals or other entities requesting compensation or reimbursement of expenses pursuant to sections 327, 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code for services rendered before the Effective Date shall file with the Court an application for final allowance of compensation and reimbursement of expenses, which the Court will review for reasonableness under sections 328 and 330 of the Bankruptcy Code and any applicable case law. Pursuant to the Administrative Order Establishing Procedures for Allowance of Interim Compensation and Reimbursement of Expenses of Professionals Retained by Order of this Court [Docket No. 41] and various interim fee orders, the Court has authorized

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periodic payment of the fees and expenses of Professionals incurred in connection with the Chapter 11 Case. All such fees and expenses, however, remain subject to final review for reasonableness by the Court. Therefore, the Plan complies with section 1129(a)(4) of the Bankruptcy Code.

14. Section 1129(a)(5) - Disclosure of Identity and Affiliations of Proposed Management, Compensation of Insiders and Consistency of Management Proposals with the Interests of Creditors and Public Policy:

The Plan provides for the creation of a Liquidating Trust and the transfer of all right, title and interest of the Debtor in and to the Assets to the Liquidating Trust for administration by the Liquidating Trustee, and the revesting of the D&O and Tort Claims in the Debtor for administration by the Debtor Representative. The Liquidating Trustee and the Debtor Representative have been identified herein and are appointed as representatives of the Estate under section 1123(b)(3)(B) of the Bankruptcy Code. Therefore, the Plan complies with section 1129(a)(5) of the Bankruptcy Code.

15. Section 1129(a)(6) - Approval of Rate Changes:

The Plan does not involve the establishment of rates over which any regulatory commission has or will have jurisdiction after Confirmation. Therefore, section 1129(a)(6) of the Bankruptcy Code is not applicable to the Plan.

16. Section 1129(a)(7) - Best Interests of Creditors and Interests Holders:

With respect to each impaired Class of Claims, each holder of a Claim in such Class has either accepted the Plan or will receive or retain under the Plan on account of such Claim property of a value, as of the Effective Date, that is not less than the amount that such

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holder would receive or retain if the Debtor were liquidated on the Effective Date under chapter 7 of the Bankruptcy Code. Therefore, the Plan complies with section 1129(a)(7) of the Bankruptcy Code.

17. Section 1129(a)(8) - Acceptance of the Plan by Each Impaired Class:

Classes 1 and 2 are unimpaired under the Plan and thus are deemed to have accepted the Plan. As indicated in the Voting Declaration, Class 3 voted to accept the Plan pursuant to section 1126(c) of the Bankruptcy Code. One hundred percent (100%) of the Class 3 members voting and one hundred percent (100%) of the Class 3 dollar amount voting voted to accept the Plan. This satisfies the requirement of Section 1126(c) that more than one-half (1/2) of the members and at least two-thirds (2/3) of the dollar amount actually voting vote to accept the Plan. The Plan complies with the provisions of section 1129(a)(8) of the Bankruptcy Code, since all impaired classes have voted in favor of acceptance of the Plan.

18. Section 1129(a)(9) - Treatment of Claims Entitled to Priority Pursuant to Section 507(a) of the Bankruptcy Code:

There are no Claims against the Estate of a kind specified in sections 507(a)(1), 507(a)(3), 507(a)(6), 507(a)(7), 507(a)(9), and 507(a)(10). The Plan provides that subject to the allowance procedures and the deadlines provided therein, and except to the extent that any entity entitled to payment of any Allowed Administrative Expense Claim, Priority Tax Claim and Priority Non-Tax Claim agrees to a different treatment, such Holders shall be paid Cash in full by the Liquidating Trustee under the Plan. Thus, the Plan provides for the treatment of Administrative Expense Claims, Priority Tax Claims and Claims entitled to priority pursuant to sections 507(a) of the Bankruptcy Code in a manner consistent with section 1129(a)(9) of the

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Bankruptcy Code. The Plan does not provide for the payment of Allowed Priority Tax Claims over time as provided for in section 1129(a)(9)(C). Therefore, the Plan complies with section 1129(a)(9) of the Bankruptcy Code.

19. Section 1129(a)(10) - Acceptance by at Least One Impaired Class:

As indicated in the Voting Declaration, at least one Class of Claims that is impaired under the Plan has accepted the Plan, determined without including acceptance of the Plan by any insider. Therefore, the Plan complies with section 1129(a)(10) of the Bankruptcy Code.

20. Section 1129(a)(11) - Feasibility of the Plan:

The Plan is feasible. Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor except to the extent that such liquidation or reorganization is provided for under the Plan. Therefore, the Plan complies with section 1129(a)(11) of the Bankruptcy Code.

21. Section 1129(a)(12) - Payment of Bankruptcy Fees:

Pursuant to Section 4.3 of the Plan, all fees payable under 28 U.S.C. § 1930 will be paid quarterly by the Liquidating Trustee, as applicable, until such time as the Chapter 11 Case is closed or dismissed. Therefore, the Plan complies with section 1129(a)(12) of the Bankruptcy Code.

22. Section 1129(a)(13) - Retiree Benefits:

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The Debtor is not required to provide retiree benefits as that term is defined in section 1114 of the Bankruptcy Code. Accordingly, section 1129(a)(13) of the Bankruptcy Code is not applicable to the Plan.

23. Section 1129(a)(14) – Domestic Support Obligations:

The Debtor is not required to pay any domestic support obligations. Accordingly, section 1129(a)(14) of the Bankruptcy Code is not applicable to the Plan.

24. Section 1129(a)(15) – Individual Cases Subject to Objection by Unsecured Creditor:

The Debtor is not an individual. Accordingly, section 1129(a)(15) of the Bankruptcy Code is not applicable to the Plan.

25. Section 1129(a)(16) – Transfers of Property Pursuant to Non-Bankruptcy Law:

All transfers of property of the Plan shall be made in accordance with any applicable provisions of non-bankruptcy law that govern the transfer of property by a corporation or trust that is not a moneyed, business, or commercial corporation or trust. Therefore, the Plan complies with section 1129(a)(16) of the Bankruptcy Code.

26. Section 1129(d) - Principal Purpose of Plan:

The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of Section 5 of the Securities Act of 1933, as amended.

H. GOOD FAITH SOLICITATION; SECURITIES LAWS ISSUES; RIGHTS OFFERING (11 U.S.C. § 1125(e))

27. Based on the record before the Court in this Chapter 11 Case, the Debtor and its Current Officials, trustees, officers, or directors; the Committee and its members; the Chapter 11

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Professionals; the Patient Care Ombudsman; Epiq; Donlin; and the respective agents, employees, representatives, financial advisors, attorneys, and affiliates of each of the foregoing, have acted in “good faith” within the meaning of section 1125(e) of the Bankruptcy Code in compliance with the applicable provisions of the Bankruptcy Code and Bankruptcy Rules in connection with all their respective activities relating to the Plan, the solicitation of acceptances of the Plan, and their participation in the activities described in section 1125 of the Bankruptcy Code, and are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and the exculpation provisions set forth in Section 12.2 of the Plan.

I. RELEASES, INJUNCTIONS, EXCULPATIONS

28. All releases, injunctions, exculpations, settlements and compromises embodied in the Plan and the distributions and rights provided thereunder are an integral part of the Plan. Pursuant to section 1123(b) of the Bankruptcy Code and Bankruptcy Rule 9019(a), the releases and injunctions set forth in the Plan, including, without limitation, releases and injunctions set forth in Article XII of the Plan, are fair, equitable, reasonable and in the best interests of the Debtor, its Estate and creditors.

29. In particular, each of the release, injunction and exculpation provisions contained in Article XII of the Plan: (i) falls within the jurisdiction of this Court under 28 U.S.C. §§ 1334(a), (b) and (d); (ii) is an essential means of implementing the Plan pursuant to section 1123(a)(5) of the Bankruptcy Code; (iii) is important to the overall objectives of the Plan to finally resolve, except to the extent otherwise provided in the Plan, all claims among or against

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the parties in interest in this Chapter 11 Case; and (iv) is consistent with sections 105, 1123, 1129 and other applicable provisions of the Bankruptcy Code.

J. AGREEMENTS, PLAN AND OTHER DOCUMENTS

30. The Plan Proponents have disclosed all material facts relating to any contract, instrument, release and other agreements or documents to be entered into, executed and delivered, assigned, adopted or amended in connection with the Plan, including the Liquidating Trust Agreement (the “Plan Agreements and Documents”). Pursuant to section 1142(b) of the Bankruptcy Code, no approval of the directors, officers, or shareholders of the Debtor, as applicable, will be required to authorize the Plan Proponents to enter into, execute and deliver, assign, adopt or amend, as the case may be, the Plan Agreements and Documents, and, following the Effective Date, each of the Plan Agreements and Documents will be a legal, valid and binding obligation of the Plan Proponents (or their assignees, if applicable) and the Liquidating Trust, enforceable in accordance with the respective terms thereof (subject only to bankruptcy, insolvency and other similar laws affecting creditors’ rights generally, and subject also to general equitable principles).

K. SATISFACTION OF CONDITIONS TO CONFIRMATION

31. Each of the conditions precedent to the entry of this Confirmation Order, as set forth in Section 13.1 of the Plan, has been satisfied or waived pursuant to the terms of the Plan.

L. RETENTION OF JURISDICTION

32. The Court may properly retain jurisdiction to the extent set forth in Article XI of the Plan.

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Based upon the foregoing and the record before this Court, **IT IS ORDERED** as follows:

A. CONFIRMATION OF THE PLAN

1. The record of the Confirmation Hearing, shall be and hereby is adopted by the Court and shall be and is hereby closed.

2. The Plan (including all exhibits thereto) and each of the provisions of the Plan (including, but not limited to, those provisions set forth on Exhibit B to the Disclosure Statement Order), as amended by this Confirmation Order in the form attached hereto as Exhibit A,² is hereby approved and confirmed in each and every respect pursuant to section 1129 of the Bankruptcy Code; provided, however, that if there is any direct conflict between the terms of the Plan and the terms of this Confirmation Order, the terms of this, Confirmation Order will control to the extent of such conflict; provided further, however, that the foregoing shall remain subject to paragraph 73 of the Sale and Settlement Order. The provisions of the Confirmation Order are integrated with each other and are non-severable and mutually dependent unless expressly stated otherwise by further order of this Court.

3. The Debtor, the Committee and each other appropriate party is hereby authorized and directed to take all actions necessary or appropriate to enter into, implement and consummate the Plan Agreements and Documents, all of which Plan Agreements and Documents are hereby approved, and to take such other steps and perform such other acts as may be necessary to implement and effectuate the Plan, and are further authorized and directed to

² A blackline copy of the Plan showing the amendments approved by this Confirmation Order is attached hereto as Exhibit B.

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execute and deliver any instrument and perform any other act that is necessary for the consummation of the Plan, including the implementation of the Plan Agreements and Documents, in accordance with section 1142(b) of the Bankruptcy Code without the approval of any director, officer, or shareholders of the Debtor, as applicable.

4. The appointment of Bernard A. Katz as the Liquidating Trustee under the terms of the Liquidating Trust Agreement, and subject to the terms of the Plan and the Settlement Agreement, is hereby authorized and approved. Bernard A. Katz and any professionals he retains on behalf of the Liquidating Trust, which may include Professionals retained in the Chapter 11 Case for the Debtor and/or the Creditors' Committee, are authorized to be compensated pursuant to the terms of the Plan and the applicable Liquidating Trust Agreement.

5. The appointment of Bernard A. Katz as the Debtor Representative under the Plan is hereby authorized and approved.

6. Except as otherwise provided in the Plan or this Confirmation Order, the Liquidating Trustee shall be authorized and is directed to pay, or otherwise make distributions on account of, all Allowed Claims against the Debtor in accordance with the terms of the Plan and the Liquidating Trust Agreement.

7. This Confirmation Order shall be effective upon the date of its entry and the requirement that this Confirmation Order be stayed for a period of fourteen days under Bankruptcy Rule 3020(e) is hereby waived.

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B. EFFECTS OF CONFIRMATION

Plan Binding

8. Upon the Effective Date, and subject to the provisions of the Plan and this Confirmation Order, the terms of the Plan shall be binding upon the Debtor, the Debtor Representative, the Liquidating Trust, the Liquidating Trustee, any and all Holders of Claims (irrespective of whether such Claims are impaired under the Plan or whether the Holders of such Claims accepted or are deemed to have accepted the Plan), the non-Debtor parties to Executory Contracts and unexpired leases rejected under the Plan, and the heirs, executors, administrators, successors or assigns, if any, of any of the foregoing.

Continued Corporate Existence; Vesting of Assets

9. Pursuant to Section 8.11 of the Plan, on the Effective Date, the Debtor's board of directors shall be dissolved and the then-current members of the board of directors and officers of the Debtor shall be relieved of their positions and corresponding duties and obligations; provided, however, that the Debtor Representative shall be responsible for effectuating transfers of Assets in accordance with the Plan and otherwise satisfying the Debtor's obligations under the terms of the Plan. On and after the Effective Date, the Debtor Representative shall have full and complete authority to act on behalf of and bind the Debtor without further action or approval of the Bankruptcy Court or the board of directors of the Debtor. After the D&O and Tort Claims are liquidated and the proceeds of such Claims are transferred to the Liquidating Trust Estate in accordance with the Plan, the Debtor Representative shall be empowered, but not directed, to effectuate the dissolution of the Debtor in accordance with the laws of the State of New Jersey.

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Notwithstanding the foregoing, neither the Debtor Representative nor the Liquidating Trustee shall be responsible for the administration or liquidation of the 401(k) plan sponsored by the Debtor, which will be administered and liquidated according to its own terms.

10. The Liquidating Trustee shall serve as a responsible officer of the Debtor and succeed to the right to act in such capacities as may be necessary to implement the Plan pursuant to the terms of the Liquidating Trust Agreement. Consistent with the Plan and this Confirmation Order, as of the Effective Date, all Assets, except the D&O and Tort Claims, shall vest in the Liquidating Trust for administration by the Liquidating Trustee and the D&O and Tort Claims and rights in and proceeds of any Insurance Policies will revert in the Debtor, free and clear of all Claims, liens, charges, interests and other encumbrances, under applicable prior Orders of this Court, including, but not limited to the Sale and Settlement Order.

11. As set forth in the Plan, the Debtor Representative shall be authorized to institute and to prosecute through final judgment or settlement the D&O and Tort Claims. Upon the entry of a final judgment or settlement, the relevant proceeds of the D&O and Tort Claims shall be transferred to the Liquidating Trust for the benefit of the Holders of Allowed Claims, in accordance with the provisions of the Plan. Nothing in the Settlement Agreement (including, without limitation, any provisions relating to the limitation of recovery on Claims against Former Officials solely to the available proceeds of the D&O Policies), the Sale and Settlement Order, the Plan and/or the Disclosure Statement shall be deemed to adversely impact insurance coverage for the D&O and Tort Claims; provided, however, that nothing in the Plan or this Confirmation Order shall impair or preclude National Union from raising, and the Debtor

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Representative and/or any insureds, additional insureds, insured entities, and/or individual insureds (as such individuals or entities are named or identified in the respective D&O Policies) from opposing, each or any of the following defenses (and no other defenses shall be raised by National Union based upon or arising from the Bankruptcy Documents) to any claim submitted to National Union under any D&O Policy:

- (i) that the negotiation and entry of the Bankruptcy Documents constituted a breach on the part of the insureds of any duty of cooperation;
- (ii) that the negotiation and entry of the Bankruptcy Documents constituted a breach on the part of the insureds of any duty to obtain National Union's consent thereto;
- (iii) that coverage is precluded under the definition of Loss;
- (iv) that the Bankruptcy Documents violate the anti-assignment clause;
- (v) the application of any insured v. insured exclusion;
- (vi) that the proceeds of any D&O Policy are not the property of the Debtor;
and
- (vii) any defense to coverage that is not based upon the Bankruptcy Documents,

provided that nothing in this paragraph shall constitute a finding or admission of the validity or invalidity of any coverage defense that may be asserted by National Union.

12. Consistent with the Plan and this Confirmation Order, on and after the Effective Date, the Disbursing Agent, the Liquidating Trustee or the Debtor Representative, as the case

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may be, may take all actions authorized by the Plan, Liquidating Trust Agreement, and the Confirmation Order, including, without limitation, to acquire and dispose of property and compromise or settle any Claims or Causes of Action without supervision or approval by the Court and free of any restrictions imposed by the Bankruptcy Code or the Bankruptcy Rules, except as otherwise set forth in the Plan.

13. The Liquidating Trustee or Debtor Representative, as applicable, may pay the charges that are incurred on or after the Effective Date for professionals' fees, disbursements, expenses or related support services after application to the Court as set forth in Section 8.10 of the Plan, pursuant to the procedures set forth therein. The sale of any real property of the Estate shall be pursuant to and in furtherance of the Plan and, thus, shall be exempt from any transfer or similar tax under section 1146 of the Bankruptcy Code.

Release of Liens and Collateral

14. Except as otherwise provided in the Plan or in any of the Plan Agreements and Documents, on the Effective Date, all mortgages, deeds of trust, liens or other security interests against any of the Assets transferred to the Liquidating Trust will be fully released, satisfied and discharged, and all right, title and interest of any holder of such mortgages, deeds of trust, liens or other security interests will revert to the Liquidating Trust. Except as provided in the Plan or the Confirmation Order, unless a particular Secured Claim is reinstated: (i) each holder of a Secured Claim or a Claim that is purportedly a Secured Claim shall (x) turn over and release to the Liquidating Trust any and all property of the Debtor that secures or purportedly secures its Claim, and (y) execute such documents and instruments as the Liquidating Trustee may

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reasonably require to evidence the holder's release of such property; and (ii) on the Effective Date, all claims, right, title and interest in that property shall be transferred to, or vest or revest in the Liquidating Trust, free and clear of all Claims, including, liens, charges, pledges, interests, encumbrances, security interests and any other interests of any kind. The transfer of assets and the revesting of assets provided for herein shall constitute legal and valid transfers in accordance with all applicable laws and regulations.

C. CAUSES OF ACTION

15. Except as explicitly stated in the Plan or in this Confirmation Order, nothing contained in the Plan or this Confirmation Order shall be deemed to be a waiver or relinquishment of any right, claim, Causes of Action, including the D&O and Tort Claims, right of setoff, or any other legal or equitable defense that the Debtor may have as of the Effective Date and that the Debtor Representative or Liquidating Trustee, as the case may be, may choose to assert on behalf of the Estate, all of which are expressly reserved hereby.

16. From and after the Effective Date and notwithstanding any state law to the contrary, the Debtor Representative (as to the D&O and Tort Claims) and the Liquidating Trustee (as to all Causes of Action constituting Assets that are not D&O and Tort Claims) shall have, retain, reserve, be granted standing and shall be entitled to assert all such Causes of Action, as well as legal or equitable defenses related thereto which the Debtor had immediately prior to the Effective Date, subject to the rights and restrictions contained in (a) the Settlement Agreement, (b) the Sale and Settlement Order, and (c) the Plan, including but not limited to any releases contained therein and the provisions of Article XII of the Plan.

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17. The failure of the Plan Proponents to notify or otherwise list the target of any Cause of Action, including any D&O and Tort Claim, shall not be deemed to be a waiver or release of such Cause of Action (all of such Causes of Action shall be expressly preserved), nor does this Confirmation Order cause such Cause of Action to be deemed barred by operation of *res judicata*.

18. Notwithstanding the foregoing, the Committee, as an estate representative, shall retain the right and shall have standing as a result of the Plan and this Order to bring the D&O and Tort Claims and any estate Causes of Action prior to the Effective Date.

D. CLAIMS BAR DATES

General Bar Date Provisions

19. Unless otherwise ordered by the Court, any General Unsecured Claim, excluding those of Governmental Units, not filed by the November 29, 2011 Bar Date, and any General Unsecured Claim of a Government Unit not filed by the January 27, 2012 Bar Date, shall continue to be, in accordance with such Final Order, forever barred, released, satisfied, discharged, disallowed, and expunged. To the extent applicable, this Order shall bar, discharge, disallow, and expunge any General Unsecured Claim not filed before the applicable Bar Date. Nothing in the Confirmation Order shall be deemed to extend the Bar Date for filing any Claim against the Estate.

Bar Dates for Administrative Expense Claims and Priority Claims

20. Unless otherwise ordered by the Court, any Administrative Expense Claim or Priority Claim not filed in accordance with the applicable Administrative Expense/Priority Claim

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Bar Date Order shall continue to be, in accordance with such Final Order, forever barred, released, satisfied, discharged, disallowed, and expunged. To the extent applicable, this Order shall bar, discharge, disallow, and expunge any Administrative Expense Claim or Priority Claim not filed in accordance with the applicable Administrative Expense/Priority Claim Bar Date Order.

Bar Dates for Professionals

21. Any Person seeking payment on account of a Professional Compensation and Reimbursement Claim shall file its respective final Fee Application no later than sixty (60) days after the Effective Date. All Professional Compensation and Reimbursement Claims shall be treated as Administrative Expense Claims as set forth in Section 4.1.1 of the Plan, or shall be paid on such other terms as may be mutually agreed upon between the Holder of an Allowed Professional Compensation and Reimbursement Claim and the Liquidating Trustee and is consistent with the terms of the Settlement Agreement and Sale and Settlement Order. Failure to timely file a final Fee Application shall result in the Professional Compensation and Reimbursement Claim being forever barred and discharged.

22. Notwithstanding anything in the Plan to the contrary, nothing shall preclude any party-in-interest (which shall be deemed to include the Liquidating Trustee) from objecting to a final Fee Application of any Professional.

23. The Debtor's Professionals shall be required to hold and apply any retainers currently on hand (if any) to their respective Professional Compensation and Reimbursement Claim, to the extent such Professional Compensation and Reimbursement Claim becomes an

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Allowed Professional Compensation and Reimbursement Claim and/or payable in accordance with the Administrative Order or any Final Order awarding and allowing such Professional Compensation and Reimbursement Claim. Application of such retainer shall be required prior to the payment of any portion of such Professional Compensation and Reimbursement Claims by the Liquidating Trustee. To the extent there remains any funds on retainer after application of such allowed Professional Compensation and Reimbursement Claim, such retainers shall be promptly turned over to the Liquidating Trustee.

Bar Date for Rejection Damage Claims

24. If the rejection by the Debtor of an Executory Contract or unexpired lease pursuant to the Plan gives rise to a Claim by the counterparty or counterparties to such contract or lease, such Claim will be forever barred and will not be enforceable against the Debtor, the Estate, the Liquidating Trust, the Liquidating Trustee, or their respective successors or respective properties, unless a proof of such Claim is filed with the Bankruptcy Court and served on the Liquidating Trustee and its counsel within thirty (30) days after the Confirmation Date. **THE BAR DATE FOR REJECTION DAMAGES DOES NOT APPLY TO AND DOES NOT EXTEND ANY PREVIOUS BAR DATES FOR REJECTION DAMAGES CLAIMS, TO THE EXTENT SUCH CLAIM WAS REQUIRED TO BE FILED PRIOR TO THE ENTRY OF THIS CONFIRMATION ORDER.**

E. EXEMPTIONS FROM SECURITIES LAWS

25. Neither the Debtor nor any other person that participated in the solicitation of acceptance or rejection of the Plan shall be liable, on account of such action or such

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participation, for any violation of any applicable law, rule or regulation governing the solicitation of acceptance or rejection of the Plan.

F. FUNDING OF BANK ACCOUNTS

26. As of the Effective Date, and pursuant to the Plan, the Liquidating Trustee is hereby authorized and directed to establish and fund, to the extent funds are available, the GUC Account, the Administrative Expense/Priority Claim Reserve Account, and such other accounts as are contemplated under the Liquidating Trust Agreement, the Plan, or the Settlement Agreement.

G. ADDITIONAL ACTIONS IN FURTHERANCE OF THE PLAN

27. The approvals and authorizations specifically set forth in this Confirmation Order are nonexclusive and are not intended to limit the authority of the Plan Proponents, the Debtor Representative, the Liquidating Trust, or the Liquidating Trustee to take any actions necessary or appropriate to implement, effectuate and consummate the Plan, this Confirmation Order, the Settlement Agreement and the transactions contemplated thereby. Without limiting the generality or effect of any other provision of this Confirmation Order, the Plan Proponents, the Debtor Representative, the Liquidating Trust, and the Liquidating Trustee are hereby specifically authorized and empowered to take any and all such actions as may be necessary or appropriate to implement, effectuate and consummate the Plan, the Plan Agreements and Documents, this Confirmation Order, the Settlement Agreement, and the transactions respectively contemplated thereby and hereby, all in accordance with the terms of the Plan, this Confirmation Order, and the Settlement Agreement, all without further application to, or order of, this Court and whether

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or not such actions are specifically referred to in the Plan, the Disclosure Statement, the Disclosure Statement Order, the Settlement Agreement, this Confirmation Order or the exhibits to any of the foregoing.

H. RELEASES, EXCULPATIONS AND INJUNCTIONS

28. The releases and injunctions set forth in, and subject to the limitations contained in, the Plan, including, without limitation, releases and injunctions set forth in Article XII of the Plan (including, without limitation, the releases and injunctions set forth in Section 12.4 of the Plan) are hereby approved as fair, equitable, reasonable and in the best interests of the Debtor, its Estate, and creditors. The releases and injunctions set forth in the Plan shall and shall be deemed to supplement and/or compliment the Settlement Injunction and the Settlement Release; nothing in the Plan or this Confirmation Order shall or shall be deemed to impair, amend, modify or otherwise alter the Settlement Injunction and the Settlement Release.

29. All entities who have held, hold, or may hold Claims against the Debtor, are hereby permanently enjoined and restrained, on and after the Confirmation Date, from (A) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim, (B) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or Order against the Debtor, the Liquidating Trust or the Liquidating Trustee on account of any such Claim, (C) creating, perfecting or enforcing any encumbrance of any kind against the Debtor or against the property or interests in property of the Debtor on account of any such Claim and (D) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from the Debtor or against the

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property or interests in property of the Debtor on account of any such Claim. This injunction shall extend for the benefit of the Liquidating Trustee and any successors of the Debtor, and to any property and interests in property subject to the Plan.

30. To the extent consistent with the Settlement Agreement and the Sale and Settlement Order, neither the Debtor nor its officers, nor trustees, nor directors, nor the Committee or its members, nor any of the Chapter 11 Professionals, shall have or incur any liability to any Holder of a Claim or Interest, or any other party-in-interest, Person or Entity or any of their respective agents, employees, representatives, financial advisors, attorneys, affiliates or any of their successors or assigns, for any act or omission occurring after the Petition Date and in connection with, relating to, or arising out of the Chapter 11 Case, formulation, negotiation or implementation of the Plan, solicitation of acceptances of the Plan, the pursuit of Confirmation of the Plan, the consummation of the plan, or the administration of the Plan or the property to be distributed under the Plan except for their bad faith, willful malfeasance, reckless disregard of duty, gross negligence, willful fraud, willful misconduct, self-dealing or breach of fiduciary duty as determined by a Final Order of the Bankruptcy Court

I. SUBSTANTIAL CONSUMMATION

31. The substantial consummation of the Plan, within the meaning of section 1127 of the Bankruptcy Code, shall be deemed to have occurred on the Effective Date. The Liquidating Trustee shall file an application for a final decree at the appropriate time as provided in Section 8.14 of the Plan.

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J. RETENTION OF JURISDICTION

32. Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over the Chapter 11 Case until the Chapter 11 Case is closed, including jurisdiction to issue any other Order necessary to administer the Estate or the Liquidating Trust Estate and enforce the terms of the Plan, and/or the Liquidating Trust Agreement pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

(a) To determine the type, allowance and payment of any Claims upon any objections thereto (or other appropriate proceedings) by the Liquidating Trustee or any other party-in-interest entitled to proceed in that manner;

(b) Except as otherwise limited herein, to recover all Assets of the Debtor and property of the Debtor's Estate, wherever located;

(c) To hear and determine any issue arising under Section 7.1 of the Plan; *provided*, *however*, any action, controversy, dispute, claim or question arising out of or relating to the right of any party to enforce, contest and/or litigate the existence, primacy and/or scope of available coverage and/or any defenses to coverage under the Professional Liability Policies shall be referred to and resolved solely in accordance with the terms and conditions of the Professional Liability Policies and applicable non-bankruptcy law, including, but not limited to, any choice of law, forum or jurisdiction provision therein; *provided further, however*, that the Bankruptcy Court shall have exclusive jurisdiction to hear and resolve all disputes arising from the

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enforcement and implementation of the Stipulation and Order entered with respect to any settlement of claims asserted by Darwin Select Insurance Company against the Estate;

(d) To hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;

(e) To hear any other matter not inconsistent with the Bankruptcy Code;

(f) To enter a final decree closing the Chapter 11 Case;

(g) To ensure that distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;

(h) To decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters and grant or deny any applications involving the Debtor that may be pending on or instituted by the Liquidating Trustee after the Effective Date;

(i) To issue injunctions, enter and implement other Orders or take such other actions as may be necessary or appropriate to restrain interference by any Person or Entity with the occurrence of the Effective Date or enforcement of the Plan, except as otherwise provided herein;

(j) To determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, indenture or other agreement or document created in connection with the Plan or the Disclosure Statement;

(k) To enforce, interpret, and determine any disputes arising in connection with any stipulations, Orders, the Sale and Settlement Order, judgments, injunctions, the Settlement

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Injunction, releases, the Settlement Release, exculpations, indemnifications, and rulings entered in connection with the Chapter 11 Case (whether or not the Chapter 11 Case has been closed);

(l) To adjudicate any adversary proceeding or other proceeding which may be commenced against any Person or Entity arising from, related to, or in connection with (i) any Chapter 5 Action; (ii) the D&O and Tort Claims; and (iii) claims against third parties relating to the facts and circumstances surrounding the D&O and Tort Claims; provided, however, that nothing in the Plan or the Confirmation Order shall vest the Bankruptcy Court with exclusive jurisdiction over any claims identified in subclauses (ii) and (iii) of this subparagraph (l) or over any dispute relating to coverage under the D&O Policies;

(m) To resolve disputes concerning any reserves with respect to Disputed Claims or the administration thereof; and

(n) To resolve any disputes concerning whether a Person or Entity had sufficient notice of the Chapter 11 Case, the Claims Bar Date, the hearing on the approval of the Disclosure Statement as containing adequate information, the hearing on the confirmation of the Plan for the purpose of determining whether a Claim is discharged hereunder or for any other purpose.

K. POST-CONFIRMATION NOTICES AND REPORTS

33. Pursuant to Bankruptcy Rules 2002(f)(7) and 3020(c), the Plan Proponents (through Epiq) are directed to file and serve a notice of (a) the entry of this Confirmation Order and (b) declaration of the Effective Date on all holders of Claims and other parties in interest no later than the date that is ten (10) days after the declaration of the Effective Date, provided,

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however, that the Plan Proponents (through Epiq) shall be obligated to serve the Effective Date Notice only on the record holders of Claims.

34. After the Effective Date, the Liquidating Trustee are directed to comply with all Bankruptcy Court reporting requirements of the Debtor and shall file all reports required by the Plan.

L. MISCELLANEOUS

35. The failure to include or otherwise refer to any specific provision of the Plan in this Confirmation Order shall not be deemed or construed as a waiver or deletion or to otherwise impair or adversely affect any such omitted provisions of the Plan.

36. Notwithstanding anything to the contrary in the Plan or this Confirmation Order, neither the Debtor, the Debtor Representative, the Committee, the Liquidating Trustee, the Post-Effective Date Creditors' Committee nor their respective successors, affiliates or assigns shall enter into a stipulation or any other agreement with any Entity asserting a Covered Claim (as that term is defined in the Settlement Agreement) waiving, terminating, dissolving, amending, modifying, impairing or otherwise altering the Settlement Injunction, the Settlement Release, the Plan Injunction, the Plan Release, or any other injunctions and/or releases provided for in the Sale and Settlement Order, without the prior written consent of the Authority, the City and the Purchaser each in their reasonable discretion.

EXHIBIT A

TRENK, DiPASQUALE,
DELLA FERA & SODONO, P.C.
Joseph J. DiPasquale (JD-3330)
Thomas M. Walsh (TW-0645)
347 Mt. Pleasant Avenue, Suite 300
West Orange, NJ 07052
Telephone: (973) 243-8600
Attorneys for Hudson Healthcare, Inc., Debtor-in-Possession

-and-

SILLS CUMMIS & GROSS P.C.
Andrew H. Sherman (AS-6061)
One Riverfront Plaza
Newark, NJ 07102
Telephone: (973) 643-7000
Attorneys for the Official Committee of Unsecured Creditors

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY**

In re:

HUDSON HEALTHCARE, INC.,

Debtor-in-Possession.

Honorable Donald H. Steckroth

Case No. 11-33014

Chapter 11

THIRD AMENDED JOINT PLAN OF ORDERLY LIQUIDATION

Dated: May 7, 2012

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ARTICLE I

INTRODUCTION TO PLAN

Hudson Healthcare, Inc., a New Jersey not for profit corporation and the debtor and debtor-in-possession (the “Debtor”) in the above captioned Chapter 11 Case¹, and the Official Committee of Unsecured Creditors of Hudson Healthcare, Inc. (the “Committee,” together with the Debtor, the “Plan Proponents”), jointly propose the following Plan of Liquidation (together with exhibits and as amended from time to time, the “Plan”) pursuant to section 1121(a) of title 11 of the United States Code (the “Bankruptcy Code”).

Pursuant to the Plan, the Plan Proponents propose an orderly liquidation of the Debtor’s remaining Assets. The Plan provides that all funds realized from the collection and liquidation of the Debtor’s Assets will be paid to Creditors on account of their Allowed Claims in accordance with the distributive priorities of the Bankruptcy Code. The Plan Proponents propose to implement the Plan by establishing a Liquidating Trust that will be administered by the Liquidating Trustee. On the Effective Date, the Debtor’s Assets will be transferred to the Liquidating Trust for the benefit of Creditors. Thereafter, the Liquidating Trustee will be responsible for liquidating the Assets and making distributions to Creditors in accordance with the terms of the Plan.

Transmitted with this Plan is a copy of the Disclosure Statement required by section 1125 of the Bankruptcy Code (together with exhibits and as amended from time to time, the “Disclosure Statement”). The Disclosure Statement is provided to help Creditors understand this Plan. The Disclosure Statement contains, among other things, a discussion of the Debtor’s

¹ Capitalized terms used herein shall have the meaning ascribed to them in Article II of this Plan.

history, business, and results of operations; a summary of events occurring during the Chapter 11 Case; resolutions of material disputes; and a summary of this Plan.

