

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:	: Chapter 11
	: :
ST. FRANCIS' HOSPITAL, POUGHKEEPSIE, NEW YORK, et al.,¹	: Case No. 13-37725-CGM
	: :
Debtors.	: (Jointly Administered)
	: :
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**DEBTORS' JOINT PLAN OF REORGANIZATION
UNDER CHAPTER 11 OF THE BANKRUPTCY CODE DATED FEBRUARY 24, 2014**

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Dated: February 24, 2014

¹ The debtors in these Chapter 11 cases, along with the last four digits of each debtor's federal tax identification number include: St. Francis' Hospital, Poughkeepsie, New York (8503), Saint Francis Home Care Services Corporation (3842), SFH Ventures, Inc. (0024), Saint Francis Health Care Foundation, Inc. (5066), and Saint Francis Hospital Preschool Program (1079).

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St. Francis' Hospital, Poughkeepsie, New York, Saint Francis Home Care Services Corporation, SFH Ventures, Inc., Saint Francis Health Care Foundation, Inc., and Saint Francis Hospital Preschool Program, as debtors and debtors in possession, propose the following joint plan of reorganization for the resolution of outstanding Claims against the Debtors pursuant to Chapter 11 of title 11 of the United States Code. The Debtors are the proponents of this Plan and accompanying Disclosure Statement within the meaning of Bankruptcy Code Section 1129.

All holders of Claims against the Debtors are encouraged to read this Plan and the Disclosure Statement and other Plan Documents in their entirety before voting to accept or reject this Plan. The Plan Documents, once Filed, shall be available for review in the office of the clerk of the Bankruptcy Court during normal hours of operation of the Bankruptcy Court or at www.bmcgroup.com/stfrancis. Holders of Claims may also obtain a copy of the Plan Documents by contacting counsel for the Debtors by a written request sent to the above address. Each of the Plan Documents is an integral part of this Plan and is hereby incorporated by reference and made a part of this Plan.

SECTION 1. DEFINITIONS AND INTERPRETATION

A. Definitions.

The following terms used herein shall have the respective meanings defined below:

1.1 **9019 Contribution** means Cash in the aggregate sum of \$3,000,000 which the Bond Trustee shall cause to be paid to the Debtors' Estates consistent with Paragraph 9 of the Sale Order as a component of the 9019 Settlement. The 9019 Contribution shall be funded by the Bond Trustee from the sources described in **Schedule 1.1**. For the avoidance of doubt, although Schedule 1.1 states that \$300,000 of the 9019 Contribution is being contributed by other non-debtor parties, it is the obligation of the Bond Trustee to pay the full amount of the 9019 Contribution to the Debtors' Estates even if the other non-Debtor parties fail to provide said \$300,000 portion of the \$3,000,000 payment.

1.2 **9019 Settlement** means the compromise and settlement of any and all claims of the Debtors and the Estates relating to the Bond Claims, and any and all claims of the Debtors and the Estates relating to the distribution of New Hospital Bonds to holders of the Existing Bonds and the full release of any and all claims of the Debtors and the Estates against the Bond Trustee, holders of the Existing Bonds, their respective property and their respective employees, agents and professionals.

1.3 **Administrative Claim** means a Claim for payment of an administrative expense or cost of a kind specified in Bankruptcy Code Section 503(b) and referenced in Bankruptcy Code Sections 507(a)(2), 507(b) or 1114(e)(2) including, without limitation, the actual, necessary costs and expenses of preserving the Estates and operating the businesses of the Debtors, including wages, taxes incurred by the Estates and allowed as administrative expenses, and salaries, or commissions for services rendered after the commencement of these Chapter 11 Cases; provided, however, the term does not include Fee Claims, DIP Claims or U.S. Trustee Fees, which are treated separately in this Plan.

1.4 **Allowed means**, with reference to any Claim and except as otherwise expressly set forth in this Plan, (i) a Claim (a) listed in the Schedules and not described on the Schedules as zero, disputed, unliquidated or contingent or (b) described in a timely Filed proof of claim and, in each case, as to which no objection or request for estimation has been Filed on or before any deadline therefor set by the Bankruptcy Court or the expiration of such other applicable period fixed by the Bankruptcy Court or the Plan; (ii) a Claim as to which and solely to the extent any timely objection has been Filed is settled, waived, withdrawn or denied by a Final Order or in accordance with the Plan; or (iii) a Claim that is allowed (a) by a Final Order, (b) by an agreement between the holder of such Claim and the Debtors or the Reorganized Debtor(s) or (c) pursuant to the terms of the Plan. An Allowed Claim (i) includes a disputed Claim to the extent such disputed Claim becomes Allowed after the Effective Date and (ii) shall be net of any valid setoff exercised with respect to such Claim pursuant to the provisions of the Bankruptcy Code and applicable law. Unless otherwise specified in this Plan, in Section 506(b) of the Bankruptcy Code or by Final Order of the Bankruptcy Court, "Allowed" Claims shall not, for purposes of distribution under the Plan, include interest on such Claim accruing from and after the Petition Date.

1.5 **APA** means that certain Purchase and Sale Agreement dated as of February 10, 2014, by and between Debtors and Purchaser, as amended, supplemented or otherwise modified from time to time.

1.6 **APP Subordinated Claim** means the Claims held by the Archdiocesan Pension Plan evidenced by that certain Mortgage and Security Agreement dated as of March 1, 2004, the related note in favor of the Archdiocesan Pension Plan, that certain Subordination Agreement given by the Archdiocesan Pension Plan in favor of the Bond Trustee, all documents executed in connection with the foregoing, and all Claims, if any, held by the Archdiocesan Pension Plan under the Final Cash Collateral and DIP Order pursuant to the terms thereof.

1.7 **Assets** means all assets and property of the Debtors of any nature whatsoever, including, without limitation, all property of their respective Estates pursuant to Bankruptcy Code Section 541, Cash, Causes of Action, equipment, inventory, tax refunds, claims of right, interests and property, real and personal, tangible and intangible, and proceeds of any of the foregoing, including without limitation, proceeds of the Asset Sale and the proceeds of the sale of any other Assets pending disbursement. When referring to any time period prior to the Asset Sale Closing Date, Assets also means the Purchased Assets. Assets shall not include for purposes of this Plan any cash, cash equivalents, securities, investment property or other property held by the Bond Trustee or New Hospital Bonds. For purposes of distributions under this Plan "Assets" shall not include any Assets subject to restrictions that are inconsistent with the use of those Assets to satisfy Claims; the Plan Administrator shall dispose of such Assets, if any, in accordance with applicable non-bankruptcy law and the APA, if applicable.

1.8 **Asset Sale** means the Debtors' sale of, and the Purchaser's purchase of, the Purchased Assets (as defined in, and pursuant to the APA), which sale has been approved by the Sale Order, and, for purposes of Bankruptcy Code Section 1146(a), shall be made and entered into, in furtherance of, under, or in connection with this Plan.

1.9 **Asset Sale Closing Date** means the date on which the Debtors close the Asset Sale.

1.10 **Assigned Contracts** means the contracts and leases described in sections 2.1(c) and (f) of the APA, which are to be assumed and assigned to the Purchaser pursuant to Section 365 of the Bankruptcy Code in accordance with the Sale Order.

1.11 **Assumed PTO Claims** shall have the meaning set forth in Section 3.2.4 of this Plan.

1.12 **Bankruptcy Code** means Chapter 11 of title 11 of the United States Code, as now in effect or hereafter applicable to these Chapter 11 Cases.

1.13 **Bankruptcy Court or Court** means the United States Bankruptcy Court for the Southern District of New York and any court having competent jurisdiction to hear appeals or certiorari proceedings therefrom, or any successor thereto that may be established by any act of Congress, or otherwise, and which has competent jurisdiction over the Chapter 11 Cases or the Plan.

1.14 **Bankruptcy Rules** means the Federal Rules of Bankruptcy Procedure, as amended, and the local rules of the Court, as applicable to these Chapter 11 Cases.

1.15 **Bond Claim** means the Claims held by the Bond Trustee for the benefit of the holders of the Existing Bonds evidenced by the Existing Bonds and all documents executed in connection with the Existing Bonds, including but not limited to any forbearance agreements associated therewith, and all claims held by the Bond Trustee under the Final Cash Collateral and DIP Order for diminution in the Pre-Petition Bond Collateral (as defined in the Final Cash Collateral and DIP Order). For the avoidance of doubt, the Bond Claim includes the prepetition emergency advances made by the Bond Trustee in the aggregate amount of \$2.3 million.

1.16 **Bond Documents** means the trust indenture, lease agreement, mortgage and security instruments and any other agreement executed, including but not limited to any forbearance agreements, in connection with or otherwise serving as collateral in connection with the Existing Bonds. For the avoidance of doubt, the Bond Documents include all documents relating to the prepetition emergency advances made by the Bond Trustee in the aggregate amount of \$2.3 million.

1.17 **Bond Trustee** means Manufacturers and Traders Trust Company as indenture trustee under the Bond Documents, or any successor then serving as indenture trustee under any Bond Document.

1.18 **Business Day** means any day of the calendar week, except Saturday, Sunday, a "legal holiday," as defined in Bankruptcy Rule 9006(a), or any day on which commercial banks are authorized or required by law to close in Poughkeepsie, New York.

1.19 **Cash** means cash and cash equivalents including, without limitation, checks and wire transfers.

1.20 **Causes of Action** means any claim, cause of action, controversy, demand, agreement, right (including to legal or equitable remedies), action, lien, indemnity, guaranty, suit, obligation, liability, damage, judgment, account, defense, offset, power, privilege, license, and franchise of any kind or character whatsoever, known, unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity, or pursuant to any other theory of law. Causes of Action also include: (a) any right of setoff, counterclaim, or recoupment and any claim on contracts or for breaches of duties imposed by law or in equity; (b) the right to object to Claims or Interests; (c) any claim pursuant to Section 362; (d) any claim or defense including fraud, mistake, duress, and usury, and any other defenses set forth in Section 558 of the Bankruptcy Code; (e) any state law fraudulent transfer claim; (f) any claim pursuant to Sections 502(d), 544, 545, 547, 548, 550, 552(b) or 553 of the Bankruptcy Code; and (g) any claim listed in the Final Plan Supplement.

1.21 **Chapter 11** means chapter 11 of the Bankruptcy Code.

1.22 **Chapter 11 Cases** means the above-captioned cases.

1.23 **Claim** means a claim, as defined by Bankruptcy Code Section 101(5), against the Debtors or their Assets, whether or not asserted.

1.24 **Class** means a class or category of Claims as classified and described in **Section 3** of this Plan.

1.25 **Closing** means the consummation of the purchase and sale of the Purchased Assets as provided by the APA and Sale Order.

1.26 **Committee** means the official committee of unsecured creditors appointed by the U.S. Trustee pursuant to Section 1102 of the Bankruptcy Code in the Chapter 11 Cases, as constituted from time to time, but does not mean the members of the Committee in their individual capacities.

1.27 **Confirmation Date** means the date on which the clerk of the Court enters the Confirmation Order on the Court's docket.

1.28 **Confirmation Hearing** means the hearing on confirmation of this Plan pursuant to Bankruptcy Code Section 1129.

1.29 **Confirmation Order** means the order entered by the Court confirming this Plan in accordance with Chapter 11 of the Bankruptcy Code.

1.30 **Consolidated Debtors** means St. Francis' Hospital, Poughkeepsie, New York, Saint Francis Home Care Services Corporation, SFH Ventures, Inc., St. Francis Health Care Foundation, Inc. and Saint Francis Hospital Preschool Program, debtors and debtors in possession, and includes the Estates of the Consolidated Debtors, where appropriate.

1.31 **Cramdown** means the confirmation of this Plan pursuant to Section 1129(b) of the Bankruptcy Code notwithstanding any rejection by an impaired Class or Classes of holders of Claims or Interests of this Plan.

1.32 **Creditor** means a holder of a Claim.

1.33 **Cure Payment** means a payment of Cash, pursuant to Bankruptcy Code Section 365(b), by the Debtors or Purchaser in accordance with the Sale Order and on the terms and in the manner set forth in sections 2.3 and 2.5 of the APA as necessary to permit the Debtors to assume and assign to the Purchaser such executory contract or unexpired lease under Section 365 of the Bankruptcy Code.

1.34 **Debtor Released Claims** has the meaning provided in **Section 10.3** of this Plan.

1.35 **Debtors** means St. Francis' Hospital, Poughkeepsie, New York, Saint Francis Home Care Services Corporation, SFH Ventures, Inc., Saint Francis Health Care Foundation, Inc., and Saint Francis Hospital Preschool Program, debtors and debtors in possession, and includes the Estates, where appropriate.

1.36 **DIP Agent** means, collectively, MidCap Financial, LLC, MidCap Funding IV, LLC and MidCap Funding V, LLC, any other agent party to the DIP Loan Agreement from time to time, their respective successors and assigns, each in its (or their) capacity as agent under the DIP Loan Agreement.

1.37 **DIP Claims** mean any Claim of the DIP Lender or DIP Agent derived from or based upon the DIP Loan Agreement.

1.38 **DIP Facility** means any debtor-in-possession financing facility or facilities established pursuant to the DIP Loan Agreement.

1.39 **DIP Lender** means collectively MidCap Financial, LLC and MidCap Funding IV, LLC, and Midcap Funding V, LLC, any other lenders party to the DIP Loan Agreement from time to time, and each of their respective successors and assigns, each in its (or their) capacity lender under the DIP Loan Agreement.

