

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

IN RE: § Chapter 11
§
FOREST PARK MEDICAL CENTER § CASE NO. 15-41684-BTR
AT FRISCO, LLC §
§
Debtor. § Complex Case

EMERGENCY MOTION OF DEBTOR FOR ORDERS (1) APPROVING BIDDING PROCEDURES IN ADVANCE OF AUCTION, (2) AUTHORIZING THE ASSUMPTION, ASSIGNMENT AND SALE OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES, (3) APPROVING SALE OF ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES AND OTHER INTERESTS, (4) SETTING RELATED DEADLINES AND HEARINGS AND (5) GRANTING RELATED RELIEF

NO HEARING WILL BE CONDUCTED ON THIS MOTION UNLESS A WRITTEN OBJECTION IS FILED WITH THE CLERK OF THE UNITED STATES BANKRUPTCY COURT AND SERVED UPON THE PARTY FILING THIS PLEADING WITHIN TWENTY-ONE (21) DAYS FROM DATE OF SERVICE UNLESS THE COURT SHORTENS OR EXTENDS THE TIME FOR FILING SUCH OBJECTION. IF NO OBJECTION IS TIMELY SERVED AND FILED, THIS PLEADING SHALL BE DEEMED TO BE UNOPPOSED, AND THE COURT MAY ENTER AN ORDER GRANTING THE RELIEF SOUGHT. IF AN OBJECTION IS FILED AND SERVED IN A TIMELY MANNER, THE COURT WILL THEREAFTER SET A HEARING. IF YOU FAIL TO APPEAR AT THE HEARING, YOUR OBJECTION MAY BE STRICKEN. THE COURT RESERVES THE RIGHT TO SET A HEARING ON ANY MATTER.

A REQUEST FOR EMERGENCY CONSIDERATION OF THIS MOTION HAS BEEN MADE

TO THE HONORABLE UNITED STATES BANKRUPTCY COURT:

Forest Park Medical Center at Frisco, LLC (“**Debtor in Possession**” or the “**Debtor**”), hereby moves the Court (the “**Motion**”) for entry of an order (1) approving bidding procedures in advance of an auction; (2) authorizing the assumption, assignment, and sale of certain

4817-6142-9547.1

executory contracts and unexpired leases pursuant to Sections 363 and 365 of the Bankruptcy Code; (3) approving the sale of substantially all of the assets of the Debtor free and clear of all liens, claims, encumbrances, and other interests pursuant to Sections 105, 363(b), (f), and (m) of Title 11 of the United States Code (the “**Bankruptcy Code**”) collectively (the “**Assets**”); (4) setting an auction date, final hearing date and related deadlines, and (5) granting related relief. In support of this Motion, the Debtor respectfully states as follows:

I.
JURISDICTION AND VENUE

1. This Court has jurisdiction over this chapter 11 case pursuant to 28 U.S.C. § § 157, 1334.
2. This is a core proceeding under 28 U.S.C. § 157(b)(2)(N)&(O).
3. Venue of the Debtor’s Chapter 11 Case is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.
4. The statutory predicates for the relief sought herein are Sections 105, 363, and 365 of the Bankruptcy Code, and Federal Rules of Bankruptcy Procedure (“**Bankruptcy Rules**”) 2002, 6004, 6006, 9008 and 9014, and Local Rules of Procedure for the Eastern District of Texas Bankruptcy Court (“**LBR**”) 2002 and 6004.

II.
BACKGROUND

5. On September 22, 2015 (the “**Petition Date**”), the Debtor commenced this case (the “**Chapter 11 Case**”) by filing a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. The Debtor has continued in the possession of its property and is operating

and managing its business as debtor and debtor-in-possession pursuant to Section 1107(a) and 1108 of the Bankruptcy Code.

6. No request for a trustee or examiner has been made. On September 30, 2015, the Office of the United States Trustee appointed the Official Committee of Unsecured Creditors (“**Committee**”) [Docket No. 46].

A. Overview of Debtor.

7. The Debtor is a doctor-owned Texas limited liability company that operates a 54-bed state-of-the-art medical facility, including 30 private rooms, 14 family suites, and 10 intensive care rooms (the “**Hospital**”) in Frisco, Texas. The Hospital is a luxury medical facility located at 5500 Frisco Square Boulevard in Frisco, Texas, off of the Dallas North Tollway and Main Street.

8. The Debtor offers a range of surgical services, including, but not limited to, pediatric, bariatric, brain, orthopedic, pain management, plastics and reconstructive, spine, and neurosurgery.