All Creditors and other parties-in-interest are encouraged to carefully review the Disclosure Statement prepared by the Plan Proponents before voting to accept or reject this Plan.

THE PLAN PROPONENTS URGE ALL CREDITORS AND OTHER PARTIES IN INTEREST TO READ THIS PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY. NO SOLICITATION MATERIALS OTHER THAN THE DISCLOSURE STATEMENT AND ANY DOCUMENTS, SCHEDULES, EXHIBITS OR LETTERS ATTACHED THERETO OR REFERENCED THEREIN HAVE BEEN AUTHORIZED BY THE PLAN PROPONENTS OR THE BANKRUPTCY COURT FOR USE IN SOLICITING ACCEPTANCES OR REJECTIONS OF THIS PLAN.

THE VOTING DEADLINE TO ACCEPT OR REJECT THIS PLAN IS 4:00 P.M. EASTERN TIME, JULY 2, 2012, UNLESS EXTENDED BY ORDER OF THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEW JERSEY.

THE PLAN PROPONENTS BELIEVE THAT THIS PLAN WILL ENABLE THE ESTATE TO EFFICIENTLY LIQUIDATE ITS ASSETS FOR THE BENEFIT OF THE CREDITORS AND ACCOMPLISH THE OBJECTIVES OF CHAPTER 11. ADDITIONALLY, THE PLAN PROPONENTS BELIEVE THE PLAN PRESENTS THE MOST ADVANTAGEOUS OUTCOME FOR ALL THE DEBTOR'S CREDITORS AND THAT, THEREFORE, CONFIRMATION OF THE PLAN IS IN THE BEST INTERESTS OF THE ESTATE. THE PLAN PROPONENTS RECOMMEND THAT CREDITORS VOTE TO ACCEPT THE PLAN.

BY ORDER DATED MAY 29, 2012, THE BANKRUPTCY COURT APPROVED THE DISCLOSURE STATEMENT AS CONTAINING ADEQUATE INFORMATION TO PERMIT THE HOLDERS OF CLAIMS AGAINST THE DEBTOR TO MAKE REASONABLY INFORMED DECISIONS IN EXERCISING THEIR RIGHT TO VOTE ON THE PLAN. APPROVAL OF THE DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT, HOWEVER, DOES NOT CONSTITUTE A DETERMINATION ON THE MERITS OF THIS PLAN.

THERE HAS BEEN NO INDEPENDENT AUDIT OF THE INFORMATION CONTAINED IN THE DISCLOSURE STATEMENT OR THIS PLAN EXCEPT AS EXPRESSLY INDICATED THEREIN. THE DISCLOSURE STATEMENT AND PLAN WERE COMPILED FROM INFORMATION OBTAINED BY THE PLAN PROPONENTS FROM NUMEROUS SOURCES AND ARE BELIEVED TO BE ACCURATE TO THE BEST OF THEIR KNOWLEDGE, INFORMATION AND BELIEF. HOLDERS OF CLAIMS MUST RELY ON THEIR OWN EXAMINATION OF THE DEBTOR AND THE TERMS OF THIS PLAN, INCLUDING THE MERITS AND RISKS INVOLVED. BEFORE SUBMITTING BALLOTS. HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN SHOULD READ AND CAREFULLY CONSIDER THE DISCLOSURE STATEMENT AND THIS PLAN IN THEIR ENTIRETY.

FOR THE CONVENIENCE OF HOLDERS OF CLAIMS, THE DISCLOSURE STATEMENT SUMMARIZES THE TERMS OF THIS PLAN. IF ANY INCONSISTENCY EXISTS BETWEEN THE PLAN AND THE DISCLOSURE STATEMENT, THE TERMS OF THIS PLAN ARE CONTROLLING. THE

DISCLOSURE STATEMENT MAY NOT BE RELIED ON FOR ANY PURPOSE OTHER THAN TO DETERMINE WHETHER TO VOTE TO ACCEPT OR REJECT THIS PLAN. NOTHING STATED IN THE DISCLOSURE STATEMENT SHALL BE DEEMED OR CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY, OR BE DEEMED CONCLUSIVE EVIDENCE OF THE TAX OR OTHER LEGAL EFFECTS OF THIS PLAN ON THE DEBTOR OR HOLDERS OF CLAIMS. CERTAIN STATEMENTS CONTAINED IN THE DISCLOSURE STATEMENT, BY THEIR NATURE, ARE FORWARD-LOOKING AND CONTAIN ESTIMATES AND ASSUMPTIONS. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL REFLECT ACTUAL OUTCOMES.

SUMMARIES OF CERTAIN PROVISIONS OF AGREEMENTS REFERRED TO IN THIS PLAN AND THE DISCLOSURE STATEMENT DO NOT PURPORT TO BE COMPLETE AND ARE SUBJECT TO, AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO, THE FULL TEXT OF THE APPLICABLE AGREEMENT, INCLUDING THE DEFINITIONS OF TERMS CONTAINED IN SUCH AGREEMENT.

HOLDERS OF CLAIMS SHOULD NOT CONSTRUE THE CONTENTS OF THIS PLAN OR THE DISCLOSURE STATEMENT AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE. EACH SUCH HOLDER SHOULD CONSULT WITH ITS OWN LEGAL, BUSINESS, FINANCIAL AND TAX ADVISORS AS TO ANY SUCH MATTERS CONCERNING THE SOLICITATION, THIS PLAN AND THE TRANSACTIONS CONTEMPLATED THEREBY.

HOLDERS OF CLAIMS AND OTHER THIRD PARTIES SHOULD BE AWARE THAT THIS PLAN CONTAINS INJUNCTIONS AND RELEASES THAT MAY MATERIALLY AFFECT THEIR RIGHTS.

ARTICLE II

DEFINITIONS

For purposes of this Plan, unless the context otherwise requires, all capitalized terms not otherwise defined shall have the meanings ascribed to them below. Any term used in this Plan that is not defined herein, but is defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that term in the Bankruptcy Code or Bankruptcy Rules, as applicable. For purposes of the Plan and such defined terms, the singular and plural uses of such defined terms and the conjunctive and disjunctive uses thereof will be interchangeable (unless the context requires otherwise), and the defined terms will include the masculine, feminine and neutral genders.

2.1 Administrative Expense Claim

means any Claim (other than a Claim included in a Class under the Plan) that is entitled to priority in accordance with sections 503(b) and 507(a)(2) of the Bankruptcy Code or Order of the Bankruptcy Court, including (i) Claims for the actual, necessary costs and expenses of preserving the Estate arising or accruing during the period commencing on the Petition Date and ending on November 3, 2011, (ii) Section 503(b)(9) Administrative Claims, and (iii) Professional Compensation and Reimbursement Claims.

2.2 Administrative Expense/Priority Claim Bar Date

means December 30, 2011, at 5:00 p.m. Eastern Time, the last date fixed by the Administrative Expense/Priority Claim Bar Date Order, by which all proofs of claim for Administrative Expense Claims and Priority Claims must be filed, other than (A) all fees payable to the Clerk of the Bankruptcy Court or the Office of the United States Trustee pursuant to 28 U.S.C. § 1930; (B) any Administrative Expense Claim already fixed and approved by Order of the Bankruptcy Court prior to the entry of the Administrative Expense/Priority Claim Bar Date Order; (C) any Administrative Expense Claim that has been paid in full prior to the entry of the Administrative Expense Bar Date Order; (D) any Administrative Expense Claim of a governmental unit that is subject to 11 U.S.C. § 503(b)(1)(D); (E) any Professional Compensation and Reimbursement

Claim; (F) fees and expenses payable to Patient Care Ombudsman and his counsel; (G) Administrative Expense Claims of Committee members for expenses pursuant to Bankruptcy Code section 503(b)(3)(F); and (H) fees and expenses payable to Epiq and Donlin.

2.3 Administrative Expense/Priority Claim Bar Date Order

means the Order granting the Debtor's and Committee's Joint Motion for an Order (I) Establishing Bar Date for Filing (a) Administrative Expense Claims Pursuant to 11 U.S.C. §§ 105(a) and 503; and (b) Priority Unsecured Claims Pursuant to 11 U.S.C. §§ 105 and 507; (II) Approving the Form, Manner and Sufficiency of Notice Thereof; and (III) Approving Proof of Administrative Expense Claim Form and Priority Unsecured Claim Form, dated November 22, 2011.

2.4 Administrative Expense/Priority Claim Reserve

means the Cash transferred from the Creditor Trust Account prior to the Effective Date in an amount necessary to pay any estimated Professional Compensation and Reimbursement Claims through the Effective Date and asserted Administrative Expense Claims, Other Administrative Expense Claims, Priority Tax Claims, Class 1 Claims, and all fees pursuant to 28 U.S.C. § 1930 due and payable as of the Effective Date in excess of the Cash in the Joint Payment Account as of the date of transfer.

2.5 Allowed Claim

means any Claim, proof of which was timely and properly filed or, if no proof of Claim was filed, which has been or hereafter is listed by the Debtor in its Schedules, as such Schedules may be amended by the Debtor from time to time in accordance with Bankruptcy Rule 1009, as liquidated in amount and not disputed or contingent and, in each case, as to which: (A) no objection to allowance has been interposed within the applicable period fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or (B) such Claim has been allowed, in whole or in part, by a Final Order; provided, however, that any Claims allowed solely for the purpose of voting to accept or reject the Plan pursuant to an Order of the Bankruptcy Court shall not be considered "Allowed Claims" hereunder. Unless otherwise specified herein or by Order of the Bankruptcy Court, "Allowed Claim" shall not, for purposes of computation of distributions under the Plan, include interest on such Claim from and after the Petition Date.

2.6 Assets

means each and every item of property and interest of the Debtor or the Estate as of the Effective Date, whether tangible or intangible, legal or equitable, liquidated or unliquidated, and includes, without limitation, (i) all assets not otherwise sold by the Debtor under the Debtor APA, including but not limited to all Excluded Assets (as the term is used in the Debtor APA); (ii) all rights and causes of action retained under the Settlement Agreement, including, without limitation, all Preserved Claims (including all applicable D&O and Tort Claims); and (iii) all Cash, Chapter 5 Actions, rights in and proceeds of Insurance Policies, and any other rights, privileges, deferred taxes, claims, causes of action or defenses, whether arising by statute or common law, and whether arising under the laws of the United States, other countries, or applicable state or local law.

2.7 Authority

means the Hoboken Municipal Hospital Authority.

2.8 Authority APA

means that certain Asset Purchase Agreement between the Authority and the Purchaser dated as of April 20, 2011, as amended from time to time.

2.9 Ballot

means the form of ballot to be distributed with the Disclosure Statement and this Plan to each Holder of an Impaired Claim in a Class entitled to vote on the Plan on which is to be indicated acceptance or rejection of the Plan.

2.10 Balloting Deadline

means the date and time, as fixed by an Order of the Bankruptcy Court and set forth in the Disclosure Statement, by which all Ballots must be received by the Debtor at the address set forth on the Ballot, as such date may be extended by an Order of the Bankruptcy Court.

2.11 Bankruptcy Code

means title 11 of the United States Code, as amended from time to time, as applicable to the Chapter 11 Case.

2.12 Bankruptcy Court

means the United States Bankruptcy Court for the District of New Jersey, having jurisdiction over the Chapter 11 Case, or if such Court ceases to exercise jurisdiction over the Chapter 11 Case, such court or adjunct thereof that exercises jurisdiction over the Chapter 11 Case in lieu of the United States Bankruptcy Court for the District of New Jersey.

2.13 Bankruptcy Documents

means, collectively, (a) the Settlement Agreement, the Sale and Settlement Order, and any underlying agreements in connection therewith, (b) this Plan, and (c) the Confirmation Order.

2.14 Bankruptcy Rules

means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, and any Local Rules of the Bankruptcy Court, as amended from time to time, as applicable to the Chapter 11 Case.

2.15 Bar Date

means the last date fixed by the Bankruptcy Court for filing proofs of Claim in the Chapter 11 Case. For Creditors holding a General Unsecured Claim, except Governmental Units, the Bar Date is November 29, 2011 and for Governmental Units, the Bar Date is January 27, 2012.

2.16 Beneficiary

means “beneficiary” as defined in the Liquidating Trust Agreement.

2.17 Business Day

means any day other than a Saturday, Sunday or any other day on which commercial banks in New York, New York are required or authorized to close by law or executive order.

2.18 Cash

means cash constituting legal tender of the United States of America, cash equivalents and other readily marketable direct obligations of the United States of America, and fully FDIC-insured certificates of deposit issued by a bank.

2.19 Causes of Action

means any and all causes of action, grievances, arbitrations, actions, suits, demands, demand letters, claims, complaints, notices of non-compliance or violation, enforcement actions, investigations or proceedings of the Debtor and/or the Estate that are or may be pending on the Effective Date or that may be instituted or prosecuted by the Liquidating Trustee, on behalf of the Estate, or by the Debtor Representative, on behalf of the Debtor, after the Effective Date against any Person or Entity, based in law or equity, including, but not limited to, under the Bankruptcy Code, whether direct, indirect, derivative, or otherwise and whether asserted or unasserted as of the Effective Date (unless released or resolved pursuant to the Settlement Agreement and/or this Plan or otherwise prior to the Effective Date) including, without limitation, (i) the right to object to Claims; (ii) all avoidance powers, actions, rights, remedies or affirmative defenses under Bankruptcy Code sections 544 through 553 and section 724, under any similar or related law (including state law), or under fraudulent transfer or preference laws; (iii) all Preserved Claims; and (iv) all D&O and Tort Claims and claims against any Person or Entity arising from, in connection with, or related to the D&O and Tort Claims.

2.20 Chapter 5 Actions

means any and all Claims arising under chapter 5 of the Bankruptcy Code and any and all fraudulent conveyance or transfer Claims that, in either instance, could be brought under state or federal law.

2.21 Chapter 11 Case

means the case under chapter 11 of the Bankruptcy Code commenced by the Debtor, styled *In re Hudson Healthcare, Inc.*, Chapter 11 Case No. 11-33014 (DHS), currently pending in the Bankruptcy Court.

2.22 Chapter 11 Professionals

means the Debtor’s Professionals and the Committee’s Professionals, wherever they are referred to collectively in the Plan.

2.23 City

means the City of Hoboken, New Jersey.

2.24 Claim

shall have the meaning set forth in section 101(5) of the Bankruptcy Code.

2.25 Claims Agent

means Epiq, the entity retained by the Debtor pursuant to an Order of the Bankruptcy Court to serve as agent of the Clerk pursuant to 28 U.S.C. § 156(c).

2.26 Claims Register

means the document generated by the Bankruptcy Court or the Claims Agent which reflects the proofs of Claim filed by Holders of Claims.

2.27 Class

means any group of substantially similar Claims classified by the Plan pursuant to section 1123(a)(1) of the Bankruptcy Code.

2.28 Clerk

means the Clerk of the Bankruptcy Court.

2.29 Closing

means November 4, 2011, the closing date of the sale of substantially all of the Authority's assets to the Purchaser pursuant to the Authority APA and the sale of substantially all of the Debtor's assets to the Purchaser pursuant to the Debtor APA.

2.30 Collateral

means any property or interest in property of the Estate of the Debtor subject to a lien, charge, or other encumbrance to secure the payment or performance of a Claim, which lien, charge or other, encumbrance is valid, perfected and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code.

2.31 Committee

means the Official Committee of Unsecured Creditors appointed by the Office of the United States Trustee in the Chapter 11 Case pursuant to Bankruptcy Code section 1102(a)(1).

2.32 Committee's Professionals

means (a) the law firm of Sills Cummis & Gross P.C.; (b) the accounting firm of J.H. Cohn, LLP; and (c) any and all other professionals that the Committee has retained or may retain, with

Bankruptcy Court approval, to assist in the conduct of the Chapter 11 Case or to provide professional services for a specified purpose, all in accordance with Bankruptcy Code section 327.

2.33 Confirmation Date

means the date the Clerk enters the Confirmation Order on the docket in the Chapter 11 Case.

2.34 Confirmation Hearing

means the duly noticed hearing to be held in accordance with section 1128(a) of the Bankruptcy Code at which confirmation of the Plan is considered by the Bankruptcy Court, as such hearing may be adjourned or continued from time to time.

2.35 Confirmation Order

means the Order of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code.

2.36 Covered Claims

means any and all Claims, Liens, Chapter 5 Actions, whether known or unknown, against, with respect to, arising out of, in connection with, or in any way relating to the Debtor, any of the Debtor's property or rights, the Agreements (as defined in the Settlement Agreement), the operation, management and financial affairs of the Hospital, or the Chapter 11 Case on or prior to the Closing, provided that Covered Claims shall not include any (i) Chapter 5 Actions against members of the Committee or (ii) Preserved Claims.

2.37 Covered Parties

means the Authority, the City, the Debtor, the Parking Utility, the Purchaser, (and in their capacity as such the bond trustee and any and all current, former, or future bondholders under the Authority's indenture existing as of October 5, 2011), and any and all of their respective Related Parties or any properties or assets of the aforementioned parties, provided, however, that under no circumstances shall any Non-Covered Party or any Former Professional be a Covered Party. For the avoidance of doubt, all Current Officials shall be Covered Parties.

2.38 Creditor

means any Person who or that is the Holder of a Claim against the Debtor.

2.39 Creditor Trust Account

means the Creditor Trust Account (as defined in the Settlement Agreement) established pursuant to the Settlement Agreement.

2.40 Cure

means with respect to the assumption of an Executory Contract or unexpired lease pursuant to section 365(b) of the Bankruptcy Code, (A) the distribution of Cash, or the distribution of such other property as may be agreed upon by the parties or ordered by the Bankruptcy Court, in an amount equal to all unpaid monetary obligations, without interest, or such other amount as may be agreed upon by the parties under an Executory Contract or unexpired lease, to the extent such obligations are enforceable under the Bankruptcy Code and applicable bankruptcy law or (B) the taking of such other actions as may be agreed upon by the parties or ordered by the Bankruptcy Court.

2.41 Current Officials

includes (i) the commissioners and officers of the Authority as of October 5, 2011 (in their capacities as such) including the following individuals: Alfred Fayemi, Joseph Kozel, Eric Kurta, Jonathan Metsch, Steven Rofsky, Annette Tomarazzo, Catherine M. Williams, Norman E. Wilson, George Crimmins, Tejal Desai, and Mayor Dawn Zimmer; and (ii) each of the directors and officers of the Debtor as of October 5, 2011 (in their capacities as such) including the following individuals: Linda Barrientos, Lior Blik, Joseph Burt, Erin Byron, Angelo Caprio, Yleana Contreras, James Doyle, Marie Duffy, Frank Magaletta, Albert Porco, Joan Quigley, Ellen Refowitz, and Vincent Riccitelli, but shall not include any Non-Covered Party.

2.42 D&O Carriers

means, collectively, the insurers under the D&O Policies.

2.43 D&O and Tort Claims

means all claims and causes of action against Former Officials and all claims and causes of action of the Debtor and/or the Estate as of the Effective Date sounding in tort or otherwise not subject to assignment under applicable law.

2.44 D&O Policies

means, collectively, any “Directors and Officers” and other fiduciary liability insurance policies belonging to the Debtor or under which the Debtor is named as an insured or additional insured, including, without limitation, the Not-for-Profit Protector policy issued by National Union Fire Insurance Company of Pittsburgh, Pa. (“National Union”), policy number 01-499-90-02, and the Federal Insurance Company (a/k/a Chubb) executive liability policy no. 8209-3181. The Professional Liability Policies are not D&O Policies.

2.45 Debtor

means Hudson Healthcare, Inc. and Hudson Healthcare, Inc., d/b/a Hoboken University Medical Center Foundation.

2.46 Debtor APA

means that certain Asset Purchase Agreement between the Debtor and the Purchaser dated as of September 7, 2011.

2.47 Debtor-in-Possession

means the Debtor in its capacity as debtor-in-possession in the Chapter 11 Case pursuant to sections 1101, 1107(a) and 1108 of the Bankruptcy Code.

2.48 Debtor's Professionals

means the law firm of Trenk, DiPasquale, Della Fera & Sodono, P.C. and any and all other professionals that the Debtor has retained or may retain, with Bankruptcy Court approval, to assist in the conduct of the Chapter 11 Case or to provide professional services for a specified purpose, all in accordance with Bankruptcy Code section 327.

2.49 Debtor Representative

means Bernard A. Katz, or such other person or entity as may be appointed and approved by the Bankruptcy Court as the Debtor Representative.

2.50 Designated Contract

means each of those contracts and other agreements and permits identified on Schedule 2.6 of the Debtor APA.

2.51 Disallowed

means, with reference to any Claim, a Claim or any portion thereof that has been disallowed or expunged by Final Order of the Bankruptcy Court.

2.52 Disclosure Statement

means the Disclosure Statement relating to this Plan including, without limitation, all exhibits and schedules thereto, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code.

2.53 Disputed Claim

means any Claim, which has not been allowed by a Final Order of the Bankruptcy Court and which either (i) has not been listed on the Schedules, or has been or hereafter is listed on the Schedules as unliquidated, disputed or contingent, regardless of whether a proof of claim has been filed as to such Claim; (ii) as to which the Debtor or, if not prohibited by the Plan, any other party in interest has interposed a timely objection and/or request for estimation in accordance with section 502(c) of the Bankruptcy Code and Bankruptcy Rule 3007, which objection and/or request for estimation has not been withdrawn or determined by a Final Order, or (iii) as to which proof of claim was required to be filed by Order of the Bankruptcy Court but as to which a proof of claim or interest was not timely or properly filed.

2.54 Donlin

means Donlin Recano & Company, Inc., retained as website administrator by the Committee.

2.55 Effective Date

means the first Business Day after the Confirmation Order becomes a Final Order, and all conditions to the Effective Date as set forth in Section 13.1 of this Plan have been satisfied or, if waivable, jointly waived by the Debtor and the Committee.

2.56 Entity

means an entity as defined in section 101(15) of the Bankruptcy Code (including, without limitation, any Person).

2.57 Epiq

means Epiq Bankruptcy Solutions, LLC, appointed as claims, noticing and solicitation agent of the Bankruptcy Court pursuant to 28 U.S.C. § 156(c).

2.58 Estate

means the estate created upon the commencement of the Chapter 11 Case pursuant to section 541 of the Bankruptcy Code.

2.59 Executory Contract

means any executory contract or unexpired lease as of the Petition Date, subject to section 365 of the Bankruptcy Code, between a Debtor and any other Person or Persons, specifically excluding contracts and agreements entered into pursuant to the Plan or subject to section 1113 of the Bankruptcy Code.

2.60 Fee Application

means an application by a Professional for a Professional Compensation and Reimbursement Claim.

2.61 Final Distribution Date

means the date on which the distribution is made from the Liquidating Trust that finally and fully exhausts the assets of the Liquidating Trust.

2.62 Final Order

means an Order of the Bankruptcy Court or any other adjudicative body, which Order has not been stayed, and as to which the time to appeal or to move for reargument or rehearing has expired and no appeal, or motion for reargument or rehearing shall then be pending. Provided, however, that the Confirmation Order shall be deemed a Final Order unless it has been stayed.

2.63 Former Official

means any director or officer of the Debtor who or that is not a Current Official or any commissioner or officer of the Authority who or that is not a Current Official.

2.64 Former Professional

means any attorneys, accountants, auditors, and/or any other professionals employed, retained or otherwise engaged at any time by the Debtor and/or the Authority provided, to avoid doubt, that Former Professionals shall not include Lowenstein Sandler PC; Trenk, DiPasquale, Della Fera & Sodono, P.C.; or PricewaterhouseCoopers.

2.65 General Unsecured Claim

means any Claim against the Debtor which is not secured by collateral and that is not an Administrative Expense Claim, Priority Tax Claim, Priority Non-Tax Claim, or Secured Claim, but including, without limitation, Claims arising from the rejection of an unexpired lease or Executory Contract pursuant to the Plan or otherwise and deficiency claims of Holders of Allowed Class 2a Claims.

2.66 Governmental Unit

means a governmental unit as defined in section 101(27) of the Bankruptcy Code.

2.67 GUC Account

means that certain account at a financial institution established and designated by the trustee of the Liquidating Trust, into which shall be deposited Cash in trust for Holders of Allowed Class 3 Claims.

2.68 GUC Distribution Date

means: (a) initially, the first Business Day which is thirty (30) days after the Effective Date or as soon as practical thereafter; (b) thereafter, any interim date(s) that the Liquidating Trustee deems appropriate in its discretion based on the amount of Liquidation Proceeds on hand, whether there remain any unpaid Administrative Expense Claims or Priority Claims and the amount of General Unsecured Claims that are Allowed at the time and the status of pending litigation, if any, affecting such distributions; and (c) thereafter, the Final Distribution Date.

2.69 Holder

means the legal holder of any Claim.

2.70 Hospital

means Hoboken University Medical Center.

2.71 Insurance Carrier

includes any Entity which at any time issued or provided a policy of insurance coverage of any kind (and includes any and all amendments, endorsements, renewals, and extensions thereof) which at any time belonged or belongs to or included or includes the Debtor as a named insured, additional insured, or beneficiary.

2.72 Insurance Policy

includes any policy of insurance coverage of any kind (and includes any and all amendments, endorsements, renewals, and extensions thereof) which at any time belonged or belongs to or included or includes the Debtor as a named insured, additional insured, or beneficiary. The D&O Policies and the Professional Liability Policies are Insurance Policies.

2.73 Impaired

refers to any Claim that is impaired within the meaning of section 1124 of the Bankruptcy Code.

2.74 Joint Payment Account

means the Joint Payment Account (as defined in the Settlement Agreement) established pursuant to the Settlement Agreement.

2.75 Lien

shall have the meaning set forth in section 101(37) of the Bankruptcy Code.

2.76 Liquidating Trust

means the trust established pursuant to the Liquidating Trust Agreement.

2.77 Liquidating Trust Agreement

means that certain agreement, in substantially the form annexed as Exhibit E to the Disclosure Statement, which shall establish, evidence and govern the Liquidating Trust, which will be entered into prior to the Effective Date by the Debtor and the Liquidating Trustee pursuant to Article VIII of the Plan, will be subject to approval by the Bankruptcy Court, and will become part of the Plan pursuant to the Confirmation Order.

2.78 Liquidating Trust Estate

means all Assets of the Debtor transferred to the Liquidating Trust pursuant to this Plan on the Effective Date or at any time thereafter pursuant to this Plan.

2.79 Liquidating Trustee

means Bernard A. Katz, or such other person or entity as may be appointed and approved by the Bankruptcy Court as the trustee of the Liquidating Trust as of the date of execution of the Liquidating Trust Agreement, and any successor Liquidating Trustee appointed as provided in

the Liquidating Trust Agreement. Any changes to the identity of the Liquidating Trustee will be disclosed by the Debtor and the Committee, will be subject to approval of the Bankruptcy Court, and will become part of the Plan pursuant to the Confirmation Order.

2.80 Liquidating Trustee Professionals

means professionals for whom retention has been or is sought by the Liquidating Trustee for carrying out the objectives of the Liquidating Trust Agreement.

2.81 Liquidation Proceeds

means (a) the Cash transferred to the Liquidating Trustee on the Effective Date; (b) the Cash proceeds or other proceeds of sale, collection, or other liquidation of any of the Assets after payment of all costs, expenses, and commissions of such sale, collection, or other disposition of the Assets; and (c) all Cash or other proceeds from the ownership of the Assets, including Chapter 5 Action recoveries; provided, however, that the Liquidation Proceeds will not include the Administrative Expense/Priority Claim Reserve, or the Reserve, except as provided in the definitions of Administrative Expense/Priority Claim Reserve or Reserve.

2.82 Non-Covered Parties

means the following Entities: (i) any professionals retained by the Debtor prior to the Petition Date (other than professionals retained or proposed to be retained by the Debtor in the Chapter 11 Case under sections 327, 328, or 330 of the Bankruptcy Code, which professionals are included among the Covered Parties); (ii) Harvey Holzberg; (iii) Harvey A. Holzberg, LLC; (iv) Ronald DiVito; (v) Medical Support Systems, Inc.; and (vi) any Former Officials.

2.83 Order

means an order or judgment of the Bankruptcy Court or other adjudicative body.

2.84 Other Administrative Expense Claim

means an Administrative Expense Claim that was not required to be filed with the Court or the Claims Agent on or before the Administrative Expense/Priority Claim Bar Date, but shall not include Professional Compensation and Reimbursement Claims.

2.85 Parking Utility

means the Hoboken Parking Utility.

2.86 Patient Care Ombudsman

means Daniel T. McMurray or any patient care ombudsman appointed in the Chapter 11 Case.

2.87 Person

shall have the meaning set forth in section 101(41) of the Bankruptcy Code.

2.88 Petition Date

means August 1, 2011, the date on which the Debtor commenced the Chapter 11 Case.

2.89 Plan

means this chapter 11 plan of orderly liquidation, including, without limitation, all exhibits, supplements, appendices and schedules hereto, either in their present form or as the same may be altered, amended or modified from time to time.

2.90 Plan Proponents

means the Debtor and the Committee.

2.91 Post-Effective Date Creditors' Committee

means the committee of persons appointed as of the Effective Date to advise and instruct the Liquidating Trustee in the performance of the Liquidating Trustee's duties and obligations under the Plan with respect to the liquidation of Assets for the benefit of the Holders of Allowed Claims in Class 3 of the Plan.

2.92 Post-Effective Date Notice List

means the list, created pursuant to Section 13.6 of the Plan, of persons who desire to receive notices after the Effective Date of the Plan.

2.93 Preserved Claims

means any and all Claims that are not (i) Covered Claims against Covered Parties or (ii) any other Claims that are released or enjoined pursuant to the Settlement Agreement and Sale and Settlement Order. For avoidance of doubt, Preserved Claims shall include all (x) Claims against Former Officials, subject to Section 12.5 of the Plan, (y) all Claims against Former Professionals, subject to Section 12.5 of the Plan, and (z) Chapter 5 Actions against Non-Covered Parties.

2.94 Priority Claim

means any Priority Non-Tax Claim or Priority Tax Claim.

2.95 Priority Non-Tax Claim

means any Claim, other than an Administrative Expense Claim or a Priority Tax Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

2.96 Priority Tax Claim

means any Claim of a Governmental Unit of the kind entitled to priority in payment as specified in section 502(i) and 507(a)(8) of the Bankruptcy Code.

2.97 Pro Rata

means a number (expressed as a percentage) equal to the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of: (a) Allowed Claims plus (b) Claims, Disputed or undisputed, otherwise asserted but not yet Disallowed (in their aggregate face or, if applicable, estimated amount) in such Class as of the date of determination.

2.98 Professional

means a Person or Entity employed pursuant to a Final Order in accordance with sections 327 or 1102 of the Bankruptcy Code and to be compensated for services rendered prior to the Effective Date pursuant to sections 327, 328, 329, 330 and/or 331 of the Bankruptcy Code, or for which compensation and reimbursement has been Allowed by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

2.99 Professional Compensation and Reimbursement Claim

means a Claim of a Professional for compensation or reimbursement of costs and expenses relating to services incurred after the Petition Date and prior to the Effective Date.

2.100 Professional Liability Policies

means the Darwin Select Insurance Professional and General Liability policy no. 0303-5111 and the Darwin National Assurance Company Umbrella Policy No. 0303-5112.

2.101 Purchaser

means, collectively, HUMC Holdco, LLC and HUMC Opco, LLC.

2.102 Related Parties

means, with respect to any Entity, (i) any and all current or former parents, subsidiaries, affiliates, designees, predecessors in interest, successors in interest, and assigns of such Entity, (ii) any and all current or former directors, officers, commissioners, equity security holders, agents, representatives, counsel, accountants and/or other professionals, and employees of such Entity or any of its current or former parents, subsidiaries, affiliates, designees, predecessors in interest, successors in interest, and assigns, and (iii) any other Entity that claims or might claim through, on behalf of, or for the benefit of any of the foregoing provided that no Non-Covered Party shall be a Related Party. For ease of reference, Related Parties of the Purchaser include but are not limited to MPT Operating Partnership, L.P. and its affiliates.

2.103 Release Date

means November 7, 2011.

2.104 Reserve

means the reserve established by the Liquidating Trustee to pay all reasonably anticipated expenses of administering the Liquidating Trust including, but not limited to, the costs, fees and expenses of the Liquidating Trustee and all professionals retained by him. The Reserve will be used to fund, among other things, the professional fees and expenses incurred to prosecute objections to Claims. The Reserve will be funded from the GUC Account, and the amount of the Reserve may be specified in the Confirmation Order. The Liquidating Trustee will have the right to fix the initial amount, and any additional amounts of the Reserve, in his reasonable discretion. Unused amounts in the Reserve as of the Final Distribution Date (after the payment of all costs and expenses to be covered by the Reserve as described above) will become part of the Liquidation Proceeds. The Reserve may also include funds sufficient to pay Disputed Claims or Claims that have not otherwise been Allowed in the event that such claims become Allowed.

2.105 Sale and Settlement Order

means the Order of the Bankruptcy Court Granting Debtor (I) Authorization to Sell Substantially All of Its Assets Outside the Ordinary Course of Business, Free and Clear of Liens, Claims, interests, and Encumbrances, Pursuant to Private Sale; (ii) Approval of Form and Content of Asset Purchase Agreement Between Debtor and HUMC Holdco, LLC, and HUMC Opco, LLC; (III) Authorization to Assume and Assign Certain of Its Executory Contracts and Unexpired Leases; (IV) Authorization to Sell "Designation Rights" in Connection with Certain of Its Executory Contracts and Unexpired Leases; (V) Authorization to Reject All Executory Contracts and Unexpired Leases That Are Not Assumed or Designated; (VI) Authorization to Reject Collective Bargaining Agreements; (VII) Approval of Settlement and Compromise; and (VIII) Other and Related Relief, dated October 7, 2011.

2.106 Schedules

means the schedules of assets and liabilities, and the statements of financial affairs filed by the Debtor under section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, and all amendments and modifications thereto through the Confirmation Date.

2.107 Section 503(b)(9) Administrative Claim

means a Claim against the Debtor alleged to be entitled to an administrative expense priority under section 503(b)(9) of the Bankruptcy Code for goods sold to the Debtor in the ordinary course of the Debtor's business and received by the Debtor within 20 days before the Petition Date.