1.40 **DIP Loan Agreement** means the credit agreements and related security agreements, mortgages and similar documents governing the DIP Facility by and between the Debtors and the DIP Lender.

1.41 **Disclosure Statement** means the Disclosure Statement with Respect to the Debtors' Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, dated February 24, 2014, as altered, modified, or amended in accordance with the Bankruptcy Code and the Bankruptcy Rules.

1.42 **Disclosure Statement Hearing** means the hearing on the Debtors' request to approve the Disclosure Statement pursuant to Bankruptcy Code Section 1125.

1.43 ***Distribution Record Date*** means the Confirmation Date, unless a different date is designated by the Confirmation Order or other order of the Bankruptcy Court.

1.44 ***District Court*** means the United States District Court for the Southern District of New York and any court having competent jurisdiction to hear appeals or certiorari proceedings therefrom, or any successor thereto.

1.45 ***DTC*** means The Depository Trust Company.

1.46 ***Effective Date*** means two (2) days after the date on which each of the conditions to this Plan's Effective Date set forth herein has either been satisfied or waived in accordance with this Plan.

1.47 ***Estates*** means the estates of the Debtors created by the Debtors' Chapter 11 Cases pursuant to Bankruptcy Code Section 541.

1.48 ***Excluded Assets*** means Assets not included as Purchased Assets in the Asset Sale, all as more particularly described in the APA, and including, without limitation, Receivables. For the avoidance of doubt, Purchaser is not acquiring any cash, cash equivalents, securities, investment property or other property held by the Bond Trustee but such property shall not constitute Excluded Assets for purposes of this Plan.

1.49 ***Exculpated Claim*** means any claim related to any act or omission in connection with, relating to or arising out of the Debtors' in or out of court restructuring efforts, the Chapter 11 Cases, formulation, preparation, dissemination, negotiation or filing of the Disclosure Statement or this Plan or any contract, instrument, release or other agreement or document created or entered into in connection with the Disclosure Statement or this Plan, the filing of the Chapter 11 Cases, the pursuit of confirmation of this Plan, the administration and implementation of this Plan, the Asset Sale, the issuance of the New Hospital Bonds, the execution and delivery of the New Hospital Bond Documents, the execution and delivery of the Exit Facility and the Services Agreement or the distribution of property under the Plan or any other related agreement; ***provided, however***, that Exculpated Claims shall not include any act or omission that is determined in a Final Order to have constituted gross negligence, willful misconduct or fraud. For the avoidance of doubt, no Cause of Action, obligation or liability specifically identified in or preserved by the Plan, the Disclosure Statement, or the Final Plan Supplement constitutes an Exculpated Claim.

1.50 ***Exculpated Party*** means each of: (i) the Committee, (ii) the members of the Committee solely in their capacity as members of the Committee, (iii) the Post Effective Date Committee, (iv) the members of the Post Effective Date Committee solely in their capacity as members of the Post Effective Date Committee, (v) each holder of the Existing Bonds solely in their capacity as holders of the Existing Bonds, (vi) the Bond Trustee solely in its capacity as Bond Trustee, (vii) the DIP Lender solely in its capacity as DIP Lender, (viii) the DIP Agent solely in its capacity as DIP Agent, (ix) the Purchaser solely in its capacity as the Purchaser, and (ix) the Plan Administrator, solely in his or her capacity as Plan Administrator and their respective current and former officers, directors, members, managers, employees, attorneys and advisors, each solely in their respective capacities as such. Exculpated Party also means, with

respect to post Petition Date conduct only, each of the Debtors and their respective current and former officers, directors, members, managers, employees, attorneys and advisors, each solely in their respective capacities as such.

1.51 **Existing Bonds** means the Series 2004 Bonds and Series 2007 Bonds.

1.52 **Exit Facility** means the secured loan facility or facilities established in the principal amount and with the attributes described in section 3.3(a) of the APA, in the form contained in the Final Plan Supplement which Exit Facility shall be on terms and conditions acceptable to the Purchaser in its sole and absolute discretion.

1.53 **Facility** means the Debtors' acute care hospital facility located in Poughkeepsie, New York.

1.54 **Fee Claim** means a Claim for compensation for legal and other services and reimbursement of expenses allowed or awarded under Bankruptcy Code Sections 328, 330(a), 331, and/or 503(b).

1.55 **File or Filed** means properly filed with the clerk of court of the Bankruptcy Court in the Chapter 11 Cases, as reflected on the official docket of the clerk of court of the Bankruptcy Court for the Chapter 11 Cases.

1.56 **Final Cash Collateral and DIP Order** means that certain "*Final Order: (i) Authorizing Debtors (A) to Obtain Postpetition Secured, Superpriority Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 363 and 364 and (B) to Utilize Cash Collateral Pursuant to 11 U.S.C. § 363; and (ii) Granting Adequate Protection to Pre-Petition Indenture Trustee and the Archdiocesan Pension Plan Pursuant to 11 U.S.C. §§ 361, 362, 363 and 364*" entered in the Chapter 11 Cases as Docket No. 235.

1.57 **Final Order** means an order or judgment of the Bankruptcy Court or any other court of competent jurisdiction that has not been reversed, vacated, or stayed and as to which (a) the time to appeal, petition for certiorari, or move for a stay, new trial, reargument, or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for stay, new trial, reargument, or rehearing shall then be pending or (b) if an appeal, writ of certiorari, stay, new trial, reargument, or rehearing has been sought, (i) such order or judgment shall have been affirmed by the highest court to which such order was appealed, certiorari shall have been denied, or a stay, new trial, reargument, or rehearing shall have been denied or resulted in no modification of such order, and (ii) the time to take any further appeal, petition for certiorari, or move for a stay, new trial, reargument or rehearing shall have expired; provided, however, that the possibility that a motion under Section 502(j) of the Bankruptcy Code, Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or applicable state court rules of civil procedure may be, but has not been, filed with respect to such order shall not cause such order not to be a Final Order.

1.58 **Final Plan Supplement** means the compilation of documents and forms of documents, schedules, and exhibits to this Plan to be filed not less than seven days prior to the date on which the Confirmation Hearing is commenced, including the form of the Exit Facility, the Services Agreement and related documents as necessary to implement the terms of this Plan.

1.59 **Impaired** means, with respect to any Class, that such Class is “impaired” under the Plan within the meaning of Section 1124 of the Bankruptcy Code.

1.60 **Initial Plan Supplement** means the compilation of documents and forms of documents, schedules, and exhibits to this Plan to be filed not less than seven days prior to the date on which the Disclosure Statement Hearing is commenced, including: forms of New Hospital Bond Documents, the disclosure of the Plan Administrator and related documents as necessary to implement the terms of this Plan.

1.61 **Intercompany Claim** means any Claim against a Debtor by any other Debtor, whether arising prior to or after the Petition Date.

1.62 **Interest** means the interest of any holder of an equity security of any Debtor, within the meaning of Bankruptcy Code Section 101(16), (17), represented by any issued and outstanding shares of common or preferred stock or other instrument evidencing a present ownership or membership interest in any of the Debtors, whether or not transferable, or any option, warrant, or right, contractual or otherwise, to acquire any such interest, including a partnership, limited liability company or similar interest in a Debtor.

1.63 **New Hospital Bond Documents** means the indenture and other documents evidencing, securing or otherwise relating to the New Hospital Bonds, to implement the terms of this Plan, all substantially in the forms and with terms acceptable to the Bond Trustee and Purchaser and attached to the Initial Plan Supplement, to be entered into and effective on the Effective Date.

1.64 **New Hospital Bonds** means the secured hospital revenue bonds in the principal amount of \$27,352,000 and with the attributes described in **Schedule 1.64**, and with such other terms as are acceptable to the Bond Trustee and Purchaser and set forth in the Initial Plan Supplement. The New Hospital Bonds shall be issued pursuant to the New Hospital Bond Documents.

1.65 **Person** means an individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, estate, unincorporated organization, governmental unit, government (or agency or political subdivision thereof), or other entity, including, without limitation, the Debtors.

1.66 **Petition Date** means December 17, 2013.

1.67 **Plan** means this Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, dated February 24, 2014, as altered, modified, or amended in accordance with the Bankruptcy Code and the Bankruptcy Rules.

1.68 **Plan Administrator** means the Person designated by the Debtors as the representative of the Debtors and the Estates with the consent of the Committee and approved by the Court in the Confirmation Order for purposes of administering and consummating this Plan and any successor appointed pursuant to this Plan. The proposed initial Plan Administrator shall be identified in the Initial Plan Supplement.

1.69 **Plan Documents** means the Plan, the Initial Plan Supplement, the Final Plan Supplement, the Disclosure Statement, the New Hospital Bond Documents, the Exit Facility documents and all exhibits and schedules attached thereto, either in their present form or as each may be amended, supplemented, or otherwise modified from time to time.

1.70 **Post Confirmation Administrative Reserve** means the Cash reserve in an amount equal to the remaining funds held by the Debtors and/or Reorganized Debtors after payment or reserve for Administrative Claims, Fee Claims, Priority Tax Claims, claims for U.S. Trustee Fees, Secured Tax Claims, Secured Claims, and Unsecured Priority Claims.

1.71 **Post Effective Date Committee** means the Committee as it shall function after the Effective Date as more fully described in **Section 5.17** of this Plan.

1.72 **Priority Tax Claim** means a Claim of a governmental unit of a kind entitled to priority under Bankruptcy Code Section 507(a)(8).

1.73 **Professionals** means all professionals employed in these Chapter 11 Cases pursuant to Bankruptcy Code Sections 327 and 1103.

1.74 **Purchased Assets** means those Assets of the Debtors that the Purchaser shall acquire pursuant to the APA at the Closing, including substantially all assets of the Debtors used in connection with or related to the Facility, all as more specifically described in the APA; provided however, Purchased Assets do not include Excluded Assets.

1.75 **Purchaser** means Westchester County Health Care Corporation or such designee(s) that may be designated to acquire all or substantially all of the Purchased Assets pursuant to the APA.

1.76 **Receivables** means all accounts, notes, interest and other receivables of the Debtors, and all claims, rights, interests and proceeds related thereto, including all accounts and other receivables, and cost report settlements related thereto, arising from the rendering of services to inpatients and outpatients billed and unbilled, recorded and unrecorded for services provided by the Debtors whether payable by private pay patients, private insurance, third party payors, Medicare, Medicaid or by any other source.

1.77 **Released Claims** has the meaning provided in Section 10.4 of this Plan.

1.78 **Released Parties** means (i) the Committee, (ii) the members of the Committee solely in their capacity as members of the Committee, (iii) each holder of the Existing Bonds solely in their capacity as holders of the Existing Bonds, (iv) the Bond Trustee solely in its capacity as Bond Trustee, (v) the DIP Lender solely in its capacity as DIP Lender, (vi) the DIP Agent solely in its capacity as DIP Agent, and (vii) the Purchaser solely in its capacity as the Purchaser and their respective current and former officers, directors, members, managers, employees, attorneys and advisors, each solely in their respective capacities as such.

1.79 **Reorganized Debtors** means the Debtors upon the occurrence of and from and after the Effective Date.

1.80 ***Sale Order*** means the order entered by the Bankruptcy Court approving the sale of the Purchased Assets to the Purchaser on February 24, 2014.

1.81 ***Schedules*** means the schedules of assets and liabilities and the statements of financial affairs filed by the Debtors as required by Section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, as amended or supplemented through the Effective Date.

1.82 ***Secured Claim*** means a Claim of a Creditor that is secured by property of the Estates, to the extent such Claim has a non-avoidable security interest in the underlying collateral with priority over the Bond Claim in such collateral, and in each case solely to the extent of the value of the Creditor's interest in the Estates' interest in such property, as provided in Bankruptcy Code Section 506(a). Subject to the same conditions, Secured Claim also means a Claim of a creditor that is subject to setoff under Bankruptcy Code Section 553, to the extent of the amount subject to setoff, as provided in Bankruptcy Code Section 506(a). Secured Claims include, but are not limited to, obligations to capital equipment lessors to the extent they possess the attributes set forth in this **Section 1.82**.

1.83 ***Secured Tax Claim*** means any Secured Claim that, absent its secured status, would be entitled to priority in right of payment under Bankruptcy Code Section 507(a)(8) (determined irrespective of any time limitations therein), and including any related Secured Claim for penalties.

1.84 ***Series 2004 Bonds*** means those certain civic facility revenue bonds issued in 2004 for the benefit of the Debtors by the Dutchess County Industrial Development Agency (Dutchess County, New York) in the original principal amount of \$28,035,000.

1.85 ***Series 2007 Bonds*** means those certain civic facility revenue bonds issued in 2007 for the benefit of the Debtors by the Dutchess County Industrial Development Agency (Dutchess County, New York) in the original principal amount of \$9,500,000.

1.86 ***Services Agreement*** means that certain services agreement executed by the Debtors and Purchaser at the Closing for the provision of the billing and collection of Receivables by Purchaser to Debtors and/or Reorganized Debtors, after the Closing, with respect to services rendered by the Debtors prior to the Closing (other than to Transition Patients, as defined in the APA) and certain other services, substantially in the form attached to the APA as **Exhibit D**.

1.87 ***Subordinated Claim*** means a Claim subordinated to Unsecured Claims under Bankruptcy Code Section 510 or by the terms of an agreement enforceable under applicable law. For the avoidance of doubt, Subordinated Claims do not include the APP Subordinated Claim.