B. Pre-Petition Secured Lender.

9. The Debtor entered into that certain Loan and Security Agreement, dated as of October 10, 2012, by and between the Debtor and Texas Capital Bank (“**TCB**”), as such may have been amended and/or supplemented from time to time. The Debtor currently owes approximately \$2,500,000.00 under the Line of Credit Agreement, secured by essentially all of the Debtor’s assets (“**Line of Credit**”). The Line of Credit matured pre-petition and no advances have been made post-petition under the Line of Credit. The proceeds of pre-petition receivables are currently being applied by TCB against the debt outstanding under the Line of Credit.

4817-6142-9547.1

10. In addition, the Debtor is also indebted to TCB under that certain *Master Equipment Lease* dated May 30, 2012 (the “**Master Equipment Agreement**”) for certain of the Debtor’s equipment. The Debtor is indebted to the TCB in the aggregate approximate amount of \$5.8 secured by the Debtor’s assets.

11. The remainder of the Debtor’s equipment is leased through or financed by various third parties, including, General Electric Capital Corporation, Karl Storz, Commerce Bank and Olympus Corporation.

C. Landlord and DIP Financing.

12. The Debtor leases the real property, building and fixtures on which the Hospital operates (the “**Hospital Real Estate**”) from Sabra Texas Holdings, L.P. (“**Sabra**” or “**DIP Lender**”) pursuant to the terms of that certain Lease Agreement dated December 6, 2010, and as amended pursuant to that certain First Amendment to Lease Agreement dated as of October 22, 2013 (collectively, the “**Lease**”). The Lease is for an initial term of 20 years, accruing rent in the amount of \$842,290.00 per month for the Hospital and the parking structure, with the monthly rent to increase every calendar year over the term of the Lease by 3%.

13. Sabra has provided the Debtor with debtor-in-possession financing in an amount up to \$18,500,000.00, available in weekly draws accruing interest at the rate of 5%, payable monthly in arrears (“**DIP Financing**”).

14. A detailed factual background of the Debtor’s business and operations, as well as the commencement of this Chapter 11 Case, is more fully set forth in the Affidavit of Michael Miller in Support of the Debtor’s Chapter 11 Petition and Requests for First-Day Relief filed at Docket No. 3 and incorporated herein by reference.

4817-6142-9547.1

15. In order to restore credibility to the operation, the Debtor, pursuant to various consents retained Michael S. Miller of Deloitte as Chief Restructuring Officer of the Debtor with full authority to operate the Debtor. Mr. Miller has served in that capacity since September 17, 2015 and on September 22, 2015, the Debtor filed an Application to Employ Michael S. Miller as Chief Restructuring Officer [Docket No. 4] (the “**CRO Application**”). A final order granting the CRO Application was entered on October 30, 2015 [Docket No. 214].

16. On October 2, 2015, the Debtor filed an Application to Employ Houlihan Lokey Capital, Inc. (“**Houlihan**”) as Investment Banker [Docket No. 60], as amended (the “**Houlihan Application**”) [Docket No. 95], a highly regarded investment banking firm that specializes in the sale of healthcare properties, to actively market and solicit offers for the Debtor assets to potentially interested parties.

17. On November 12, 2015, the Court approved the Houlihan Application.

18. On November 10, 2015, the Court entered a Final Order Authorizing the Debtor to Incur Post Petition Indebtedness under 11 U.S.C. §§364(b), 503(b) and 105 (the “**DIP Order**”) at Docket No. 247, which granted liens on substantially all of its assets as security for its obligations under the Post-Petition Superpriority Loan Agreement (the “**DIP Facility**”) between the Debtor and Sabra. The DIP Order requires the filing of this Motion and the entry of an order approving the process for consummating a sale of substantially all of the Debtor’s assets and the assumption and assignment of the Lease to a Third Party.

III. **RELIEF REQUESTED**

19. By this Motion, the Debtor requests the entry of certain orders (a) approving the Bidding Procedures (as defined below); (b) setting a hearing to approve Debtor’s selection of

4817-6142-9547.1

stalking horse bidder (the “**Stalking Horse Bidder**”), if any, and the provisions of Bid Protections (as defined below); (c) setting a date for an auction, a final hearing and related deadlines; (d) approving, in accordance with the terms of the APA (as defined below), the sale of the Assets to the Buyer (as defined below) free and clear of all liens, claims, encumbrances, and other interests pursuant Sections 105, 363(b), (f), and (m) of the Bankruptcy Code; (e) authorizing the assumption, assignment, and sale of the Assigned Contracts (as defined below) to the Buyer pursuant to Sections 363 and 365 of the Bankruptcy Code, and (f) granting related relief as the Court shall deem just and proper.