2.108 Secured Claim

means a Claim that is secured by a Lien on property in which the Estate has or had an interest, which Lien is valid, perfected and enforceable under applicable law or by reason of a Final

Order, or that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Creditor's interest in the Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code, provided, however, that a Secured Claim shall not include any portion of the Claim to the extent that the value of such entity's Collateral is less than the amount of such Claim. Consistent with Sections 12.6 and 12.7 of this Plan, nothing herein revives or preserves any lien on property sold free and clear pursuant to the Debtor APA, the Authority APA, or the Sale and Settlement Order.

2.109 Secured Creditor

means every Creditor that holds a Secured Claim in the Chapter 11 Case.

2.110 Settlement Agreement

means the Settlement Agreement dated as of October 5, 2011, by and among (i) the Debtor, (ii) the Hoboken Municipal Hospital Authority, (iii) the City of Hoboken, New Jersey, for itself and for the Hoboken Parking Utility, (iv) the Committee, (v) HUMC Holdco LLC and (vi) HUMC Opco LLC.

2.111 Settlement Injunction

means Settlement Injunction as that term is defined on page 13 of the Settlement Agreement.

2.112 Settlement Release

means Settlement Release as that term is defined on page 12 of the Settlement Agreement.

2.113 Voting Deadline

means July 2, 2012 at 4:00 p.m. Eastern Time, the date fixed by the Bankruptcy Court Order approving the Disclosure Statement dated May 29, 2012.

2.114 Voting Record Date

means May 24, 2012 at 4:00 p.m. Eastern Time, the date fixed by the Bankruptcy Court for determining eligibility to vote on the Plan.

ARTICLE III

CLASSIFICATION OF CLAIMS

This section classifies Claims (each a "Class") for all purposes, including voting, confirmation and distribution under the Plan. A Claim is classified in a particular Class only to the extent that the Claim qualifies within the description of the Class and is classified in a

different Class to the extent the Claim qualifies within the description of that different Class. Administrative Expense Claims and Priority Tax Claims are not classified.

This Plan is intended to deal with all Claims against the Debtor of whatever character, whether known or unknown, whether or not with recourse, whether or not contingent or unliquidated, and whether or not previously Allowed by the Bankruptcy Court pursuant to section 502 of the Bankruptcy Code. **However, only Holders of Allowed Claims will receive any distribution under this Plan.** For purposes of determining *Pro Rata* distributions under this Plan and in accordance with this Plan, Disputed Claims shall be included in the Class in which such Claims would be included if Allowed, until such Claims are finally Disallowed.

Class 1 consists of Priority Non-Tax Claims of the Debtor.

Class 2 consists of Secured Claims. To the extent there is more than one Secured Claim, each such Claim will be deemed to be a separate sub-class.

Class 3 consists of all General Unsecured Claims.

ARTICLE IV

TREATMENT OF UNCLASSIFIED CLAIMS

Certain types of Claims are not placed into voting classes; instead they are unclassified. Such Claims are not considered Impaired and they do not vote on this Plan because they are automatically entitled to specific treatment provided under the Bankruptcy Code. As such, the Debtor has not placed such Claims in a Class. The treatment of these Claims is provided below and in Section 8.15 of this Plan (setting forth objection procedures for Administrative Claims and Priority Claims):

4.1 Administrative Expense Claims

4.1.1 General

Subject to the allowance procedures and the deadlines provided in this Plan, and except to the extent that any entity entitled to payment of any Allowed Administrative Expense Claim agrees to a different treatment consistent with the terms of the Settlement Agreement and Sale and Settlement Order, each Holder of an Allowed Administrative Expense Claim incurred prior to Closing shall be paid in full, in Cash, from the Joint Payment Account according to the procedures set forth in paragraph 6 of the Settlement Agreement. To the extent that the Cash in the Joint Payment Account is insufficient to pay such Allowed Administrative Expense Claim in full or the Allowed Administrative Expense Claim was incurred on or after Closing, the Allowed Administrative Expense Claim or portion thereof that remains unpaid from the Joint Payment Account shall be paid in Cash by the Liquidating Trustee from the Administrative Expense/Priority Claim Reserve or the GUC Account, as necessary, on the later of: (a) ten (10) Business Days after the Effective Date; or (b) ten (10) Business Days after the date of entry of a Final Order determining and allowing such Claim as an Administrative Expense Claim, or as soon thereafter as is practicable.

4.1.2 Other Administrative Expense Claims

Except as otherwise provided herein or in any Order of the Bankruptcy Court, any Person seeking payment on account of an Other Administrative Expense Claim shall file a request for payment of such Other Administrative Expense Claim no later than thirty (30) days after the Effective Date. Except as otherwise provided herein or in any Order of the Bankruptcy Court, all Other Administrative Expense Claims shall be treated as Administrative Expense Claims as set forth in Section 4.1.1 above or shall be paid on such other terms as may be mutually agreed upon between the Holder of an Allowed Other Administrative Expense Claim and the Liquidating

Trustee and is consistent with the terms of the Settlement Agreement and Sale and Settlement Order. Failure to timely file a request for payment of an Other Administrative Expense Claim shall result in the Other Administrative Expense Claim being forever barred and discharged.

4.1.3 Professional Compensation and Reimbursement Claims

Any Person seeking payment on account of a Professional Compensation and Reimbursement Claim shall file its respective final Fee Application no later than sixty (60) days after the Effective Date. All Professional Compensation and Reimbursement Claims shall be treated as Administrative Expense Claims as set forth in Section 4.1.1 above, or shall be paid on such other terms as may be mutually agreed upon between the Holder of an Allowed Professional Compensation and Reimbursement Claim and the Liquidating Trustee and is consistent with the terms of the Settlement Agreement and Sale and Settlement Order. Failure to timely file a final Fee Application shall result in the Professional Compensation and Reimbursement Claim being forever barred and discharged.

4.2 Priority Tax Claims

In full satisfaction of an Allowed Priority Tax Claim, each Holder of such Allowed Priority Tax Claim, if any, shall receive Cash equal to the amount of such Claim from the Joint Payment Account according to the procedures set forth in paragraph 6 of the Settlement Agreement if such Claim arose prior to Closing. To the extent that the Cash in the Joint Payment Account is insufficient to pay such Allowed Priority Tax Claim in full or the Allowed Priority Tax Claim arose on or after Closing, the Allowed Priority Tax Claim or portion thereof that remains unpaid from the Joint Payment Account shall be paid in Cash by the Liquidating Trustee from the Administrative Expense/Priority Claim Reserve or the GUC Account, as necessary, on the later of (i) ten (10) Business Days after the Effective Date, and (ii) ten (10) Business Days after entry of a Final Order allowing such Priority Tax Claim, or as soon thereafter as is

practicable, but in no event later than thirty (30) days after entry of such Final Order, unless such Holder shall have agreed to different treatment of such Allowed Claim consistent with the terms of the Settlement Agreement and Sale and Settlement Order.

4.3 Statutory Fees

All fees pursuant to 28 U.S.C. § 1930 due and payable as of the Effective Date will be paid by the Liquidating Trustee from the Administrative Expense/Priority Claim Reserve or the GUC Account, as necessary, within ten (10) Business Days of the Effective Date. All quarterly reports of disbursements required to be filed shall be filed in accordance with applicable bankruptcy law. Any United States Trustee quarterly fees incurred pursuant to 28 U.S.C. § 1930(a)(6) shall continue to be paid from the Liquidating Trust until entry of a final decree, or until conversion or dismissal of this Chapter 11 Case. Any and all fees due and payable after the Effective Date shall be the sole and exclusive liability of the Liquidating Trust.

ARTICLE V

TREATMENT OF CLASSIFIED CLAIMS

The Allowed Claims classified in Article III of this Plan shall be satisfied in the manner set forth in this Article V unless the Holder of such Allowed Claim agrees to accept less favorable treatment.

5.1 Class 1 – Priority Non-Tax Claims

(a) Each Holder of an Allowed Class 1 Claim, if any, will receive Cash equal to such Allowed Class 1 Claim, without interest, from the Joint Payment Account according to the procedures set forth in paragraph 6 of the Settlement Agreement if such Claim arose prior to Closing. To the extent that the Cash in the Joint Payment Account is insufficient to pay such Claim in full or the Claim arose on or after Closing, the Allowed Class 1 Claim or portion

thereof that remains unpaid from the Joint Payment Account shall be paid in Cash by the Liquidating Trustee from the Administrative Expense/Priority Claim Reserve or the GUC Account, as necessary, on the later of (i) ten (10) Business Days after the Effective Date, and (ii) ten (10) Business Days after entry of a Final Order allowing such Claim, or as soon thereafter as is practicable.

(b) Class 1 Claims are not Impaired and, therefore, Holders of Class 1 Priority Non-Tax Claims are not entitled to vote to accept or reject this Plan. Each Holder of a Class 1 Priority Non-Tax Claim is conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

(c) Objection procedures with respect to Class 1 Claims are set forth in Section 8.15 of this Plan.

5.2 Class 2 – Secured Claims

(a) In the sole discretion of the Plan Proponents, the Holder of an Allowed Class 2 Secured Claim shall be treated in one of the following ways:

(i) on the Effective Date, the legal, equitable, and contractual rights of each Holder of an Allowed Secured Claim shall be reinstated in accordance with the provisions of section 1124(2) of the Bankruptcy Code notwithstanding any contractual provision or applicable non-bankruptcy law that entitles the Holder of an Allowed Secured Claim to demand or receive payment of such Allowed Secured Claim before the stated maturity of such Allowed Secured Claim from and after the occurrence of a default, provided, however, that any contractual right that does not pertain to the payment when due of principal and interest on the obligation on which such Claim is based, including, but not limited to, financial covenant ratios, negative pledge covenants, covenants or restrictions on merger or consolidation, covenants regarding corporate existence, or covenants prohibiting certain transactions or actions contemplated by the

Plan or conditioning such transactions or actions on certain factors, shall not be enforceable as to any breach that occurred on or prior to the Effective Date or any breach determined by reference back to a date preceding the Effective Date;

(ii) on the Effective Date, the Holder of an Allowed Secured Claim shall (a) retain a Lien securing such Allowed Secured Claim and (b) receive deferred Cash payments from the Liquidating Trust totaling at least the value of such Allowed Secured Claim as of the Effective Date;

(iii) on the Effective Date, the collateral securing such Allowed Secured Claim shall be surrendered to the Holder of such Allowed Secured Claim in full satisfaction of such Allowed Secured Claim; or

(iv) the Holder of an Allowed Secured Claim shall be paid, in Cash, an amount equal to such Holder's Allowed Secured Claim, on the later of (a) ten (10) Business Days after the Effective Date, or (b) ten (10) Business Days after the date of entry of a Final Order allowing such Claim as a Secured Claim, or as soon thereafter as is practicable. To the extent the collateral securing an Allowed Secured Claim has been or is to be sold pursuant to an Order of the Bankruptcy Court, the amount to be paid to the Holder of such Allowed Secured Claim pursuant to the preceding sentence shall be net of the costs of sale of such collateral and otherwise subject to the rights of the Debtor or the Liquidating Trustee pursuant to 11 U.S.C. § 506(c).

(b) The failure to object to any Secured Claim in the Chapter 11 Case shall be without prejudice to rights of the Debtor or the Liquidating Trustee to contest or otherwise defend against such Claim in the Bankruptcy Court when and if such Claim is sought to be enforced by the Holder of such Secured Claim.

(c) Notwithstanding section 1141(c) or any other provision of the Bankruptcy Code, all pre-petition Liens on property of the Debtor held with respect to a Secured Claim shall survive the Effective Date and continue in accordance with the contractual terms or statutory provisions governing such Claim until such Allowed Claim is satisfied, at which time such Lien shall be released, shall be deemed null and void, and shall be unenforceable for all purposes; provided, however, that the Debtor or Liquidating Trustee, as the case may be, may condition delivery of any final payment upon receipt of an executed release of the Lien. Any and all Liens securing any Secured Claim that is not an Allowed Claim shall be released, shall be deemed null and void, and shall be unenforceable for all purposes. Nothing in this Plan shall preclude the Debtor or the Liquidating Trustee from challenging the validity of any alleged Lien on any asset of the Debtor or the value of the property that secures any alleged Lien.

(d) Class 2 Secured Claims are not Impaired and, therefore, Holders of Class 2 Secured Claims are not entitled to vote to accept or reject this Plan. Each Holder of a Class 2 Secured Claim is conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

(e) Class 2 shall not affect any General Unsecured Claim for any allowed deficiency claim of the holder of a Secured Claim.

(f) Consistent with Sections 12.6 and 12.7 of this Plan, no Lien with respect to any Secured Claim shall attach to any property sold free and clear pursuant to the Debtor APA, the Authority APA, or the Sale and Settlement Order.

5.3 Class 3 – General Unsecured Claims

(a) Each Holder of an Allowed Class 3 Claim shall receive, in full and final satisfaction of its Allowed Class 3 Claim, a *Pro Rata* share of the monies to be distributed on account of Allowed Class 3 Claims by the Liquidating Trust (subject to establishment of an

appropriate reserve pending final reconciliation and payment of Allowed Administrative Claims and Allowed Priority Claims) from the GUC Account pursuant to this Plan. Payments to each Holder of an Allowed Class 3 Claim shall be made on the GUC Distribution Date, and in accordance with the Plan.

(b) Class 3 is Impaired and the Holders of Allowed Class 3 Claims are entitled to vote to accept or reject this Plan.

ARTICLE VI

ACCEPTANCE OR REJECTION OF THIS PLAN

6.1 Voting Classes

Holders of Allowed Claims in each Impaired Class, or their designees, shall be entitled to vote separately to accept or reject the Plan. Each Holder of an Allowed Claim in Class 3 is entitled to vote to accept or reject the Plan.

6.2 Controversy Concerning Impairment

In the event of a controversy as to whether any Holder of an Allowed Claim or Plan Class is Impaired under the Plan, the Bankruptcy Court shall, after notice and a hearing, determine such controversy.

6.3 Acceptance by Impaired Classes

An Impaired Class of Claims shall be deemed to have accepted the Plan if (a) the Holders (other than any Holder designated under section 1126(e) of the Bankruptcy Code) of at least two-thirds in amount of the Allowed Claims actually voting in such Class have voted to accept the Plan and (b) the Holders (other than any Holder designated under section 1126(e) of the Bankruptcy Code) of more than one-half in number of the Allowed Claims voting in such Class have voted to accept the Plan.

6.4 Non-Consensual Confirmation

At the request of the Plan Proponents, this Plan may be confirmed under the so-called “cram down” provisions set forth in section 1129(b) of the Bankruptcy Code if, in addition to satisfying the other requirements for confirmation (other than section 1129(a)(8) of the Bankruptcy Code), this Plan “does not discriminate unfairly” and is determined to be “fair and equitable” with respect to each Class of Claims that has not accepted this Plan (*i.e.*, dissenting Classes). The Plan Proponents will request confirmation under this provision for any Impaired Class that rejects the Plan. The Plan Proponents reserve the right to alter, amend, modify, revoke or withdraw the Plan or any amendment or supplement thereto, including to amend or modify it to satisfy the requirements of section 1129(b) of the Bankruptcy Code, if necessary, in accordance with section 1127 of the Bankruptcy Code and this Plan.

ARTICLE VII

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

7.1 Rejection of Executory Contracts and Unexpired Leases

(a) On the Effective Date and subject to paragraph (b) of this Section 7.1, all Executory Contracts and unexpired leases of the Debtor will be deemed rejected, other than: (i) Executory Contracts and unexpired leases that were previously assumed, assumed and assigned or rejected by Final Order of the Bankruptcy Court (which contracts will be treated in accordance with such Final Order); and (ii) Designated Contracts under the Debtor APA.

(b) The Confirmation Order will constitute an order: (i) approving rejection of and deeming rejected all Executory Contracts and unexpired leases and Designated Contracts as of the Effective Date (other than: (A) Executory Contracts and unexpired leases that were previously assumed, assumed and assigned or rejected by Final Order of the Bankruptcy Court

(which contracts will be treated in accordance with such Final Order); and (B) Designated Contracts under the Debtor APA)); (ii) approving rejection of and deeming rejected all Designated Contracts not assumed by the Purchaser effective as of March 4, 2012; and (iii) determining that the Insurance Policies (other than the Professional Liability Policies, as to which this subsection (iii) shall be neutral) are not executory within the meaning of Bankruptcy Code section 365. This Plan shall be neutral regarding the issue of whether or not the Professional Liability Policies are executory within the meaning of Bankruptcy Code section 365. Nonetheless, the Professional Liability Policies may not be rejected by the Debtor or the Debtor Representative without the prior written unanimous consent of the Purchaser, the City and the Authority.

(c) Subject to the provisions of sections 7.1(d), 7.1(e), 7.1(f), 7.1(g) and Article XII of this Plan, the rights, claims and defenses of insureds, additional insureds, insured entities, individual insureds (as such individuals or entities are named or identified in the respective Insurance Policies), beneficiaries, claimants and Insurance Carriers under Insurance Policies shall be treated in accordance with the terms and conditions of the Insurance Policies, the Bankruptcy Code and applicable non-bankruptcy law.

(d) The Confirmation Order shall constitute a determination and a finding that: (i) the D&O Carriers have been afforded due process in connection with the Chapter 11 Case and the Bankruptcy Documents and are bound thereby, (ii) no monetary default exists with respect to any D&O Policy requiring any Cure, and (iii) nothing in the Bankruptcy Documents shall be construed or applied to impair the enforceability of any D&O Policy or any coverage thereunder with regard to any Claims against any Entity, including but not limited to the D&O and Tort Claims; provided, however, that nothing in this Plan or the Confirmation Order shall impair or

preclude National Union from raising, and the Debtor Representative and/or any insureds, additional insureds, insured entities, and/or individual insureds (as such individuals or entities are named or identified in the respective D&O Policies) from opposing, each or any of the following defenses (and no other defenses shall be raised by National Union based upon or arising from the Bankruptcy Documents) to any claim submitted to National Union under any D&O Policy:

- (i) that the negotiation and entry of the Bankruptcy Documents constituted a breach on the part of the insureds of any duty of cooperation;
- (ii) that the negotiation and entry of the Bankruptcy Documents constituted a breach on the part of the insureds of any duty to obtain National Union's consent thereto;
- (iii) that coverage is precluded under the definition of Loss;
- (iv) that the Bankruptcy Documents violate the anti-assignment clause;
- (v) the application of any insured v. insured exclusion;
- (vi) that the proceeds of any D&O Policy are not the property of the Debtor;
and
- (vii) any defense to coverage that is not based upon the Bankruptcy Documents,

Nothing in this paragraph 7.1(d) shall constitute a finding or admission of the validity or invalidity of any coverage defense that may be asserted by National Union.

(e) Neither the Debtor nor the Debtor Representative shall, without the prior written unanimous consent of the Purchaser, the City and the Authority (i) knowingly allow or cause any Professional Liability Policy to be cancelled; (ii) amend or modify any Professional Liability Policy or the coverage thereunder; (iii) add or delete endorsements to any Professional Liability

Policy; (iv) shorten the policy period of any Professional Liability Policy; (v) reduce the liability limits under any of the Professional Liability Policies; (vi) add or delete any of the parties identified as or constituting insureds, additional insureds, or insured entities (as such entities are named or identified in the Professional Liability Policy) under any Professional Liability Policy; (vii) agree to a buy back of the coverage under any of Professional Liability Policy; (viii) knowingly waive, release or discharge any terms of any of Professional Liability Policy; or (ix) sell, assign, transfer or encumber any Professional Liability Policy in violation of the applicable terms and provisions thereof. This Section 7(e) shall not alter, impair or otherwise modify the rights and remedies of any Insurance Carrier under a Professional Liability Policy and applicable non-bankruptcy law. The Purchaser, the City, the Debtor or the Debtor Representative, as the case may be, the Liquidating Trustee and the Authority shall have standing both prior to and after the Effective Date with regard to all matters arising out of this Section 7.1(e).

(f) Unless otherwise set forth in the Settlement Agreement and the Sale and Settlement Order, neither the Debtor, the Debtor Representative or the Estate shall have any obligation to incur an expense (including, but not limited to, any expense to the Estate or the Liquidating Trust Estate, the Joint Payment Account, the Creditor Trust Account, the Liquidating Trust, the GUC Account, the Administrative Expense/Priority Claim Reserve, the Administrative Expense/Priority Claim Agent Reserve or the Reserve) with respect to the matters set forth in section 7.1(e) above. In the event any obligation under section 7.1(e) would involve such an expense, the Debtor or the Debtor Representative promptly shall notify the Purchaser, the City and the Authority. In the event the parties are unable to agree to a resolution (in writing signed by all parties) of the expense issue within a reasonable time, any of the aforesaid may make application to the Bankruptcy Court on reasonable notice (which may be shortened in the interest

of justice) for a determination of whether the expense is required and, if so, which of the parties should bear such expense and, if appropriate, in what proportions. Absent a signed agreement or an order of the Bankruptcy Court entered in connection with such an application allocating and, if appropriate, apportioning such expense, nothing in section 7.1(e) or in this section 7.1(f) shall be construed to impose any expense obligation on any party (including, but not limited to, the Purchaser, the City, the Authority, the Estate or the Liquidating Trust Estate) beyond the terms of the Settlement Agreement and the Sale and Settlement Order. Absent such a signed agreement or such an order of the Bankruptcy Court entered in connection with such an application allocating and, if appropriate, apportioning such expense, nothing in this section 7.1(f) shall be construed as relieving the obligations of the Debtor and the Debtor Representative under section 7.1(e) above. The Purchaser, the City, the Debtor, the Debtor Representative, the Liquidating Trustee and the Authority shall have standing both prior to and after the Effective Date with regard to all matters arising out of this section 7.1(f).

(g) Subject to the provisions of sections 7.1(d), 7.1(e), 7.1(f) and Article XII of this Plan, nothing in this Plan or the Confirmation Order shall be deemed to alter, impair, amend, abridge or otherwise modify any of the rights, claims and defenses of insureds, additional insureds, insured entities (as such entities are named or identified in the respective Professional Liability Policies), beneficiaries, claimants and Insurance Carriers under any Professional Liability Policy or under applicable nonbankruptcy law. The Purchaser, the City, the Debtor or the Debtor's Representative, as the case may be, the Liquidating Trustee and the Authority shall have standing both prior to and after the Effective Date with regard to all matters arising out of this section 7.1(g).

7.2 Claims Based on Rejection of Executory Contracts or Unexpired Leases

Except with respect to Designated Contracts, all proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or unexpired leases under this Plan, if any, must be filed with the Bankruptcy Court within thirty (30) days after the Confirmation Date.

All Executory Contracts and unexpired leases that are Designated Contracts but were not assumed by the Purchaser on or before March 3, 2012 (120 days after the Closing Date on the Debtor APA) shall be deemed rejected as of March 4, 2012. All proofs of Claim arising from the rejection of a Designated Contract must be filed with the Bankruptcy Court within thirty (30) days after the Confirmation Date.

Any Claims arising from the rejection of an Executory Contract or unexpired lease under this Plan not timely filed will be forever barred from assertion against the Debtor, the Debtor Representative, the Estate, the Liquidating Trust, the Liquidating Trust Estate, the Liquidating Trustee, and their respective property. All Claims arising from the rejection of any Executory Contract shall be treated as Class 3 General Unsecured Claims in accordance with the terms of this Plan.

ARTICLE VIII

MEANS OF IMPLEMENTING THE PLAN

8.1 Overview

This Plan provides for the disposition of substantially all of the Assets of the Debtor and the distribution of the net proceeds thereof to Holders of Allowed Claims, consistent with the priority provisions of the Bankruptcy Code. This Plan also creates a mechanism for the Liquidating Trustee and Debtor Representative to pursue causes of action, including the D&O and Tort Claims to enable recoveries to Creditors herein.

8.2 The Joint Payment Account

The existence of the Joint Payment Account established pursuant to and governed by the Settlement Agreement shall continue uninterrupted after the Effective Date. The Joint Payment Account shall be administered according to the terms of the Settlement Agreement.

8.3 The Creditor Trust Account

The Creditor Trust Account established pursuant to the Settlement Agreement will be wound down as follows. Prior to the Effective Date, Cash shall be transferred from the Creditor Trust Account to the Administrative Expense/Priority Claim Reserve Account (defined in Section 8.4 below) in an amount necessary to pay any estimated Professional Compensation and Reimbursement Claims through the Effective Date and asserted Administrative Expense Claims, Other Administrative Expense Claims, Priority Tax Claims, Class 1 Claims, and all fees pursuant to 28 U.S.C. § 1930 due and payable as of the Effective Date in excess of the Cash in the Joint Payment Account as of the date of transfer. All remaining Cash in the Creditor Trust Account will be transferred to the GUC Account upon its establishment by the Liquidating Trustee. After the Creditor Trust Account has been wound down, any transfers from the Joint Payment Account to the Creditor Trust Account provided for in the Settlement Agreement will be made to the GUC Account.

8.4 The Administrative Expense/Priority Claim Reserve

The Liquidating Trustee shall receive from the Creditor Trust Account and distribute all funds required to be disbursed to Holders of Allowed Administrative Expense, Other Administrative Expense, Professional Compensation and Reimbursement, Priority Tax and Class 1 Claims, and to pay all fees pursuant to 28 U.S.C. § 1930 due and payable as of the Effective Date in excess of the Cash in the Joint Payment Account as of the date of transfer from the Creditor Trust Account. The Liquidating Trustee shall establish an escrow account (the “Administrative Expense/Priority Claim Reserve Account”) into which shall be deposited before

the Effective Date an amount of Cash equal to the amount of the Administrative Expense/Priority Claim Reserve. To the extent that any Administrative Expense, Other Administrative Expense, Professional Compensation and Reimbursement, Priority Tax, or Class 1 Claim is contingent or unliquidated, the Plan Proponents may estimate the amount of such Claims for purposes of creating the Administrative Expense/Priority Claim Reserve. At least three (3) days before the Confirmation Hearing, each Professional asserting a Professional Compensation and Reimbursement Claim shall serve on the Liquidating Trustee an estimate of the maximum amount of compensation and reimbursement of expenses to be asserted in the Chapter 11 Case from the Petition Date through the Effective Date.

8.5 Establishment of Liquidating Trust; Appointment of Liquidating Trustee and Debtor Representative; Revesting of D&O and Tort Claims in Estate

(a) Prior to the Effective Date, the Debtor shall execute the Liquidating Trust Agreement. The Liquidating Trust Agreement is hereby incorporated into this Plan in its entirety as if set forth in full. The Liquidating Trust Agreement shall contain provisions customary to trust agreements utilized in comparable circumstances, including, but not limited to, any and all provisions necessary to ensure the continued treatment of the Liquidating Trust as a grantor trust.

(b) On the Effective Date, and in accordance with the Confirmation Order, the Estate's title to all of the Assets, except the D&O and Tort Claims and rights in and proceeds of any Insurance Policies, automatically will pass to the Liquidating Trust, free and clear of all Claims and equity interests in accordance with section 1141 of the Bankruptcy Code. Notwithstanding the foregoing, the Plan Proponents reserve the right to modify the Plan to exclude certain Assets from transfer to the Liquidating Trust.

(c) All parties shall execute any documents or other instruments as necessary to cause title to the Assets to be transferred to the Liquidating Trust Estate. The Assets will be held in

trust for the benefit of all Holders of Allowed Claims pursuant to the terms of the Plan and the Liquidating Trust Agreement.

(d) The Liquidating Trustee will be appointed as of the date of execution of the Liquidating Trust Agreement. The Liquidating Trustee will pay or otherwise make distributions on account of all Allowed Claims against the Debtor in accordance with the terms of the Plan.

(e) On the Effective Date, a Debtor Representative shall be appointed pursuant to section 1123(b)(3) of the Bankruptcy Code.

(f) On the Effective Date, the D&O and Tort Claims and rights in and proceeds of any Insurance Policies will revert in the Debtor. The Debtor Representative shall be authorized to institute and to prosecute through final judgment or settlement the D&O and Tort Claims. Upon the entry of a final judgment or settlement, the relevant proceeds of the D&O and Tort Claims shall be transferred to the Liquidating Trust for the benefit of the Holders of Allowed Claims, in accordance with the provisions of this Plan. Nothing in the Settlement Agreement (including, without limitation, any provisions relating to the limitation of recovery on Claims against Former Officials solely to the available proceeds of the D&O Policies), the Sale and Settlement Order, the Plan and/or the Disclosure Statement shall be deemed to adversely impact insurance coverage for the D&O and Tort Claims; provided, however, that nothing in this Plan or the Confirmation Order shall impair or preclude National Union from raising, and the Debtor Representative and/or any insureds, additional insureds, insured entities, and/or individual insureds (as such individuals or entities are named or identified in the respective D&O Policies) from opposing, each or any of the following defenses (and no other defenses shall be raised by National Union based upon or arising from the Bankruptcy Documents) to any claim submitted to National Union under any D&O Policy:

- (i) that the negotiation and entry of the Bankruptcy Documents constituted a breach on the part of the insureds of any duty of cooperation;
- (ii) that the negotiation and entry of the Bankruptcy Documents constituted a breach on the part of the insureds of any duty to obtain National Union's consent thereto;
- (iii) that coverage is precluded under the definition of Loss;
- (iv) that the Bankruptcy Documents violate the anti-assignment clause;
- (v) the application of any insured v. insured exclusion;
- (vi) that the proceeds of any D&O Policy are not the property of the Debtor; and
- (vii) any defense to coverage that is not based upon the Bankruptcy Documents,

Nothing in this paragraph 8.5(f) shall constitute a finding or admission of the validity or invalidity of any coverage defense that may be asserted by National Union.

(g) To the extent not inconsistent with the terms of the Settlement Agreement, the Sale and Settlement Order, the Debtor APA, the Authority APA, or this Plan, this Plan shall be interpreted so as to afford, for the benefit of all Holders of Allowed Claims, the greatest opportunity for maximum recovery by the Liquidating Trustee and the Debtor Representative on the Assets, D&O and Tort Claims and rights in and proceeds of any Insurance Policies.

8.6 Powers and Authority of the Liquidating Trustee

The powers of the Liquidating Trustee are set forth in full in the Liquidating Trust Agreement and shall include, among other things: (a) the power to sell, lease, license, abandon or otherwise dispose of all remaining assets of the Liquidating Trust Estate subject to the terms of this Plan; (b) the power to effect distributions under this Plan to the Holders of Allowed Claims;

(c) the authority to pay all costs and expenses of administering the Liquidating Trust Estate after the Effective Date, including the power to employ and compensate Persons to assist the Liquidating Trustee in carrying out the duties hereunder, and to obtain and pay premiums for insurance and any other powers necessary or incidental thereto; (d) the power to implement this Plan including any other powers necessary or incidental thereto; (e) the authority to settle Claims, Avoidance Actions, Causes of Action, or disputes as to amounts owing to the Estate; (f) the authority to participate in any post-Effective Date motions to amend or modify this Plan or the Liquidating Trust Agreement, or appeals from the Confirmation Order; (g) the authority to participate in actions to enforce or interpret this Plan; and (h) the power to bind the Liquidation Trust. Each of the foregoing powers may be exercised by the Liquidating Trustee without further order of the Bankruptcy Court. Notwithstanding any of the foregoing, the Liquidating Trustee may not materially amend or alter the terms and provisions of this Plan.

The authority of the Liquidating Trustee will commence as of the date of execution of the Liquidating Trust Agreement and will remain and continue in full force and effect until all of the Assets are liquidated in accordance with the Plan, the funds in the Liquidating Trust have been completely distributed in accordance with the Plan, all tax returns and any other filings or reports have been filed with the appropriate state or federal regulatory authorities and the Order closing the Chapter 11 Case is a Final Order.

8.7 Establishment of the GUC Account

On the Effective Date or as soon as practicable thereafter, the Liquidating Trustee shall create the GUC Account. The GUC Account shall consist of all Cash belonging to the Liquidation Trust Estate, including all Cash transferred to the GUC Account pursuant to Section 8.3 of this Plan. On the initial GUC Distribution Date or as soon thereafter as practicable, and only to the extent that sufficient funds exist, the Liquidating Trustee shall make the initial

distribution to Holders of Allowed Class 3 Claims. The timing of additional distributions to Holders of Allowed Class 3 Claims shall be in the exercise of the Liquidation Trustee's sound discretion, based on the amount of Liquidation Proceeds on hand and the terms of this Plan, whether there remain any unpaid Administrative Expense Claims or Priority Claims, the amount of Class 3 Claims that have been Allowed at the time, and the status of pending litigation, if any, affecting such distributions.

8.8 Establishment of the Reserve

From the GUC Account, the Liquidating Trustee shall create a reserve in an amount sufficient to pay the post-Effective Date expenses of the Liquidating Trust (including compensation to the Liquidating Trustee and his Professionals). In addition, in accordance with the terms of this Plan or the Liquidating Trust Agreement, the Liquidating Trustee may include in the Reserve funds to pay Disputed Claims and Claims that have otherwise not been Allowed in the event that all or a portion of such Claims become Allowed Claims. When a Claim is Allowed or Disallowed (and thus becomes an Allowed Claim or a Disallowed Claim, in whole or in part), the funds set aside on account of such Claim shall be released from the respective account and shall be available for distribution in accordance with the terms of this Plan to either (i) the Holder of the Claim that has become an Allowed Claim, or (ii) if Disallowed, the Holders of Allowed Claims. Consistent with the Plan, the Liquidating Trustee, in its sole discretion, on and after the Effective Date, shall have authority to increase or decrease the Reserve, as appropriate, and upon satisfaction of all Allowed Claims required to be paid from the Reserve, to transfer amounts held therein to the GUC Account.

8.9 Use of Existing Accounts

The Liquidating Trustee may use the Debtor's existing bank accounts (as of the Effective Date) for the purposes set forth herein, to the extent possible and desired. The Liquidating

Trustee also may close the Debtor's existing bank accounts, at his discretion, and transfer all amounts therein to one or more accounts, in accordance with the terms of this Plan. Alternatively, notwithstanding any provisions to the contrary in this Plan, the Liquidating Trustee may invest some or all of the funds that would otherwise be deposited into the accounts established pursuant to the Plan in allowed investments under applicable non-bankruptcy law.