1.88 ***Unsecured Claim*** means a Claim that is (a) not secured by property of the Estates or otherwise entitled to treatment as a Secured Claim under Bankruptcy Code Section 506, (b) is not otherwise entitled to priority under Bankruptcy Code Sections 503 or 507, and/or (c) is not otherwise an Administrative Claim, Fee Claim, Priority Tax Claim, DIP Claim, claim for U.S. Trustee Fees, Secured Tax Claim, Bond Claim, Secured Claim, Unsecured Priority Claim, Subordinated Claim or an Intercompany Claim. Unsecured Claims include,

without limitation, Claims arising from the rejection of executory contracts and unexpired leases that are not otherwise Secured Claims, Unsecured Deficiency Claims, the APP Subordinated Claim, and any Claim arising prior to the Petition Date asserted or which can be asserted against any of the Consolidated Debtors on account of or related to such Consolidated Debtor's purported liability resulting either from the provision of medical services, including personal injury or wrongful death claims, or any other person injury or worker's compensation claim.

1.89 *Unsecured Deficiency Claim* means any portion of a Claim to the extent that the value of the Estates' interest in any property securing the Claim is less than the amount of the Claim, or to the extent that the amount of any such Claim subject to setoff is less than the amount of such Claim, as determined pursuant to Bankruptcy Code Section 506(a).

1.90 *Unimpaired* means, with respect to any Class, that such Class is not Impaired.

1.91 *Unsecured Priority Claim* means a Claim that is not secured by property of the Estates or otherwise entitled to treatment as a Secured Claim under Bankruptcy Code Section 506, but is entitled to priority under Bankruptcy Code Sections 507(a)(4) and 507(a)(5), if Allowed.

1.92 *U.S. Trustee Fees* means all fees and charges assessed against the Estates of the Debtors under 28 U.S.C. § 1930 of the United States Code.

1.93 *Wage Order* means the *Final Order: (i) Authorizing, But Not Requiring, Debtors to Pay (A) Prepetition Wages, Salaries and Other Compensation, and (B) Maintain Benefits Programs; and (ii) Authorizing and Directing Banks to Honor All Related Checks and Electronic Payment Requests* [Docket No. 201].

B. Interpretation: Application of Definitions and Rules of Construction.

Unless otherwise specified, all Section or Exhibit references in this Plan are to the respective section in, or exhibit to, the Plan, as the same may be amended, waived, or modified from time to time. The words "herein," "hereof," "hereto," "hereunder," and other words of similar import refer to the Plan as a whole and not to any particular section, subsection, or clause contained therein. A term used herein that is not defined herein shall have the meaning assigned to that term in the Bankruptcy Code. The rules of construction contained in Section 102 of the Bankruptcy Code shall apply to the Plan. The headings in this Plan are for convenience of reference only and shall not limit or otherwise affect the provisions hereof. Unless otherwise provided, any reference in this Plan to an existing document, Exhibit or Schedule means such document, Exhibit or Schedule as it may have been amended, restated, revised, supplemented or otherwise modified. If a time or date is specified for any payments or other distribution under the Plan, it shall mean on or as soon as reasonably practicable thereafter. Further, where appropriate from a contextual reading of a term, each term includes the singular and plural form of the term regardless of how the term is stated and each stated pronoun is gender neutral.

SECTION 2. TREATMENT OF ADMINISTRATIVE CLAIMS, PRIORITY TAX CLAIMS, AND U.S. TRUSTEE FEES

2.1 *Administrative Claims.* In accordance with Bankruptcy Code Section 1123(a)(1), Administrative Claims have not been classified and are treated as described in this **Section 2** of this Plan. Except as otherwise provided in this Plan, by written agreement of the holder of an Allowed Administrative Claim to accept different and less favorable treatment than provided under this Plan, or by order of the Court, a Person holding an Allowed Administrative Claim will receive Cash equal to the unpaid portion of such Allowed Administrative Claim as soon as practicable after the later of: (a) the third Business Day after the Effective Date; (b) the date on which such Person becomes the holder of such an Allowed Administrative Claim; or (c) the date or dates when that Claim is payable by its terms, consistent with past practice and in accordance with past terms.

2.2 *Fee Claims.* In accordance with Bankruptcy Code Section 1123(a)(1), Fee Claims have not been classified and are treated as described in this **Section 2** of this Plan. Except as otherwise provided in this Plan, by written agreement of the holder of an Allowed Fee Claim to accept different and less favorable treatment than provided under this Plan, or by order of the Court, a Person holding an Allowed Fee Claim will receive Cash equal to the unpaid portion of such Allowed Fee Claim which has come due for payment under any applicable order or law, as soon as practicable after the later of: (a) the third Business Day after the Effective Date; or (b) the date on which such Person becomes the holder of such an Allowed Fee Claim.

2.3 *Priority Tax Claims.* In accordance with Bankruptcy Code Section 1123(a)(1), Priority Tax Claims have not been classified and are treated as described in this **Section 2** of this Plan. Allowed Priority Tax Claims, including but not limited to, any delinquent amounts and costs, if any, relating to the assets being sold pursuant to the Asset Sale, shall be paid by the Debtors. Unless otherwise agreed by the holders of the Allowed Priority Tax Claims to accept different and less favorable treatment than provided under this Plan, or by order of the Court, any Person holding an Allowed Priority Tax Claim will receive, as determined by the Plan Administrator in its sole discretion and in full satisfaction of such Claim: (a) payment in Cash in full on the later of the Effective Date or the date such Claim becomes an Allowed Claim; or (b) Cash over a period not exceeding five (5) years after date of assessment of such Claim, with interest at a rate equal to four percent (4%) per year, payable monthly, in periodic payments, having the value of such Claim as of the Effective Date. Any Claim for or demand for penalty relating to any Priority Tax Claim other than a penalty of the type specified in Section 507(a)(8)(G) of the Bankruptcy Code shall not be Allowed and the holder of an Allowed Priority Tax Claim shall not assess or attempt to collect such penalty from the Estates or any of the Assets.

2.4 *DIP Claims.* Except to the extent that a holder of an Allowed DIP Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release and discharge of and in exchange for each and every Allowed DIP Claim, each holder of an Allowed DIP Claim shall receive, on the Effective Date, in full satisfaction of such Claim, payment in full in Cash.

2.5 *U.S. Trustee Fees.* U.S. Trustee Fees include all fees and charges assessed against the Debtors under Chapter 1930 of title 28, United States Code. All U.S. Trustee Fees will be paid in full by the Debtors or Plan Administrator, as the case may be, as they become due and owing.

SECTION 3. CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

3.1 *Classification and Specification of Treatment of Claims.* All Claims, except those described in **Section 2**, are placed in the following Classes of Claims, pursuant to Bankruptcy Code Section 1123(a)(1), which section specifies the treatment of such Classes of Claims and of their impaired or unimpaired status, pursuant to Bankruptcy Code Sections 1123(a)(2) and 1123(a)(3). 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 that the Claim qualifies within the description of that different Class. A Claim is in a particular Class only to the extent that the Claim is an Allowed Claim in that Class and has not been paid, released, withdrawn, waived, or otherwise satisfied under this Plan. Unless this Plan expressly provides otherwise, when a Class includes a subclass, each subclass is a separate Class for all purposes under the Bankruptcy Code, including, without limitation, voting and distribution.

Subject to all other applicable provisions of this Plan (including its distribution provisions), classified Claims shall receive the treatment set forth below. This Plan will not provide any distributions on account of a Claim to the extent that such Claim has been disallowed, released, withdrawn, waived, or otherwise satisfied or paid as of the Effective Date, including, without limitation, payments by third parties. Except as specifically provided in this Plan, this Plan will not provide any distributions on account of a Claim, the payment of which has been assumed by a third party. Except as otherwise specifically provided in this Plan or by further order of the Court, all treatment, allowances, or payments of Claims which have been specified or otherwise fixed or required by order of the Court shall not be impaired by this Plan and the rights of the holders of such Claims as provided in such orders shall not be altered by this Plan. Any holder of any Claim in any Class may agree, pursuant to Bankruptcy Code Section 1123(a)(4), to a treatment of such Claim that is less favorable (but not more favorable) than any other Claim in such Class.

3.2 *Classes of Claims.*

3.2.1 Class 1 – Secured Tax Claims. This Class consists of all Allowed Secured Tax Claims. Each Allowed Claim in this Class shall be assumed by the Purchaser pursuant to the terms of the APA as part of the Asset Sale.

3.2.2 Class 2 – Bond Claim. This Class consists of the Bond Claim, which shall be Allowed on the Effective Date and not subject to reduction, disallowance, avoidance, setoff, recoupment or subordination. On the Effective Date, each holder of Existing Bonds as of the Distribution Record Date shall be deemed to surrender and exchange its Existing Bonds and shall receive a *pro rata* amount of New Hospital Bonds. On and after the Effective Date, each holder of Existing Bonds as of the Distribution Record Date shall additionally be entitled to receive a *pro rata* distribution of Cash or proceeds from any cash equivalents,

securities, investment property or other property held by the Bond Trustee after payment of or reserve for fees and expenses of the Bond Trustee and its professionals. The treatment set forth in this **Section 3.2.2** and in this Plan shall be in full and complete satisfaction of the Bond Claim.

3.2.3 **Class 3 – Secured Claims.** This Class consists of all Allowed Secured Claims other than the Bond Claim. Each Allowed Claim in this Class shall be in a separate subclass. Unless otherwise agreed by the applicable holder of an Allowed Claim in this Class to accept different and less favorable treatment than provided under this Plan, or by order of the Court, each holder of an Allowed Claim in this Class will receive, at the election of the Plan Administrator: (a) payment of Cash in the amount of such holder's Allowed Secured Claim on or as soon as reasonably practicable after the later of (i) the Effective Date and (ii) the date such Claim becomes Allowed; (b) the return of the property subject to the senior, perfected, non-avoidable, and indefeasible lien or security interest securing such holder's Allowed Secured Claim; or (c) the payment of any amounts agreed to be paid by the Purchaser with respect to such holder's Allowed Secured Claim, as assignee, pursuant to the Asset Sale. Any excess amount of a Class 3 Claim over the fair market value of the collateral securing such Claim, and any Secured Claim that does not have priority over the Bond Claim, shall constitute an Unsecured Deficiency Claim, which Claim shall be classified as a Class 5 Claim.

3.2.4 **Class 4 – Unsecured Priority Claims.** This Class consists of all Allowed Unsecured Priority Claims. Unless otherwise agreed by the applicable holder of an Allowed Claim in this Class to accept different and less favorable treatment, each holder of an Allowed Unsecured Priority Claim which has not been satisfied as of the Effective Date shall receive Cash in the amount of such holder's Allowed Unsecured Priority Claim on or as soon as reasonably practicable after the later of (i) the Effective Date and (ii) the date on which such Claim becomes Allowed. Subject to, and in accordance with the terms of the APA, a professional employment organization ("**PEO**") designated by the Purchaser, (or, in the case of physicians a professional corporation or other authorized entity designated by the Purchaser) shall, to the extent it re-hires employees that were employed by the Debtors immediately prior to the Closing, award those employees credit for any accrued and unused paid time off that the employees have with the Debtors at the time of the Closing (the "**PTO Credit**"); provided, however that (i) the PTO Credit shall not exceed any cap that Purchaser places on the accrual of paid time off for its employees, and (ii) except to the extent required by applicable law, such hired employees shall not have the option to receive cash in respect of the PTO Credit. Any potential employees shall be required to be in good standing with the Debtors and, to the extent previously employed by Purchaser, shall also have been in good standing with Purchaser prior to their termination. The (i) amount of any such PTO Credit received by any former employee of the Debtors and (ii) the amount of any PTO used by such employee after the Petition Date in accordance with the Wage Order shall be offset against any Allowed Priority Claim that such employee holds against the Estates.

3.2.5 **Class 5 – Unsecured Claims.** This Class consists of all Allowed Unsecured Claims. Unless otherwise agreed by the applicable holder of an Allowed Claim in this Class to accept different and less favorable treatment, each holder of an Allowed Unsecured Claim shall be entitled to receive such holder's *pro rata* share of Cash available from the liquidation or disposition of the Assets after payment of or reserve for Allowed Claims described in **Sections 2, 3.2.3 and 3.2.4** of this Plan on the later of: (a) the date or dates determined by the

Plan Administrator, to the extent there is Cash available for distribution in the judgment of the Plan Administrator, having due regard the anticipated and actual expenses, the likelihood and timing of the process of liquidating; and (b) the date on which there is a Final Order allowing such Claim.

3.2.6 Class 6 – Subordinated Claims. This Class consists of all Allowed Subordinated Claims. Each holder of an Allowed Claim in this Class shall receive no distribution on account of such Claims.

3.2.7 Class 7 – Interests. Each holder of an Interest in the Debtors will not receive any distribution on account of such Interest. Each such Interest shall not receive or retain an Interest in the Debtors, the Estates, or other property or interests of the Debtors on account of such Interests.

SECTION 4. ACCEPTANCE OR REJECTION OF THE PLAN

4.1 *Impaired Classes Vote*. In accordance with Section 1126(c) of the Bankruptcy Code and except as provided in Section 1126(e) of the Bankruptcy Code, an Impaired Class of Claims shall have accepted this Plan if this Plan is accepted by the holders of at least two-thirds ($\frac{2}{3}$) in dollar amount and more than one-half ($\frac{1}{2}$) in number of the Allowed Claims of such Class that have timely and properly voted to accept or reject this Plan.

4.2 *Presumed Acceptance of the Plan*. Classes 1, 3 and 4 are Unimpaired under this Plan and are, therefore, conclusively presumed to have accepted this Plan pursuant to Section 1126(f) of the Bankruptcy Code.

4.3 *Presumed Rejection of the Plan*. Classes 6 and 7 are not entitled to receive or retain any property under this Plan and are, therefore, conclusively presumed to have rejected this Plan pursuant to Section 1126(g) of the Bankruptcy Code.

4.4 *Voting Class*. Classes 2 and 5 are Impaired, and the holders of Claims in those Classes are entitled to vote on the Plan.

4.5 *Nonconsensual Confirmation*. The Debtors request entry of a Confirmation Order under Bankruptcy Code Section 1129(a). With respect to any Impaired Class, including any Class of Claims or Interests created pursuant to amendments or modifications to this Plan, that does not accept the Plan, the Debtors request that the Bankruptcy Court confirm this Plan by Cramdown with respect to any such non-accepting Class or Classes at the Confirmation Hearing, and the filing of this Plan shall constitute a motion for such relief.

SECTION 5. MEANS FOR IMPLEMENTATION OF PLAN

5.1 *Consummation of Sale Transaction*. On the Effective Date, the Debtors shall consummate the sale transaction pursuant to the terms of the Sale Order and APA.

5.2 *Funding for this Plan*. This Plan will be funded from the 9019 Contribution, the proceeds of the Asset Sale, the Exit Facility and all other remaining Assets of the Debtors that are not Purchased Assets, including Cash and charitable contributions of third-

parties specifically designated for such purpose. On the Effective Date, the 9019 Contribution shall be remitted to the Reorganized Debtors and the Reorganized Debtors shall take all action necessary to execute the Exit Facility documents.

5.3 **Implementation.** This Plan will be implemented by the Plan Administrator in a manner consistent with the terms and conditions set forth in this Plan and the Confirmation Order. All actions taken under this Plan in the name of the Debtors or Reorganized Debtors, as applicable, shall be taken through the Plan Administrator. As set forth more fully in this Plan, the Plan Administrator shall be responsible for the liquidation of the Reorganized Debtors' remaining Assets, administration of the Plan and the wind-down of the Reorganized Debtors and their Estates post-Effective Date. On the Effective Date, the Reorganized Debtors' Boards of Directors shall be relieved of all further responsibilities, and the Reorganized Debtors' Directors shall be deemed to have resigned therefrom, and the operation of the Reorganized Debtors shall become the general responsibility of the Plan Administrator.

5.4 **Corporate Action.** All matters provided under this Plan involving the corporate structure of the Reorganized Debtors or corporate action to be taken by or required of the Reorganized Debtors, shall be deemed to have occurred and be effective as provided herein, and shall be authorized and approved in all respects without any requirement or further action by directors of the Reorganized Debtors.

5.5 **Vesting of Assets in the Debtors.** As of the Effective Date, and except as otherwise provided in this Plan, pursuant to the provisions of Bankruptcy Code Section 1141(b) and (c), all Assets shall vest in the Reorganized Debtors free and clear of all Claims, liens, encumbrances, charges, membership interests and other interests, subject to the terms and conditions of this Plan and the Confirmation Order. Notwithstanding the foregoing, the indenture trustee for the holders of the New Hospital Bonds and the holders thereof shall have all rights, liens and claims set forth in and under the New Hospital Bond Documents, the Exit Facility will be secured as specified in this Plan, and all holders of Allowed Claims shall be entitled to the treatment specified in this Plan.

5.6 **Continuing Existence.** From and after the Effective Date, the Reorganized Debtors shall continue in existence for the purposes of (i) winding up their affairs as expeditiously as reasonably possible, (ii) liquidating, by conversion to Cash, or other methods, all remaining Assets, as expeditiously as reasonably possible, (iii) enforcing and prosecuting claims, interests, rights and privileges of the Reorganized Debtors, including, without limitation, the prosecution of Causes of Action, (iv) resolving disputed Claims, (v) administering this Plan, (vi) filing all final cost reports reflecting the Debtors' operation of the Facility prior to the Closing and (vii) filing appropriate tax returns. All of the foregoing actions shall be taken by the Plan Administrator on behalf of the Reorganized Debtors. Following the Effective Date, the Reorganized Debtors shall not engage in any business activities or take any actions, except those necessary to consummate this Plan and wind up the affairs of the Reorganized Debtors.

5.7 **Substantive Consolidation of Consolidated Debtors for Plan Purposes.** The Plan shall constitute a motion, pursuant to Section 105(a) of the Bankruptcy Code, to substantively consolidate the Consolidated Debtors. Subject to the occurrence of the Effective Date and effective on the Effective Date, the Consolidated Debtors shall be substantively

consolidated for all of those purposes and actions associated with confirmation and consummation of the Plan. On and after the Effective Date, (a) all assets and liabilities of each of the Consolidated Debtors shall be treated as though they were merged into a single Estate solely for purposes of the Plan, (b) for all purposes associated with the Plan, the Estates of each of the Consolidated Debtors shall be deemed to be one consolidated estate, and (c) each and every Claim filed, to be filed in the Chapter 11 Cases or otherwise asserted against any of the Consolidated Debtors shall be deemed filed against the merged estate. In accordance with the foregoing, all Intercompany Claims shall be extinguished and shall not be entitled to any distributions under the Plan. All guarantees of any Debtor of the obligations of any other Debtor shall be deemed eliminated and extinguished so that any Claim against any Debtor and any guarantee thereof executed by any other Debtor and any joint and several liability of any of the Debtors shall be deemed to be one obligation of the Consolidated Debtors.

5.8 ***The 9019 Settlement.*** The distributions provided for hereunder with respect to the Bond Claim incorporate and reflect the 9019 Settlement including, *inter alia*, the 9019 Contribution, the treatment for Class 2 Claims under this Plan, and the release terms relating to the Existing Bonds hereunder. The Plan shall constitute a motion to approve the 9019 Settlement. Subject to the occurrence of the Effective Date, entry of the Confirmation Order shall constitute approval of the 9019 Settlement pursuant to Bankruptcy Rule 9019 and a finding by the Bankruptcy Court that the 9019 Settlement is in the best interest of the Debtors and their Estates. If the Effective Date does not occur, the 9019 Settlement shall be deemed to have been withdrawn without prejudice to the respective positions of the parties.

5.9 ***Issuance of New Hospital Bonds; Exemption From Securities Laws.*** The New Hospital Bonds shall be issued pursuant to and in accordance with the New Hospital Bond Documents on or in connection with the Effective Date. The issuance of the New Hospital Bonds shall be exempt from registration under any federal, state or local law, rule or regulation pursuant to Section 1145 of the Bankruptcy Code or other applicable law. Any person who solicits or participates in the offer, issuance, sale or purchase of the New Hospital Bonds issued under, or in accordance with, this Plan, in good faith and in compliance with the applicable provisions of the Bankruptcy Code, is not liable, on account of such solicitation or participation, for violation of an applicable law, rule or regulation governing solicitation of acceptance or rejection of this Plan or the offer, issuance, sale or purchase of securities pursuant thereto.

5.10 ***Causes of Action.*** Except as otherwise set forth in this Plan, all Causes of Action of the Debtors shall survive confirmation and the commencement and/or prosecution of such Causes of Action shall not be barred or limited by any estoppel, whether judicial, equitable or otherwise. The Plan Administrator shall have the authority to commence and/or prosecute Causes of Action of the Debtors.

5.11 ***Agreements, Instruments, and Documents.*** All organizational agreements, charter documents, instruments, and documents required under this Plan to be executed or implemented, together with such others as may be necessary, useful or appropriate in order to effectuate this Plan shall be executed on or before the Effective Date or as soon thereafter as is practicable.

5.12 ***Closing of the Debtors' Chapter 11 Cases.*** When all disputed Claims filed against the Debtors have become Allowed Claims or have been disallowed, and all Assets have been liquidated and converted into Cash (other than those Assets abandoned), and such Cash has been distributed in accordance with this Plan, or at such earlier time as the Plan Administrator deems appropriate, the Plan Administrator shall seek authority from the Court to close the Reorganized Debtors' Chapter 11 Cases in accordance with the Bankruptcy Code and the Bankruptcy Rules.

5.13 ***Corporate Dissolution.*** Upon the distribution of all Assets pursuant to this Plan and the filing by the Plan Administrator of a certification to that effect with the Court (which may be included in the application for the entry of the final decree), the Reorganized Debtors shall be deemed dissolved for all purposes without the necessity for any other or further actions to be taken by or on behalf of Reorganized Debtors or payments to be made in connection therewith, ***provided, however,*** that the Reorganized Debtors may take appropriate action to dissolve under applicable law and provide for the appropriate disposition of any restricted charitable donations consistent with their obligations under the APA. From and after the Effective Date, the Reorganized Debtors shall not be required to file any document, or take any action, to withdraw their business operations from any states where the Reorganized Debtors previously conducted business.

5.14 ***Bar Date for Fee Claims.*** Each Person retained or requesting compensation in these Chapter 11 Cases, pursuant to Bankruptcy Code Sections 330, 331, and/or 503(b), must file with the Court an application for allowance of any Fee Claims within forty five (45) days after the Effective Date. All such Fee Claims for which an application is not timely filed shall be forever barred. Objections to each such application may be filed in accordance with the Bankruptcy Rules. The Court shall determine all such Fee Claims.

5.15 ***Bar Date for Other Administrative Claims.*** Unless this Plan or the Court fixes a different date, with the exception of Fee Claims, all Administrative Claims must be filed no later than thirty (30) days after the Effective Date. All such Claims not timely filed shall be forever barred. The Plan Administrator may object to the allowance of any such Claim filed before, on, or after the Effective Date.

5.16 ***Further Authorization.*** The Reorganized Debtors or the Plan Administrator shall be entitled to seek such orders, judgments, injunctions and rulings from the Court, in addition to those specifically listed in this Plan, as may be necessary to carry out the intentions and purposes, and to give full effect to the provisions of this Plan. The Court shall retain jurisdiction to enter such orders, judgments, injunctions and rulings.

5.17 ***Post Effective Date Committee.*** On the Effective Date, the Committee shall continue as the Post Effective Date Committee until such time as all distributions on account of all Allowed Unsecured Claims have been completed, at which time the Post Effective Date Committee shall be dissolved and all requirements in the Plan respecting the approval of or consultation with the Post Effective Date Committee shall be terminated. The Post Effective Date Committee shall be comprised of the members of the Committee, unless any particular member thereof opts not to be a member thereof. If a member of the Post Effective Date Committee resigns or is removed, a replacement who holds an Unsecured Claim against the

Debtors may be appointed by the remaining members. The Post Effective Date Committee's role shall be to consult with the Plan Administrator and to perform the functions set forth in the Plan. The Post Effective Date Committee shall have the power and authority to utilize the services of its counsel as necessary to perform the duties of the Post Effective Date Committee and to authorize and direct such Persons to act on behalf of the Post Effective Date Committee in connection with any matter requiring its attention or action. The members of the Post Effective Date Committee shall serve without compensation.

5.18 *Post Effective Date Fees and Expenses.* From and after the Effective Date, the Reorganized Debtors and their Estates shall be responsible for the payment of all reasonable and necessary fees and expenses of professionals retained by the Post Effective Date Committee from the Post Confirmation Administrative Reserve. The Post Effective Date Committee shall submit invoices to the Plan Administrator and if no objection to such invoices are received within ten (10) days of service, the Plan Administrator may pay such invoice without the need for Court approval. If a timely objection is received the Plan Administrator may pay the undisputed portion of such invoice, may pay the disputed portion of such invoice upon resolution, and any unresolved dispute shall be resolved by the Court.

SECTION 6. PLAN PROVISIONS REGARDING PLAN ADMINISTRATOR

6.1 *Appointment of the Plan Administrator.* The Confirmation Order shall provide for the appointment of the Plan Administrator. The Debtors shall file a notice identifying the Plan Administrator and the Plan Administrator's hourly rate as part of the Initial Plan Supplement. The Plan Administrator shall be a third-party non-affiliate of the Debtors with sufficient expertise and experience liquidating a Chapter 11 case. The Plan Administrator shall be deemed the Estates' representative in accordance with Bankruptcy Code Section 1123 and shall have all powers, authority and responsibilities specified in this Plan, including, without limitation, the powers of a trustee under Bankruptcy Code Sections 704 and 1106.