8.10 Employment and Compensation

The Liquidating Trustee shall serve without bond and shall receive compensation for serving as Trustee as set forth in the Liquidating Trust Agreement. At any time after the Effective Date and without further Order of the Bankruptcy Court, the Liquidating Trustee may employ Persons or Entities, including Professionals (which may, but need not, include Professionals previously or currently employed in the Chapter 11 Case) reasonably necessary to assist the Liquidating Trustee in the performance of his duties under the Liquidating Trust Agreement and this Plan. Such Persons or Entities shall be compensated and reimbursed by the Liquidating Trustee for their reasonable and necessary fees and out of pocket expenses on a monthly basis in arrears.

All requests for payment of fees and expenses by the Liquidating Trustee and any Liquidating Trustee Professionals shall be served (with a 14-day period to object) on the persons listed on the Post-Effective Date Notice List created pursuant to Section 13.6 of this Plan. If no objection is received by the Liquidating Trustee or such Liquidating Trustee Professional within the 14-day period, the Liquidating Trustee may pay the fees and expenses without the need for further review or approval of the Bankruptcy Court or any other party. If an objection to the payment of fees and expenses incurred by the Liquidating Trustee or Liquidating Trustee Professionals is received within the 14-day period, and such objection cannot otherwise be resolved, the Liquidating Trustee or such Liquidating Trustee Professional shall schedule a

hearing in the Bankruptcy Court to resolve the objection. If an objection is received, the Liquidating Trustee shall timely pay the undisputed portion of the invoice and shall reserve monies in the amount of the disputed portion of the invoice pending such resolution. All fees and expenses of administration of the Liquidating Trust Estate and representation of the Liquidating Trustee shall be paid from the Reserve and the GUC Account, as applicable, after approval as specified above.

8.11 Vesting of Authority in Debtor Representative

Upon the Effective Date, the Debtor's board of directors shall be dissolved and the then-current members of the board of directors and officers of the Debtor shall be relieved of their positions and corresponding duties and obligations; provided, however, that the Debtor Representative shall be responsible for effectuating transfers of Assets in accordance with this Plan and otherwise satisfying the Debtor's obligations under the terms of this Plan. On and after the Effective Date, the Debtor Representative shall have full and complete authority to act on behalf of and bind the Debtor without further action or approval of the Bankruptcy Court or the board of directors of the Debtor. After the D&O and Tort Claims are liquidated and the proceeds of such Claims are transferred to the Liquidating Trust Estate in accordance with this Plan, the Debtor Representative shall be empowered, but not directed, to effectuate the dissolution of the Debtor in accordance with the laws of the State of New Jersey.

8.12 Termination of the Committee; Creation of PEDCC

On the Effective Date, the Committee shall be dissolved, the retention and employment of the Committee's Professionals shall terminate and the members of the Committee will be released and discharged of and from all further authority, duties, responsibilities and obligations related to and arising from and in connection with the Chapter 11 Case, other than for purposes of filing and/or objecting to final Fee Applications filed in the Chapter 11 Case.

On the Effective Date, the Committee shall be replaced by the Post-Effective Date Creditors' Committee (the "PEDCC") that shall consist of not less than three (3) Persons or Entities that are Beneficiaries of the Liquidating Trust. The identities of the Persons and/or Entities that will serve on the PEDCC as of the Effective Date will be filed by the Committee with the Court no later than five (5) days before the Confirmation Hearing. The PEDCC may also include such other Persons or Entities (including *ex officio* members) as may be requested by the PEDCC, which Persons or Entities shall have agreed to participate in the performance of the PEDCC's functions as set forth in this Plan. The PEDCC's sole function and responsibility shall be to advise and instruct the Liquidating Trustee in the performance of the Liquidating Trustee's duties and obligations under the Plan with respect to the liquidation of Assets for the benefit of the Holders of Allowed Claims in Class 3 of the Plan. The members of the PEDCC shall serve without compensation, but may be reimbursed for reasonable expenses incurred in the performance of their duties as members of the PEDCC.

8.13 Liquidating Trustee as Successor in Interest to the Debtor and Committee

Except as to the D&O and Tort Claims, the Liquidating Trustee is the successor in interest to the Debtor and the Committee, and thus, after the Effective Date, to the extent this Plan requires an action by the Debtor (and except as it relates to the D&O and Tort Claims), the action shall be taken by the Liquidating Trustee on behalf of the Debtor and the Creditors' Committee, as applicable. The Liquidating Trustee may not materially amend or alter the terms and provisions of this Plan.

For federal and applicable state income tax purposes, all parties (including, without limitation, the Debtor, the Liquidating Trustee and the Beneficiaries of the Liquidating Trust Estate) shall treat the transfer of Assets to the Liquidating Trust in accordance with the terms of this Plan, as a sale by the Debtor of such Assets to the Liquidating Trust Estate at a selling price equal to the fair market value of such Assets on the Effective Date. The Liquidating Trust shall be treated as the owner of all Assets that it holds.

8.14 Termination of the Liquidating Trust Estate

The existence of the Liquidating Trust and the authority of the Liquidating Trustee will commence as of the date of execution of the Liquidating Trust Agreement and will remain and continue in full force and effect until the earlier of (a) the date on which all of the Assets are liquidated in accordance with the Plan, the funds in the Liquidating Trust have been completely distributed in accordance with the Plan, all tax returns and any other filings or reports have been filed with the appropriate state or federal regulatory authorities and the Order closing the Chapter 11 Case is a Final Order or (b) five (5) years from the date of creation of the Liquidating Trust, unless extended by the Bankruptcy Court as provided in the Liquidating Trust Agreement.

At such time as the Liquidating Trust has been fully administered (*i.e.*, when all things requiring action by the Liquidating Trustee have been done, and the Plan has been substantially

consummated) and in all events within sixty (60) days after the Final Distribution Date, the Liquidating Trustee will file an application for approval of his final report and the entry of the final decree by the Bankruptcy Court.

8.15 Objections to Administrative Expense Claims and Priority Claims

8.15.1 Objection Procedures

The Purchaser, the Debtor, and the Committee, and each of their respective successors, including the Liquidating Trustee and the Debtor Representative (collectively the “Administrative Resolution Parties”), have standing, right, and authority to object to the allowance of Administrative Expense Claims and Priority Claims. No distribution shall be made pursuant to this Plan to a Holder of an Administrative Expense Claim or Priority Claim, Disputed or otherwise, unless and until such Claim becomes an Allowed Claim.

The Administrative Resolution Parties shall each have ninety (90) days after the Administrative Expense/Priority Claim Bar Date to independently object to each filed administrative expense claim and unsecured priority claim. All objections to Administrative Expense Claims and Priority Claims must be filed with the Bankruptcy Court, and served upon the Holders of such Claims, on or before the ninetieth (90th) day after the Administrative Expense/Priority Claim Bar Date, except as extended by an agreement between the claimant and the relevant Administrative Resolution Party, or by Order of the Bankruptcy Court upon a motion filed by an Administrative Resolution Party. If an objection has not been filed to a proof of Claim for an Administrative Expense Claim or Priority Claim within this 90-day period; or the extension of such period, the Administrative Expense Claim or Priority Claim to which the proof of Claim relates shall be treated as an Allowed Claim for purposes of distribution under this Plan; provided, however, that if the Holder of the Administrative Expense Claim or Priority Claim is a debtor under any chapter of the Bankruptcy Code, the deadline shall be thirty (30)

days after the relevant Administrative Resolution Party obtains relief from stay or other relief that will permit the filing of an objection to such Claim.

8.15.2 Resolution of Disputed Administrative Expense Claims and Priority Claims and Administrative Expense Claims and Priority Claims That Have Not Otherwise Been Allowed

The Administrative Resolution Parties have the right to settle or otherwise compromise any Administrative Expense Claim or Priority Claim by unanimous agreement and shall use reasonable best efforts to resolve disputes regarding such Claims. If any Administrative Resolution Party disputes a proposed settlement or other compromise of an Administrative Expense Claim or Priority Claim, any other Administrative Resolution Party may seek approval of the proposed resolution, after notice and a hearing, upon a showing that such resolution is fair and equitable with respect to the Debtor's Estate and the other Administrative Resolution Parties.

Until such time as an unliquidated Administrative Expense Claim or Priority Claim, contingent Administrative Expense Claim or Priority Claim, or a contingent portion of an Administrative Expense Claim or Priority Claim becomes Allowed or is Disallowed, such Claim will be treated as a Disputed Claim for all purposes related to distributions under the Plan. The Holder of an unliquidated or contingent Administrative Expense or Priority Claim will be entitled to a distribution under the Plan only when and if such unliquidated or contingent Claim becomes an Allowed Claim.

8.16 Objections to Other Claims

8.16.1 Objection Procedures

From and after the Effective Date, the Liquidating Trustee shall have the right and standing to (i) object to and contest the allowance of all Claims that are not Administrative Expense Claims or Priority Claims (the "Other Claims"), (ii) compromise and settle any Disputed Other Claim or Other Claim that has not otherwise been Allowed without Bankruptcy

Court approval, subject to the notice procedure set forth in Section 8.15.2; and (iii) litigate to final resolution objections to Other Claims. No distribution shall be made pursuant to this Plan to a Holder of an Other Claim, Disputed or otherwise, unless and until such Other Claim becomes an Allowed Claim.

All objections to Other Claims must be filed with the Bankruptcy Court, and served upon the Holders of such Claims, on or before the one hundred eightieth (180th) day after the Effective Date, except as extended by an agreement between the claimant and the Liquidating Trustee, or by Order of the Bankruptcy Court upon a motion filed by the Liquidating Trustee. If an objection has not been filed to a proof of Claim for an Other Claim within this 180-day period or the extension of such period, the Other Claim to which the proof of Claim relates shall be treated as an Allowed Claim for purposes of distribution under this Plan; provided, however, that if the Holder of the Other Claim is a debtor under any chapter of the Bankruptcy Code, the deadline shall be thirty (30) days after the Liquidating Trustee obtains relief from stay or other relief that will permit the filing of an objection to such Claim.

8.16.2 Resolution of Disputed Other Claims and Other Claims That Have Not Otherwise Been Allowed

If the Holder of a Disputed Other Claim or Other Claim that has not otherwise been Allowed and the Liquidating Trustee agree to a settlement of such Claim for an amount that does not exceed \$100,000, the Liquidating Trustee shall be authorized to enter into and effectuate such settlement without any further notice or approval of the Bankruptcy Court, and the settled Claim shall be deemed an Allowed Claim. If the Holder of such a Claim and the Liquidating Trustee agree to a settlement of such Claim and the settlement amount exceeds \$100,000, the Liquidating Trustee shall provide notice of the proposed settlement (with a 14-day period to object) to the Persons or Entities on the Post-Effective Date Notice List. If no objection is

received within the 14-day period, the settled Claim shall be deemed to be an Allowed Claim, without the need for further review or approval of the Bankruptcy Court or any other party. If an objection to a proposed settlement is received within the 14-day period and such objection cannot otherwise be resolved, then the Liquidating Trustee shall schedule a hearing in the Bankruptcy Court to resolve the objection.

Until such time as an unliquidated Other Claim, contingent Other Claim, or a contingent portion of an Other Claim becomes Allowed or is Disallowed, such Claim will be treated as a Disputed Claim for all purposes related to distributions under the Plan. The Holder of an unliquidated or contingent Other Claim will be entitled to a distribution under the Plan only when and if such unliquidated or contingent Claim becomes an Allowed Claim.

ARTICLE IX

PROVISIONS GOVERNING DISTRIBUTIONS

9.1 Delivery of Distributions

Distributions to Holders of Allowed Claims shall be made at the address of the Holder of such Claim as indicated on the records of the Debtor, or a filed proof of Claim, as applicable.

9.2 Undeliverable Distributions

If any Allowed Claim Holder's distribution is returned as undeliverable, no further distributions shall be made to such Holder unless and until the Liquidating Trustee is notified in writing of such Holder's then-current address. Undeliverable distributions shall remain in the possession of the Liquidating Trustee until such time as a distribution becomes deliverable. Undeliverable Cash shall not be entitled to any interest, dividends or other accruals of any kind. Within 21 days after the end of each Quarter following the Effective Date, the Liquidating

Trustee shall make all distributions that become deliverable during the preceding Quarter, except as otherwise provided herein.

9.3 Failure to Claim Undeliverable Distributions

In an effort to ensure that all Holders of valid Claims receive their allocated distributions, the Liquidating Trustee will file with the Bankruptcy Court a listing of unclaimed distribution Holders. This list will be maintained and updated as needed for as long as the Chapter 11 Case stays open. Any Holder of an Allowed Claim that does not assert a Claim pursuant to the Plan for an undeliverable distribution within three months after the first attempted delivery shall have its Claim for such undeliverable distribution discharged and shall be forever barred from asserting any such Claim against the Debtor, the Liquidating Trust Estate, the Administrative Expense/Priority Claim Reserve, the Reserve, or the Liquidating Trustee, or their respective property. In such cases, any Cash held for distribution on account of such Claims shall be property of the Liquidating Trust Estate, free of any restrictions thereon, and shall revert to the account from which such payment was originally issued to be distributed pursuant to the Plan. Nothing contained in the Plan shall require the Liquidating Trustee to attempt to locate any Holder of an Allowed Claim.

9.4 Compliance with Tax Requirements

In connection with the Plan, the Liquidating Trustee shall comply with all tax 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. For tax purposes, distributions received in respect of Allowed Claims will be allocated first to the principal amount of Allowed Claims with any excess allocated, if applicable, to unpaid interest that accrued, on such Claims.

9.5 Minimum Distributions

If the amount of Cash to be distributed to the Holder of an Allowed Claim is less than \$25 on a particular Distribution Date, the Trustee may hold the Cash distributions to be made to such Holder until the aggregate amount of Cash to be distributed to such Holder is in an amount equal to or greater than \$50. Notwithstanding the preceding sentence, if the amount of Cash distribution to any Holder of an Allowed Claim never aggregates more than \$50, then the Liquidating Trustee shall not be required to distribute Cash to any such Holder.

9.6 Rounding

Whenever any payment of a fraction of a cent would otherwise be called for, the actual payment shall reflect a rounding of such fraction to the nearest whole cent, with one-half cent being rounded up to the nearest whole cent.

9.7 Setoffs and Recoupments

The Liquidating Trustee may, pursuant to section 553 of the Bankruptcy Code or applicable non-bankruptcy law, exercise the right of setoff or recoupment against any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Claim (before distribution is made or account of such Claim), the claims, rights and causes of action of any nature that the Debtor may hold against the Holder of such Allowed Claim; provided, however, that (i) neither the failure to effect such a setoff or recoupment nor the allowance of any Claim hereunder shall constitute a waiver or release by the Liquidating Trustee of any such claims, rights and causes of action that the Liquidating Trust may possess against such Holder and (ii) consistent with Section 12.6 of this Plan, no such setoff or recoupment shall be in derogation of the Settlement Agreement, Sale and Settlement Order, Debtor APA, or Authority APA.

9.8 Settlement of Claims and Controversies

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under this Plan, the provisions of this Plan shall constitute a good faith compromise and settlement of claims or controversies relating to the contractual and legal rights that a Holder of a Claim may have with respect to any Allowed Claim, or any distribution to be made on account of such an Allowed Claim.

ARTICLE X

PROCEDURES FOR TREATMENT OF DISPUTED CLAIMS AND CLAIMS THAT HAVE OTHERWISE NOT BEEN ALLOWED

10.1 Payments and Distributions on Disputed Claims and Claims That Have Otherwise Not Been Allowed

Notwithstanding any provision in the Plan to the contrary, except as otherwise agreed by the Liquidating Trustee, in his sole discretion, no partial payments and no partial distributions will be made with respect to a Disputed Claim or Claim that has otherwise not been Allowed until such disputes are resolved by settlement or Final Order and the Claim has been Allowed. Notwithstanding the foregoing, any Person or Entity who holds both an Allowed Claim(s) and a separate and distinct Disputed Claim(s) or Claim that has otherwise not been Allowed will receive the appropriate payment or distribution on account of the Allowed Claim(s), although, except as otherwise agreed by the Liquidating Trustee in his sole discretion, no payment or distribution will be made on the Disputed Claim(s) or Claim(s) that have otherwise not been Allowed until such dispute is resolved by settlement or Final Order and the Claim(s) have been Allowed. In the event there are Disputed Claim(s) or Claim(s) that have otherwise not been Allowed requiring adjudication and resolution, the Liquidating Trustee reserves the right, or

upon order of the Bankruptcy Court, to establish appropriate reserves for potential payment of such Claims.

10.2 Safekeeping of Distributable Property

Pending entry of a Final Order determining an objection to any Disputed Claim, the Liquidating Trustee shall take appropriate steps to safeguard the Cash, notes or other instruments that would be distributed on account of such Claim if Allowed, but the Liquidating Trustee shall not be required to establish any formal escrow or reserve for such distributable property unless it determines, or the Bankruptcy Court orders, that an escrow or reserve is necessary to insure that such property is available if and when such Claim is Allowed.

10.3 Allowance of Claims

Except as expressly provided herein or in any Order entered in the Chapter 11 Case prior to the Effective Date (including the Confirmation Order), no Claim shall be deemed Allowed, unless and until such Claim is deemed Allowed under the Plan or the Bankruptcy Code or the Bankruptcy Court enters a Final Order in the Chapter 11 Case allowing such Claim. Except as expressly provided in the Plan or in any Order entered in the Chapter 11 Case prior to the Effective Date (including the Confirmation Order), the Liquidating Trust Estate on and after the Effective Date will have and retain any and all rights and defenses the Debtor had with respect to such Claim as of the Petition Date.

ARTICLE XI

RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over the Chapter 11 Case until the Chapter 11 Case is closed, including jurisdiction to issue any other Order necessary to administer

the Estate or the Liquidating Trust Estate and enforce the terms of this Plan, and/or the Liquidating Trust Agreement pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

(a) To determine the type, allowance and payment of any Claims upon any objections thereto (or other appropriate proceedings) by the Liquidating Trustee or any other party-in-interest entitled to proceed in that manner;

(b) Except as otherwise limited herein, to recover all Assets of the Debtor and property of the Debtor's Estate, wherever located;

(c) To hear and determine any issue arising under Section 7.1 of this Plan; *provided, however*, any action, controversy, dispute, claim or question arising out of or relating to the right of any party to enforce, contest and/or litigate the existence, primacy and/or scope of available coverage and/or any defenses to coverage under the Professional Liability Policies shall be referred to and resolved solely in accordance with the terms and conditions of the Professional Liability Policies and applicable non-bankruptcy law, including, but not limited to, any choice of law, forum or jurisdiction provision therein; *provided further, however*, that the Bankruptcy Court shall have exclusive jurisdiction to hear and resolve all disputes arising from the enforcement and implementation of the Stipulation and Order entered with respect to any settlement of claims asserted by Darwin Select Insurance Company against the Estate;

(d) To hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;

(e) To hear any other matter not inconsistent with the Bankruptcy Code;

(f) To enter a final decree closing the Chapter 11 Case;

(g) To ensure that distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;

(h) To decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters and grant or deny any applications involving the Debtor that may be pending on or instituted by the Liquidating Trustee after the Effective Date;

(i) To issue injunctions, enter and implement other Orders or take such other actions as may be necessary or appropriate to restrain interference by any Person or Entity with the occurrence of the Effective Date or enforcement of the Plan, except as otherwise provided herein;

(j) To determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, indenture or other agreement or document created in connection with the Plan or the Disclosure Statement;

(k) To enforce, interpret, and determine any disputes arising in connection with any stipulations, Orders, the Sale and Settlement Order, judgments, injunctions, the Settlement Injunction, releases, the Settlement Release, exculpations, indemnifications, and rulings entered in connection with the Chapter 11 Case (whether or not the Chapter 11 Case has been closed);

(l) To adjudicate any adversary proceeding or other proceeding which may be commenced against any Person or Entity arising from, related to, or in connection with (i) any Chapter 5 Action; (ii) the D&O and Tort Claims; and (iii) claims against third parties relating to the facts and circumstances surrounding the D&O and Tort Claims; provided, however, that nothing in this Plan or the Confirmation Order shall vest the Bankruptcy Court with exclusive

jurisdiction over any claims identified in subclauses (ii) and (iii) of this subparagraph (l) or over any dispute relating to coverage under the D&O Policies;

(m) To resolve disputes concerning any reserves with respect to Disputed Claims or the administration thereof;

(n) To resolve any disputes concerning whether a Person or Entity had sufficient notice of the Chapter 11 Case, the Claims Bar Date, the hearing on the approval of the Disclosure Statement as containing adequate information, the hearing on the confirmation of the Plan for the purpose of determining whether a Claim is discharged hereunder or for any other purpose.

ARTICLE XII

RELEASES AND RELATED PROVISIONS

12.1 Term of Bankruptcy Injunction or Stays

All injunctions or stays provided for in the Chapter 11 Case under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date, except for the Settlement Release and the Settlement Injunction and any other injunction in the Sale Order which shall remain in full force and effect until then and at all times after the Effective Date. Except as otherwise expressly provided in the Plan or to the extent necessary to enforce the terms and conditions of the Plan, the Confirmation Order or a separate Order of the Bankruptcy Court, as of the Effective Date, all entities who have held, hold, or may hold Claims against the Debtor, are permanently enjoined, on and after the Confirmation Date, from (A) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim or taking any act to recover such Claim outside of the claims allowance procedure discussed in this Plan and the

Bankruptcy Code and Bankruptcy Rules, (B) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or Order against the Debtor, the Liquidating Trust or the Liquidating Trustee on account of any such Claim, (C) creating, perfecting or enforcing any encumbrance of any kind against the Debtor or against the property or interests in property of the Debtor on account of any such Claim and (D) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from the Debtor or against the property or interests in property of the Debtor on account of any such Claim. Such injunction shall extend for the benefit of the Debtor Representative, the Liquidating Trustee and any successors of the Debtor, and to any property and interests in property subject to this Plan.

12.2 Exculpation

To the extent allowed by section 1125(e) of the Bankruptcy Code, neither the Debtor nor its Current Officials, officers, or directors, nor the Committee or its members, nor the PEDCC or its members, nor any of the Chapter 11 Professionals, nor the Patient Care Ombudsman or his counsel, nor Epiq, nor Donlin will have or incur any liability to any Holder of a Claim or Interest, or any other party-in-interest, Person or Entity or any of their respective agents, employees, representatives, financial advisors, attorneys, affiliates or any of their successors or assigns, for any act or omission occurring after the Petition Date and in connection with, relating to, or arising out of the filing or prosecution of the Chapter 11 Case, the formulation, negotiation or implementation of the Plan, solicitation of acceptances of the Plan, the pursuit of Confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan except for their bad faith, willful malfeasance, reckless disregard of duty, gross negligence, willful fraud, willful misconduct, self-dealing or breach of fiduciary duty as determined by a Final Order of the Bankruptcy Court.

12.3 Limitation on Liability of Liquidating Trustee

The Liquidating Trustee will not be liable for any act he may do or omit to do as Liquidating Trustee under the Plan and the Liquidating Trust Agreement while acting in good faith and in the exercise of his reasonable business judgment; nor will the Liquidating Trustee be liable in any event except for gross negligence, willful fraud or willful misconduct. The foregoing limitation on liability also will apply to any Person (including any Liquidating Trustee Professional) employed by the Liquidating Trustee and acting on behalf of the Liquidating Trustee in the fulfillment of the Liquidating Trustee's duties hereunder or under the Liquidating Trust Agreement. Also, the Liquidating Trustee and all Liquidating Trustee Professionals shall be entitled to indemnification out of the assets of the Liquidating Trust against any losses, liabilities, expenses (including attorneys' fees and disbursements), damages, taxes, suits or claims that the Liquidating Trustee may incur or sustain by reason of being or having been a Liquidating Trustee of the Liquidating Trust or for performing any functions incidental to such service; provided, however, that the foregoing shall not relieve the Liquidating Trustee and the Liquidating Trustee's Professionals from liability for bad faith, willful misfeasance, reckless disregard of duty, gross negligence, fraud, self-dealing or breach of fiduciary duty.

The Liquidating Trust is deemed to release each Person and Entity exculpated under this Subsection from any liability arising from any act or omission occurring after the Petition Date and in connection with, relating to or arising out of the Chapter 11 Case, except as provided herein.

12.4 Releases and Injunctions

As of the Release Date, the City, the Authority, the Parking Utility, each of their Related Parties, and the Current Officials have waived and released any and all Claims² that each of them has, had, or may have against the Debtor's Estate, provided, however, that until the earlier of the entry of a Final Order confirming the Plan or substantial consummation of the Plan, the Authority, the City, and the Parking Utility shall each be deemed to be a party-in-interest and continue to have standing in the Chapter 11 Case with respect to all matters, motions, applications, and proceedings that may, in the reasonable discretion and determination of, respectively, the Authority, the City, and/or the Parking Utility, have an impact on any of their respective rights under the Settlement Agreement, the Settlement Release, the Settlement Injunction, and the Sale and Settlement Order, and, with respect to all such matters, motions, applications, and proceedings, shall have the rights under the Settlement Agreement, the Settlement Release, the Settlement Injunction, and the Sale and Settlement Order, as applicable, in response to, in opposition to, objecting to, and/or as a cross-motion or application to such matters, motions, applications, and proceedings.

As of the Release Date, the Debtor, for itself and on behalf of the Debtor's Estate (as defined in the Settlement Agreement) (including, without limitation, any predecessor or successor to or assign or designee of the Debtor or any estate representative appointed or selected pursuant to section 1123(b)(3) of the Bankruptcy Code) or anyone who claims or might claim through, on behalf of, or for the benefit of any of the foregoing (collectively,

² As used in Sections 12.4 and 12.5 of the Plan, "Claim" shall mean any claim (as that term is defined in section 101(5) of the Bankruptcy Code), obligation, suit, judgment, damages, demand, debt, right (including without limitation, rights of indemnity, contribution, payment, and reimbursement), liability, or cause of action, whether known or unknown, direct or indirect, liquidated or unliquidated, fixed or contingent, foreseen or unforeseen, matured or unmatured, existing or hereafter arising, in law, equity, or otherwise, including without limitation any of the foregoing arising under theories of contract, successor liability, tort, agency, unjust enrichment, alter ego, substantive consolidation, extension, or veil piercing.

the “Debtor Releasors”) shall be deemed forever to have irrevocably released and discharged the Covered Parties from any and all Covered Claims (excluding, for the avoidance of doubt, any obligations of the Parties under the Settlement Agreement and/or the Sale and Settlement Order) that the Debtor Releasors may have against any of the Covered Parties. For the avoidance of doubt, as of the Effective Date, the definition of Debtor Releasors shall be automatically deemed to include, without limitation, the Debtor Representative, the Liquidating Trust and the Liquidating Trustee.

As of the Effective Date, all Entities, including their respective Related Parties who have held, hold, or may hold any Covered Claims shall be deemed to have further unconditionally waived, discharged, and released the Covered Parties from such Covered Claims and from any and all Claims and Liens³ arising from, related to, or based on any Covered Claims, provided, however, except as otherwise expressly provided in the Settlement Agreement and/or the Sale and Settlement Order, that nothing in this Section 12.5 shall preclude any Entity from asserting a Claim against the Debtor in the Chapter 11 Case or receiving a distribution under the Plan (the “Plan Release”).

As of the Effective Date, all Entities and their respective Related Parties are permanently barred, estopped, enjoined, and precluded from (i) asserting Covered Claims against the Covered Parties or any properties or assets of the Covered Parties and (ii) with respect to any Covered Claims, (a) asserting, commencing, or continuing in any manner any action against the Covered Parties or against any assets or properties of the Covered Parties; (b) enforcing, attaching, collecting or recovering, by any manner or means, any judgment, award, decree, or order against the Covered Parties or any properties or assets

³ As used in Section 12.4 and 12.5 of the Plan, “Lien” shall mean any security interest in property (real or personal, tangible or intangible, wherever located) or in rights to property, including any “lien” as that term is defined in section 101(37) of the Bankruptcy Code.

of the Covered Parties; (c) creating, perfecting, or enforcing any Lien of any kind against the Covered Parties; (d) asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due the Covered Parties; and (e) taking any action, in any manner, in any place, venue, or forum whatsoever, that does not conform to or comply with the provisions of the Settlement Agreement or the Sale and Settlement Order, provided, however, except as otherwise expressly provided in the Settlement Agreement that nothing in this Section 12.5 shall preclude any Entity from asserting a claim against the Debtor in the Chapter 11 Case or receiving a distribution under the Plan, provided further that (x) the injunction described in this paragraph (the “Plan Injunction”) shall not apply to or in any way impair or limit the City or any Related Parties of the City that have regulatory and/or police powers governing the operations of the Hospital or the Hospital facility from exercising and enforcing such powers with respect to matters that have or may have arisen before or after the Closing and (y) to the extent the Debtor has been required under the City Lease (defined as used in the Settlement Agreement) and the Parking Utility Lease (defined as used in the Settlement Agreement) or some other agreement to provide general liability, premises liability or property damages insurance for the benefit of the City and/or the Parking Utility and/or any of their respective Related Parties, nothing in the Settlement Agreement, this Plan, the Debtor APA or the Sale and Settlement Order, or the Confirmation Order shall, in any way, impair the rights and claims, in whole or in part, of, as applicable, the City of Hoboken, the Parking Utility and their respective Related Parties under such insurance policies as were provided by the Debtor.

If any Entity asserts any Covered Claim against any third party (a “Third-Party Claim”) and such third party in turn is permitted, notwithstanding the Settlement Release, the Settlement Injunction, Plan Release, and Plan Injunction, to pursue against any Covered Party any Covered Claim (including but not limited to claim for reimbursement, contribution, indemnification, or otherwise) arising from such Third-Party Claim, (i) such Third-Party Claim shall be deemed void ab initio and dismissed by the Bankruptcy Court, which shall retain exclusive jurisdiction over the issue; and (ii) the Debtor’s Estate shall indemnify the affected Covered Party and hold them harmless against, and shall reimburse all expenses incurred in defending against such Covered Claim for reimbursement, contribution, indemnification, or otherwise (including, but not limited to actual and reasonable attorneys’ fees and costs), provided, however, that no such indemnity or reimbursement pursuant to this paragraph shall be payable from the Backstop (as defined in the Settlement Agreement) or otherwise affect calculation of the Backstop, provided further that the Covered Party shall be defended by counsel selected by counsel to the Committee or any successor to the Debtor’s Estate, subject to consent of the Covered Party.

As of the Release Date, the City, the Authority, the Parking Utility, the Debtor, and the other Debtor Releasers and each of their respective agents, representatives, and professionals, and the Current Officials waived and released any and all Covered Claims (other than claims for fraud, gross negligence, or willful misconduct) each such Entity had, or may have had against the Committee, members of the Committee (solely in their capacity as members of the Committee), and professionals retained by the Committee pursuant to an Order of the Bankruptcy Court.

As of the Release Date, the Committee and its members (solely in their capacity as members of the Committee) and each of their respective Related Parties waived and released (i) any and all Covered Claims against the Covered Parties, (ii) any and all Covered Claims against the Current Officials, and (iii) any and all Covered Claims against the Former Officials in excess of available proceeds, if any, of any applicable insurance policies.

Any Entity that asserts that such Entity or any Claim of such Entity is not subject to the Settlement Injunction, the Settlement Release, the Plan Injunction, the Plan Release, or any other releases or injunctions set forth in the Sale and Settlement Order shall not be entitled to receive any distribution under the Plan.

12.5 Claims Under the D&O Policies

Claims, if any, that could be asserted against any of the Former Officials by the Debtor, the Debtor Representative, the Committee, the Liquidating Trust, the Liquidating Trustee or any other Entity derivatively on behalf of the Debtor or directly by the Committee or any creditor of the Debtor, related to or arising out of such Former Officials' capacity as Former Officials (the "Former Official Claims"), shall be limited to and recoverable solely from the available proceeds, if any, of applicable D&O Policies, if any, and shall not be recoverable from any personal or business assets of any of the Former Officials. If any judgment is entered against any of the Former Officials in connection with any Former Official Claim, such judgment shall not attach to or be docketed as a lien against any personal or real property owned by any of the Former Officials, whether individually or with others, and must expressly state on its face that it is subject to the limitations on enforcement set forth herein and in the Settlement Agreement and the Sale and Settlement Order and is not a lien on any property of the Former Officials and cannot

be enforced against any personal property of the Former Officials, other than insurance proceeds as set forth herein. The restrictions and limitations set forth in this paragraph shall apply notwithstanding any denial of or defense to coverage or payment asserted by any applicable insurance carrier. To the extent that a Former Official Claim is asserted for which a Former Official is permitted, notwithstanding the Settlement Release, the Settlement Injunction, Plan Release, and Plan Injunction, to pursue a right of reimbursement, contribution, indemnification, or otherwise against any Covered Party, such Former Official Claim shall immediately be dismissed. Further, if any D&O Carrier disclaims or denies coverage under a D&O Policy, alleging, among other things, (i) any defense to coverage or payment which such D&O Carrier claims or may claim under the D&O Policy by reason of any provision of this paragraph, paragraph 86 of the Sale and Settlement Order, or section 11 of the Settlement Agreement or (ii) other defenses to coverage which such D&O Carrier may raise as a result of alleged non-compliance with, or alleged breach of, the terms, conditions, obligations or limitations of the D&O Policy arising as a result of the provisions of this paragraph, paragraph 86 of the Sale and Settlement Order, or section 11 of the Settlement Agreement, such provisions shall be deemed void and of no further effect as to the affected Former Official, but solely to the extent necessary to avoid such a disclaimer or denial of coverage and only to the extent that, as a result of such provision being deemed null and void and of no effect, coverage is not disclaimed or denied and is, in fact, available to the extent it otherwise would be available but for the provisions of this paragraph, paragraph 86 of the Sale and Settlement Order, or section 11 of the Settlement Agreement. In the event that a D&O Carrier disputes or disclaims coverage or refuses to fund a settlement or judgment (which

judgment must be subject to the limitations set forth above), and the Former Officials do not exercise their rights to payment and/or to seek a determination as to coverage under the applicable D&O Policies (a "Coverage Determination"), the Former Officials will assign, without recourse, warranty, or representation, any and all rights under such D&O Policies to obtain coverage and receive payment to the Debtor's Estate, the Debtor Representative (as applicable) or the Liquidating Trustee (if appropriate) appointed pursuant to this Plan (such assignee is the "Assignee"). In such event, the Former Officials will execute any and all documents, prepared at the expense of the Assignee, reasonably necessary to effectuate such assignment without recourse and allow the Assignee to pursue any such coverage claims and/or payment, and will utilize reasonable best efforts to cooperate with the Assignee to obtain a Coverage Determination or to compel the D&O Carriers to fund a settlement. Nothing in this Section is intended to modify any terms of the D&O Policies or the obligations of the Former Officials and the D&O Carriers thereunder; all rights and defenses of the Former Officials and the D&O Carriers with respect to the D&O Policies in accordance herewith are hereby expressly preserved. Other than in connection with the execution of the assignment documents, nothing herein shall obligate a Former Official to incur any costs or expend any money in connection with a Coverage Determination other than de minimis expenses incurred in connection with the obligation to cooperate as set forth herein. If (a) any D&O Carrier commences an action against the Former Officials seeking a Coverage Determination, the defense of which cannot be taken over by an Assignee or (b) the assignment contemplated hereunder is declared to be null and void or invalid by a Final Order, the Former Officials shall proceed to defend or prosecute, as the case may be, any such action seeking a Coverage

Determination. In such event, (x) all reasonable expenses incurred by the Former Officials in defending or prosecuting an action seeking a Coverage Determination, including but not limited to reasonable attorneys' fees and costs, shall be paid by the Assignee, (y) the Assignee shall be entitled to choose counsel for the Former Officials subject to the consent of the Former Officials, which consent shall not be unreasonably withheld, and (z) the Former Officials shall utilize their reasonable best efforts in assisting in any action seeking a Coverage Determination and any settlement thereof shall be subject to the written consent of the Assignee, which consent shall not be unreasonably withheld. No payment or expense pursuant to this paragraph shall be payable from the Backstop or otherwise affect calculation of the Backstop.