6.2 *Powers and Duties of the Plan Administrator.* The Plan Administrator will act for the Reorganized Debtors in a fiduciary capacity as applicable to a board of directors and shall be responsible for the liquidation of the Reorganized Debtors' remaining Assets, administration of the Plan and wind-down of the Reorganized Debtors and their Estates post-Effective Date, subject to the provisions of this Plan. The powers and duties of the Plan Administrator shall include:

(a) to invest Cash in accordance with Section 345 of the Bankruptcy Code, and withdraw and make distributions of Cash to holders of Allowed Claims and pay taxes, if any, and other obligations owed by the Reorganized Debtors or incurred by the Plan Administrator in connection with the wind-down of the Estates in accordance with the Plan;

(b) to receive, manage, invest, supervise, and protect the Assets, including paying taxes, if any, or other obligations incurred in connection with the Assets;

(c) subject to the approval of the Post Effective Date Committee (which approval shall not be unreasonably withheld), to engage attorneys, consultants, agents,

employees and all professional persons to assist the Plan Administrator with respect to the Plan Administrator's responsibilities;

(d) to administer the Post Confirmation Administrative Reserve and all other Assets;

(e) subject to the approval of the Post Effective Date Committee (which approval shall not be unreasonably withheld), to pay the fees and expenses for the attorneys, consultants, agents, employees and professionals engaged by the Plan Administrator and attorneys for the Post Effective Date Committee and to pay all other expenses in connection with administering the Plan and winding down the affairs of the Reorganized Debtors in each case from the Post Confirmation Administrative Reserve, subject to the terms of this Plan;

(f) to execute and deliver all documents, and take all actions, necessary to consummate the Plan and wind-down the Reorganized Debtors' business, including, without limitation, to comply with any Exit Facility and effectuate the dissolution of the Reorganized Debtors;

(g) with the consent of the Post Effective Date Committee, to use, sell at public or private sale, assign, transfer, abandon or otherwise dispose of any of the Assets and convert the same to Cash;

(h) to coordinate and interface with Purchaser regarding the outstanding Receivables pursuant to the terms of the Services Agreement;

(i) to coordinate the storage and maintenance of the Reorganized Debtors' books and records;

(j) to oversee compliance with the Reorganized Debtors' accounting, finance and reporting obligations;

(k) to oversee the filing of final tax returns, audits and other corporate dissolution documents if required;

(l) to perform any additional corporate actions as necessary to carry out the wind-down, liquidation and dissolution of the Reorganized Debtors;

(m) to communicate regularly with and respond to inquiries from the Post Effective Date Committee and their professionals, including providing to them regular cash budgets, information on all disbursements, and copies of bank statements on a monthly basis;

(n) subject to **Section 8.15** of this Plan, to object to Claims;

(o) subject to **Section 8.16** of this Plan, to compromise and settle Claims;

(p) to act on behalf of the Reorganized Debtors and the Estates in all adversary proceedings and contested matters (including, without limitation, any Causes of Action), then pending or that can be commenced in the Court and in all actions and proceedings

pending or commenced elsewhere, and subject to the approval of the Post Effective Date Committee (which approval shall not be unreasonably withheld) or Order of the Court, to settle, retain, enforce, dispute or adjust any Claim and otherwise pursue actions involving the Assets that could arise or be asserted at any time under the Bankruptcy Code, unless otherwise waived or relinquished in the Plan;

(q) to implement and/or enforce all provisions of the Plan; and

(r) to use such other powers as may be vested in or assumed by the Plan Administrator pursuant to the Plan or Court order or as may be necessary and proper to carry out the provisions of the Plan.

In the event the Plan Administrator and the Post Effective Date Committee are unable to reach a unanimous consensus respecting any matters which require prior approval or consent of the Post Effective Date Committee, either party may bring such matter to the Court for resolution and the Plan Administrator shall be authorized to act in accordance with any ruling of the Court. Except as specified in this Plan, the Plan Administrator may, in the ordinary course of business, satisfy any liabilities and expenses incurred by the Plan Administrator in the ordinary course of business in accordance with the Wind-Down Budget without further notice, hearing or approval of the Court.

6.3 *Plan Administrator Compensation and Employment of Professionals.*

The compensation of the Plan Administrator shall be at the Plan Administrator's customary hourly rate. Subject to the approval of the Post Effective Date Committee (which approval shall not be unreasonably withheld), the Plan Administrator is authorized, without further order of the Court, to employ such Persons, including professionals, as the Plan Administrator may deem necessary to enable it to perform its functions hereunder. The Plan Administrator and Persons employed by the Plan Administrator shall be compensated and reimbursed for their reasonable and necessary fees and out-of-pocket expenses on a monthly basis from the Post Confirmation Administrative Reserve. The Plan Administrator and Persons employed by the Plan Administrator shall submit invoices to the Post Effective Date Committee, and if no objection to such invoices are received within ten (10) days of service, the Plan Administrator may pay such invoice without the need for Court approval. If a timely objection is received the Plan Administrator may pay the undisputed portion of such invoice, may pay the disputed portion of such invoice upon resolution, and any unresolved dispute shall be resolved by the Court.

6.4 *No Agency Relationship.*

The Plan Administrator shall not be deemed to be the agent of any of the holders of Claims in connection with the funds held or distributed pursuant to this Plan. The Plan Administrator shall not be liable for any mistake of fact or law or error in judgment or any act or omission of any kind unless it constitutes gross negligence or willful misconduct or breach of fiduciary duty on the part of the Plan Administrator. The Plan Administrator shall be indemnified and held harmless, including the cost of defending such claims and attorneys' fees in seeking indemnification, by the Estates against any and all claims arising out of his duties under the Plan, except to the extent his actions constituted gross negligence or willful misconduct or breach of fiduciary duty. The Plan Administrator may conclusively rely, and shall be fully protected personally in acting upon any statement, instrument, opinion, report, notice, request, consent, order, or other instrument or document

which he believes to be genuine and to have been signed or presented by the proper party or parties. The Plan Administrator may rely upon information previously generated by the Reorganized Debtors and such additional information provided to him by former employees of the Reorganized Debtors.

6.5 ***Plan Administrator's Bond.*** The Plan Administrator shall obtain and maintain a bond in an amount equal to 110% of the Cash held by the Reorganized Debtors and the Estates as of the Effective Date and thereafter.

6.6 ***Reporting.*** Until a final decree closing the Chapter 11 Cases is entered, the Plan Administrator shall comply with any requisite reporting requirements established pursuant to the guidelines of the U.S Trustee. The Plan Administrator shall also provide to the Post Effective Date Committee quarterly reports regarding the wind-down of the estate which shall include, without limitation, a balance sheet, a statement of income and expenses, and update regarding ongoing liquidation and wind-down of the Reorganized Debtors' Assets. The Plan Administrator shall be available for telephone consultation with the Post Effective Date Committee as reasonably requested, and shall provide such other reports and information as the Post Effective Date Committee may reasonably request from time to time.

6.7 ***Resignation, Death or Removal of Plan Administrator.*** The Plan Administrator may resign at any time upon not less than thirty (30) days' written notice to the Post Effective Date Committee. The Plan Administrator may be removed at any time by the Post Effective Date Committee for cause upon proper application to, and Final Order of, the Court. In the event of the resignation, removal, death or incapacity of the Plan Administrator or any other vacancy in the position of Plan Administrator, the Post Effective Date Committee may nominate a successor Plan Administrator and the appointment will be determined by the Court. No successor Plan Administrator hereunder shall in any event have any liability or responsibility for the acts or omissions of his or her predecessors.

SECTION 7. EXECUTORY CONTRACTS

7.1 ***Assumption of Assigned Contracts.*** Pursuant to the Sale Order and the APA, the Assigned Contracts shall be assumed and assigned pursuant to Bankruptcy Code Section 365 as of the Asset Sale Closing Date.

7.2 ***Rejection of Excluded Contracts.*** Except as otherwise set forth in this Plan each contract of the Debtors that is not an Assigned Contract that has not expired by its own terms before the Asset Sale Closing Date shall be rejected as of the Asset Sale Closing Date. As of the Asset Sale Closing Date, except as otherwise set forth in the APA, all employment, severance, retirement, indemnification, employee benefit, profit-sharing and related plans or agreements, whether or not qualified under ERISA, health care plans, disability plans and incentive plans, that were in effect on the Petition Date and that have not previously been terminated or superseded shall be terminated and deemed rejected. Except as otherwise set forth in the APA, all employees currently employed by the Debtors under such agreements as of the Asset Sale Closing Date shall be terminated thereon.

7.3 **Rejection Damages.** Any Claim for damages arising from the rejection of any executory contract or unexpired lease under this Plan must be filed with the Court and served upon the Debtors within forty five (45) days after the Asset Sale Closing Date or such other deadline established by the Court. Any Claim arising from the rejection of an executory contract or unexpired lease not filed within such time will be forever barred from receiving any distribution under this Plan or asserting any Claims against the Debtors, the Estates or the Plan Administrator.

7.4 **Insurance Contracts.** The Debtors do not believe that any insurance policies issued to, or insurance agreements entered into prior to the Petition Date constitute executory contracts. To the extent that such insurance policies or agreements are considered to be executory contracts, then, notwithstanding anything contained in this Plan to the contrary, the Plan will constitute a motion to assume such insurance policies and agreements, and, subject to the occurrence of the Effective Date, the entry of the Confirmation Order will constitute approval of such assumption, pursuant to § 365(a) of the Bankruptcy Code. Unless otherwise determined by the Bankruptcy Court pursuant to a Final Order or agreed to by the parties thereto prior to the Effective Date, no payments are required to cure any defaults of the Debtors existing as of the Confirmation Date with respect to each such insurance policy or agreement.

SECTION 8. DISTRIBUTION PROVISIONS

8.1 **No Distributions on Account of Claims That Have Not Become Allowed Claims.** Notwithstanding any other provision of this Plan, no payment or distribution shall be made with respect to any Claim that has not become an Allowed Claim, except that the Plan Administrator may distribute consideration attributable to any undisputed portion of a Claim and withhold the remainder.

8.2 **Reserves for Claims That Have Not Become Allowed Claims.** Distributions on account of Claims that have not become Allowed Claims shall be governed by the following provisions:

(a) Except as otherwise provided under this Plan, the Reorganized Debtors shall not be required to withhold funds or consideration, designate reserves, or make other provisions for the payment of any Claims that have been disallowed by a Final Order of the Court.

(b) Except as otherwise provided in this Plan, the Reorganized Debtors, or the Plan Administrator, as applicable, shall be required to reserve funds, designate reserves, or make other provisions for the payment of any Claims that have been disallowed by an order of the Court until such order becomes a Final Order.

(c) With respect to Claims that have not become Allowed Claims and that are not governed by subparagraph (1) or subparagraph (2) above, the Reorganized Debtors, the Plan Administrator, as applicable, shall reserve sufficient funds to allow for a distribution in accordance with the terms of this Plan, on account of the distribution attributable to such holders' Claims or as otherwise provided pursuant to any order of the Court with respect to the amount, if any, to be reserved; **provided, however**, that the Plan Administrator, as applicable, shall

distribute consideration attributable to any undisputed portion and shall withhold and reserve the remainder. The Court may, after notice and a hearing (as defined in Bankruptcy Code Section 102), fix a lesser amount than the distribution amount as the amount on account of which consideration shall be withheld. In the case of Claims not stating an amount, the Plan Administrator, or any holder of such Claims may request that the Court, after notice and a hearing (as defined in Bankruptcy Code Section 102), determine an amount. Cash withheld pursuant to this subparagraph will be held in a segregated, interest-bearing fund or funds. Such Cash will be released when and if Claims are Allowed and disallowed and shall be distributed in accordance with this Plan.

8.3 ***Persons Responsible for Distribution of Plan Consideration.*** The Plan Administrator shall disburse all consideration to be distributed under this Plan and shall act as a disbursing agent. For the avoidance of doubt, with respect to any distribution constituting New Hospital Bonds, such bonds shall be issued through DTC, to the holders of Existing Bonds of record as of the Distribution Record Date and all other distributions under the Plan relating to the Existing Bonds shall be made to the Bond Trustee.

8.4 ***Unclaimed Cash.*** If any Person entitled to receive Cash under this Plan cannot be located on the date a distribution under this Plan is due, such Cash will be set aside and held in a segregated fund to be maintained by the Plan Administrator. If such Person is located within one hundred and twenty (120) days of the date of distribution, such Cash will be paid to such Person. If such Person cannot be located within one hundred and twenty (120) days of the date of distribution, any such Cash and accrued interest thereon shall be released to the Plan Administrator and distributed in accordance with this Plan and such Person shall not be entitled to any amounts in connection with such distribution or any subsequent distribution and the Claims of such person to which such Cash relates shall be discharged and forever barred from assertion against the Reorganized Debtors and their property or the Plan Administrator. Nothing contained in this Plan shall require the Plan Administrator to attempt to locate such Person. It is the obligation of each Person claiming rights under this Plan to keep the Plan Administrator advised of their current address by sending written notice of any changes to the Plan Administrator.

8.5 ***Unnegotiated Distribution Checks.*** Checks or drafts issued pursuant to this Plan to Persons holding Allowed Claims and not presented for payment within one hundred and twenty (120) days following mailing thereof to the last known address of such Person shall be deemed nonnegotiable thereafter. Any Claim in respect of such distribution shall be discharged and forever barred from assertion against the Reorganized Debtors and their property or the Plan Administrator. Any distribution which is deemed nonnegotiable shall re-vest with the Plan Administrator and be available for distribution consistent with the Plan.

8.6 ***Fractional Dollars.*** Any other provision of this Plan notwithstanding, no payments of fractional dollars will be made to any holder of an Allowed Claim. Whenever any payment of a fraction of a dollar to any holder of an Allowed Claim would otherwise be called for, the actual payment made will reflect a rounding of such fraction to the nearest whole dollar (up or down).

8.7 ***Distribution Dates.*** Whenever any distribution to be made under this Plan is due on a day other than a Business Day, such distribution will instead be made, without penalty or interest, on the next Business Day.

8.8 ***Bankruptcy Code Sections 509, and 510.*** Distributions under this Plan will be governed by the provisions of Bankruptcy Code Sections 509 or 510 where applicable.

8.9 ***Distributions to be Applied First to Administrative and Priority Claims.*** To the extent any holder of an Allowed Claim receives any distribution(s) under this Plan by the Plan Administrator on account of such Claims, said distribution(s) shall be applied by the recipient first to satisfy any Allowed Administrative Claims, Allowed Priority Tax Claims, or other Allowed Claims of the recipient against the Debtors which are entitled to priority under Bankruptcy Code Sections 503 or 507 and, only after all such priority Claims are fully satisfied, to any Allowed Claims not entitled to such priority.