12.6 The Settlement Agreement, Sale and Settlement Order, Debtor APA, and Authority APA

As of the Effective Date, the Settlement Agreement, Sale and Settlement Order, Debtor APA, and Authority APA are ratified, reaffirmed and shall remain in full force and effect and binding on the Debtor Representative, the Liquidating Trustee (to the same extent they are binding on the Debtor) and on the PEDCC (to the same extent it is binding on the Committee). Nothing contained in this Plan or in any amendment to or modification of this Plan shall be deemed to have the effect of amending, modifying, impairing or extending any of the rights or obligations of the parties to the Settlement Agreement, the Debtor APA, or the Authority APA. To the extent the terms and conditions of the Settlement Agreement, Sale and Settlement Order, Debtor APA, or Authority APA vary from or conflict with the terms and conditions of this Plan or the Liquidating Trust Agreement, the terms of the Settlement Agreement, Sale and Settlement Order, Debtor APA, or Authority APA, as applicable, shall control.

12.7 Effect of Plan on Released Claims and Liens

Nothing contained in this Plan shall revive, preserve, or transfer any Claims or Liens that have been released pursuant to the Settlement Agreement, Sale and Settlement Order, Debtor APA, Authority APA, or otherwise.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Certain additional miscellaneous information regarding the Plan and the Chapter 11 Case is set forth below.

13.1 Conditions to Confirmation and the Effective Date

The following are conditions precedent to the occurrence of Confirmation and the Effective Date, each of which must be satisfied or waived in writing:

(a) the Confirmation Order, authorizing and directing that the Debtor take all actions necessary or appropriate to enter into, implement and consummate the contracts, instruments, releases, and other agreements or documents created in connection with the Plan and the transactions contemplated thereby, including, without limitation, the transactions contemplated by the Liquidating Trust Agreement, shall have been entered and become a Final Order;

(b) the statutory fees owing to the United States Trustee as of the Confirmation Date shall have been paid in full;

(c) the Liquidating Trustee shall have accepted, in writing, the terms of his service and compensation, and such terms and compensation shall have been approved by the Bankruptcy Court in the Confirmation Order;

(d) the Administrative Expense/Priority Claim Reserve Account shall have been established and funded;

(e) the Liquidating Trust shall have been established; and

(f) all other actions, authorizations, consents and regulatory approvals required (if any) and necessary to implement the provisions of the Plan shall have been obtained, effected or executed in a manner acceptable to the Debtor and the Committee or, if waivable, waived by the Person or Persons entitled to the benefit thereof.

13.2 Effect of Failure of Condition

If each condition to the Effective Date has not been satisfied or duly waived within thirty (30) days after the Confirmation Date, then (unless the period for satisfaction or waiver of conditions has been extended at the joint option of the Plan Proponents for a period not

exceeding sixty (60) days) upon motion by any party in interest, made before the time that each of the conditions has been satisfied or duly waived and upon notice to such parties in interest as the Bankruptcy Court may direct, the Confirmation Order will be vacated by the Bankruptcy Court; provided, however, that notwithstanding the filing of such motion, the Confirmation Order may not be vacated if each of the conditions to the Effective Date is either satisfied or duly waived by the Plan Proponents or the Liquidating Trustee, as the case may be, before the Bankruptcy Court enters a Final Order granting such motion. If the Confirmation Order is vacated pursuant to Section 13.2 of the Plan, the Plan shall be deemed null and void in all respects, and nothing contained herein shall (A) constitute a waiver or release of any Claims by or against the Debtor or (B) prejudice in any manner the rights of the Debtor or the Committee.

13.3 Waiver of Conditions to Confirmation and Effective Date

The Debtor and the Committee, jointly and in their sole discretion, may waive any or all of the conditions to Confirmation and the Effective Date, in whole or in part, at any time, without notice or an Order of the Bankruptcy Court. In that event, the Debtor and the Committee will be entitled to render any or all of their performance under the Plan prior to what otherwise would be the Effective Date if the above-referenced conditions were not waived, including, but not limited to, the right to perform under any circumstances which would moot any appeal, review, or other challenge of any kind to the Confirmation Order if the Confirmation Order is not stayed pending such appeal, review, or other challenge. The failure to satisfy or to waive any condition may be asserted by the Debtor or the Committee regardless of the circumstances giving rise to failure of such condition to be satisfied (including any action or inaction by the Debtor). The failure of the Debtor or the Committee to exercise any of the foregoing rights will not be deemed a waiver of any other rights, and each such right will be deemed an ongoing right that may be asserted at any time.

13.4 Modification of the Plan

Except with respect to Sections 12.4 through 12.7 hereof and as otherwise provided in the Settlement Agreement and the Sale and Settlement Order, the Plan and any Exhibits thereto may be modified by the Plan Proponents, or the Liquidating Trustee, as applicable, from time to time in accordance with Bankruptcy Code section 1127 and Bankruptcy Rule 3019. The Plan and any Exhibits thereto may be modified at any time before the entry of the Confirmation Order pursuant to section 1127(a) of the Bankruptcy Code; and after the entry of the Confirmation Order, the Plan Proponents, or the Liquidating Trustee, as applicable may, upon Order of the Bankruptcy Court, amend or modify the Plan and any Exhibits thereto in accordance with section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan.

Objections with respect to any amendments or modifications to the Plan (as and to the extent permitted hereby) filed after the deadline for objections to the Plan, as set by the Bankruptcy Court, may be brought at the Confirmation Hearing. The Plan, and any modification or supplement thereof, may be inspected in the Office of the Clerk or its designee during normal business hours. Holders of Claims may obtain a copy of the Plan and any supplement or modification, if any, by contacting the solicitation agent, Epiq, at (646) 282-2500 or by reviewing such document on the internet at <http://www.epiq11.com>. The documents annexed to the Disclosure Statement or contained in any modification or supplement to the Plan or the Disclosure Statement are an integral part of the Plan and shall be approved by the Bankruptcy Court pursuant to the Confirmation Order.

13.5 Extension of Time

For cause shown, any deadlines herein which are applicable to the Debtor or the Liquidating Trust Estate and which are not otherwise extendable, may be extended by the Bankruptcy Court.

13.6 Post-Effective Date Notice List

Because certain Persons may not desire to continue to receive notices after the Effective Date, this Plan provides for the establishment of a Post-Effective Date Notice List. Persons on such Post-Effective Date Notice List will be given certain notices and in some cases an opportunity to object to certain matters under this Plan (as described herein). Any Person desiring to be included in the Post-Effective Date Notice List must (i) file a request to be included on the Post-Effective Date Notice List and include thereon its name, contact person, address, telephone number and facsimile number, within thirty (30) days after the Effective Date, and (ii) concurrently serve a copy of its request to be included on the Post-Effective Date Notice List on the Liquidating Trustee and his counsel. On or before sixty (60) days after the Effective Date, the Liquidating Trustee shall compile a list of all Persons on the Post-Effective Date Notice List and file such list with the Bankruptcy Court. Those parties set forth in Section 13.10 of the Plan shall be included in the Post-Effective Date Notice List without the necessity of filing a request.

13.7 Revocation of Plan

The Plan Proponents reserve the right to jointly revoke or withdraw the Plan prior to the Effective Date and to jointly file subsequent plans of reorganization or liquidation which shall in all respects be consistent with Sections 12.4 through 12.7 hereof and the Settlement Agreement and Sale and Settlement Order. If the Plan is withdrawn or revoked, or if confirmation or the Effective Date of the Plan does not occur, then (a) the Plan shall be null and void in all respects,

(b) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain any Claim or Class of Claims, but excepting the settlement embodied in the Settlement Agreement and the Sale and Settlement Order), assumption or rejection of Executory Contracts or leases affected by the Plan, and any document or agreement executed pursuant hereto, shall be deemed null and void, and except as herein provided and as provided in the Settlement Agreement or the Sale and Settlement Order (c) nothing contained in the Plan shall (i) constitute a waiver or release of any Claims by or against the Debtor or any other person, (ii) prejudice in any manner the Debtor's or any other Person's rights, or (iii) constitute the Debtor's or any other Person's admission of any sort. Consistent with Section 12.6 of this Plan, revocation of this Plan shall not affect the Settlement Agreement, Sale and Settlement Order, Debtor APA, and Authority APA.

13.8 Successors and Assigns

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

13.9 Reservation of Rights

Except as expressly set forth herein, the Plan shall have no force or effect until the Bankruptcy Court has entered the Confirmation Order. Neither the filing of the Plan, any statement or provision contained in the Plan, nor the Debtor's taking of any action with respect to the Plan or the Disclosure Statement shall be or shall be deemed to be an admission or waiver of any of the Debtor's rights with respect to the Holders of Claims prior to the Effective Date.

13.10 Service of Documents

Any pleading, notice or other document required or permitted to be made in accordance with this Plan shall be made in writing and shall be delivered personally, by facsimile transmission, electronic mail or by first class U.S. mail, postage prepaid, as follows:

To the Debtor: Trenk, DiPasquale, Della Fera & Sodono, P.C.
347 Mt. Pleasant Avenue, Suite 300
West Orange, NJ 07052
Attn: Joseph J. DiPasquale, Esq.
Facsimile: (973) 243-8677

To the Debtor Representative or to the Liquidating Trustee: J.H. Cohn LLP
333 Thornall Street
Edison, NJ 08837
Attn: Bernard A. Katz, CPA
Facsimile: (732) 549-7016

To the Creditors' Committee: Sills Cummis & Gross, P.C.
One Riverfront Plaza
Newark, New Jersey 07102
Attn: Andrew H. Sherman, Esq.
Facsimile: (973) 643-6500

To the Office of the United States Trustee: Office of the United States Trustee
One Newark Center, Suite 2100
Newark, NJ 07102
Attn: Donald F. MacMaster, Esq.
Facsimile: (973) 645-5993

13.11 Filing of Additional Documents and Notice of Effective Date

On or before the Effective Date, the Debtor and/or the Committee may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Liquidating Trustee shall file a notice of the Effective Date as soon as practicable after the Effective Date and shall serve such notice on all parties that are entitled to notice under Bankruptcy Rule 2002.

13.12 Post Confirmation Date Fees and Expenses

From and after the Confirmation Date, the Debtor or the Liquidating Trustee, as applicable, shall, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, pay the reasonable compensation and expenses incurred by the Professionals of the Debtor, its Estate, the Committee, and the Liquidating Trust, as applicable, related to the consummation and implementation of the Plan, which post-confirmation compensation and expenses shall be paid by the Liquidating Trustee in accordance with the notice procedures provided in Section 8.10 of this Plan.

13.13 Severability

The provisions of the Plan shall not be severable unless the Debtor and the Committee agree to such severance and such severance would constitute a permissible modification of the Plan pursuant to section 1127 of the Bankruptcy Code.

13.14 Entire Agreement

The Plan, and any supplements or amendments hereto, supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings and representations on such subjects (other than the Liquidating Trust Agreement), all of which have become merged and integrated into the Plan.

13.15 Governing Law

Except to the extent the Bankruptcy Code, Bankruptcy Rules or other federal law is applicable, or to the extent an exhibit to the Plan provides otherwise, 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 New Jersey, without giving effect to the principles of conflicts of law of such jurisdiction.

13.16 Closing of the Chapter 11 Case

The Liquidating Trustee shall promptly, upon the full administration of the Chapter 11 Case, file with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and any applicable Order of the Bankruptcy Court to close the Chapter 11 Case.

13.17 Survival of the Settlement Agreement

The Settlement Agreement and the terms and conditions thereof shall survive the Effective Date and be binding upon the Debtor, the Liquidating Trustee, each of the Parties to the Settlement Agreement, and any of their respective successors or assigns.

13.18 Rules of Interpretation

For purposes herein: (a) any reference herein to a contract, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (b) any reference herein to an existing document or exhibit filed, or to be filed, shall mean such document or exhibit, as it may have been or may be amended, modified or supplemented from time to time; (c) unless otherwise specified, all references herein to articles and sections are references to articles and sections of this Plan; (d) the words “herein,” “hereof,” and “hereto” refer to this Plan in its entirety rather than to a particular portion of this Plan; (e) captions and headings to articles and sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation hereof; (f) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (g) all exhibits to this Plan are incorporated into this Plan, and shall be deemed to be included in this Plan, regardless of when filed with the Bankruptcy Court; (h) in computing any period of time prescribed or allowed by this Plan, the provisions of Bankruptcy Rule 9006(a) shall apply; and (i) whenever a distribution

of property is required to be made on a particular date, the distribution shall be made on such date, or as soon as practicable thereafter.

HUDSON HEALTHCARE, INC.

By: /s/ Vincent Riccitelli
Name: Vincent Riccitelli
Title: CEO

OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF HUDSON HEALTHCARE, INC.

By: /s/ Brad Hamman
Name: Brad Hamman
Title: Chair

Dated: May 7, 2012

EXHIBIT B

TRENK, DiPASQUALE,
DELLA FERA & SODONO, P.C.
Joseph J. DiPasquale (JD-3330)
Thomas M. Walsh (TW-0645)
347 Mt. Pleasant Avenue, Suite 300
West Orange, NJ 07052
Telephone: (973) 243-8600
Attorneys for Hudson Healthcare, Inc., Debtor-in-Possession

-and-

SILLS CUMMIS & GROSS P.C.
Andrew H. Sherman (AS-6061)
One Riverfront Plaza
Newark, NJ 07102
Telephone: (973) 643-7000
Attorneys for the Official Committee of Unsecured Creditors

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY**

In re:

HUDSON HEALTHCARE, INC.,

Debtor-in-Possession.

Honorable Donald H. Steckroth

Case No. 11-33014

Chapter 11

THIRD AMENDED JOINT PLAN OF ORDERLY LIQUIDATION

Dated: May 7, 2012

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ARTICLE I

INTRODUCTION TO PLAN

Hudson Healthcare, Inc., a New Jersey not for profit corporation and the debtor and debtor-in-possession (the “Debtor”) in the above captioned Chapter 11 Case¹, and the Official Committee of Unsecured Creditors of Hudson Healthcare, Inc. (the “Committee,” together with the Debtor, the “Plan Proponents”), jointly propose the following Plan of Liquidation (together with exhibits and as amended from time to time, the “Plan”) pursuant to section 1121(a) of title 11 of the United States Code (the “Bankruptcy Code”).

Pursuant to the Plan, the Plan Proponents propose an orderly liquidation of the Debtor’s remaining Assets. The Plan provides that all funds realized from the collection and liquidation of the Debtor’s Assets will be paid to Creditors on account of their Allowed Claims in accordance with the distributive priorities of the Bankruptcy Code. The Plan Proponents propose to implement the Plan by establishing a Liquidating Trust that will be administered by the Liquidating Trustee. On the Effective Date, the Debtor’s Assets will be transferred to the Liquidating Trust for the benefit of Creditors. Thereafter, the Liquidating Trustee will be responsible for liquidating the Assets and making distributions to Creditors in accordance with the terms of the Plan.

Transmitted with this Plan is a copy of the Disclosure Statement required by section 1125 of the Bankruptcy Code (together with exhibits and as amended from time to time, the “Disclosure Statement”). The Disclosure Statement is provided to help Creditors understand this Plan. The Disclosure Statement contains, among other things, a discussion of the Debtor’s

¹ Capitalized terms used herein shall have the meaning ascribed to them in Article II of this Plan.

history, business, and results of operations; a summary of events occurring during the Chapter 11 Case; resolutions of material disputes; and a summary of this Plan.

All Creditors and other parties-in-interest are encouraged to carefully review the Disclosure Statement prepared by the Plan Proponents before voting to accept or reject this Plan.

THE PLAN PROPONENTS URGE ALL CREDITORS AND OTHER PARTIES IN INTEREST TO READ THIS PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY. NO SOLICITATION MATERIALS OTHER THAN THE DISCLOSURE STATEMENT AND ANY DOCUMENTS, SCHEDULES, EXHIBITS OR LETTERS ATTACHED THERETO OR REFERENCED THEREIN HAVE BEEN AUTHORIZED BY THE PLAN PROPONENTS OR THE BANKRUPTCY COURT FOR USE IN SOLICITING ACCEPTANCES OR REJECTIONS OF THIS PLAN.

THE VOTING DEADLINE TO ACCEPT OR REJECT THIS PLAN IS 4:00 P.M. EASTERN TIME, JULY 2, 2012, UNLESS EXTENDED BY ORDER OF THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEW JERSEY.

THE PLAN PROPONENTS BELIEVE THAT THIS PLAN WILL ENABLE THE ESTATE TO EFFICIENTLY LIQUIDATE ITS ASSETS FOR THE BENEFIT OF THE CREDITORS AND ACCOMPLISH THE OBJECTIVES OF CHAPTER 11. ADDITIONALLY, THE PLAN PROPONENTS BELIEVE THE PLAN PRESENTS THE MOST ADVANTAGEOUS OUTCOME FOR ALL THE DEBTOR'S CREDITORS AND THAT, THEREFORE, CONFIRMATION OF THE PLAN IS IN THE BEST INTERESTS OF THE ESTATE. THE PLAN PROPONENTS RECOMMEND THAT CREDITORS VOTE TO ACCEPT THE PLAN.

BY ORDER DATED MAY 29, 2012, THE BANKRUPTCY COURT APPROVED THE DISCLOSURE STATEMENT AS CONTAINING ADEQUATE INFORMATION TO PERMIT THE HOLDERS OF CLAIMS AGAINST THE DEBTOR TO MAKE REASONABLY INFORMED DECISIONS IN EXERCISING THEIR RIGHT TO VOTE ON THE PLAN. APPROVAL OF THE DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT, HOWEVER, DOES NOT CONSTITUTE A DETERMINATION ON THE MERITS OF THIS PLAN.

THERE HAS BEEN NO INDEPENDENT AUDIT OF THE INFORMATION CONTAINED IN THE DISCLOSURE STATEMENT OR THIS PLAN EXCEPT AS EXPRESSLY INDICATED THEREIN. THE DISCLOSURE STATEMENT AND PLAN WERE COMPILED FROM INFORMATION OBTAINED BY THE PLAN PROPONENTS FROM NUMEROUS SOURCES AND ARE BELIEVED TO BE ACCURATE TO THE BEST OF THEIR KNOWLEDGE, INFORMATION AND BELIEF. HOLDERS OF CLAIMS MUST RELY ON THEIR OWN EXAMINATION OF THE DEBTOR AND THE TERMS OF THIS PLAN, INCLUDING THE MERITS AND RISKS INVOLVED. BEFORE SUBMITTING BALLOTS. HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN SHOULD READ AND CAREFULLY CONSIDER THE DISCLOSURE STATEMENT AND THIS PLAN IN THEIR ENTIRETY.

FOR THE CONVENIENCE OF HOLDERS OF CLAIMS, THE DISCLOSURE STATEMENT SUMMARIZES THE TERMS OF THIS PLAN. IF ANY INCONSISTENCY EXISTS BETWEEN THE PLAN AND THE DISCLOSURE STATEMENT, THE TERMS OF THIS PLAN ARE CONTROLLING. THE

DISCLOSURE STATEMENT MAY NOT BE RELIED ON FOR ANY PURPOSE OTHER THAN TO DETERMINE WHETHER TO VOTE TO ACCEPT OR REJECT THIS PLAN. NOTHING STATED IN THE DISCLOSURE STATEMENT SHALL BE DEEMED OR CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY, OR BE DEEMED CONCLUSIVE EVIDENCE OF THE TAX OR OTHER LEGAL EFFECTS OF THIS PLAN ON THE DEBTOR OR HOLDERS OF CLAIMS. CERTAIN STATEMENTS CONTAINED IN THE DISCLOSURE STATEMENT, BY THEIR NATURE, ARE FORWARD-LOOKING AND CONTAIN ESTIMATES AND ASSUMPTIONS. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL REFLECT ACTUAL OUTCOMES.

SUMMARIES OF CERTAIN PROVISIONS OF AGREEMENTS REFERRED TO IN THIS PLAN AND THE DISCLOSURE STATEMENT DO NOT PURPORT TO BE COMPLETE AND ARE SUBJECT TO, AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO, THE FULL TEXT OF THE APPLICABLE AGREEMENT, INCLUDING THE DEFINITIONS OF TERMS CONTAINED IN SUCH AGREEMENT.

HOLDERS OF CLAIMS SHOULD NOT CONSTRUE THE CONTENTS OF THIS PLAN OR THE DISCLOSURE STATEMENT AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE. EACH SUCH HOLDER SHOULD CONSULT WITH ITS OWN LEGAL, BUSINESS, FINANCIAL AND TAX ADVISORS AS TO ANY SUCH MATTERS CONCERNING THE SOLICITATION, THIS PLAN AND THE TRANSACTIONS CONTEMPLATED THEREBY.

HOLDERS OF CLAIMS AND OTHER THIRD PARTIES SHOULD BE AWARE THAT THIS PLAN CONTAINS INJUNCTIONS AND RELEASES THAT MAY MATERIALLY AFFECT THEIR RIGHTS.

ARTICLE II

DEFINITIONS

For purposes of this Plan, unless the context otherwise requires, all capitalized terms not otherwise defined shall have the meanings ascribed to them below. Any term used in this Plan that is not defined herein, but is defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that term in the Bankruptcy Code or Bankruptcy Rules, as applicable. For purposes of the Plan and such defined terms, the singular and plural uses of such defined terms and the conjunctive and disjunctive uses thereof will be interchangeable (unless the context requires otherwise), and the defined terms will include the masculine, feminine and neutral genders.

2.1 Administrative Expense Claim

means any Claim (other than a Claim included in a Class under the Plan) that is entitled to priority in accordance with sections 503(b) and 507(a)(2) of the Bankruptcy Code or Order of the Bankruptcy Court, including (i) Claims for the actual, necessary costs and expenses of preserving the Estate arising or accruing during the period commencing on the Petition Date and ending on November 3, 2011, (ii) Section 503(b)(9) Administrative Claims, and (iii) Professional Compensation and Reimbursement Claims.

2.2 Administrative Expense/Priority Claim Bar Date

means December 30, 2011, at 5:00 p.m. Eastern Time, the last date fixed by the Administrative Expense/Priority Claim Bar Date Order, by which all proofs of claim for Administrative Expense Claims and Priority Claims must be filed, other than (A) all fees payable to the Clerk of the Bankruptcy Court or the Office of the United States Trustee pursuant to 28 U.S.C. § 1930; (B) any Administrative Expense Claim already fixed and approved by Order of the Bankruptcy Court prior to the entry of the Administrative Expense/Priority Claim Bar Date Order; (C) any Administrative Expense Claim that has been paid in full prior to the entry of the Administrative Expense Bar Date Order; (D) any Administrative Expense Claim of a governmental unit that is subject to 11 U.S.C. § 503(b)(1)(D); (E) any Professional Compensation and Reimbursement

Claim; (F) fees and expenses payable to Patient Care Ombudsman and his counsel; (G) Administrative Expense Claims of Committee members for expenses pursuant to Bankruptcy Code section 503(b)(3)(F); and (H) fees and expenses payable to Epiq and Donlin.

2.3 Administrative Expense/Priority Claim Bar Date Order

means the Order granting the Debtor's and Committee's Joint Motion for an Order (I) Establishing Bar Date for Filing (a) Administrative Expense Claims Pursuant to 11 U.S.C. §§ 105(a) and 503; and (b) Priority Unsecured Claims Pursuant to 11 U.S.C. §§ 105 and 507; (II) Approving the Form, Manner and Sufficiency of Notice Thereof; and (III) Approving Proof of Administrative Expense Claim Form and Priority Unsecured Claim Form, dated November 22, 2011.

2.4 Administrative Expense/Priority Claim Reserve

means the Cash transferred from the Creditor Trust Account prior to the Effective Date in an amount necessary to pay any estimated Professional Compensation and Reimbursement Claims through the Effective Date and asserted Administrative Expense Claims, Other Administrative Expense Claims, Priority Tax Claims, Class 1 Claims, and all fees pursuant to 28 U.S.C. § 1930 due and payable as of the Effective Date in excess of the Cash in the Joint Payment Account as of the date of transfer.

2.5 Allowed Claim

means any Claim, proof of which was timely and properly filed or, if no proof of Claim was filed, which has been or hereafter is listed by the Debtor in its Schedules, as such Schedules may be amended by the Debtor from time to time in accordance with Bankruptcy Rule 1009, as liquidated in amount and not disputed or contingent and, in each case, as to which: (A) no objection to allowance has been interposed within the applicable period fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or (B) such Claim has been allowed, in whole or in part, by a Final Order; provided, however, that any Claims allowed solely for the purpose of voting to accept or reject the Plan pursuant to an Order of the Bankruptcy Court shall not be considered "Allowed Claims" hereunder. Unless otherwise specified herein or by Order of the Bankruptcy Court, "Allowed Claim" shall not, for purposes of computation of distributions under the Plan, include interest on such Claim from and after the Petition Date.

2.6 Assets

means each and every item of property and interest of the Debtor or the Estate as of the Effective Date, whether tangible or intangible, legal or equitable, liquidated or unliquidated, and includes, without limitation, (i) all assets not otherwise sold by the Debtor under the Debtor APA, including but not limited to all Excluded Assets (as the term is used in the Debtor APA); (ii) all rights and causes of action retained under the Settlement Agreement, including, without limitation, all Preserved Claims (including all applicable D&O and Tort Claims); and (iii) all Cash, Chapter 5 Actions, rights in and proceeds of Insurance Policies, and any other rights, privileges, deferred taxes, claims, causes of action or defenses, whether arising by statute or common law, and whether arising under the laws of the United States, other countries, or applicable state or local law.

2.7 Authority

means the Hoboken Municipal Hospital Authority.

2.8 Authority APA

means that certain Asset Purchase Agreement between the Authority and the Purchaser dated as of April 20, 2011, as amended from time to time.

2.9 Ballot

means the form of ballot to be distributed with the Disclosure Statement and this Plan to each Holder of an Impaired Claim in a Class entitled to vote on the Plan on which is to be indicated acceptance or rejection of the Plan.

2.10 Balloting Deadline

means the date and time, as fixed by an Order of the Bankruptcy Court and set forth in the Disclosure Statement, by which all Ballots must be received by the Debtor at the address set forth on the Ballot, as such date may be extended by an Order of the Bankruptcy Court.

2.11 Bankruptcy Code

means title 11 of the United States Code, as amended from time to time, as applicable to the Chapter 11 Case.

2.12 Bankruptcy Court

means the United States Bankruptcy Court for the District of New Jersey, having jurisdiction over the Chapter 11 Case, or if such Court ceases to exercise jurisdiction over the Chapter 11 Case, such court or adjunct thereof that exercises jurisdiction over the Chapter 11 Case in lieu of the United States Bankruptcy Court for the District of New Jersey.

2.13 Bankruptcy Documents

means, collectively, (a) the Settlement Agreement, the Sale and Settlement Order, and any underlying agreements in connection therewith, (b) this Plan, and (c) the Confirmation Order.

2.14 ~~2.13~~ Bankruptcy Rules

means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, and any Local Rules of the Bankruptcy Court, as amended from time to time, as applicable to the Chapter 11 Case.

2.15 ~~2.14~~ Bar Date

means the last date fixed by the Bankruptcy Court for filing proofs of Claim in the Chapter 11 Case. For Creditors holding a General Unsecured Claim, except Governmental Units, the Bar Date is November 29, 2011 and for Governmental Units, the Bar Date is January 27, 2012.

2.16 ~~2.15~~ Beneficiary

means “beneficiary” as defined in the Liquidating Trust Agreement.

2.17 ~~2.16~~ Business Day

means any day other than a Saturday, Sunday or any other day on which commercial banks in New York, New York are required or authorized to close by law or executive order.

2.18 ~~2.17~~ Cash

means cash constituting legal tender of the United States of America, cash equivalents and other readily marketable direct obligations of the United States of America, and fully FDIC-insured certificates of deposit issued by a bank.

2.19 ~~2.18~~ Causes of Action

means any and all causes of action, grievances, arbitrations, actions, suits, demands, demand letters, claims, complaints, notices of non-compliance or violation, enforcement actions, investigations or proceedings of the Debtor and/or the Estate that are or may be pending on the Effective Date or that may be instituted or prosecuted by the Liquidating Trustee, on behalf of the Estate, or by the Debtor Representative, on behalf of the Debtor, after the Effective Date against any Person or Entity, based in law or equity, including, but not limited to, under the Bankruptcy Code, whether direct, indirect, derivative, or otherwise and whether asserted or unasserted as of the Effective Date (unless released or resolved pursuant to the Settlement Agreement and/or this Plan or otherwise prior to the Effective Date) including, without limitation, (i) the right to object to Claims; (ii) all avoidance powers, actions, rights, remedies or affirmative defenses under Bankruptcy Code sections 544 through 553 and section 724, under any similar or related law (including state law), or under fraudulent transfer or preference laws; (iii) all Preserved Claims; and (iv) all D&O and Tort Claims and claims against any Person or Entity arising from, in connection with, or related to the D&O and Tort Claims.

2.20 ~~2.19~~ Chapter 5 Actions

means any and all Claims arising under chapter 5 of the Bankruptcy Code and any and all fraudulent conveyance or transfer Claims that, in either instance, could be brought under state or federal law.

2.21 ~~2.20~~ Chapter 11 Case

means the case under chapter 11 of the Bankruptcy Code commenced by the Debtor, styled *In re Hudson Healthcare, Inc.*, Chapter 11 Case No. 11-33014 (DHS), currently pending in the Bankruptcy Court.

2.22 ~~2.21~~ Chapter 11 Professionals

means the Debtor’s Professionals and the Committee’s Professionals, wherever they are referred to collectively in the Plan.

2.23 ~~2.22~~ **City**

means the City of Hoboken, New Jersey.

2.24 ~~2.23~~ **Claim**

shall have the meaning set forth in section 101(5) of the Bankruptcy Code.

2.25 ~~2.24~~ **Claims Agent**

means Epiq, the entity retained by the Debtor pursuant to an Order of the Bankruptcy Court to serve as agent of the Clerk pursuant to 28 U.S.C. § 156(c).

2.26 ~~2.25~~ **Claims Register**

means the document generated by the Bankruptcy Court or the Claims Agent which reflects the proofs of Claim filed by Holders of Claims.

2.27 ~~2.26~~ **Class**

means any group of substantially similar Claims classified by the Plan pursuant to section 1123(a)(1) of the Bankruptcy Code.

2.28 ~~2.27~~ **Clerk**

means the Clerk of the Bankruptcy Court.

2.29 ~~2.28~~ **Closing**

means November 4, 2011, the closing date of the sale of substantially all of the Authority's assets to the Purchaser pursuant to the Authority APA and the sale of substantially all of the Debtor's assets to the Purchaser pursuant to the Debtor APA.

2.30 ~~2.29~~ **Collateral**

means any property or interest in property of the Estate of the Debtor subject to a lien, charge, or other encumbrance to secure the payment or performance of a Claim, which lien, charge or other, encumbrance is valid, perfected and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code.

2.31 ~~2.30~~ **Committee**

means the Official Committee of Unsecured Creditors appointed by the Office of the United States Trustee in the Chapter 11 Case pursuant to Bankruptcy Code section 1102(a)(1).

2.32 ~~2.31~~ **Committee's Professionals**

means (a) the law firm of Sills Cummis & Gross P.C.; (b) the accounting firm of J.H. Cohn, LLP; and (c) any and all other professionals that the Committee has retained or may retain, with

Bankruptcy Court approval, to assist in the conduct of the Chapter 11 Case or to provide professional services for a specified purpose, all in accordance with Bankruptcy Code section 327.

2.33 ~~2.32~~ Confirmation Date

means the date the Clerk enters the Confirmation Order on the docket in the Chapter 11 Case.

2.34 ~~2.33~~ Confirmation Hearing

means the duly noticed hearing to be held in accordance with section 1128(a) of the Bankruptcy Code at which confirmation of the Plan is considered by the Bankruptcy Court, as such hearing may be adjourned or continued from time to time.

2.35 ~~2.34~~ Confirmation Order

means the Order of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code.

2.36 ~~2.35~~ Covered Claims

means any and all Claims, Liens, Chapter 5 Actions, whether known or unknown, against, with respect to, arising out of, in connection with, or in any way relating to the Debtor, any of the Debtor's property or rights, the Agreements (as defined in the Settlement Agreement), the operation, management and financial affairs of the Hospital, or the Chapter 11 Case on or prior to the Closing, provided that Covered Claims shall not include any (i) Chapter 5 Actions against members of the Committee or (ii) Preserved Claims.