8.10 ***Estimation of Claims.*** The Plan Administrator may, at any time, request that the Bankruptcy Court (or District Court, as applicable) estimate any Claim not expressly Allowed by the terms of the Plan and otherwise subject to estimation under Section 502(c) of the Bankruptcy Code and for which the Debtors may be liable under the Plan, including any Claim for taxes, to the extent permitted by Section 502(c) of the Bankruptcy Code, regardless of whether any party-in-interest previously objected to such Claim. In the event that the Bankruptcy Court (or District Court, as applicable) estimates any contingent or unliquidated Claim, that estimated amount will constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court (or District Court, as applicable) . If the estimated amount constitutes a maximum limitation on such Claim, the Plan Administrator may elect to pursue any supplemental proceedings to object to any ultimate allowance of such Claim. All of the aforementioned Claims objection, estimation and resolution procedures are cumulative and not necessarily exclusive of one another. Claims may be estimated by the Bankruptcy Court (or District Court, as applicable) and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court (or District Court, as applicable).

8.11 ***Chapter 5 Provisions.*** No distribution or payment shall be made to any holder of an Allowed Claim who is also a potential defendant in an avoidance action under Chapter 5 of the Bankruptcy Code until a decision is made by the Plan Administrator not to commence the potential avoidance action, or, in the event the potential avoidance action is commenced by the Plan Administrator, until resolution of such avoidance action. Notwithstanding this Section, the making of a distribution to such potential defendant or the lack of any objection filed to such Allowed Claim on the basis of such potential avoidance action, shall not constitute a waiver of any rights of the Debtor or the Plan Administrator, as the case may be. For purposes of the Plan, such distribution or payment on account of such Allowed Claim shall be held in reserve as if it were a disputed Claim. For the avoidance of doubt, the foregoing terms shall not apply to the Bond Claim.

8.12 ***Third-Party Agreements.*** Except as set forth herein, all subordination agreements entered into by any parties in interest shall be enforceable to the extent permitted by applicable law.

8.13 ***Orders Respecting Claims Distribution.*** After confirmation of this Plan, the Court shall retain jurisdiction to enter orders in aid of consummation of this Plan with respect to distributions under this Plan and to resolve any disputes concerning distributions under this Plan.

8.14 ***Special Provisions for Treatment of Medical Malpractice/Personal Injury/Worker's Compensation Claims.***

(a) Distributions under the Plan to each holder of a Claim asserted or which can be asserted against any of the Debtors on account of or related to purported liability resulting either from the provision of medical services, including personal injury or wrongful death claims, or any other personal injury or worker's compensation claim, shall be in accordance with the treatment provided under the Plan for Unsecured Claims as applicable; provided, however, no distributions shall be made, and no reserve shall be made by the Debtors for any amount, for or attributable to any portion of such a claim that is covered by insurance.

(b) Nothing in this **Section 8.14** of the Plan is intended to, shall, or shall be deemed to preclude any holder of a Claim of the type described in this Section from seeking and/or obtaining a distribution or other recovery from any insurer of the Debtors.

(c) The Plan shall not expand the scope of, or alter in any other way, the rights and obligations of the Debtors' insurers under their policies, and the Debtors' insurers shall retain any and all defenses to coverage that such insurers may have, including the right to contest and/or litigate with any party, including the Debtors, the existence, primacy and/or scope of available coverage under any alleged applicable policy. The Plan shall not operate as a waiver of any other Claims the Debtors' insurers have asserted in any proof of claim or the Debtors rights and defenses to such proofs of claim.

8.15 ***Objections to Claims.*** The Plan Administrator may object to the allowance of any Claim on or after the Effective Date of this Plan, ***provided, however,*** the Plan Administrator may not object to any Claim once it becomes an Allowed Claim. As soon as practicable, but in no event later than one hundred and eighty (180) days after the Effective Date, the Plan Administrator may object to the allowance of such Claims. The foregoing deadline may be extended by the Court upon request of the Plan Administrator upon notice to the Post Effective Date Committee, and such other parties as shall request such notice after the confirmation of this Plan. Nothing contained herein, however, shall limit the right of the Plan Administrator to object to Claims, if any, filed or amended after the Effective Date.

8.16 ***Settlement of Disputed Claims.***

(a) Pursuant to Bankruptcy Rule 9019(b), subject to **Section 8.16(b)** below, the Plan Administrator may settle any disputed Claim, respectively, without notice, or Court approval.

(b) The Plan Administrator shall give notice to the Post Effective Date Committee of a settlement of (i) any disputed Administrative Claim, Priority Tax Claim, Secured Claim, or Unsecured Priority Claim (or aggregate of Claims if held by a single Creditor) that results in the disputed portion of such Claim being Allowed in an amount in excess of \$25,000,

and (ii) any disputed Unsecured Claim (or aggregate of Claims if held by a single Creditor) that results in the disputed portion of such Claim being allowed in an amount in excess of \$200,000. The Post Effective Date Committee shall have ten (10) days after service of such notice to object to such settlement. Any such objection shall be in writing and sent to the Plan Administrator. If no written objection is received by the Plan Administrator and the settling party prior to the expiration of such ten (10) day period, the Plan Administrator and the settling party shall be authorized to enter into the proposed settlement without further notice or Court approval. If a written objection is timely received, the Plan Administrator and any Post Effective Date Committee shall use good-faith efforts to resolve the objection. If the objection is resolved, the Plan Administrator and any Post Effective Date Committee may enter into the proposed settlement (as and to the extent modified by the resolution of the objection) without further notice or Court approval, provided that the Claim of the settling party against the Estates shall not be greater under the proposed settlement than that disclosed in the notice. Alternatively, the Plan Administrator may seek Court approval of the proposed settlement upon expedited notice and a hearing.

8.17 **Setoffs.** The Plan Administrator may, pursuant to and in accordance with Bankruptcy Code Section 553 or applicable nonbankruptcy law, except as otherwise set forth in this Plan, set off against any Allowed Claim and the distributions to be made pursuant to this Plan on account of such Claim, the claims, rights and causes of action of any nature that the Debtors may hold against the holder of such Allowed Claim, provided that the Plan Administrator gives the holder of such Allowed Claim notice of the proposed setoff and the holder of such Allowed Claim does not object to the proposed setoff within thirty (30) days; provided further, however, if the holder of such Allowed Claim timely objects to the proposed setoff, the setoff may not be effectuated without prior approval of the Court; provided further, however, that neither the failure to effect such a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or Plan Administrator of any such claims, rights and causes of action that the Debtors may possess against such holder.

8.18 **Distribution Cap.** Except to the extent consistent with the treatment set forth in this Plan, no holder of an Allowed Claim shall receive in respect of that Claim any distribution in excess of the Allowed amount of that Claim.

8.19 **De Minimis Distributions.** Notwithstanding anything to the contrary contained herein or in this Plan, if the amount of Cash to be distributed to the holder of an Allowed Claim is less than \$20, the Plan Administrator 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 \$20, if the Plan Administrator determines that the cost to distribute such Cash is unreasonable in relation to the amount of Cash to be distributed. Notwithstanding the preceding sentence, if the amount of Cash Distribution to such holder never aggregates to more than \$20, then on the final Distribution Date, the Plan Administrator shall distribute such Cash to the holder entitled thereto.

8.20 **Withholding Taxes.** In connection with the Plan, to the extent applicable, the Plan Administrator shall comply with all withholding and reporting requirements imposed on it by federal, state and local taxing authorities, and all distributions shall be subject to such withholding and reporting requirements. All Claims held by any holder of a Claim that fails to

provide information reasonably requested by the Plan Administration in connection with such matters shall be discharged and forever barred from assertion against the Reorganized Debtors or their property.

8.21 ***Distribution Record Date.*** Except as otherwise provided in a Final Order of the Bankruptcy Court or as otherwise stipulated by the Debtor or Reorganized Debtor, as applicable, the transferees of Claims that are transferred pursuant to Bankruptcy Rule 3001 on or prior to the Distribution Record Date will be treated as the Holders of those Claims for all purposes, notwithstanding that any period provided by Bankruptcy Rule 3001 for objecting to the transfer may not have expired by the Distribution Record Date. The Reorganized Debtors shall have no obligation to recognize any transfer of any Claim occurring after the Distribution Record Date. In making any distribution with respect to any Claim, the Reorganized Debtor shall be entitled instead to recognize and deal with, for all purposes hereunder, only the Person that is listed on the Proof of Claim Filed with respect thereto or on the Schedules as the holder thereof as of the close of business on the Distribution Record Date and upon such other evidence or record of transfer or assignment that are known to the Reorganized Debtor as applicable, as of the Distribution Record Date. Except as expressly set forth in this Plan, the foregoing shall not apply to the Bond Claim.

SECTION 9. CONDITIONS PRECEDENT

9.1 ***Conditions to Confirmation.*** Confirmation of this Plan shall not occur and the Court shall not enter the Confirmation Order unless (i) all of the requirements of the Bankruptcy Code for Confirmation of this Plan with respect to the Debtors shall have been satisfied and receipt of approval of the waiver of transfer taxes in connection with the Asset Sale under Section 1146(a) of the Bankruptcy Code is obtained from the Bankruptcy Court; (ii) the Court shall have entered the Sale Order; and (iii) the Plan Documents, including the New Hospital Bond Documents, shall be in form and substance satisfactory to the Debtors, Purchaser and the Bond Trustee provided however, that the documents relating to the Exit Facility and any other documents that relate to the Receivables shall be acceptable to Purchaser in its sole and absolute discretion. If Confirmation shall not occur, this Plan shall be null and void and shall have no force nor effect, and this Plan shall be deemed withdrawn unless the Court shall have entered all orders (which may be orders included within the Confirmation Order) required to implement this Plan.

9.2 ***Waiver and Nonfulfillment of Conditions to Confirmation.*** In the event that the Debtors determine that the conditions to confirmation which they may waive cannot be satisfied and should not, in their sole discretion, be waived, the Debtors may propose a new plan, may modify this Plan as permitted by law, or may request other appropriate relief. The Debtors cannot waive the condition specified in **Section 9.1(iii)** without the written consent of the Bond Trustee and the Purchaser.

9.3 ***Confirmation Order Provisions for Pre-Effective Date Actions.*** The Confirmation Order shall empower and authorize the Debtors to take or cause to be taken, prior to the Effective Date, all actions which are necessary to enable it to implement the provisions of this Plan and satisfy all other conditions precedent to the effectiveness of this Plan.

9.4 ***Conditions to Effective Date.*** The Effective Date shall not occur unless: (a) the Court shall have entered the Confirmation Order, in form and substance reasonably satisfactory to the Debtors, the Bond Trustee, the Purchaser, and the Committee; (b) the Plan Documents, including the New Hospital Bond Documents, shall be in form and substance satisfactory to the Debtors, the Bond Trustee and Purchaser provided however, that the documents relating to the Exit Facility and any other documents that relate to the Receivables shall be acceptable to Purchaser in its sole and absolute discretion; (c) no request for revocation of the Confirmation Order under Bankruptcy Code Section 1144 shall have been made and still be pending; and (d) all conditions precedent to the issuance of the New Hospital Bonds shall have been satisfied or waived, including the requirements that nationally recognized bond counsel is prepared to issue an opinion acceptable to the Bond Trustee that interest income from the New Hospital Bonds will be exempt from federal income taxation.

9.5 ***Nonfulfillment of Conditions to Effective Date.*** In the event that the Debtors determine that the conditions to the Effective Date set forth in the immediately foregoing paragraph of this Plan cannot be satisfied, or if the Effective Date does not occur on or before May 9, 2014, this Plan shall be null and void and shall have no force nor effect, and this Plan shall be deemed withdrawn unless this date is extend by agreement of the Debtors, the Purchaser, the Committee and Bond Trustee in writing. Under the foregoing conditions, (i) the 9019 Settlement shall be deemed withdrawn and of no force or effect absent the written consent of the Bond Trustee, (ii) the Debtors may propose a new plan, may modify this Plan as permitted by law, or may request other appropriate relief, and (iii) any fees earned under any management services agreement between the Debtors and the Purchaser pursuant to the APA, will become immediately due and payable and shall constitute an Administrative Claim against the Debtors' Estates. The Debtors shall not waive the conditions specified in (A) **Section 9.4** or the deadline for the occurrence of the Effective Date specified in **Section 9.5** without the prior written consent of the Bond Trustee and the Purchaser; and (B) **Sections 9.4(a),(c),or (d)** or the deadline for the occurrence of the Effective Date specified in **Section 9.5** without the prior written consent of the Committee.

9.6 ***Effective Date Events.*** On the Effective Date, the following actions shall have taken place: (a) all payments to be made on the Effective Date and all other actions to be taken on or before the Effective Date pursuant to this Plan by the Reorganized Debtors shall be made or taken or duly provided for; (b) any documents, including orders or agreements, necessary to implement this Plan as of the Effective Date must be executed; and (c) all other events and actions specified in this Plan to occur on the Effective Date.

SECTION 10. EFFECTS OF PLAN CONFIRMATION

10.1 ***Satisfaction of Claims.*** Holders of Claims shall receive the distributions provided for in this Plan, if any, in full settlement and satisfaction of the Debtors' obligations thereunder, and any interest accrued thereon.