2.37 ~~2.36~~ Covered Parties

means the Authority, the City, the Debtor, the Parking Utility, the Purchaser, (and in their capacity as such the bond trustee and any and all current, former, or future bondholders under the Authority's indenture existing as of October 5, 2011), and any and all of their respective Related Parties or any properties or assets of the aforementioned parties, provided, however, that under no circumstances shall any Non-Covered Party or any Former Professional be a Covered Party. For the avoidance of doubt, all Current Officials shall be Covered Parties.

2.38 ~~2.37~~ Creditor

means any Person who or that is the Holder of a Claim against the Debtor.

2.39 ~~2.38~~ Creditor Trust Account

means the Creditor Trust Account (as defined in the Settlement Agreement) established pursuant to the Settlement Agreement.

2.40 ~~2.39~~ Cure

means with respect to the assumption of an Executory Contract or unexpired lease pursuant to section 365(b) of the Bankruptcy Code, (A) the distribution of Cash, or the distribution of such other property as may be agreed upon by the parties or ordered by the Bankruptcy Court, in an amount equal to all unpaid monetary obligations, without interest, or such other amount as may be agreed upon by the parties under an Executory Contract or unexpired lease, to the extent such obligations are enforceable under the Bankruptcy Code and applicable bankruptcy law or (B) the taking of such other actions as may be agreed upon by the parties or ordered by the Bankruptcy Court.

2.41 ~~**2.40**~~ **Current Officials**

includes (i) the commissioners and officers of the Authority as of October 5, 2011 (in their capacities as such) including the following individuals: Alfred Fayemi, Joseph Kozel, Eric Kurta, Jonathan Metsch, Steven Rofsky, Annette Tomarazzo, Catherine M. Williams, Norman E. Wilson, George Crimmins, Tejal Desai, and Mayor Dawn Zimmer; and (ii) each of the directors and officers of the Debtor as of October 5, 2011 (in their capacities as such) including the following individuals: Linda Barrientos, Lior Blik, Joseph Burt, Erin Byron, Angelo Caprio, Yleana Contreras, James Doyle, Marie Duffy, Frank Magaletta, Albert Porco, Joan Quigley, Ellen Refowitz, and Vincent Riccitelli, but shall not include any Non-Covered Party.

2.42 ~~**2.41**~~ **D&O Carriers**

means, collectively, the insurers under the D&O Policies.

2.43 ~~**2.42**~~ **D&O and Tort Claims**

means all claims and causes of action against Former Officials and all claims and causes of action of the Debtor and/or the Estate as of the Effective Date sounding in tort or otherwise not subject to assignment under applicable law.

2.44 ~~**2.43**~~ **D&O Policies**

means, collectively, any “Directors and Officers” and other fiduciary liability insurance policies belonging to the Debtor or under which the Debtor is named as an insured or additional insured, including, without limitation, the Not-for-Profit Protector policy issued by National Union Fire Insurance Company of Pittsburgh, Pa. (“National Union”), policy number 01-499-90-02, and the Federal Insurance Company (a/k/a Chubb) executive liability policy no. 8209-3181. The Professional Liability Policies are not D&O Policies.

2.45 ~~**2.44**~~ **Debtor**

means Hudson Healthcare, Inc. and Hudson Healthcare, Inc., d/b/a Hoboken University Medical Center Foundation.

2.46 ~~**2.45**~~ **Debtor APA**

means that certain Asset Purchase Agreement between the Debtor and the Purchaser dated as of September 7, 2011.

2.47 ~~2.46~~

Debtor-in-Possession

means the Debtor in its capacity as debtor-in-possession in the Chapter 11 Case pursuant to sections 1101, 1107(a) and 1108 of the Bankruptcy Code.

2.48 ~~2.47~~ Debtor's Professionals

means the law firm of Trenk, DiPasquale, Della Fera & Sodono, P.C. and any and all other professionals that the Debtor has retained or may retain, with Bankruptcy Court approval, to assist in the conduct of the Chapter 11 Case or to provide professional services for a specified purpose, all in accordance with Bankruptcy Code section 327.

2.49 ~~2.48~~ Debtor Representative

means Bernard A. Katz, or such other person or entity as may be appointed and approved by the Bankruptcy Court as the Debtor Representative.

2.50 ~~2.49~~ Designated Contract

means each of those contracts and other agreements and permits identified on Schedule 2.6 of the Debtor APA.

2.51 ~~2.50~~ Disallowed

means, with reference to any Claim, a Claim or any portion thereof that has been disallowed or expunged by Final Order of the Bankruptcy Court.

2.52 ~~2.51~~ Disclosure Statement

means the Disclosure Statement relating to this Plan including, without limitation, all exhibits and schedules thereto, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code.

2.53 ~~2.52~~ Disputed Claim

means any Claim, which has not been allowed by a Final Order of the Bankruptcy Court and which either (i) has not been listed on the Schedules, or has been or hereafter is listed on the Schedules as unliquidated, disputed or contingent, regardless of whether a proof of claim has been filed as to such Claim; (ii) as to which the Debtor or, if not prohibited by the Plan, any other party in interest has interposed a timely objection and/or request for estimation in accordance with section 502(c) of the Bankruptcy Code and Bankruptcy Rule 3007, which objection and/or request for estimation has not been withdrawn or determined by a Final Order, or (iii) as to which proof of claim was required to be filed by Order of the Bankruptcy Court but as to which a proof of claim or interest was not timely or properly filed.

2.54 ~~2.53~~ Donlin

means Donlin Recano & Company, Inc., retained as website administrator by the Committee.

2.55 ~~2.54~~ **Effective Date**

means the first Business Day after the Confirmation Order becomes a Final Order, and all conditions to the Effective Date as set forth in Section 13.1 of this Plan have been satisfied or, if waivable, jointly waived by the Debtor and the Committee.

2.56 ~~2.55~~ **Entity**

means an entity as defined in section 101(15) of the Bankruptcy Code (including, without limitation, any Person).

2.57 ~~2.56~~ **Epiq**

means Epiq Bankruptcy Solutions, LLC, appointed as claims, noticing and solicitation agent of the Bankruptcy Court pursuant to 28 U.S.C. § 156(c).

2.58 ~~2.57~~ **Estate**

means the estate created upon the commencement of the Chapter 11 Case pursuant to section 541 of the Bankruptcy Code.

2.59 ~~2.58~~ **Executory Contract**

means any executory contract or unexpired lease as of the Petition Date, subject to section 365 of the Bankruptcy Code, between a Debtor and any other Person or Persons, specifically excluding contracts and agreements entered into pursuant to the Plan or subject to section 1113 of the Bankruptcy Code.

2.60 ~~2.59~~ **Fee Application**

means an application by a Professional for a Professional Compensation and Reimbursement Claim.

2.61 ~~2.60~~ **Final Distribution Date**

means the date on which the distribution is made from the Liquidating Trust that finally and fully exhausts the assets of the Liquidating Trust.

2.62 ~~2.61~~ **Final Order**

means an Order of the Bankruptcy Court or any other adjudicative body, which Order has not been stayed, and as to which the time to appeal or to move for reargument or rehearing has expired and no appeal, or motion for reargument or rehearing shall then be pending. Provided, however, that the Confirmation Order shall be deemed a Final Order unless it has been stayed.

2.63 ~~2.62~~ **Former Official**

means any director or officer of the Debtor who or that is not a Current Official or any commissioner or officer of the Authority who or that is not a Current Official.

[2.64](#) ~~2.63~~ **Former Professional**

means any attorneys, accountants, auditors, and/or any other professionals employed, retained or otherwise engaged at any time by the Debtor and/or the Authority provided, to avoid doubt, that Former Professionals shall not include Lowenstein Sandler PC; Trenk, DiPasquale, Della Fera & Sodono, P.C.; or PricewaterhouseCoopers.

[2.65](#) ~~2.64~~ **General Unsecured Claim**

means any Claim against the Debtor which is not secured by collateral and that is not an Administrative Expense Claim, Priority Tax Claim, Priority Non-Tax Claim, or Secured Claim, but including, without limitation, Claims arising from the rejection of an unexpired lease or Executory Contract pursuant to the Plan or otherwise and deficiency claims of Holders of Allowed Class 2a Claims.

[2.66](#) ~~2.65~~ **Governmental Unit**

means a governmental unit as defined in section 101(27) of the Bankruptcy Code.

[2.67](#) ~~2.66~~ **GUC Account**

means that certain account at a financial institution established and designated by the trustee of the Liquidating Trust, into which shall be deposited Cash in trust for Holders of Allowed Class 3 Claims.

[2.68](#) ~~2.67~~ **GUC Distribution Date**

means: (a) initially, the first Business Day which is thirty (30) days after the Effective Date or as soon as practical thereafter; (b) thereafter, any interim date(s) that the Liquidating Trustee deems appropriate in its discretion based on the amount of Liquidation Proceeds on hand, whether there remain any unpaid Administrative Expense Claims or Priority Claims and the amount of General Unsecured Claims that are Allowed at the time and the status of pending litigation, if any, affecting such distributions; and (c) thereafter, the Final Distribution Date.

[2.69](#) ~~2.68~~ **Holder**

means the legal holder of any Claim.

[2.70](#) ~~2.69~~ **Hospital**

means Hoboken University Medical Center.

[2.71](#) ~~2.70~~

Insurance Carrier

includes any Entity which at any time issued or provided a policy of insurance coverage of any kind (and includes any and all amendments, endorsements, renewals, and extensions thereof) which at any time belonged or belongs to or included or includes the Debtor as a named insured, additional insured, or beneficiary.

2.72 ~~2.71~~ Insurance Policy

includes any policy of insurance coverage of any kind (and includes any and all amendments, endorsements, renewals, and extensions thereof) which at any time belonged or belongs to or included or includes the Debtor as a named insured, additional insured, or beneficiary. The D&O Policies and the Professional Liability Policies are Insurance Policies.

2.73 ~~2.72~~ Impaired

refers to any Claim that is impaired within the meaning of section 1124 of the Bankruptcy Code.

2.74 ~~2.73~~ Joint Payment Account

means the Joint Payment Account (as defined in the Settlement Agreement) established pursuant to the Settlement Agreement.

2.75 ~~2.74~~ Lien

shall have the meaning set forth in section 101(37) of the Bankruptcy Code.

2.76 ~~2.75~~ Liquidating Trust

means the trust established pursuant to the Liquidating Trust Agreement.

2.77 ~~2.76~~ Liquidating Trust Agreement

means that certain agreement, in substantially the form annexed as Exhibit E to the Disclosure Statement, which shall establish, evidence and govern the Liquidating Trust, which will be entered into prior to the Effective Date by the Debtor and the Liquidating Trustee pursuant to Article VIII of the Plan, will be subject to approval by the Bankruptcy Court, and will become part of the Plan pursuant to the Confirmation Order.

2.78 ~~2.77~~ Liquidating Trust Estate

means all Assets of the Debtor transferred to the Liquidating Trust pursuant to this Plan on the Effective Date or at any time thereafter pursuant to this Plan.

2.79 ~~2.78~~ Liquidating Trustee

means Bernard A. Katz, or such other person or entity as may be appointed and approved by the Bankruptcy Court as the trustee of the Liquidating Trust as of the date of execution of the Liquidating Trust Agreement, and any successor Liquidating Trustee appointed as provided in

the Liquidating Trust Agreement. Any changes to the identity of the Liquidating Trustee will be disclosed by the Debtor and the Committee, will be subject to approval of the Bankruptcy Court, and will become part of the Plan pursuant to the Confirmation Order.

2.80 ~~2.79~~ Liquidating Trustee Professionals

means professionals for whom retention has been or is sought by the Liquidating Trustee for carrying out the objectives of the Liquidating Trust Agreement.

2.81 ~~2.80~~ Liquidation Proceeds

means (a) the Cash transferred to the Liquidating Trustee on the Effective Date; (b) the Cash proceeds or other proceeds of sale, collection, or other liquidation of any of the Assets after payment of all costs, expenses, and commissions of such sale, collection, or other disposition of the Assets; and (c) all Cash or other proceeds from the ownership of the Assets, including Chapter 5 Action recoveries; provided, however, that the Liquidation Proceeds will not include the Administrative Expense/Priority Claim Reserve, or the Reserve, except as provided in the definitions of Administrative Expense/Priority Claim Reserve or Reserve.

2.82 ~~2.81~~ Non-Covered Parties

means the following Entities: (i) any professionals retained by the Debtor prior to the Petition Date (other than professionals retained or proposed to be retained by the Debtor in the Chapter 11 Case under sections 327, 328, or 330 of the Bankruptcy Code, which professionals are included among the Covered Parties); (ii) Harvey Holzberg; (iii) Harvey A. Holzberg, LLC; (iv) Ronald DiVito; (v) Medical Support Systems, Inc.; and (vi) any Former Officials.

2.83 ~~2.82~~ Order

means an order or judgment of the Bankruptcy Court or other adjudicative body.

2.84 ~~2.83~~ Other Administrative Expense Claim

means an Administrative Expense Claim that was not required to be filed with the Court or the Claims Agent on or before the Administrative Expense/Priority Claim Bar Date, but shall not include Professional Compensation and Reimbursement Claims.

2.85 ~~2.84~~ Parking Utility

means the Hoboken Parking Utility.

2.86 ~~2.85~~ Patient Care Ombudsman

means Daniel T. McMurray or any patient care ombudsman appointed in the Chapter 11 Case.

2.87 ~~2.86~~ Person

shall have the meaning set forth in section 101(41) of the Bankruptcy Code.

2.88 ~~2.87~~ Petition Date

means August 1, 2011, the date on which the Debtor commenced the Chapter 11 Case.

2.89 ~~2.88~~ Plan

means this chapter 11 plan of orderly liquidation, including, without limitation, all exhibits, supplements, appendices and schedules hereto, either in their present form or as the same may be altered, amended or modified from time to time.

2.90 ~~2.89~~ Plan Proponents

means the Debtor and the Committee.

2.91 ~~2.90~~ Post-Effective Date Creditors' Committee

means the committee of persons appointed as of the Effective Date to advise and instruct the Liquidating Trustee in the performance of the Liquidating Trustee's duties and obligations under the Plan with respect to the liquidation of Assets for the benefit of the Holders of Allowed Claims in Class 3 of the Plan.

2.92 ~~2.91~~ Post-Effective Date Notice List

means the list, created pursuant to Section 13.6 of the Plan, of persons who desire to receive notices after the Effective Date of the Plan.

2.93 ~~2.92~~ Preserved Claims

means any and all Claims that are not (i) Covered Claims against Covered Parties or (ii) any other Claims that are released or enjoined pursuant to the Settlement Agreement and Sale and Settlement Order. For avoidance of doubt, Preserved Claims shall include all (x) Claims against Former Officials, subject to Section 12.5 of the Plan, (y) all Claims against Former Professionals, subject to Section 12.5 of the Plan, and (z) Chapter 5 Actions against Non-Covered Parties.

2.94 ~~2.93~~ Priority Claim

means any Priority Non-Tax Claim or Priority Tax Claim.

2.95 ~~2.94~~ Priority Non-Tax Claim

means any Claim, other than an Administrative Expense Claim or a Priority Tax Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

2.96 ~~2.95~~ Priority Tax Claim

means any Claim of a Governmental Unit of the kind entitled to priority in payment as specified in section 502(i) and 507(a)(8) of the Bankruptcy Code.

2.97 ~~2.96~~ Pro Rata

means a number (expressed as a percentage) equal to the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of: (a) Allowed Claims plus (b) Claims, Disputed or undisputed, otherwise asserted but not yet Disallowed (in their aggregate face or, if applicable, estimated amount) in such Class as of the date of determination.

2.98 ~~2.97~~ Professional

means a Person or Entity employed pursuant to a Final Order in accordance with sections 327 or 1102 of the Bankruptcy Code and to be compensated for services rendered prior to the Effective Date pursuant to sections 327, 328, 329, 330 and/or 331 of the Bankruptcy Code, or for which compensation and reimbursement has been Allowed by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

2.99 ~~2.98~~ Professional Compensation and Reimbursement Claim

means a Claim of a Professional for compensation or reimbursement of costs and expenses relating to services incurred after the Petition Date and prior to the Effective Date.

2.100 ~~2.99~~ Professional Liability Policies

means the Darwin Select Insurance Professional and General Liability policy no. 0303-5111 and the Darwin National Assurance Company Umbrella Policy No. 0303-5112.

2.101 ~~2.100~~ Purchaser

means, collectively, HUMC Holdco, LLC and HUMC Opco, LLC.

2.102 ~~2.101~~ Related Parties

means, with respect to any Entity, (i) any and all current or former parents, subsidiaries, affiliates, designees, predecessors in interest, successors in interest, and assigns of such Entity, (ii) any and all current or former directors, officers, commissioners, equity security holders, agents, representatives, counsel, accountants and/or other professionals, and employees of such Entity or any of its current or former parents, subsidiaries, affiliates, designees, predecessors in interest, successors in interest, and assigns, and (iii) any other Entity that claims or might claim through, on behalf of, or for the benefit of any of the foregoing provided that no Non-Covered Party shall be a Related Party. For ease of reference, Related Parties of the Purchaser include but are not limited to MPT Operating Partnership, L.P. and its affiliates.

2.103 ~~2.102~~

Release Date

means November 7, 2011.

2.104 ~~2.103~~ Reserve

means the reserve established by the Liquidating Trustee to pay all reasonably anticipated expenses of administering the Liquidating Trust including, but not limited to, the costs, fees and expenses of the Liquidating Trustee and all professionals retained by him. The Reserve will be used to fund, among other things, the professional fees and expenses incurred to prosecute objections to Claims. The Reserve will be funded from the GUC Account, and the amount of the Reserve may be specified in the Confirmation Order. The Liquidating Trustee will have the right to fix the initial amount, and any additional amounts of the Reserve, in his reasonable discretion. Unused amounts in the Reserve as of the Final Distribution Date (after the payment of all costs and expenses to be covered by the Reserve as described above) will become part of the Liquidation Proceeds. The Reserve may also include funds sufficient to pay Disputed Claims or Claims that have not otherwise been Allowed in the event that such claims become Allowed.

2.105 ~~2.104~~ Sale and Settlement Order

means the Order of the Bankruptcy Court Granting Debtor (I) Authorization to Sell Substantially All of Its Assets Outside the Ordinary Course of Business, Free and Clear of Liens, Claims, interests, and Encumbrances, Pursuant to Private Sale; (ii) Approval of Form and Content of Asset Purchase Agreement Between Debtor and HUMC Holdco, LLC, and HUMC Opco, LLC; (III) Authorization to Assume and Assign Certain of Its Executory Contracts and Unexpired Leases; (IV) Authorization to Sell "Designation Rights" in Connection with Certain of Its Executory Contracts and Unexpired Leases; (V) Authorization to Reject All Executory Contracts and Unexpired Leases That Are Not Assumed or Designated; (VI) Authorization to Reject Collective Bargaining Agreements; (VII) Approval of Settlement and Compromise; and (VIII) Other and Related Relief, dated October 7, 2011.

2.106 ~~2.105~~ Schedules

means the schedules of assets and liabilities, and the statements of financial affairs filed by the Debtor under section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, and all amendments and modifications thereto through the Confirmation Date.

2.107 ~~2.106~~ Section 503(b)(9) Administrative Claim

means a Claim against the Debtor alleged to be entitled to an administrative expense priority under section 503(b)(9) of the Bankruptcy Code for goods sold to the Debtor in the ordinary course of the Debtor's business and received by the Debtor within 20 days before the Petition Date.

2.108 ~~2.107~~ Secured Claim

means a Claim that is secured by a Lien on property in which the Estate has or had an interest, which Lien is valid, perfected and enforceable under applicable law or by reason of a Final

Order, or that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Creditor's interest in the Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code, provided, however, that a Secured Claim shall not include any portion of the Claim to the extent that the value of such entity's Collateral is less than the amount of such Claim. Consistent with Sections 12.6 and 12.7 of this Plan, nothing herein revives or preserves any lien on property sold free and clear pursuant to the Debtor APA, the Authority APA, or the Sale and Settlement Order.

2.109 ~~2.108~~ Secured Creditor

means every Creditor that holds a Secured Claim in the Chapter 11 Case.

2.110 ~~2.109~~ Settlement Agreement

means the Settlement Agreement dated as of October 5, 2011, by and among (i) the Debtor, (ii) the Hoboken Municipal Hospital Authority, (iii) the City of Hoboken, New Jersey, for itself and for the Hoboken Parking Utility, (iv) the Committee, (v) HUMC Holdco LLC and (vi) HUMC Opco LLC.

2.111 ~~2.110~~ Settlement Injunction

means Settlement Injunction as that term is defined on page 13 of the Settlement Agreement.

2.112 ~~2.111~~ Settlement Release

means Settlement Release as that term is defined on page 12 of the Settlement Agreement.

2.113 ~~2.112~~ Voting Deadline

means July 2, 2012 at 4:00 p.m. Eastern Time, the date fixed by the Bankruptcy Court Order approving the Disclosure Statement dated May 29, 2012.

2.114 ~~2.113~~ Voting Record Date

means May 24, 2012 at 4:00 p.m. Eastern Time, the date fixed by the Bankruptcy Court for determining eligibility to vote on the Plan.

ARTICLE III

CLASSIFICATION OF CLAIMS

This section classifies Claims (each a "Class") for all purposes, including voting, confirmation and distribution under the Plan. A Claim is classified in a particular Class only to the extent that the Claim qualifies within the description of the Class and is classified in a

different Class to the extent the Claim qualifies within the description of that different Class. Administrative Expense Claims and Priority Tax Claims are not classified.

This Plan is intended to deal with all Claims against the Debtor of whatever character, whether known or unknown, whether or not with recourse, whether or not contingent or unliquidated, and whether or not previously Allowed by the Bankruptcy Court pursuant to section 502 of the Bankruptcy Code. **However, only Holders of Allowed Claims will receive any distribution under this Plan.** For purposes of determining *Pro Rata* distributions under this Plan and in accordance with this Plan, Disputed Claims shall be included in the Class in which such Claims would be included if Allowed, until such Claims are finally Disallowed.

Class 1 consists of Priority Non-Tax Claims of the Debtor.

Class 2 consists of Secured Claims. To the extent there is more than one Secured Claim, each such Claim will be deemed to be a separate sub-class.

Class 3 consists of all General Unsecured Claims.

ARTICLE IV

TREATMENT OF UNCLASSIFIED CLAIMS

Certain types of Claims are not placed into voting classes; instead they are unclassified. Such Claims are not considered Impaired and they do not vote on this Plan because they are automatically entitled to specific treatment provided under the Bankruptcy Code. As such, the Debtor has not placed such Claims in a Class. The treatment of these Claims is provided below and in Section 8.15 of this Plan (setting forth objection procedures for Administrative Claims and Priority Claims):

4.1 Administrative Expense Claims

4.1.1 General

Subject to the allowance procedures and the deadlines provided in this Plan, and except to the extent that any entity entitled to payment of any Allowed Administrative Expense Claim agrees to a different treatment consistent with the terms of the Settlement Agreement and Sale and Settlement Order, each Holder of an Allowed Administrative Expense Claim incurred prior to Closing shall be paid in full, in Cash, from the Joint Payment Account according to the procedures set forth in paragraph 6 of the Settlement Agreement. To the extent that the Cash in the Joint Payment Account is insufficient to pay such Allowed Administrative Expense Claim in full or the Allowed Administrative Expense Claim was incurred on or after Closing, the Allowed Administrative Expense Claim or portion thereof that remains unpaid from the Joint Payment Account shall be paid in Cash by the Liquidating Trustee from the Administrative Expense/Priority Claim Reserve or the GUC Account, as necessary, on the later of: (a) ten (10) Business Days after the Effective Date; or (b) ten (10) Business Days after the date of entry of a Final Order determining and allowing such Claim as an Administrative Expense Claim, or as soon thereafter as is practicable.

4.1.2 Other Administrative Expense Claims

Except as otherwise provided herein or in any Order of the Bankruptcy Court, any Person seeking payment on account of an Other Administrative Expense Claim shall file a request for payment of such Other Administrative Expense Claim no later than thirty (30) days after the Effective Date. Except as otherwise provided herein or in any Order of the Bankruptcy Court, all Other Administrative Expense Claims shall be treated as Administrative Expense Claims as set forth in Section 4.1.1 above or shall be paid on such other terms as may be mutually agreed upon between the Holder of an Allowed Other Administrative Expense Claim and the Liquidating

Trustee and is consistent with the terms of the Settlement Agreement and Sale and Settlement Order. Failure to timely file a request for payment of an Other Administrative Expense Claim shall result in the Other Administrative Expense Claim being forever barred and discharged.

4.1.3 Professional Compensation and Reimbursement Claims

Any Person seeking payment on account of a Professional Compensation and Reimbursement Claim shall file its respective final Fee Application no later than sixty (60) days after the Effective Date. All Professional Compensation and Reimbursement Claims shall be treated as Administrative Expense Claims as set forth in Section 4.1.1 above, or shall be paid on such other terms as may be mutually agreed upon between the Holder of an Allowed Professional Compensation and Reimbursement Claim and the Liquidating Trustee and is consistent with the terms of the Settlement Agreement and Sale and Settlement Order. Failure to timely file a final Fee Application shall result in the Professional Compensation and Reimbursement Claim being forever barred and discharged.

4.2 Priority Tax Claims

In full satisfaction of an Allowed Priority Tax Claim, each Holder of such Allowed Priority Tax Claim, if any, shall receive Cash equal to the amount of such Claim from the Joint Payment Account according to the procedures set forth in paragraph 6 of the Settlement Agreement if such Claim arose prior to Closing. To the extent that the Cash in the Joint Payment Account is insufficient to pay such Allowed Priority Tax Claim in full or the Allowed Priority Tax Claim arose on or after Closing, the Allowed Priority Tax Claim or portion thereof that remains unpaid from the Joint Payment Account shall be paid in Cash by the Liquidating Trustee from the Administrative Expense/Priority Claim Reserve or the GUC Account, as necessary, on the later of (i) ten (10) Business Days after the Effective Date, and (ii) ten (10) Business Days after entry of a Final Order allowing such Priority Tax Claim, or as soon thereafter as is

practicable, but in no event later than thirty (30) days after entry of such Final Order, unless such Holder shall have agreed to different treatment of such Allowed Claim consistent with the terms of the Settlement Agreement and Sale and Settlement Order.

4.3 Statutory Fees

All fees pursuant to 28 U.S.C. § 1930 due and payable as of the Effective Date will be paid by the Liquidating Trustee from the Administrative Expense/Priority Claim Reserve or the GUC Account, as necessary, within ten (10) Business Days of the Effective Date. All quarterly reports of disbursements required to be filed shall be filed in accordance with applicable bankruptcy law. Any United States Trustee quarterly fees incurred pursuant to 28 U.S.C. § 1930(a)(6) shall continue to be paid from the Liquidating Trust until entry of a final decree, or until conversion or dismissal of ~~the Bankruptcy~~[this Chapter 11](#) Case. Any and all fees due and payable after the Effective Date shall be the sole and exclusive liability of the Liquidating Trust.

ARTICLE V

TREATMENT OF CLASSIFIED CLAIMS

The Allowed Claims classified in Article III of this Plan shall be satisfied in the manner set forth in this Article V unless the Holder of such Allowed Claim agrees to accept less favorable treatment.

5.1 Class 1 – Priority Non-Tax Claims

(a) Each Holder of an Allowed Class 1 Claim, if any, will receive Cash equal to such Allowed Class 1 Claim, without interest, from the Joint Payment Account according to the procedures set forth in paragraph 6 of the Settlement Agreement if such Claim arose prior to Closing. To the extent that the Cash in the Joint Payment Account is

insufficient to pay such Claim in full or the Claim arose on or after Closing, the Allowed Class 1 Claim or portion thereof that remains unpaid from the Joint Payment Account shall be paid in Cash by the Liquidating Trustee from the Administrative Expense/Priority Claim Reserve or the GUC Account, as necessary, on the later of (i) ten (10) Business Days after the Effective Date, and (ii) ten (10) Business Days after entry of a Final Order allowing such Claim, or as soon thereafter as is practicable.

(b) Class 1 Claims are not Impaired and, therefore, Holders of Class 1 Priority Non-Tax Claims are not entitled to vote to accept or reject this Plan. Each Holder of a Class 1 Priority Non-Tax Claim is conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

(c) Objection procedures with respect to Class 1 Claims are set forth in Section 8.15 of this Plan.

5.2 Class 2 – Secured Claims

(a) In the sole discretion of the Plan Proponents, the Holder of an Allowed Class 2 Secured Claim shall be treated in one of the following ways:

(i) on the Effective Date, the legal, equitable, and contractual rights of each Holder of an Allowed Secured Claim shall be reinstated in accordance with the provisions of section 1124(2) of the Bankruptcy Code notwithstanding any contractual provision or applicable non-bankruptcy law that entitles the Holder of an Allowed Secured Claim to demand or receive payment of such Allowed Secured Claim before the

stated maturity of such Allowed Secured Claim from and after the occurrence of a default, provided, however, that any contractual right that does not pertain to the payment when due of principal and interest on the obligation on which such Claim is based, including, but not limited to, financial covenant ratios, negative pledge covenants, covenants or restrictions on merger or consolidation, covenants regarding corporate existence, or covenants prohibiting certain transactions or actions contemplated by the Plan or conditioning such transactions or actions on certain factors, shall not be enforceable as to any breach that occurred on or prior to the Effective Date or any breach determined by reference back to a date preceding the Effective Date;

(ii) on the Effective Date, the Holder of an Allowed Secured Claim shall (a) retain a Lien securing such Allowed Secured Claim and (b) receive deferred Cash payments from the Liquidating Trust totaling at least the value of such Allowed Secured Claim as of the Effective Date;

(iii) on the Effective Date, the collateral securing such Allowed Secured Claim shall be surrendered to the Holder of such Allowed Secured Claim in full satisfaction of such Allowed Secured Claim; or

(iv) the Holder of an Allowed Secured Claim shall be paid, in Cash, an amount equal to such Holder's Allowed Secured Claim, on the later of (a) ten (10) Business Days after the Effective Date, or (b)

ten (10) Business Days after the date of entry of a Final Order allowing such Claim as a Secured Claim, or as soon thereafter as is practicable. To the extent the collateral securing an Allowed Secured Claim has been or is to be sold pursuant to an Order of the Bankruptcy Court, the amount to be paid to the Holder of such Allowed Secured Claim pursuant to the preceding sentence shall be net of the costs of sale of such collateral and otherwise subject to the rights of the Debtor or the Liquidating Trustee pursuant to 11 U.S.C. § 506(c).

(b) The failure to object to any Secured Claim in the Chapter 11 Case shall be without prejudice to rights of the Debtor or the Liquidating Trustee to contest or otherwise defend against such Claim in the Bankruptcy Court when and if such Claim is sought to be enforced by the Holder of such Secured Claim.

(c) Notwithstanding section 1141(c) or any other provision of the Bankruptcy Code, all pre-petition Liens on property of the Debtor held with respect to a Secured Claim shall survive the Effective Date and continue in accordance with the contractual terms or statutory provisions governing such Claim until such Allowed Claim is satisfied, at which time such Lien shall be released, shall be deemed null and void, and shall be unenforceable for all purposes; provided, however, that the Debtor or Liquidating Trustee, as the case may be, may condition delivery of any final payment upon receipt of an executed release of the Lien. Any and all Liens securing any Secured Claim that is not an Allowed Claim shall be

released, shall be deemed null and void, and shall be unenforceable for all purposes. Nothing in this Plan shall preclude the Debtor or the Liquidating Trustee from challenging the validity of any alleged Lien on any asset of the Debtor or the value of the property that secures any alleged Lien.

(d) Class 2 Secured Claims are not Impaired and, therefore, Holders of Class 2 Secured Claims are not entitled to vote to accept or reject this Plan. Each Holder of a Class 2 Secured Claim is conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

(e) Class 2 shall not affect any General Unsecured Claim for any allowed deficiency claim of the holder of a Secured Claim.

(f) Consistent with Sections 12.6 and 12.7 of this Plan, no Lien with respect to any Secured Claim shall attach to any property sold free and clear pursuant to the Debtor APA, the Authority APA, or the Sale and Settlement Order.

5.3 Class 3 – General Unsecured Claims

(a) Each Holder of an Allowed Class 3 Claim shall receive, in full and final satisfaction of its Allowed Class 3 Claim, a *Pro Rata* share of the monies to be distributed on account of Allowed Class 3 Claims by the Liquidating Trust (subject to establishment of an appropriate reserve pending final reconciliation and payment of Allowed Administrative Claims and Allowed Priority Claims) from the GUC Account pursuant to this Plan. Payments to each Holder of an Allowed Class 3 Claim shall be made on the GUC Distribution Date, and in accordance with the Plan.

(b) Class 3 is Impaired and the Holders of Allowed Class 3

Claims are entitled to vote to accept or reject this Plan.

ARTICLE VI

ACCEPTANCE OR REJECTION OF THIS PLAN

6.1 Voting Classes

Holders of Allowed Claims in each Impaired Class, or their designees, shall be entitled to vote separately to accept or reject the Plan. Each Holder of an Allowed Claim in Class 3 is entitled to vote to accept or reject the Plan.

6.2 Controversy Concerning Impairment

In the event of a controversy as to whether any Holder of an Allowed Claim or Plan Class is Impaired under the Plan, the Bankruptcy Court shall, after notice and a hearing, determine such controversy.

6.3 Acceptance by Impaired Classes

An Impaired Class of Claims shall be deemed to have accepted the Plan if (a) the Holders (other than any Holder designated under section 1126(e) of the Bankruptcy Code) of at least two-thirds in amount of the Allowed Claims actually voting in such Class have voted to accept the Plan and (b) the Holders (other than any Holder designated under section 1126(e) of the Bankruptcy Code) of more than one-half in number of the Allowed Claims voting in such Class have voted to accept the Plan.

6.4 Non-Consensual Confirmation

At the request of the Plan Proponents, this Plan may be confirmed under the so-called “cram down” provisions set forth in section 1129(b) of the Bankruptcy Code if, in addition to satisfying the other requirements for confirmation (other than section 1129(a)(8) of the

Bankruptcy Code), this Plan “does not discriminate unfairly” and is determined to be “fair and equitable” with respect to each Class of Claims that has not accepted this Plan (*i.e.*, dissenting Classes). The Plan Proponents will request confirmation under this provision for any Impaired Class that rejects the Plan. The Plan Proponents reserve the right to alter, amend, modify, revoke or withdraw the Plan or any amendment or supplement thereto, including to amend or modify it to satisfy the requirements of section 1129(b) of the Bankruptcy Code, if necessary, in accordance with section 1127 of the Bankruptcy Code and this Plan.