10.2 ***Interest on Claims.*** Except as specifically provided for in this Plan or the Confirmation Order, interest shall not accrue on Claims and no holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim.

10.3 *Releases by the Debtors.* Pursuant to Section 1123(b) of the Bankruptcy Code and except as otherwise specifically provided in this Plan, for good and valuable consideration, including the service of the Released Parties to facilitate the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by this Plan, on and after the Effective Date, the Released Parties are deemed released and discharged by the Debtors, the Reorganized Debtor(s) and the Estates from any and all claims, obligations, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including any derivative claims asserted or assertable on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity or otherwise, that the Debtors, the Reorganized Debtor(s), the Estates or their affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other Person, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Existing Bonds, the Debtors' Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in this Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims and Interests before or during the Debtors' Chapter 11 Cases, the negotiation, formulation or preparation of the Asset Sale, this Plan, the Disclosure Statement, any Plan Supplement or related agreements, instruments or other documents (collectively, the "*Debtor Released Claims*").

10.4 *Releases by Holders of Claims.* As of the Effective Date and except as set forth in this Plan, each holder of a Claim or Interest shall be deemed to have conclusively, absolutely, unconditionally, irrevocably and forever, released and discharged the Released Parties from any and all Claims, Interests, obligations, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including any derivative Claims assertable on behalf of a Debtor, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity or otherwise, that such Person would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Existing Bonds, the Debtors' restructuring, the Debtors' Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim that is treated in this Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims and Interests before or during the Chapter 11 Cases, the negotiation, formulation or preparation of the Asset Sale, this Plan, the Disclosure Statement, any Plan Supplement or related agreements, instruments or other documents (collectively, "*Released Claims*"), other than Released Claims against a Debtor, the Reorganized Debtor(s), or a Released Party arising out of or relating to any act or omission of that party constituting willful misconduct or gross negligence. No provision of this Plan, including without limitation, any release or exculpation provision, shall modify, release, or otherwise limit the liability of any Person other than the Released Parties and the Exculpated Parties, including without limitation, any Person that is a co-obligor, guarantor or joint tortfeasor of a Released Party or Exculpated Party or that otherwise is liable under theories of vicarious or other derivative liability.

10.5 ***Exculpation.*** Except as otherwise specifically provided in this Plan, no Exculpated Party shall have or incur, and each Exculpated Party is hereby released and exculpated from, any Exculpated Claim, obligation, cause of action or liability for any Exculpated Claim, except for gross negligence or willful misconduct, but in all respects such Persons shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to this Plan. The Debtors and each Exculpated Party (and each of their respective affiliates, agents, directors, members, officers, employees, advisors and attorneys) have, and upon Confirmation of this Plan shall be deemed to have, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code and applicable non-bankruptcy law with regard to the solicitation and distribution of securities pursuant to this Plan, and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule or regulation governing the solicitation of acceptances or rejections of this Plan or such distributions made pursuant to this Plan.

10.6 ***Injunction.*** Except as otherwise provided in the Plan or Confirmation Order, as of the Effective Date all Persons that hold a Claim are permanently enjoined from taking any of the following actions against the Released Parties or any of their respective successors or assigns, or any of their respective assets or properties, on account of any Claim (1) commencing or continuing in any manner any action or other proceeding with respect to a Claim; (2) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order with respect to a Claim; (3) creating, perfecting or enforcing any lien or encumbrance with respect to a Claim; or (4) commencing or continuing any action that does not comply with or is inconsistent with the Plan; provided, however, nothing in this injunction shall preclude the holder of a Claim from pursuing any available insurance after the Chapter 11 Cases are closed or from seeking discovery in actions against third parties.

10.7 ***No Recourse.*** Notwithstanding that the Allowed amount of any particular Claim is reconsidered under the applicable provisions of the Bankruptcy Code and Bankruptcy Rules or is Allowed in an amount for which after application of the payment priorities established by the Plan there is insufficient value to provide a recovery equal to that received by other holders of Allowed Claims in the respective Class, no Claim holder shall have recourse against the Debtors, the Estates, the Plan Administrator, the Released Parties or any of their respective professionals, consultants, officers, directors or members or their successors or assigns, or any of their respective property. However, except as specifically stated otherwise in the Plan, nothing in the Plan shall modify any right of a holder of a Claim under Section 502(j) of the Bankruptcy Code.

10.8 ***Abandoned Property.*** Any and all property whose abandonment is or has been approved by the Court pursuant to the Bankruptcy Code shall remain abandoned forever; shall not thereafter be deemed to be property of the Debtors or the Plan Administrator; shall not at any time re-vest in the Debtors, and shall not otherwise, whether by conveyance or otherwise, ever become the property of the Debtors or their Estates.

10.9 ***Post-Effective Date Effect of Evidences of Claims.*** Notes, shareholder certificates, and other evidences of liens or Claims against the Debtors shall, effective upon the

Effective Date, represent only the right to participate in the distributions or rights, if any, contemplated by this Plan.

10.10 *Surrender of Instruments and Release of Liens.* Except as otherwise provided in this Plan or the Confirmation Order, each holder of an instrument evidencing a Claim against the Debtors or any of the property of the Debtors shall surrender such instrument to the Debtors or Plan Administrator, as applicable, and the Debtors or Plan Administrator shall distribute to the holder thereof the distributions provided for in this Plan. No distribution under this Plan shall be made to or on behalf of any holder of such Claim unless and until such instrument is received or the non-availability of such instrument is established to the satisfaction of the Debtors or Plan Administrator. Each Person who is to receive distributions under this Plan in complete satisfaction of a Secured Claim shall not receive such distributions until such creditor executes the release of its liens (in recordable form if requested by the Plan Administrator) and delivers the release to the Plan Administrator. Any such Person who fails to surrender such instrument or satisfactorily explain its non-availability or execute and deliver such release of liens within ten (10) days of the date such surrender, explanation, execution, or delivery as requested by the Plan Administrator shall be deemed to have no further Claim against the Debtors or property of the Debtors, shall not participate in any distribution under this Plan, and in such event upon motion of the Debtors and/or the Plan Administrator accompanied by appropriate evidence of such failure by affidavit or otherwise, the Court may enter an order requiring the act to be done at the cost of such Person by the Debtors and providing that such act when so done shall have like effect as if done by such Person or any other appropriate order. Notwithstanding the foregoing, the release and surrender provisions set forth in this **Section 10.10** shall not apply to the Bond Trustee for or the beneficial owners of the Existing Bonds.

10.11 *Cancellation of Instruments.* Except as otherwise provided in this Plan or the Confirmation Order, on the Effective Date, the Existing Bonds shall be cancelled, and the Existing Bonds and related Bond Documents shall continue in effect solely to the extent they relate to and are necessary to (i) allow applicable distributions pursuant to the Plan, (ii) permit the Bond Trustee to be compensated for fees and reimbursed for expenses including expenses of its professionals, assert its charging lien, enforce its indemnity and other rights and protections with respect to and pursuant to the Bond Documents, (iii) permit the Bond Trustee to set one or more record dates and distributions dates with respect to the distribution of funds to beneficial holders of the Existing Bonds, as applicable, (iv) permit the Bond Trustee to appear in the Chapter 11 Cases, and (v) permit the Bond Trustee to perform any functions that are necessary in connection with the foregoing clauses (i) through (iv).

10.12 *Term of Stays.* Except as otherwise provided in this Plan, all injunctions and the stay provided for in the Debtors' Chapter 11 Cases pursuant to Bankruptcy Code Section 362, shall remain in full force and effect until the Reorganized Debtors' Chapter 11 Cases are closed.

Except as otherwise provided in this Plan, upon entry of the Confirmation Order, all Persons or entities who have held, hold, or may hold Claims or membership or other interests in the Debtors are permanently enjoined, on and after the Effective Date, with respect to all Claims and membership and other interests in the

Debtors from (a) commencing, conducting or continuing in any manner, directly or indirectly, any proceeding of any kind against or affecting the Debtors, the Released Parties, the Plan Administrator, or their property, (b) enforcing, levying, attaching (including, without limitation, any prejudgment attachment), collecting or otherwise recovering by any means or manner, whether directly or indirectly, any judgment, award, decree, or order against the Debtors, the Released Parties, the Plan Administrator, or their property, (c) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Debtors, the Released Parties, the Plan Administrator, or their property, (d) asserting any right of setoff, directly or indirectly, against any obligation due the Debtors, the Released Parties, the Plan Administrator, or their property, except as contemplated or allowed by this Plan, the Bankruptcy Code, or applicable law, (e) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of this Plan, (f) commencing, continuing or asserting in any manner any action or other proceeding of any kind with respect to any Claims and causes of action which are extinguished or released pursuant to this Plan, and (g) taking any action to interfere with the implementation and consummation of this Plan.

10.13 *Retention of Jurisdiction.* Notwithstanding entry of the Confirmation Order or the Effective Date having occurred, the Court will retain jurisdiction to the fullest extent permitted by law, including jurisdiction to enter any orders or to take any action specified in this Plan, and including, without limitation, the following:

(a) To determine any motion, adversary proceeding, avoidance action, application, contested matter, and other litigated matter pending on or commenced after the Confirmation Date;

(b) To hear and determine applications for the assumption or rejection of executory contracts or unexpired leases and the allowance of Claims resulting therefrom;

(c) To ensure that distributions to holders of Allowed Claims are accomplished as provided in this Plan;

(d) To hear and determine objections to the allowance of Claims, whether filed, asserted or made before or after the Effective Date, including, without limitation, to hear and determine objections to the classification of Claims and the allowance or disallowance of disputed Claims, in whole or in part;

(e) To consider Claims or the allowance, classification, priority, compromise, estimation, or payment of any Claim;

(f) To enter, implement, or enforce such Orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;

(g) To issue injunctions, enter and implement other Orders, and take such other actions as may be necessary or appropriate to restrain interference by any Person with the consummation, implementation, or enforcement of this Plan, the Confirmation Order or any other Order of this Court;

(h) To hear and determine any application to modify this Plan in accordance with Bankruptcy Code Section 1127, to remedy any defect or omission or reconcile any inconsistency in this Plan, the Disclosure Statement, or any Order of the Bankruptcy Court, including the Confirmation Order, in such a manner as may be necessary to carry out the purposes and effects thereof;

(i) To hear and determine all Fee Claims;

(j) To hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of this Plan, the Confirmation Order, the Sale Order or any transactions or payments contemplated hereby or thereby, or any agreement, instrument, or other document governing or relating to any of the foregoing;

(k) To take any action and issue such Orders as may be necessary to construe, enforce, implement, execute, and consummate this Plan, including any release or injunction provisions set forth herein or in this Plan, or to maintain the integrity of this Plan following consummation;

(l) To determine such other matters and for such other purposes as may be provided in the Confirmation Order;

(m) To hear and determine matters concerning state, local, and federal taxes in accordance with Bankruptcy Code Sections 346, 505, and 1146;

(n) To enter a final decree closing the Reorganized Debtors' Chapter 11 Cases;

(o) To recover all assets of the Debtors and property of the Estates, wherever located; and

(p) To hear and determine any other matters related hereto and not inconsistent with the Bankruptcy Code, title 28 of the United States Code and other applicable law.

10.14 ***Failure of the Court to Exercise Jurisdiction.*** If the Court abstains from exercising or declines to exercise jurisdiction over any matter arising under, arising in or related to the Cases, including with respect to the matters set forth above in this Section, this Section shall not prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such subject matter.

SECTION 11. MISCELLANEOUS PROVISIONS

11.1 ***Exemption from Transfer Taxes.*** Pursuant to Bankruptcy Code Section 1146(a), the issuance, transfer or exchange of notes or equity securities under this Plan, the creation or amendment of any mortgage, deed of trust or other security interest, the making or assignment of any lease or the making or delivery of any deed or other instrument of transfer, under, in furtherance of or in connection with this Plan, and any sale of the Assets pursuant to the

APA and Sale Order or in furtherance of or in connection therewith, shall not be subject to any stamp, real estate transfer, mortgage recording or other similar tax.

11.2 **Modification of Plan.** With the consent of the Committee, Bond Trustee and Purchaser, the Debtors may modify the Plan at any time prior to the entry of the Confirmation Order provided that the Plan, as modified, and the Disclosure Statement pertaining thereto meet applicable Bankruptcy Code requirements of Section 1125 of the Bankruptcy Code, among others. After the entry of the Confirmation Order, and with the consent of the Committee, the Bond Trustee and Purchaser, the Debtors may modify the Plan to remedy any defect or omission or to reconcile any inconsistencies in the Plan or in the Confirmation Order, as may be necessary to carry out the purposes and effects of the Plan, provided that: (i) the Debtors obtain approval of the Bankruptcy Court for such modification, after notice and a hearing; and (ii) such modification shall not materially and adversely affect the interests, rights, treatment, or Distributions of any Class under the Plan.

11.3 **Revocation of this Plan.** The Debtors, with the written consent of the Purchaser, reserve the right to revoke or withdraw this Plan, prior to the Confirmation Date, for any reason deemed appropriate by the Debtors. If the Debtors revoke or withdraw this Plan, or if confirmation does not occur, then this Plan shall be null and void in all respects and nothing contained in this Plan shall constitute a waiver or release of any claims by or against, the Debtors, or prejudice in any manner the rights of the Debtors.