ARTICLE VII

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

7.1 Rejection of Executory Contracts and Unexpired Leases

(a) On the Effective Date and subject to paragraph (b) of this Section 7.1, all Executory Contracts and unexpired leases of the Debtor will be deemed rejected, other than: (i) Executory Contracts and unexpired leases that were previously assumed, assumed and assigned or rejected by Final Order of the Bankruptcy Court (which contracts will be treated in accordance with such Final Order); and (ii) Designated Contracts under the Debtor APA.

(b) The Confirmation Order will constitute an order: (i) approving rejection of and deeming rejected all Executory Contracts and unexpired leases and Designated Contracts as of the Effective Date (other than: (A) Executory Contracts and unexpired leases that were previously assumed, assumed and assigned or rejected by Final Order of the Bankruptcy Court (which contracts will be treated in accordance with such

Final Order); and (B) Designated Contracts under the Debtor APA)); (ii) approving rejection of and deeming rejected all Designated Contracts not assumed by the Purchaser effective as of March 4, 2012; and (iii) determining that the Insurance Policies (other than the Professional Liability Policies, as to which this subsection (iii) shall be neutral) are not executory within the meaning of Bankruptcy Code section 365. This Plan shall be neutral regarding the issue of whether or not the Professional Liability Policies are executory within the meaning of Bankruptcy Code section 365. Nonetheless, the Professional Liability Policies may not be rejected by the Debtor or the Debtor Representative without the prior written unanimous consent of the Purchaser, the City and the Authority.

(c) Subject to the provisions of sections 7.1(d), 7.1(e), 7.1(f), 7.1(g) and Article XII of this Plan, the rights, claims and defenses of insureds, additional insureds, insured entities, individual insureds (as such individuals or entities are named or identified in the respective Insurance Policies), beneficiaries, claimants and Insurance Carriers under Insurance Policies shall be treated in accordance with the terms and conditions of the Insurance Policies, the Bankruptcy Code and applicable non-bankruptcy law.

(d) The Confirmation Order shall constitute a determination and a finding that: (i) the D&O Carriers have been afforded due process in connection with ~~this bankruptcy case~~ the Chapter 11 Case and the ~~Plan~~ Bankruptcy Documents and are bound thereby, (ii) no monetary

default exists with respect to any D&O Policy requiring any Cure, and ~~that~~

(iii) nothing in the ~~Settlement Agreement, the Sale and Settlement Order, or any underlying agreements or this Plan~~ Bankruptcy Documents shall be construed or applied to impair the enforceability of any D&O Policy or any coverage thereunder with regard to any Claims against ~~the Non-Covered Parties~~ any Entity, including but not limited to the D&O and Tort Claims; provided, however, that nothing in ~~the Settlement Agreement, the Sale and Settlement Order, or any underlying agreements~~, this Plan or the Confirmation Order ~~approving the Plan (collectively, the “Bankruptcy Documents”)~~ shall impair or preclude National Union from raising, and the Debtor Representative and/or any ~~insured~~ insureds, additional insureds, insured entities, and/or individual insureds (as such individuals or entities are named or identified in the respective D&O Policies) from opposing, each or any of the following defenses (and no other defenses shall be raised by National Union based upon or arising from the Bankruptcy Documents) to any claim submitted to National Union under any D&O Policy:

- (i) that the negotiation and entry of the Bankruptcy Documents constituted a breach on the part of the insureds of any duty of cooperation;
- (ii) that the negotiation and entry of the Bankruptcy Documents constituted a breach on the part of the insureds of any duty to obtain National Union’s consent thereto;
- (iii) that coverage is precluded under the definition of Loss;

- (iv) that the Bankruptcy Documents violate the anti-assignment clause;
- (v) the application of any insured v. insured exclusion;
- (vi) that the proceeds of any D&O Policy are not the property of the Debtor;
and
- (vii) any defense to coverage that is not based upon the Bankruptcy Documents.

Nothing in this paragraph 7.1(d) shall constitute a finding or admission of the validity or invalidity of any coverage defense that may be asserted by National Union.

(e) Neither the Debtor nor the Debtor Representative shall, without the prior written unanimous consent of the Purchaser, the City and the Authority (i) knowingly allow or cause any Professional Liability Policy to be cancelled; (ii) amend or modify any Professional Liability Policy or the coverage thereunder; (iii) add or delete endorsements to any Professional Liability Policy; (iv) shorten the policy period of any Professional Liability Policy; (v) reduce the liability limits under any of the Professional Liability Policies; (vi) add or delete any of the parties identified as or constituting insureds, additional insureds, or insured entities (as such entities are named or identified in the Professional Liability Policy) under any Professional Liability Policy; (vii) agree to a buy back of the coverage under any of Professional Liability Policy; (viii) knowingly waive, release or discharge any terms of any of Professional Liability Policy; or (ix) sell, assign, transfer or encumber any Professional Liability Policy in violation of the applicable terms and provisions thereof.

This Section 7(e) shall not alter, impair or otherwise modify the rights and remedies of any Insurance Carrier under a Professional Liability Policy and applicable non-bankruptcy law. The Purchaser, the City, the Debtor or the Debtor Representative, as the case may be, the Liquidating Trustee and the Authority shall have standing both prior to and after the Effective Date with regard to all matters arising out of this Section 7.1(e).

(f) Unless otherwise set forth in the Settlement Agreement and the Sale and Settlement Order, neither the Debtor, the Debtor Representative or the Estate shall have any obligation to incur an expense (including, but not limited to, any expense to the Estate or the Liquidating Trust Estate, the Joint Payment Account, the Creditor Trust Account, the Liquidating Trust, the GUC Account, the Administrative Expense/Priority Claim Reserve, the Administrative Expense/Priority Claim Agent Reserve or the Reserve) with respect to the matters set forth in section 7.1(e) above. In the event any obligation under section 7.1(e) would involve such an expense, the Debtor or the Debtor Representative promptly shall notify the Purchaser, the City and the Authority. In the event the parties are unable to agree to a resolution (in writing signed by all parties) of the expense issue within a reasonable time, any of the aforesaid may make application to the Bankruptcy Court on reasonable notice (which may be shortened in the interest of justice) for a determination of whether the expense is required and, if so, which of the parties should bear such expense and, if appropriate, in what proportions. Absent a signed

agreement or an order of the Bankruptcy Court entered in connection with such an application allocating and, if appropriate, apportioning such expense, nothing in section 7.1(e) or in this section 7.1(f) shall be construed to impose any expense obligation on any party (including, but not limited to, the Purchaser, the City, the Authority, the Estate or the Liquidating Trust Estate) beyond the terms of the Settlement Agreement and the Sale and Settlement Order. Absent such a signed agreement or such an order of the Bankruptcy Court entered in connection with such an application allocating and, if appropriate, apportioning such expense, nothing in this section 7.1(f) shall be construed as relieving the obligations of the Debtor and the Debtor Representative under section 7.1(e) above. The Purchaser, the City, the Debtor, the Debtor Representative, the Liquidating Trustee and the Authority shall have standing both prior to and after the Effective Date with regard to all matters arising out of this section 7.1(f).

(g) Subject to the provisions of sections 7.1(d), 7.1(e), 7.1(f) and Article XII of this Plan, nothing in this Plan or the Confirmation Order shall be deemed to alter, impair, amend, abridge or otherwise modify any of the rights, claims and defenses of insureds, additional insureds, insured entities (as such entities are named or identified in the respective Professional Liability Policies), beneficiaries, claimants and Insurance Carriers under any Professional Liability Policy or under applicable nonbankruptcy law. The Purchaser, the City, the Debtor or the Debtor's

Representative, as the case may be, the Liquidating Trustee and the Authority shall have standing both prior to and after the Effective Date with regard to all matters arising out of this section 7.1(g).

7.2 Claims Based on Rejection of Executory Contracts or Unexpired Leases

Except with respect to Designated Contracts, all proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or unexpired leases under this Plan, if any, must be filed with the Bankruptcy Court within thirty (30) days after the Confirmation Date.

All Executory Contracts and unexpired leases that are Designated Contracts but were not assumed by the Purchaser on or before March 3, 2012 (120 days after the Closing Date on the Debtor APA) shall be deemed rejected as of March 4, 2012. All proofs of Claim arising from the rejection of a Designated Contract must be filed with the Bankruptcy Court within thirty (30) days after the Confirmation Date.

Any Claims arising from the rejection of an Executory Contract or unexpired lease under this Plan not timely filed will be forever barred from assertion against the Debtor, the Debtor Representative, the Estate, the Liquidating Trust, the Liquidating Trust Estate, the Liquidating Trustee, and their respective property. All Claims arising from the rejection of any Executory Contract shall be treated as Class 3 General Unsecured Claims in accordance with the terms of this Plan.

ARTICLE VIII

MEANS OF IMPLEMENTING THE PLAN

8.1 Overview

This Plan provides for the disposition of substantially all of the Assets of the Debtor and the distribution of the net proceeds thereof to Holders of Allowed Claims, consistent with the

priority provisions of the Bankruptcy Code. This Plan also creates a mechanism for the Liquidating Trustee and Debtor Representative to pursue causes of action, including the D&O and Tort Claims to enable recoveries to Creditors herein.

8.2 The Joint Payment Account

The existence of the Joint Payment Account established pursuant to and governed by the Settlement Agreement shall continue uninterrupted after the Effective Date. The Joint Payment Account shall be administered according to the terms of the Settlement Agreement.

8.3 The Creditor Trust Account

The Creditor Trust Account established pursuant to the Settlement Agreement will be wound down as follows. Prior to the Effective Date, Cash shall be transferred from the Creditor Trust Account to the Administrative Expense/Priority Claim Reserve Account (defined in Section 8.4 below) in an amount necessary to pay any estimated Professional Compensation and Reimbursement Claims through the Effective Date and asserted Administrative Expense Claims, Other Administrative Expense Claims, Priority Tax Claims, Class 1 Claims, and all fees pursuant to 28 U.S.C. § 1930 due and payable as of the Effective Date in excess of the Cash in the Joint Payment Account as of the date of transfer. All remaining Cash in the Creditor Trust Account will be transferred to the GUC Account upon its establishment by the Liquidating Trustee. After the Creditor Trust Account has been wound down, any transfers from the Joint Payment Account to the Creditor Trust Account provided for in the Settlement Agreement will be made to the GUC Account.

8.4 The Administrative Expense/Priority Claim Reserve

The Liquidating Trustee shall receive from the Creditor Trust Account and distribute all funds required to be disbursed to Holders of Allowed Administrative Expense, Other Administrative Expense, Professional Compensation and Reimbursement, Priority Tax and Class

1 Claims, and to pay all fees pursuant to 28 U.S.C. § 1930 due and payable as of the Effective Date in excess of the Cash in the Joint Payment Account as of the date of transfer from the Creditor Trust Account. The Liquidating Trustee shall establish an escrow account (the “Administrative Expense/Priority Claim Reserve Account”) into which shall be deposited before the Effective Date an amount of Cash equal to the amount of the Administrative Expense/Priority Claim Reserve. To the extent that any Administrative Expense, Other Administrative Expense, Professional Compensation and Reimbursement, Priority Tax, or Class 1 Claim is contingent or unliquidated, the Plan Proponents may estimate the amount of such Claims for purposes of creating the Administrative Expense/Priority Claim Reserve. At least three (3) days before the Confirmation Hearing, each Professional asserting a Professional Compensation and Reimbursement Claim shall serve on the Liquidating Trustee an estimate of the maximum amount of compensation and reimbursement of expenses to be asserted in the Chapter 11 Case from the Petition Date through the Effective Date.

8.5 Establishment of Liquidating Trust; Appointment of Liquidating Trustee and Debtor Representative; Revesting of D&O and Tort Claims in Estate

(a) Prior to the Effective Date, the Debtor shall execute the Liquidating Trust Agreement. The Liquidating Trust Agreement is hereby incorporated into this Plan in its entirety as if set forth in full. The Liquidating Trust Agreement shall contain provisions customary to trust agreements utilized in comparable circumstances, including, but not limited to, any and all provisions necessary to ensure the continued treatment of the Liquidating Trust as a grantor trust.

(b) On the Effective Date, and in accordance with the Confirmation Order, the Estate’s title to all of the Assets, except the D&O

and Tort Claims and rights in and proceeds of any Insurance Policies, automatically will pass to the Liquidating Trust, free and clear of all Claims and equity interests in accordance with section 1141 of the Bankruptcy Code. Notwithstanding the foregoing, the Plan Proponents reserve the right to modify the Plan to exclude certain Assets from transfer to the Liquidating Trust.

(c) All parties shall execute any documents or other instruments as necessary to cause title to the Assets to be transferred to the Liquidating Trust Estate. The Assets will be held in trust for the benefit of all Holders of Allowed Claims pursuant to the terms of the Plan and the Liquidating Trust Agreement.

(d) The Liquidating Trustee will be appointed as of the date of execution of the Liquidating Trust Agreement. The Liquidating Trustee will pay or otherwise make distributions on account of all Allowed Claims against the Debtor in accordance with the terms of the Plan.

(e) On the Effective Date, a Debtor Representative shall be appointed pursuant to section 1123(b)(3) of the Bankruptcy Code.

(f) On the Effective Date, the D&O and Tort Claims and rights in and proceeds of any Insurance Policies will revert in the Debtor. The Debtor Representative shall be authorized to institute and to prosecute through final judgment or settlement the D&O and Tort Claims. Upon the entry of a final judgment or settlement, the relevant proceeds of the D&O and Tort Claims shall be transferred to the Liquidating Trust for the

benefit of the Holders of Allowed Claims, in accordance with the provisions of this Plan. Nothing in the Settlement Agreement (including, without limitation, any provisions relating to the limitation of recovery on Claims against Former Officials solely to the available proceeds of the D&O Policies), the Sale and Settlement Order, the Plan and/or the Disclosure Statement shall be deemed to adversely impact insurance coverage for the D&O and Tort Claims; provided, however, that nothing in this Plan or the Bankruptcy Documents Confirmation Order shall impair or preclude National Union from raising, and the Debtor Representative and/or any ~~insured~~insureds, additional insureds, insured entities, and/or individual insureds (as such individuals or entities are named or identified in the respective D&O Policies) from opposing, each or any of the following defenses (and no other defenses shall be raised by National Union based upon or arising from the Bankruptcy Documents) to any claim submitted to National Union under any D&O Policy:

- (i) that the negotiation and entry of the Bankruptcy Documents constituted a breach on the part of the insureds of any duty of cooperation;
- (ii) that the negotiation and entry of the Bankruptcy Documents constituted a breach on the part of the insureds of any duty to obtain National Union's consent thereto;
- (iii) that coverage is precluded under the definition of Loss;
- (iv) that the Bankruptcy ~~d~~Documents violate the anti-assignment clause;
- (v) the application of any insured v. insured exclusion;

- (vi) that the proceeds of any D&O Policy are not the property of the Debtor;
and
- (vii) any defense to coverage that is not based upon the Bankruptcy Documents.

Nothing in this paragraph 8.5(f) shall constitute a finding or admission of the validity or invalidity of any coverage defense that may be asserted by National Union.

(g) To the extent not inconsistent with the terms of the Settlement Agreement, the Sale and Settlement Order, the Debtor APA, the Authority APA, or this Plan, this Plan shall be interpreted so as to afford, for the benefit of all Holders of Allowed Claims, the greatest opportunity for maximum recovery by the Liquidating Trustee and the Debtor Representative on the Assets, D&O and Tort Claims and rights in and proceeds of any Insurance Policies.

8.6 Powers and Authority of the Liquidating Trustee

The powers of the Liquidating Trustee are set forth in full in the Liquidating Trust Agreement and shall include, among other things: (a) the power to sell, lease, license, abandon or otherwise dispose of all remaining assets of the Liquidating Trust Estate subject to the terms of this Plan; (b) the power to effect distributions under this Plan to the Holders of Allowed Claims; (c) the authority to pay all costs and expenses of administering the Liquidating Trust Estate after the Effective Date, including the power to employ and compensate Persons to assist the Liquidating Trustee in carrying out the duties hereunder, and to obtain and pay premiums for insurance and any other powers necessary or incidental thereto; (d) the power to implement this Plan including any other powers necessary or incidental thereto; (e) the authority to settle Claims, Avoidance Actions, Causes of Action, or disputes as to amounts owing to the Estate; (f)

the authority to participate in any post-Effective Date motions to amend or modify this Plan or the Liquidating Trust Agreement, or appeals from the Confirmation Order; (g) the authority to participate in actions to enforce or interpret this Plan; and (h) the power to bind the Liquidation Trust. Each of the foregoing powers may be exercised by the Liquidating Trustee without further order of the Bankruptcy Court. Notwithstanding any of the foregoing, the Liquidating Trustee may not materially amend or alter the terms and provisions of this Plan.

The authority of the Liquidating Trustee will commence as of the date of execution of the Liquidating Trust Agreement and will remain and continue in full force and effect until all of the Assets are liquidated in accordance with the Plan, the funds in the Liquidating Trust have been completely distributed in accordance with the Plan, all tax returns and any other filings or reports have been filed with the appropriate state or federal regulatory authorities and the Order closing the Chapter 11 Case is a Final Order.

8.7 Establishment of the GUC Account

On the Effective Date or as soon as practicable thereafter, the Liquidating Trustee shall create the GUC Account. The GUC Account shall consist of all Cash belonging to the Liquidation Trust Estate, including all Cash transferred to the GUC Account pursuant to Section 8.3 of this Plan. On the initial GUC Distribution Date or as soon thereafter as practicable, and only to the extent that sufficient funds exist, the Liquidating Trustee shall make the initial distribution to Holders of Allowed Class 3 Claims. The timing of additional distributions to Holders of Allowed Class 3 Claims shall be in the exercise of the Liquidation Trustee's sound discretion, based on the amount of Liquidation Proceeds on hand and the terms of this Plan, whether there remain any unpaid Administrative Expense Claims or Priority Claims, the amount of Class 3 Claims that have been Allowed at the time, and the status of pending litigation, if any, affecting such distributions.

8.8 Establishment of the Reserve

From the GUC Account, the Liquidating Trustee shall create a reserve in an amount sufficient to pay the post-Effective Date expenses of the Liquidating Trust (including compensation to the Liquidating Trustee and his Professionals). In addition, in accordance with the terms of this Plan or the Liquidating Trust Agreement, the Liquidating Trustee may include in the Reserve funds to pay Disputed Claims and Claims that have otherwise not been Allowed in the event that all or a portion of such Claims become Allowed Claims. When a Claim is Allowed or Disallowed (and thus becomes an Allowed Claim or a Disallowed Claim, in whole or in part), the funds set aside on account of such Claim shall be released from the respective account and shall be available for distribution in accordance with the terms of this Plan to either (i) the Holder of the Claim that has become an Allowed Claim, or (ii) if Disallowed, the Holders of Allowed Claims. Consistent with the Plan, the Liquidating Trustee, in its sole discretion, on and after the Effective Date, shall have authority to increase or decrease the Reserve, as appropriate, and upon satisfaction of all Allowed Claims required to be paid from the Reserve, to transfer amounts held therein to the GUC Account.

8.9 Use of Existing Accounts

The Liquidating Trustee may use the Debtor's existing bank accounts (as of the Effective Date) for the purposes set forth herein, to the extent possible and desired. The Liquidating Trustee also may close the Debtor's existing bank accounts, at his discretion, and transfer all amounts therein to one or more accounts, in accordance with the terms of this Plan. Alternatively, notwithstanding any provisions to the contrary in this Plan, the Liquidating Trustee may invest some or all of the funds that would otherwise be deposited into the accounts established pursuant to the Plan in allowed investments under applicable non-bankruptcy law.

8.10 Employment and Compensation

The Liquidating Trustee shall serve without bond and shall receive compensation for serving as Trustee as set forth in the Liquidating Trust Agreement. At any time after the Effective Date and without further Order of the Bankruptcy Court, the Liquidating Trustee may employ Persons or Entities, including Professionals (which may, but need not, include Professionals previously or currently employed in the Chapter 11 Case) reasonably necessary to assist the Liquidating Trustee in the performance of his duties under the Liquidating Trust Agreement and this Plan. Such Persons or Entities shall be compensated and reimbursed by the Liquidating Trustee for their reasonable and necessary fees and out of pocket expenses on a monthly basis in arrears.

All requests for payment of fees and expenses by the Liquidating Trustee and any Liquidating Trustee Professionals shall be served (with a 14-day period to object) on the persons listed on the Post-Effective Date Notice List created pursuant to Section 13.6 of this Plan. If no objection is received by the Liquidating Trustee or such Liquidating Trustee Professional within the 14-day period, the Liquidating Trustee may pay the fees and expenses without the need for further review or approval of the Bankruptcy Court or any other party. If an objection to the payment of fees and expenses incurred by the Liquidating Trustee or Liquidating Trustee Professionals is received within the 14-day period, and such objection cannot otherwise be resolved, the Liquidating Trustee or such Liquidating Trustee Professional shall schedule a hearing in the Bankruptcy Court to resolve the objection. If an objection is received, the Liquidating Trustee shall timely pay the undisputed portion of the invoice and shall reserve monies in the amount of the disputed portion of the invoice pending such resolution. All fees and expenses of administration of the Liquidating Trust Estate and representation of the

Liquidating Trustee shall be paid from the Reserve and the GUC Account, as applicable, after approval as specified above.

8.11 Vesting of Authority in Debtor Representative

Upon the Effective Date, the Debtor's board of directors shall be dissolved and the then-current members of the board of directors and officers of the Debtor shall be relieved of their positions and corresponding duties and obligations; provided, however, that the Debtor Representative shall be responsible for effectuating transfers of Assets in accordance with this Plan and otherwise satisfying the Debtor's obligations under the terms of this Plan. On and after the Effective Date, the Debtor Representative shall have full and complete authority to act on behalf of and bind the Debtor without further action or approval of the Bankruptcy Court or the board of directors of the Debtor. After the D&O and Tort Claims are liquidated and the proceeds of such Claims are transferred to the Liquidating Trust Estate in accordance with this Plan, the Debtor Representative shall be empowered, but not directed, to effectuate the dissolution of the Debtor in accordance with the laws of the State of New Jersey.

8.12 Termination of the Committee; Creation of PEDCC

On the Effective Date, the Committee shall be dissolved, the retention and employment of the Committee's Professionals shall terminate and the members of the Committee will be released and discharged of and from all further authority, duties, responsibilities and obligations related to and arising from and in connection with the Chapter 11 Case, other than for purposes of filing and/or objecting to final Fee Applications filed in the Chapter 11 Case.

On the Effective Date, the Committee shall be replaced by the Post-Effective Date Creditors' Committee (the "PEDCC") that shall consist of not less than three (3) Persons or Entities that are Beneficiaries of the Liquidating Trust. The identities of the Persons and/or Entities that will serve on the PEDCC as of the Effective Date will be filed by the Committee

with the Court no later than five (5) days before the Confirmation Hearing. The PEDCC may also include such other Persons or Entities (including *ex officio* members) as may be requested by the PEDCC, which Persons or Entities shall have agreed to participate in the performance of the PEDCC's functions as set forth in this Plan. The PEDCC's sole function and responsibility shall be to advise and instruct the Liquidating Trustee in the performance of the Liquidating Trustee's duties and obligations under the Plan with respect to the liquidation of Assets for the benefit of the Holders of Allowed Claims in Class 3 of the Plan. The members of the PEDCC shall serve without compensation, but may be reimbursed for reasonable expenses incurred in the performance of their duties as members of the PEDCC.

8.13 Liquidating Trustee as Successor in Interest to the Debtor and Committee

Except as to the D&O and Tort Claims, the Liquidating Trustee is the successor in interest to the Debtor and the Committee, and thus, after the Effective Date, to the extent this Plan requires an action by the Debtor (and except as it relates to the D&O and Tort Claims), the action shall be taken by the Liquidating Trustee on behalf of the Debtor and the Creditors' Committee, as applicable. The Liquidating Trustee may not materially amend or alter the terms and provisions of this Plan.

For federal and applicable state income tax purposes, all parties (including, without limitation, the Debtor, the Liquidating Trustee and the Beneficiaries of the Liquidating Trust Estate) shall treat the transfer of Assets to the Liquidating Trust in accordance with the terms of this Plan, as a sale by the Debtor of such Assets to the Liquidating Trust Estate at a selling price equal to the fair market value of such Assets on the Effective Date. The Liquidating Trust shall be treated as the owner of all Assets that it holds.

8.14 Termination of the Liquidating Trust Estate

The existence of the Liquidating Trust and the authority of the Liquidating Trustee will commence as of the date of execution of the Liquidating Trust Agreement and will remain and continue in full force and effect until the earlier of (a) the date on which all of the Assets are liquidated in accordance with the Plan, the funds in the Liquidating Trust have been completely distributed in accordance with the Plan, all tax returns and any other filings or reports have been filed with the appropriate state or federal regulatory authorities and the Order closing the Chapter 11 Case is a Final Order or (b) five (5) years from the date of creation of the Liquidating Trust, unless extended by the Bankruptcy Court as provided in the Liquidating Trust Agreement.

At such time as the Liquidating Trust has been fully administered (*i.e.*, when all things requiring action by the Liquidating Trustee have been done, and the Plan has been substantially

consummated) and in all events within sixty (60) days after the Final Distribution Date, the Liquidating Trustee will file an application for approval of his final report and the entry of the final decree by the Bankruptcy Court.

8.15 Objections to Administrative Expense Claims and Priority Claims

8.15.1 Objection Procedures

The Purchaser, the Debtor, and the Committee, and each of their respective successors, including the Liquidating Trustee and the Debtor Representative (collectively the “Administrative Resolution Parties”), have standing, right, and authority to object to the allowance of Administrative Expense Claims and Priority Claims. No distribution shall be made pursuant to this Plan to a Holder of an Administrative Expense Claim or Priority Claim, Disputed or otherwise, unless and until such Claim becomes an Allowed Claim.

The Administrative Resolution Parties shall each have ninety (90) days after the Administrative Expense/Priority Claim Bar Date to independently object to each filed administrative expense claim and unsecured priority claim. All objections to Administrative Expense Claims and Priority Claims must be filed with the Bankruptcy Court, and served upon the Holders of such Claims, on or before the ninetieth (90th) day after the Administrative Expense/Priority Claim Bar Date, except as extended by an agreement between the claimant and the relevant Administrative Resolution Party, or by Order of the Bankruptcy Court upon a motion filed by an Administrative Resolution Party. If an objection has not been filed to a proof of Claim for an Administrative Expense Claim or Priority Claim within this 90-day period; or the extension of such period, the Administrative Expense Claim or Priority Claim to which the proof of Claim relates shall be treated as an Allowed Claim for purposes of distribution under this Plan; provided, however, that if the Holder of the Administrative Expense Claim or Priority Claim is a debtor under any chapter of the Bankruptcy Code, the deadline shall be thirty (30)

days after the relevant Administrative Resolution Party obtains relief from stay or other relief that will permit the filing of an objection to such Claim.

8.15.2 Resolution of Disputed Administrative Expense Claims and Priority Claims and Administrative Expense Claims and Priority Claims That Have Not Otherwise Been Allowed

The Administrative Resolution Parties have the right to settle or otherwise compromise any Administrative Expense Claim or Priority Claim by unanimous agreement and shall use reasonable best efforts to resolve disputes regarding such Claims. If any Administrative Resolution Party disputes a proposed settlement or other compromise of an Administrative Expense Claim or Priority Claim, any other Administrative Resolution Party may seek approval of the proposed resolution, after notice and a hearing, upon a showing that such resolution is fair and equitable with respect to the Debtor's Estate and the other Administrative Resolution Parties.

Until such time as an unliquidated Administrative Expense Claim or Priority Claim, contingent Administrative Expense Claim or Priority Claim, or a contingent portion of an Administrative Expense Claim or Priority Claim becomes Allowed or is Disallowed, such Claim will be treated as a Disputed Claim for all purposes related to distributions under the Plan. The Holder of an unliquidated or contingent Administrative Expense or Priority Claim will be entitled to a distribution under the Plan only when and if such unliquidated or contingent Claim becomes an Allowed Claim.

8.16 Objections to Other Claims

8.16.1 Objection Procedures

From and after the Effective Date, the Liquidating Trustee shall have the right and standing to (i) object to and contest the allowance of all Claims that are not Administrative Expense Claims or Priority Claims (the "Other Claims"), (ii) compromise and settle any Disputed Other Claim or Other Claim that has not otherwise been Allowed without Bankruptcy

Court approval, subject to the notice procedure set forth in Section 8.15.2; and (iii) litigate to final resolution objections to Other Claims. No distribution shall be made pursuant to this Plan to a Holder of an Other Claim, Disputed or otherwise, unless and until such Other Claim becomes an Allowed Claim.

All objections to Other Claims must be filed with the Bankruptcy Court, and served upon the Holders of such Claims, on or before the one hundred eightieth (180th) day after the Effective Date, except as extended by an agreement between the claimant and the Liquidating Trustee, or by Order of the Bankruptcy Court upon a motion filed by the Liquidating Trustee. If an objection has not been filed to a proof of Claim for an Other Claim within this 180-day period or the extension of such period, the Other Claim to which the proof of Claim relates shall be treated as an Allowed Claim for purposes of distribution under this Plan; provided, however, that if the Holder of the Other Claim is a debtor under any chapter of the Bankruptcy Code, the deadline shall be thirty (30) days after the Liquidating Trustee obtains relief from stay or other relief that will permit the filing of an objection to such Claim.

8.16.2 Resolution of Disputed Other Claims and Other Claims That Have Not Otherwise Been Allowed

If the Holder of a Disputed Other Claim or Other Claim that has not otherwise been Allowed and the Liquidating Trustee agree to a settlement of such Claim for an amount that does not exceed \$100,000, the Liquidating Trustee shall be authorized to enter into and effectuate such settlement without any further notice or approval of the Bankruptcy Court, and the settled Claim shall be deemed an Allowed Claim. If the Holder of such a Claim and the Liquidating Trustee agree to a settlement of such Claim and the settlement amount exceeds \$100,000, the Liquidating Trustee shall provide notice of the proposed settlement (with a 14-day period to object) to the Persons or Entities on the Post-Effective Date Notice List. If no objection is

received within the 14-day period, the settled Claim shall be deemed to be an Allowed Claim, without the need for further review or approval of the Bankruptcy Court or any other party. If an objection to a proposed settlement is received within the 14-day period and such objection cannot otherwise be resolved, then the Liquidating Trustee shall schedule a hearing in the Bankruptcy Court to resolve the objection.

Until such time as an unliquidated Other Claim, contingent Other Claim, or a contingent portion of an Other Claim becomes Allowed or is Disallowed, such Claim will be treated as a Disputed Claim for all purposes related to distributions under the Plan. The Holder of an unliquidated or contingent Other Claim will be entitled to a distribution under the Plan only when and if such unliquidated or contingent Claim becomes an Allowed Claim.

ARTICLE IX

PROVISIONS GOVERNING DISTRIBUTIONS

9.1 Delivery of Distributions

Distributions to Holders of Allowed Claims shall be made at the address of the Holder of such Claim as indicated on the records of the Debtor, or a filed proof of Claim, as applicable.

9.2 Undeliverable Distributions

If any Allowed Claim Holder's distribution is returned as undeliverable, no further distributions shall be made to such Holder unless and until the Liquidating Trustee is notified in writing of such Holder's then-current address. Undeliverable distributions shall remain in the possession of the Liquidating Trustee until such time as a distribution becomes deliverable. Undeliverable Cash shall not be entitled to any interest, dividends or other accruals of any kind. Within 21 days after the end of each Quarter following the Effective Date, the Liquidating

Trustee shall make all distributions that become deliverable during the preceding Quarter, except as otherwise provided herein.

9.3 Failure to Claim Undeliverable Distributions

In an effort to ensure that all Holders of valid Claims receive their allocated distributions, the Liquidating Trustee will file with the Bankruptcy Court a listing of unclaimed distribution Holders. This list will be maintained and updated as needed for as long as the Chapter 11 Case stays open. Any Holder of an Allowed Claim that does not assert a Claim pursuant to the Plan for an undeliverable distribution within three months after the first attempted delivery shall have its Claim for such undeliverable distribution discharged and shall be forever barred from asserting any such Claim against the Debtor, the Liquidating Trust Estate, the Administrative Expense/Priority Claim Reserve, the Reserve, or the Liquidating Trustee, or their respective property. In such cases, any Cash held for distribution on account of such Claims shall be property of the Liquidating Trust Estate, free of any restrictions thereon, and shall revert to the account from which such payment was originally issued to be distributed pursuant to the Plan. Nothing contained in the Plan shall require the Liquidating Trustee to attempt to locate any Holder of an Allowed Claim.

9.4 Compliance with Tax Requirements

In connection with the Plan, the Liquidating Trustee shall comply with all tax 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. For tax purposes, distributions received in respect of Allowed Claims will be allocated first to the principal amount of Allowed Claims with any excess allocated, if applicable, to unpaid interest that accrued, on such Claims.

9.5 Minimum Distributions

If the amount of Cash to be distributed to the Holder of an Allowed Claim is less than \$25 on a particular Distribution Date, the Trustee may hold the Cash distributions to be made to such Holder until the aggregate amount of Cash to be distributed to such Holder is in an amount equal to or greater than \$50. Notwithstanding the preceding sentence, if the amount of Cash distribution to any Holder of an Allowed Claim never aggregates more than \$50, then the Liquidating Trustee shall not be required to distribute Cash to any such Holder.

9.6 Rounding

Whenever any payment of a fraction of a cent would otherwise be called for, the actual payment shall reflect a rounding of such fraction to the nearest whole cent, with one-half cent being rounded up to the nearest whole cent.

9.7 Setoffs and Recoupments

The Liquidating Trustee may, pursuant to section 553 of the Bankruptcy Code or applicable non-bankruptcy law, exercise the right of setoff or recoupment against any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Claim (before distribution is made or account of such Claim), the claims, rights and causes of action of any nature that the Debtor may hold against the Holder of such Allowed Claim; provided, however, that (i) neither the failure to effect such a setoff or recoupment nor the allowance of any Claim hereunder shall constitute a waiver or release by the Liquidating Trustee of any such claims, rights and causes of action that the Liquidating Trust may possess against such Holder and (ii) consistent with Section 12.6 of this Plan, no such setoff or recoupment shall be in derogation of the Settlement Agreement, Sale and Settlement Order, Debtor APA, or Authority APA.

9.8 Settlement of Claims and Controversies

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under this Plan, the provisions of this Plan shall constitute a good faith compromise and settlement of claims or controversies relating to the contractual and legal rights that a Holder of a Claim may have with respect to any Allowed Claim, or any distribution to be made on account of such an Allowed Claim.

ARTICLE X

PROCEDURES FOR TREATMENT OF DISPUTED CLAIMS AND CLAIMS THAT HAVE OTHERWISE NOT BEEN ALLOWED

10.1 Payments and Distributions on Disputed Claims and Claims That Have Otherwise Not Been Allowed

Notwithstanding any provision in the Plan to the contrary, except as otherwise agreed by the Liquidating Trustee, in his sole discretion, no partial payments and no partial distributions will be made with respect to a Disputed Claim or Claim that has otherwise not been Allowed until such disputes are resolved by settlement or Final Order and the Claim has been Allowed. Notwithstanding the foregoing, any Person or Entity who holds both an Allowed Claim(s) and a separate and distinct Disputed Claim(s) or Claim that has otherwise not been Allowed will receive the appropriate payment or distribution on account of the Allowed Claim(s), although, except as otherwise agreed by the Liquidating Trustee in his sole discretion, no payment or distribution will be made on the Disputed Claim(s) or Claim(s) that have otherwise not been Allowed until such dispute is resolved by settlement or Final Order and the Claim(s) have been Allowed. In the event there are Disputed Claim(s) or Claim(s) that have otherwise not been Allowed requiring adjudication and resolution, the Liquidating Trustee reserves the right, or

upon order of the Bankruptcy Court, to establish appropriate reserves for potential payment of such Claims.

10.2 Safekeeping of Distributable Property

Pending entry of a Final Order determining an objection to any Disputed Claim, the Liquidating Trustee shall take appropriate steps to safeguard the Cash, notes or other instruments that would be distributed on account of such Claim if Allowed, but the Liquidating Trustee shall not be required to establish any formal escrow or reserve for such distributable property unless it determines, or the Bankruptcy Court orders, that an escrow or reserve is necessary to insure that such property is available if and when such Claim is Allowed.

10.3 Allowance of Claims

Except as expressly provided herein or in any Order entered in the Chapter 11 Case prior to the Effective Date (including the Confirmation Order), no Claim shall be deemed Allowed, unless and until such Claim is deemed Allowed under the Plan or the Bankruptcy Code or the Bankruptcy Court enters a Final Order in the Chapter 11 Case allowing such Claim. Except as expressly provided in the Plan or in any Order entered in the Chapter 11 Case prior to the Effective Date (including the Confirmation Order), the Liquidating Trust Estate on and after the Effective Date will have and retain any and all rights and defenses the Debtor had with respect to such Claim as of the Petition Date.

ARTICLE XI

RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over the Chapter 11 Case until the Chapter 11 Case is closed, including jurisdiction to issue any other Order necessary to administer

the Estate or the Liquidating Trust Estate and enforce the terms of this Plan, and/or the Liquidating Trust Agreement pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

(a) To determine the type, allowance and payment of any Claims upon any objections thereto (or other appropriate proceedings) by the Liquidating Trustee or any other party-in-interest entitled to proceed in that manner;

(b) Except as otherwise limited herein, to recover all Assets of the Debtor and property of the Debtor's Estate, wherever located;

(c) To hear and determine any issue arising under Section 7.1 of this Plan; *provided, however*, any action, controversy, dispute, claim or question arising out of or relating to the right of any party to enforce, contest and/or litigate the existence, primacy and/or scope of available coverage and/or any defenses to coverage under the Professional Liability Policies shall be referred to and resolved solely in accordance with the terms and conditions of the Professional Liability Policies and applicable non-bankruptcy law, including, but not limited to, any choice of law, forum or jurisdiction provision therein; *provided further, however*, that the Bankruptcy Court shall have exclusive jurisdiction to hear and resolve all disputes arising from the enforcement and implementation of the Stipulation and Order entered with respect to any settlement of claims asserted by Darwin Select Insurance Company against the Estate;

(d) To hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;

(e) To hear any other matter not inconsistent with the Bankruptcy Code;

(f) To enter a final decree closing the Chapter 11 Case;

(g) To ensure that distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;

(h) To decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters and grant or deny any applications involving the Debtor that may be pending on or instituted by the Liquidating Trustee after the Effective Date;

(i) To issue injunctions, enter and implement other Orders or take such other actions as may be necessary or appropriate to restrain interference by any Person or Entity with the occurrence of the Effective Date or enforcement of the Plan, except as otherwise provided herein;

(j) To determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, indenture or other agreement or document created in connection with the Plan or the Disclosure Statement;

(k) To enforce, interpret, and determine any disputes arising in connection with any stipulations, Orders, the Sale and Settlement Order,

judgments, injunctions, the Settlement Injunction, releases, the Settlement Release, exculpations, indemnifications, and rulings entered in connection with the Chapter 11 Case (whether or not the Chapter 11 Case has been closed);

(l) To adjudicate any adversary proceeding or other proceeding which may be commenced against any Person or Entity arising from, related to, or in connection with (i) any Chapter 5 Action; (ii) the D&O and Tort Claims; and (iii) claims against third parties relating to the facts and circumstances surrounding the D&O and Tort Claims; provided, however, that nothing in this Plan or the Confirmation Order ~~approving the Plan~~ shall vest the Bankruptcy Court with exclusive jurisdiction over any claims identified in subclauses (ii) and (iii) of this ~~sentence~~ subparagraph (l) or over any dispute relating to coverage under the D&O Policies;

(m) To resolve disputes concerning any reserves with respect to Disputed Claims or the administration thereof;

(n) To resolve any disputes concerning whether a Person or Entity had sufficient notice of the Chapter 11 Case, the Claims Bar Date, the hearing on the approval of the Disclosure Statement as containing adequate information, the hearing on the confirmation of the Plan for the purpose of determining whether a Claim is discharged hereunder or for any other purpose; ~~and~~

~~(e) — Provided that nothing in this Plan or the Confirmation Order shall vest the Bankruptcy Court with exclusive jurisdiction over any dispute relating to coverage under the D&O Policies.~~

ARTICLE XII

RELEASES AND RELATED PROVISIONS

12.1 Term of Bankruptcy Injunction or Stays

All injunctions or stays provided for in the Chapter 11 Case under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date, except for the Settlement Release and the Settlement Injunction and any other injunction in the Sale Order which shall remain in full force and effect until then and at all times after the Effective Date. Except as otherwise expressly provided in the Plan or to the extent necessary to enforce the terms and conditions of the Plan, the Confirmation Order or a separate Order of the Bankruptcy Court, as of the Effective Date, all entities who have held, hold, or may hold Claims against the Debtor, are permanently enjoined, on and after the Confirmation Date, from (A) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim or taking any act to recover such Claim outside of the claims allowance procedure discussed in this Plan and the Bankruptcy Code and Bankruptcy Rules, (B) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or Order against the Debtor, the Liquidating Trust or the Liquidating Trustee on account of any such Claim, (C) creating, perfecting or enforcing any encumbrance of any kind against the Debtor or against the property or interests in property of the Debtor on account of any such Claim and (D) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from the Debtor or

against the property or interests in property of the Debtor on account of any such Claim. Such injunction shall extend for the benefit of the Debtor Representative, the Liquidating Trustee and any successors of the Debtor, and to any property and interests in property subject to this Plan.

12.2 Exculpation

To the extent allowed by section 1125(e) of the Bankruptcy Code, neither the Debtor nor its Current Officials, officers, or directors, nor the Committee or its members, nor the PEDCC or its members, nor any of the Chapter 11 Professionals, nor the Patient Care Ombudsman or his counsel, nor Epiq, nor Donlin will have or incur any liability to any Holder of a Claim or Interest, or any other party-in-interest, Person or Entity or any of their respective agents, employees, representatives, financial advisors, attorneys, affiliates or any of their successors or assigns, for any act or omission occurring after the Petition Date and in connection with, relating to, or arising out of the filing or prosecution of the Chapter 11 Case, the formulation, negotiation or implementation of the Plan, solicitation of acceptances of the Plan, the pursuit of Confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan except for their bad faith, willful malfeasance, reckless disregard of duty, gross negligence, willful fraud, willful misconduct, self-dealing or breach of fiduciary duty as determined by a Final Order of the Bankruptcy Court.

12.3 Limitation on Liability of Liquidating Trustee

The Liquidating Trustee will not be liable for any act he may do or omit to do as Liquidating Trustee under the Plan and the Liquidating Trust Agreement while acting in good faith and in the exercise of his reasonable business judgment; nor will the Liquidating Trustee be liable in any event except for gross negligence, willful fraud or willful misconduct. The foregoing limitation on liability also will apply to any Person (including any Liquidating Trustee Professional) employed by the Liquidating Trustee and acting on behalf of the Liquidating

Trustee in the fulfillment of the Liquidating Trustee's duties hereunder or under the Liquidating Trust Agreement. Also, the Liquidating Trustee and all Liquidating Trustee Professionals shall be entitled to indemnification out of the assets of the Liquidating Trust against any losses, liabilities, expenses (including attorneys' fees and disbursements), damages, taxes, suits or claims that the Liquidating Trustee may incur or sustain by reason of being or having been a Liquidating Trustee of the Liquidating Trust or for performing any functions incidental to such service; provided, however, that the foregoing shall not relieve the Liquidating Trustee and the Liquidating Trustee's Professionals from liability for bad faith, willful misfeasance, reckless disregard of duty, gross negligence, fraud, self-dealing or breach of fiduciary duty.

The Liquidating Trust is deemed to release each Person and Entity exculpated under this Subsection from any liability arising from any act or omission occurring after the Petition Date and in connection with, relating to or arising out of the Chapter 11 Case, except as provided herein.

12.4 Releases and Injunctions

As of the Release Date, the City, the Authority, the Parking Utility, each of their Related Parties, and the Current Officials have waived and released any and all Claims² that each of them has, had, or may have against the Debtor's Estate, provided, however, that until the earlier of the entry of a Final Order confirming the Plan or substantial consummation of the Plan, the Authority, the City, and the Parking Utility shall each be deemed to be a party-in-interest and continue to have standing in the Chapter 11 Case with

² As used in Sections 12.4 and 12.5 of the Plan, "Claim" shall mean any claim (as that term is defined in section 101(5) of the Bankruptcy Code), obligation, suit, judgment, damages, demand, debt, right (including without limitation, rights of indemnity, contribution, payment, and reimbursement), liability, or cause of action, whether known or unknown, direct or indirect, liquidated or unliquidated, fixed or contingent, foreseen or unforeseen, matured or unmatured, existing or hereafter arising, in law, equity, or otherwise, including without limitation any of the foregoing arising under theories of contract, successor liability, tort, agency, unjust enrichment, alter ego, substantive consolidation, extension, or veil piercing.

respect to all matters, motions, applications, and proceedings that may, in the reasonable discretion and determination of, respectively, the Authority, the City, and/or the Parking Utility, have an impact on any of their respective rights under the Settlement Agreement, the Settlement Release, the Settlement Injunction, and the Sale and Settlement Order, and, with respect to all such matters, motions, applications, and proceedings, shall have the rights under the Settlement Agreement, the Settlement Release, the Settlement Injunction, and the Sale and Settlement Order, as applicable, in response to, in opposition to, objecting to, and/or as a cross-motion or application to such matters, motions, applications, and proceedings.

As of the Release Date, the Debtor, for itself and on behalf of the Debtor's Estate (as defined in the Settlement Agreement) (including, without limitation, any predecessor or successor to or assign or designee of the Debtor or any estate representative appointed or selected pursuant to section 1123(b)(3) of the Bankruptcy Code) or anyone who claims or might claim through, on behalf of, or for the benefit of any of the foregoing (collectively, the "Debtor Releasors") shall be deemed forever to have irrevocably released and discharged the Covered Parties from any and all Covered Claims (excluding, for the avoidance of doubt, any obligations of the Parties under the Settlement Agreement and/or the Sale and Settlement Order) that the Debtor Releasors may have against any of the Covered Parties. For the avoidance of doubt, as of the Effective Date, the definition of Debtor Releasors shall be automatically deemed to include, without limitation, the Debtor Representative, the Liquidating Trust and the Liquidating Trustee.

As of the Effective Date, all Entities, including their respective Related Parties who have held, hold, or may hold any Covered Claims shall be deemed to have further

unconditionally waived, discharged, and released the Covered Parties from such Covered Claims and from any and all Claims and Liens³ arising from, related to, or based on any Covered Claims, provided, however, except as otherwise expressly provided in the Settlement Agreement and/or the Sale and Settlement Order, that nothing in this Section 12.5 shall preclude any Entity from asserting a Claim against the Debtor in the Chapter 11 Case or receiving a distribution under the Plan (the “Plan Release”).

As of the Effective Date, all Entities and their respective Related Parties are permanently barred, estopped, enjoined, and precluded from (i) asserting Covered Claims against the Covered Parties or any properties or assets of the Covered Parties and (ii) with respect to any Covered Claims, (a) asserting, commencing, or continuing in any manner any action against the Covered Parties or against any assets or properties of the Covered Parties; (b) enforcing, attaching, collecting or recovering, by any manner or means, any judgment, award, decree, or order against the Covered Parties or any properties or assets of the Covered Parties; (c) creating, perfecting, or enforcing any Lien of any kind against the Covered Parties; (d) asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due the Covered Parties; and (e) taking any action, in any manner, in any place, venue, or forum whatsoever, that does not conform to or comply with the provisions of the Settlement Agreement or the Sale and Settlement Order, provided, however, except as otherwise expressly provided in the Settlement Agreement that nothing in this Section 12.5 shall preclude any Entity from asserting a claim against the Debtor in the Chapter 11 Case or receiving a distribution under the Plan, provided further that (x) the injunction described in this paragraph (the “Plan Injunction”) shall not

³ As used in Section 12.4 and 12.5 of the Plan, “Lien” shall mean any security interest in property (real or personal, tangible or intangible, wherever located) or in rights to property, including any “lien” as that term is defined in

apply to or in any way impair or limit the City or any Related Parties of the City that have regulatory and/or police powers governing the operations of the Hospital or the Hospital facility from exercising and enforcing such powers with respect to matters that have or may have arisen before or after the Closing and (y) to the extent the Debtor has been required under the City Lease (defined as used in the Settlement Agreement) and the Parking Utility Lease (defined as used in the Settlement Agreement) or some other agreement to provide general liability, premises liability or property damages insurance for the benefit of the City and/or the Parking Utility and/or any of their respective Related Parties, nothing in the Settlement Agreement, this Plan, the Debtor APA or the Sale and Settlement Order, or the Confirmation Order shall, in any way, impair the rights and claims, in whole or in part, of, as applicable, the City of Hoboken, the Parking Utility and their respective Related Parties under such insurance policies as were provided by the Debtor.

If any Entity asserts any Covered Claim against any third party (a “Third-Party Claim”) and such third party in turn is permitted, notwithstanding the Settlement Release, the Settlement Injunction, Plan Release, and Plan Injunction, to pursue against any Covered Party any Covered Claim (including but not limited to claim for reimbursement, contribution, indemnification, or otherwise) arising from such Third-Party Claim, (i) such Third-Party Claim shall be deemed void ab initio and dismissed by the Bankruptcy Court, which shall retain exclusive jurisdiction over the issue; and (ii) the Debtor’s Estate shall indemnify the affected Covered Party and hold them harmless against, and shall reimburse all expenses incurred in defending against such Covered Claim for reimbursement, contribution, indemnification, or otherwise (including, but not limited to actual and

section 101(37) of the Bankruptcy Code.

reasonable attorneys' fees and costs), provided, however, that no such indemnity or reimbursement pursuant to this paragraph shall be payable from the Backstop (as defined in the Settlement Agreement) or otherwise affect calculation of the Backstop, provided further that the Covered Party shall be defended by counsel selected by counsel to the Committee or any successor to the Debtor's Estate, subject to consent of the Covered Party.

As of the Release Date, the City, the Authority, the Parking Utility, the Debtor, and the other Debtor Releasors and each of their respective agents, representatives, and professionals, and the Current Officials waived and released any and all Covered Claims (other than claims for fraud, gross negligence, or willful misconduct) each such Entity had, or may have had against the Committee, members of the Committee (solely in their capacity as members of the Committee), and professionals retained by the Committee pursuant to an Order of the Bankruptcy Court.

As of the Release Date, the Committee and its members (solely in their capacity as members of the Committee) and each of their respective Related Parties waived and released (i) any and all Covered Claims against the Covered Parties, (ii) any and all Covered Claims against the Current Officials, and (iii) any and all Covered Claims against the Former Officials in excess of available proceeds, if any, of any applicable insurance policies.

Any Entity that asserts that such Entity or any Claim of such Entity is not subject to the Settlement Injunction, the Settlement Release, the Plan Injunction, the Plan Release, or any other releases or injunctions set forth in the Sale and Settlement Order shall not be entitled to receive any distribution under the Plan.

12.5 Claims Under the D&O Policies

Claims, if any, that could be asserted against any of the Former Officials by the Debtor, the Debtor Representative, the Committee, the Liquidating Trust, the Liquidating Trustee or any other Entity derivatively on behalf of the Debtor or directly by the Committee or any creditor of the Debtor, related to or arising out of such Former Officials' capacity as Former Officials (the "Former Official Claims"), shall be limited to and recoverable solely from the available proceeds, if any, of applicable D&O Policies, if any, and shall not be recoverable from any personal or business assets of any of the Former Officials. If any judgment is entered against any of the Former Officials in connection with any Former Official Claim, such judgment shall not attach to or be docketed as a lien against any personal or real property owned by any of the Former Officials, whether individually or with others, and must expressly state on its face that it is subject to the limitations on enforcement set forth herein and in the Settlement Agreement and the Sale and Settlement Order and is not a lien on any property of the Former Officials and cannot be enforced against any personal property of the Former Officials, other than insurance proceeds as set forth herein. The restrictions and limitations set forth in this paragraph shall apply notwithstanding any denial of or defense to coverage or payment asserted by any applicable insurance carrier. To the extent that a Former Official Claim is asserted for which a Former Official is permitted, notwithstanding the Settlement Release, the Settlement Injunction, Plan Release, and Plan Injunction, to pursue a right of reimbursement, contribution, indemnification, or otherwise against any Covered Party, such Former Official Claim shall immediately be dismissed. Further, if any D&O Carrier disclaims or denies coverage under a D&O Policy, alleging, among other things, (i) any defense to coverage or payment which such D&O Carrier claims or may claim under the

D&O Policy by reason of any provision of this paragraph, paragraph 86 of the Sale and Settlement Order, or section 11 of the Settlement Agreement or (ii) other defenses to coverage which such D&O Carrier may raise as a result of alleged non-compliance with, or alleged breach of, the terms, conditions, obligations or limitations of the D&O Policy arising as a result of the provisions of this paragraph, paragraph 86 of the Sale and Settlement Order, or section 11 of the Settlement Agreement, such provisions shall be deemed void and of no further effect as to the affected Former Official, but solely to the extent necessary to avoid such a disclaimer or denial of coverage and only to the extent that, as a result of such provision being deemed null and void and of no effect, coverage is not disclaimed or denied and is, in fact, available to the extent it otherwise would be available but for the provisions of this paragraph, paragraph 86 of the Sale and Settlement Order, or section 11 of the Settlement Agreement. In the event that a D&O Carrier disputes or disclaims coverage or refuses to fund a settlement or judgment (which judgment must be subject to the limitations set forth above), and the Former Officials do not exercise their rights to payment and/or to seek a determination as to coverage under the applicable D&O Policies (a "Coverage Determination"), the Former Officials will assign, without recourse, warranty, or representation, any and all rights under such D&O Policies to obtain coverage and receive payment to the Debtor's Estate, the Debtor Representative (as applicable) or the Liquidating Trustee (if appropriate) appointed pursuant to this Plan (such assignee is the "Assignee"). In such event, the Former Officials will execute any and all documents, prepared at the expense of the Assignee, reasonably necessary to effectuate such assignment without recourse and allow the Assignee to pursue any such coverage claims and/or payment, and will utilize reasonable best efforts to

cooperate with the Assignee to obtain a Coverage Determination or to compel the D&O Carriers to fund a settlement. Nothing in this Section is intended to modify any terms of the D&O Policies or the obligations of the Former Officials and the D&O Carriers thereunder; all rights and defenses of the Former Officials and the D&O Carriers with respect to the D&O Policies in accordance herewith are hereby expressly preserved. Other than in connection with the execution of the assignment documents, nothing herein shall obligate a Former Official to incur any costs or expend any money in connection with a Coverage Determination other than de minimis expenses incurred in connection with the obligation to cooperate as set forth herein. If (a) any D&O Carrier commences an action against the Former Officials seeking a Coverage Determination, the defense of which cannot be taken over by an Assignee or (b) the assignment contemplated hereunder is declared to be null and void or invalid by a Final Order, the Former Officials shall proceed to defend or prosecute, as the case may be, any such action seeking a Coverage Determination. In such event, (x) all reasonable expenses incurred by the Former Officials in defending or prosecuting an action seeking a Coverage Determination, including but not limited to reasonable attorneys' fees and costs, shall be paid by the Assignee, (y) the Assignee shall be entitled to choose counsel for the Former Officials subject to the consent of the Former Officials, which consent shall not be unreasonably withheld, and (z) the Former Officials shall utilize their reasonable best efforts in assisting in any action seeking a Coverage Determination and any settlement thereof shall be subject to the written consent of the Assignee, which consent shall not be unreasonably withheld. No payment or expense pursuant to this paragraph shall be payable from the Backstop or otherwise affect calculation of the Backstop.

12.6 The Settlement Agreement, Sale and Settlement Order, Debtor APA, and Authority APA

As of the Effective Date, the Settlement Agreement, Sale and Settlement Order, Debtor APA, and Authority APA are ratified, reaffirmed and shall remain in full force and effect and binding on the Debtor Representative, the Liquidating Trustee (to the same extent they are binding on the Debtor) and on the PEDCC (to the same extent it is binding on the Committee). Nothing contained in this Plan or in any amendment to or modification of this Plan shall be deemed to have the effect of amending, modifying, impairing or extending any of the rights or obligations of the parties to the Settlement Agreement, the Debtor APA, or the Authority APA. To the extent the terms and conditions of the Settlement Agreement, Sale and Settlement Order, Debtor APA, or Authority APA vary from or conflict with the terms and conditions of this Plan or the Liquidating Trust Agreement, the terms of the Settlement Agreement, Sale and Settlement Order, Debtor APA, or Authority APA, as applicable, shall control.

12.7 Effect of Plan on Released Claims and Liens

Nothing contained in this Plan shall revive, preserve, or transfer any Claims or Liens that have been released pursuant to the Settlement Agreement, Sale and Settlement Order, Debtor APA, Authority APA, or otherwise.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Certain additional miscellaneous information regarding the Plan and the Chapter 11 Case is set forth below.

13.1 Conditions to Confirmation and the Effective Date

The following are conditions precedent to the occurrence of Confirmation and the Effective Date, each of which must be satisfied or waived in writing:

(a) the Confirmation Order, authorizing and directing that the Debtor take all actions necessary or appropriate to enter into, implement and consummate the contracts, instruments, releases, and other agreements or documents created in connection with the Plan and the transactions contemplated thereby, including, without limitation, the transactions contemplated by the Liquidating Trust Agreement, shall have been entered and become a Final Order;

(b) the statutory fees owing to the United States Trustee as of the Confirmation Date shall have been paid in full;

(c) the Liquidating Trustee shall have accepted, in writing, the terms of his service and compensation, and such terms and compensation shall have been approved by the Bankruptcy Court in the Confirmation Order;

(d) the Administrative Expense/Priority Claim Reserve Account shall have been established and funded;

(e) the Liquidating Trust shall have been established; and

(f) all other actions, authorizations, consents and regulatory approvals required (if any) and necessary to implement the provisions of the Plan shall have been obtained, effected or executed in a manner acceptable to the Debtor and the Committee or, if waivable, waived by the Person or Persons entitled to the benefit thereof.

13.2 Effect of Failure of Condition

If each condition to the Effective Date has not been satisfied or duly waived within thirty (30) days after the Confirmation Date, then (unless the period for satisfaction or waiver of conditions has been extended at the joint option of the Plan Proponents for a period not exceeding sixty (60) days) upon motion by any party in interest, made before the time that each of the conditions has been satisfied or duly waived and upon notice to such parties in interest as the Bankruptcy Court may direct, the Confirmation Order will be vacated by the Bankruptcy Court; provided, however, that notwithstanding the filing of such motion, the Confirmation Order may not be vacated if each of the conditions to the Effective Date is either satisfied or duly waived by the Plan Proponents or the Liquidating Trustee, as the case may be, before the Bankruptcy Court enters a Final Order granting such motion. If the Confirmation Order is vacated pursuant to Section 13.2 of the Plan, the Plan shall be deemed null and void in all respects, and nothing contained herein shall (A) constitute a waiver or release of any Claims by or against the Debtor or (B) prejudice in any manner the rights of the Debtor or the Committee.

13.3 Waiver of Conditions to Confirmation and Effective Date

The Debtor and the Committee, jointly and in their sole discretion, may waive any or all of the conditions to Confirmation and the Effective Date, in whole or in part, at any time, without notice or an Order of the Bankruptcy Court. In that event, the Debtor and the Committee will be entitled to render any or all of their performance under the Plan prior to what otherwise would be the Effective Date if the above-referenced conditions were not waived, including, but not limited to, the right to perform under any circumstances which would moot any appeal, review, or other challenge of any kind to the Confirmation Order if the Confirmation Order is not stayed pending such appeal, review, or other challenge. The failure to satisfy or to waive any condition may be asserted by the Debtor or the Committee regardless of the circumstances giving rise to failure of

such condition to be satisfied (including any action or inaction by the Debtor). The failure of the Debtor or the Committee to exercise any of the foregoing rights will not be deemed a waiver of any other rights, and each such right will be deemed an ongoing right that may be asserted at any time.

13.4 Modification of the Plan

Except with respect to Sections 12.4 through 12.7 hereof and as otherwise provided in the Settlement Agreement and the Sale and Settlement Order, the Plan and any Exhibits thereto may be modified by the Plan Proponents, or the Liquidating Trustee, as applicable, from time to time in accordance with Bankruptcy Code section 1127 and Bankruptcy Rule 3019. The Plan and any Exhibits thereto may be modified at any time before the entry of the Confirmation Order pursuant to section 1127(a) of the Bankruptcy Code; and after the entry of the Confirmation Order, the Plan Proponents, or the Liquidating Trustee, as applicable may, upon Order of the Bankruptcy Court, amend or modify the Plan and any Exhibits thereto in accordance with section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan.

Objections with respect to any amendments or modifications to the Plan (as and to the extent permitted hereby) filed after the deadline for objections to the Plan, as set by the Bankruptcy Court, may be brought at the Confirmation Hearing. The Plan, and any modification or supplement thereof, may be inspected in the Office of the Clerk or its designee during normal business hours. Holders of Claims may obtain a copy of the Plan and any supplement or modification, if any, by contacting the solicitation agent, Epiq, at (646) 282-2500 or by reviewing such document on the internet at <http://www.epiq11.com>. The documents annexed to the Disclosure Statement or contained in any modification or supplement to the Plan or the

Disclosure Statement are an integral part of the Plan and shall be approved by the Bankruptcy Court pursuant to the Confirmation Order.

13.5 Extension of Time

For cause shown, any deadlines herein which are applicable to the Debtor or the Liquidating Trust Estate and which are not otherwise extendable, may be extended by the Bankruptcy Court.

13.6 Post-Effective Date Notice List

Because certain Persons may not desire to continue to receive notices after the Effective Date, this Plan provides for the establishment of a Post-Effective Date Notice List. Persons on such Post-Effective Date Notice List will be given certain notices and in some cases an opportunity to object to certain matters under this Plan (as described herein). Any Person desiring to be included in the Post-Effective Date Notice List must (i) file a request to be included on the Post-Effective Date Notice List and include thereon its name, contact person, address, telephone number and facsimile number, within thirty (30) days after the Effective Date, and (ii) concurrently serve a copy of its request to be included on the Post-Effective Date Notice List on the Liquidating Trustee and his counsel. On or before sixty (60) days after the Effective Date, the Liquidating Trustee shall compile a list of all Persons on the Post-Effective Date Notice List and file such list with the Bankruptcy Court. Those parties set forth in Section 13.10 of the Plan shall be included in the Post-Effective Date Notice List without the necessity of filing a request.

13.7 Revocation of Plan

The Plan Proponents reserve the right to jointly revoke or withdraw the Plan prior to the Effective Date and to jointly file subsequent plans of reorganization or liquidation which shall in all respects be consistent with Sections 12.4 through 12.7 hereof and the Settlement Agreement and Sale and Settlement Order. If the Plan is withdrawn or revoked, or if confirmation or the Effective Date of the Plan does not occur, then (a) the Plan shall be null and void in all respects,

(b) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain any Claim or Class of Claims, but excepting the settlement embodied in the Settlement Agreement and the Sale and Settlement Order), assumption or rejection of Executory Contracts or leases affected by the Plan, and any document or agreement executed pursuant hereto, shall be deemed null and void, and except as herein provided and as provided in the Settlement Agreement or the Sale and Settlement Order (c) nothing contained in the Plan shall (i) constitute a waiver or release of any Claims by or against the Debtor or any other person, (ii) prejudice in any manner the Debtor's or any other Person's rights, or (iii) constitute the Debtor's or any other Person's admission of any sort. Consistent with Section 12.6 of this Plan, revocation of this Plan shall not affect the Settlement Agreement, Sale and Settlement Order, Debtor APA, and Authority APA.

13.8 Successors and Assigns

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

13.9 Reservation of Rights

Except as expressly set forth herein, the Plan shall have no force or effect until the Bankruptcy Court has entered the Confirmation Order. Neither the filing of the Plan, any statement or provision contained in the Plan, nor the Debtor's taking of any action with respect to the Plan or the Disclosure Statement shall be or shall be deemed to be an admission or waiver of any of the Debtor's rights with respect to the Holders of Claims prior to the Effective Date.

13.10 Service of Documents

Any pleading, notice or other document required or permitted to be made in accordance with this Plan shall be made in writing and shall be delivered personally, by facsimile transmission, electronic mail or by first class U.S. mail, postage prepaid, as follows:

To the Debtor: Trenk, DiPasquale, Della Fera & Sodono, P.C.
347 Mt. Pleasant Avenue, Suite 300
West Orange, NJ 07052
Attn: Joseph J. DiPasquale, Esq.
Facsimile: (973) 243-8677

To the Debtor Representative or to the Liquidating Trustee: J.H. Cohn LLP
333 Thornall Street
Edison, NJ 08837
Attn: Bernard A. Katz, CPA
Facsimile: (732) 549-7016

To the Creditors' Committee: Sills Cummis & Gross, P.C.
One Riverfront Plaza
Newark, New Jersey 07102
Attn: Andrew H. Sherman, Esq.
Facsimile: (973) 643-6500

To the Office of the United States Trustee: Office of the United States Trustee
One Newark Center, Suite 2100
Newark, NJ 07102
Attn: Donald F. MacMaster, Esq.
Facsimile: (973) 645-5993

13.11 Filing of Additional Documents and Notice of Effective Date

On or before the Effective Date, the Debtor and/or the Committee may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Liquidating Trustee shall file a notice of the Effective Date as soon as practicable after the Effective Date and shall serve such notice on all parties that are entitled to notice under Bankruptcy Rule 2002.

13.12 Post Confirmation Date Fees and Expenses

From and after the Confirmation Date, the Debtor or the Liquidating Trustee, as applicable, shall, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, pay the reasonable compensation and expenses incurred by the Professionals of the Debtor, its Estate, the Committee, and the Liquidating Trust, as applicable, related to the consummation and implementation of the Plan, which post-confirmation compensation and expenses shall be paid by the Liquidating Trustee in accordance with the notice procedures provided in Section 8.10 of this Plan.

13.13 Severability

The provisions of the Plan shall not be severable unless the Debtor and the Committee agree to such severance and such severance would constitute a permissible modification of the Plan pursuant to section 1127 of the Bankruptcy Code.

13.14 Entire Agreement

The Plan, and any supplements or amendments hereto, supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings and representations on such subjects (other than the Liquidating Trust Agreement), all of which have become merged and integrated into the Plan.

13.15 Governing Law

Except to the extent the Bankruptcy Code, Bankruptcy Rules or other federal law is applicable, or to the extent an exhibit to the Plan provides otherwise, 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 New Jersey, without giving effect to the principles of conflicts of law of such jurisdiction.

13.16 Closing of the Chapter 11 Case

The Liquidating Trustee shall promptly, upon the full administration of the Chapter 11 Case, file with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and any applicable Order of the Bankruptcy Court to close the Chapter 11 Case.

13.17 Survival of the Settlement Agreement

The Settlement Agreement and the terms and conditions thereof shall survive the Effective Date and be binding upon the Debtor, the Liquidating Trustee, each of the Parties to the Settlement Agreement, and any of their respective successors or assigns.

13.18 Rules of Interpretation

For purposes herein: (a) any reference herein to a contract, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (b) any reference herein to an existing document or exhibit filed, or to be filed, shall mean such document or exhibit, as it may have been or may be amended, modified or supplemented from time to time; (c) unless otherwise specified, all references herein to articles and sections are references to articles and sections of this Plan; (d) the words “herein,” “hereof,” and “hereto” refer to this Plan in its entirety rather than to a particular portion of this Plan; (e) captions and headings to articles and sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation hereof; (f) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (g) all exhibits to this Plan are incorporated into this Plan, and shall be deemed to be included in this Plan, regardless of when filed with the Bankruptcy Court; (h) in computing any period of time prescribed or allowed by this Plan, the provisions of Bankruptcy Rule 9006(a) shall apply; and (i) whenever a distribution

of property is required to be made on a particular date, the distribution shall be made on such date, or as soon as practicable thereafter.

HUDSON HEALTHCARE, INC.

By: /s/ Vincent Riccitelli
Name: Vincent Riccitelli
Title: CEO

OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF HUDSON HEALTHCARE, INC.

By: /s/ Brad Hamman
Name: Brad Hamman
Title: Chair

Dated: May 7, 2012

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