11.4 **Preservation and Application of Insurance.** The provisions of the Plan shall not diminish or impair in any manner the enforceability and/or coverage of any insurance policies (and any agreements, documents, or instruments relating thereto) that may cover Claims against the Debtors, any directors, trustees or officers of the Debtors, or any other Person, other than as expressly as set forth herein. For the avoidance of doubt, and as set forth in the Plan, all of the Debtors' insurance policies, or third party policies naming the Debtors as an additional insured party, and the proceeds thereof shall be available to satisfy Claims to the extent such insurance policies cover such Claims. In addition, such insurance policies and proceeds thereof shall be available to satisfy Claims estimated pursuant to Section 502(c) of the Bankruptcy Code or in accordance with the Plan.

11.5 **Successors and Assigns.** From and after the Effective Date, the rights, benefits and obligations of any Person named or referred to in this Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such Person. The provisions of this Plan shall bind all holders of Claims against the Debtors, whether or not they have accepted the Plan.

11.6 **Computation of Time.** In computing any period of time prescribed or allowed by this Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

11.7 **Notices.** All notices or requests in connection with this Plan shall be in writing and given by mail or overnight mail (with a contemporaneous e-mail copy, which shall not constitute notice) addressed to:

NIXON PEABODY LLP

MINTZ, LEVIN, COHN, FERRIS, GLOVSKY

Daniel W. Sklar
Lee Harrington
Christopher M. Desiderio
437 Madison Avenue
New York, NY 10022
Telephone: (212) 940-3000
Facsimile: (212) 940-3111

-and-

ALSTON & BIRD LLP
Martin G. Bunin
Craig Freeman
90 Park Avenue
New York, NY 10016
Telephone: (212) 210-9492
Facsimile (212) 922-3892

-and-

FARRELL FRITZ P.C.
Ted. A. Berkowitz
Kristina M. Wesch
1320 RXR Plaza
Uniondale, NY 11556-1320
Telephone: (516) 227-0700
Facsimile: (516) 336-2211

AND POPEO, P.C.
Daniel S. Bleck, Esq.
One Financial Center
Boston, MA 02111
Telephone: (617) 542-6000
Facsimile: (617)542-2241

-and-

WALLER LANSDEN DORTCH
& DAVIS, LLP
Robert P. Sweeter
Katie G. Stenberg
Blake D. Roth
Nashville City Center
511 Union Street, Suite 2700
Nashville, TN 37219
Telephone: (615)244-6380
Facsimile: (615) 244-6804

All notices and requests to Persons holding any Claim in any Class shall be sent to them at their last known address or to the last known address of their attorney of record in these Chapter 11 Cases. Any such holder of a Claim may designate in writing any other address for purposes of this Section, which designation will be effective upon receipt by the Debtors.

11.8 **Headings.** The headings used in this Plan are inserted for convenience only and neither constitute a portion of this Plan nor in any manner affect the construction of the provisions of this Plan.

11.9 **Severability.** If, prior to confirmation, any term or provision of this Plan is held by the Court to be invalid, void or unenforceable, the Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

11.10 **Validity and Enforceability.** The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms. Should any provision in this Plan be determined by the Court or any appellate court to be unenforceable following the Effective Date, such determination shall in no way limit the enforceability and operative effect of any and all other provisions of this Plan.

11.11 **Plan Supplement.** Any exhibits or schedules not filed with this Plan may be contained in the Initial or Final Plan Supplement, if any, and the Debtors hereby reserve the right to file such a Plan Supplement.

11.12 **Controlling Documents.** (i) In the event and to the extent that any provision of the Plan is inconsistent with the provisions of the Disclosure Statement, the provisions of the Plan shall control and take precedence and (ii) in the event and to the extent that any provision of this Plan or Confirmation Order is inconsistent with the Sale Order or APA, the Sale Order or APA, as the case may be shall control.

11.13 **Reservation of Rights.** Except as expressly set forth herein, this Plan shall have no force or effect unless and until the Bankruptcy Court enters the Confirmation Order and the occurrence of the Effective Date.

11.14 **Governing Law.** Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and the Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of New York, without giving effect to the principles of conflicts of laws, shall govern the rights, obligations, construction, and implementation of the Plan transactions consummated or to be consummated in connection therewith.

Dated: February 24, 2014
Poughkeepsie, New York

Respectfully submitted,

St. Francis' Hospital, Poughkeepsie, New
York,

Saint Francis Home Care Services
Corporation,

SFH Ventures, Inc.,

Saint Francis Health Care Foundation, Inc.,

and

Saint Francis Hospital Preschool Program

By: /s/ Arthur Nizza, D.S.W.

Title: President and CEO of St. Francis'

Hospital, Poughkeepsie, New York

Dated: February 24, 2014
New York, New York

/s/ Christopher M. Desiderio

Daniel W. Sklar

Lee Harrington

Christopher M. Desiderio

NIXON PEABODY LLP

437 Madison Avenue

New York, New York 10022

Telephone: (212) 940-3000

Facsimile: (212) 940-3111

Counsel to the Debtors

and Debtors in Possession

Schedule 1.1

9019 Contribution

Sources	Dollar Amount
Funds provided by Bond Trustee	\$2,700,000
Contribution by Other Non-Debtor Parties	\$300,000
Total:	\$3,000,000

Schedule 1.64

New Hospital Bond Terms²

The Exchange Bond Obligations shall have an interest rate of 5.00% and a beginning principal amount equal to the Net Bond Amount and shall have the following additional terms:

- Term: 30 years
- Call Protection: 10 years
- Premiums:
 - 1% if a call occurs during year 11
 - 0.5% if a call occurs during year 12
- Debt Service Schedule: See attached schedule

Westchester County Health Care Corporation (“WCHCC”) will be the issuer and shall be obligated to make payments under the Exchange Bond Obligations to the Master Trustee (as defined below). Payments of interest will be made semi-annually and payments of principal will be made annually based upon the schedule attached hereto. The Exchange Bond Obligations will be issued under the Master Trust Indenture, dated as of November 1, 2000, as supplemented and amended to date (the “Master Indenture”), between WCHCC and U.S. Bank, as successor master trustee (the “Master Trustee”), and shall be on a parity with all senior obligations of WCHCC outstanding under the Master Indenture. The Master Indenture and all other documents evidencing or securing the Exchange Bond Obligations or WCHCC’s obligations with respect to the Exchange Bond Obligations shall be consistent with the terms and conditions set forth in this Schedule 3.1 and otherwise in form and substance reasonably satisfactory to the Bond Trustee. The Exchange Bond Obligations will not be secured with the Purchased Assets. They shall be secured on a parity basis by the collateral securing the other senior obligations of WCHCC under the Master Indenture, including, without limitation, (i) a pledge of the gross receipts of the Obligated Group and (ii) mortgages (collectively, the “Mortgage”) on WCHCC’s leasehold interest under the Restated and Amended Lease Agreement, dated as of December 30, 1998, between Westchester County and WCHCC, of real property upon which WCHCC’s health care facilities are located, with all proceeds realized from the Mortgage to be applied proportionately and ratably to all obligations issued under the Master Indenture. Except as provided above, the Exchange Bond Obligations will not be secured with any further security interest in the Buyer’s assets. There shall be no required debt service reserve fund or operating reserve fund associated with the Exchange Bond Obligations. The acceptance of the Exchange Bond Obligations will be subject to delivery of an acceptable opinion of bond counsel that interest income on such bonds will be exempt from federal and state income taxes. Any costs or fees associated with effecting

² Capitalized terms in this Schedule 1.64 not otherwise defined in the Plan shall have the meanings ascribed to them in the APA.

the Exchange Bond Obligations shall be borne by Buyer. WCHCC, at its expense, shall seek and receive ratings on the Exchange Bond Obligations immediately following their issuance equal to the rating that applies to WCHCC's existing senior obligations under the Master Indenture at the time of the issuance of the Exchange Bond Obligations, which ratings shall come from each of the credit rating agencies that then rate such senior obligations.

Schedule 1.64 (continued)

**5.00% 30 Year Exchange Bond Obligations (Semiannual Interest Payments;
Annual Principal Payments)**

Schedule assumes a May 9 Closing Date. The actual debt service schedule will be adjusted to take account of the actual Closing Date.

5.00% Exchange Bonds with 30 yr maturity					
Period Ending	Principal	Interest	Debt Service	Annual Debt Service	PV of Debt Service
11/1/2014	\$0	\$653,409	\$653,409	\$653,409	\$638,216
5/1/2015	\$0	\$683,800	\$683,800		\$651,935
11/1/2015	\$411,000	\$683,800	\$1,094,800	\$1,778,600	\$1,018,423
5/1/2016	\$0	\$673,525	\$673,525		\$611,479
11/1/2016	\$432,000	\$673,525	\$1,105,525	\$1,779,050	\$979,297
5/1/2017	\$0	\$662,725	\$662,725		\$573,023
11/1/2017	\$454,000	\$662,725	\$1,116,725	\$1,779,450	\$942,113
5/1/2018	\$0	\$651,375	\$651,375		\$536,389
11/1/2018	\$477,000	\$651,375	\$1,128,375	\$1,779,750	\$906,611
5/1/2019	\$0	\$639,450	\$639,450		\$501,495
11/1/2019	\$501,000	\$639,450	\$1,140,450	\$1,779,900	\$872,679
5/1/2020	\$0	\$626,925	\$626,925		\$468,196
11/1/2020	\$526,000	\$626,925	\$1,152,925	\$1,779,850	\$840,102
5/1/2021	\$0	\$613,775	\$613,775		\$436,548
11/1/2021	\$551,000	\$613,775	\$1,164,775	\$1,778,550	\$808,320
5/1/2022	\$0	\$600,000	\$600,000		\$406,429
11/1/2022	\$579,000	\$600,000	\$1,179,000	\$1,779,000	\$779,231
5/1/2023	\$0	\$585,525	\$585,525		\$377,737
11/1/2023	\$608,000	\$585,525	\$1,193,525	\$1,779,050	\$751,267
5/1/2024	\$0	\$570,325	\$570,325		\$350,364
11/1/2024	\$639,000	\$570,325	\$1,209,325	\$1,779,650	\$724,867
5/1/2025	\$0	\$554,350	\$554,350		\$324,334
11/1/2025	\$671,000	\$554,350	\$1,225,350	\$1,779,700	\$699,498
5/1/2026	\$0	\$537,575	\$537,575		\$299,542
11/1/2026	\$704,000	\$537,575	\$1,241,575	\$1,779,150	\$675,010
5/1/2027	\$0	\$519,975	\$519,975		\$275,938
11/1/2027	\$739,000	\$519,975	\$1,258,975	\$1,778,950	\$651,876
5/1/2028	\$0	\$501,500	\$501,500		\$253,427
11/1/2028	\$777,000	\$501,500	\$1,278,500	\$1,780,000	\$630,378

5/1/2029	\$0	\$482,075	\$482,075		\$232,010
11/1/2029	\$815,000	\$482,075	\$1,297,075	\$1,779,150	\$609,082
5/1/2030	\$0	\$461,700	\$461,700		\$211,623
11/1/2030	\$856,000	\$461,700	\$1,317,700	\$1,779,400	\$589,302
5/1/2031	\$0	\$440,300	\$440,300		\$192,204
11/1/2031	\$899,000	\$440,300	\$1,339,300	\$1,779,600	\$570,440
5/1/2032	\$0	\$417,825	\$417,825		\$173,685
11/1/2032	\$944,000	\$417,825	\$1,361,825	\$1,779,650	\$552,340
5/1/2033	\$0	\$394,225	\$394,225		\$156,071
11/1/2033	\$991,000	\$394,225	\$1,385,225	\$1,779,450	\$535,077
5/1/2034	\$0	\$369,450	\$369,450		\$139,298
11/1/2034	\$1,040,000	\$369,450	\$1,409,450	\$1,778,900	\$518,509
5/1/2035	\$0	\$343,450	\$343,450		\$123,328
11/1/2035	\$1,092,000	\$343,450	\$1,435,450	\$1,778,900	\$502,927
5/1/2036	\$0	\$316,150	\$316,150		\$108,105
11/1/2036	\$1,147,000	\$316,150	\$1,463,150	\$1,779,300	\$488,156
5/1/2037	\$0	\$287,475	\$287,475		\$93,619
11/1/2037	\$1,204,000	\$287,475	\$1,491,475	\$1,778,950	\$473,911
5/1/2038	\$0	\$257,375	\$257,375		\$79,825
11/1/2038	\$1,264,000	\$257,375	\$1,521,375	\$1,778,750	\$460,392
5/1/2039	\$0	\$225,775	\$225,775		\$66,690
11/1/2039	\$1,327,000	\$225,775	\$1,552,775	\$1,778,550	\$447,518
5/1/2040	\$0	\$192,600	\$192,600		\$54,174
11/1/2040	\$1,394,000	\$192,600	\$1,586,600	\$1,779,200	\$435,434
5/1/2041	\$0	\$157,750	\$157,750		\$42,259
11/1/2041	\$1,464,000	\$157,750	\$1,621,750	\$1,779,500	\$423,886
5/1/2042	\$0	\$121,150	\$121,150		\$30,909
11/1/2042	\$1,538,000	\$121,150	\$1,659,150	\$1,780,300	\$413,011
5/1/2043	\$0	\$82,700	\$82,700		\$20,094
11/1/2043	\$1,614,000	\$82,700	\$1,696,700	\$1,779,400	\$402,246
5/1/2044	\$0	\$42,350	\$42,350		\$9,799
11/1/2044	\$1,694,000	\$42,350	\$1,736,350	\$1,778,700	\$391,991
Total	\$27,352,000	\$26,679,759	\$54,031,759	\$54,031,759	\$27,532,639