A. Asset Purchase Agreement

20. The Debtor has decided that the best way to maximize value for the benefit of all parties is to conduct an orderly auction and sales process for its Assets. Thus, the Debtor, using its business judgment to pursue a disposition of its assets, engaged Houlihan for marketing and to ascertain the highest and best value of such Assets.

21. Upon its engagement, Houlihan began preliminary due diligence on the Assets as necessary to compile marketing materials. Working with the Debtor, Houlihan is generating a potential buyer list and contacts, as well as responding to potential buyers who proactively contacted the Debtor. Houlihan is actively marketing and soliciting offers for the Debtor on a local and national level. Houlihan has/will grant access to an electronic data room containing due diligence materials regarding the Debtor and its business. The solicitation process is designed to move expeditiously in an effort to identify a Stalking Horse Bidder as quickly as possible under the time constraints. The form of an asset purchase agreement will also be posted to the data room.

22. Houlihan, working with the Debtor, is analyzing each potential purchaser's interest and will engage in negotiating the form of an Asset Purchase Agreement (the "APA") with a potential Stalking Horse Bidder and with other prospective purchasers of the Assets.

23. The Debtor will entertain entering into an agreement ("**Stalking Horse Agreement**") with a Stalking Horse Bidder, as may be determined by the Debtor in its business judgment, acceptable to Sabra, (and in consultation with the Committee), for all or any portion of the Assets. The Debtor proposes to designate any Stalking Horse Bidder by January 22, 2016.

24. Upon the selection of one or more Stalking Horse Bidder(s), the Debtor will file and serve a notice (the "**Stalking Horse Notice**") that includes (i) the identity of each proposed Stalking Horse Bidder, (ii) a summary of the key terms of each Stalking Horse Agreement, (iii) a summary of the type and amount of bid protections (the "**Bid Protections**"), if any, being offered to the proposed Stalking Horse Bidder, and (iv) a copy of each Stalking Horse Agreement. The Debtor will serve the Stalking Horse Notice on all parties that have expressed an interest in acquiring the Assets subject to the proposed sale contemplated by the Stalking Horse Agreement(s), as well as all parties who have requested notice in this Chapter 11 Case pursuant to Bankruptcy Rule 2002.

25. In the event that the Debtor timely designates a Stalking Horse Bidder, the Debtor shall request that the Court schedule the Stalking Horse Hearing on shortened notice, to approve any such Stalking Horse Bidder, Stalking Horse Agreement, and accompanying Bid Protections.

26. The Debtor understands that a competitive bidding process regarding the sale of the Assets must take place post-petition to satisfy the requirements of the Bankruptcy Code;

however, the Debtor believes that such process must move quickly enough to ensure that the value of the assets are maximized.

27. The Debtor has consulted with Sabra as DIP Lender and landlord and with the Committee to ensure that the process moves at a pace to achieve the highest value for possible creditors of the estate.

28. After consideration of all options, the Debtor is preparing a form APA for the sale of the Assets to potential buyers (“**Buyer**” or “**Buyers**” and, the proposed sale, the “**Transaction**”). Since the form APA is likely to be finalized in conjunction with any Stalking Horse Bidder, the Debtor will file a form APA on January 22, 2016.

29. The principal terms of the anticipated APA are summarized and highlighted as follows:

Transaction:	Acquisition by Buyer(s), via sale of substantially all the Debtor Assets.
Purchased Assets and Related Consideration:	Buyer(s) will purchase the assets specifically identified in the APA and the assumption of certain liabilities for a cash payment. DIP Lender must be paid in full.
Excluded Assets:	Buyer(s) will not acquire the accounts receivable and other excluded assets identified in the APA.
Excluded Liabilities:	All liabilities other than Assumed Liabilities.
Assigned Contracts:	Those executory contracts and unexpired leases set forth in the APA.
Closing:	No later than February 24, 2016.
Topping/Break-up Fees:	TBD based on negotiations with Stalking Horse Bidder(s) and disclosed by January 22, 2016.
Competing Bids:	Open bidding to Qualified Bidders. Auction will require incremental bids of \$50,000.
Relationship with potential purchasers.	To be disclosed if any.

4817-6142-9547.1

B. The Assumption and Assignment of Contracts.

30. Pursuant to Section 365 of the Bankruptcy Code, the Debtor shall assign to the Buyer, and the Buyer shall assume from the Debtor, the Assigned Contracts, Personal Property Leases, Real Property Leases, and Intellectual Property Licenses (these are hereinafter collectively referred to as the “**Assigned Contracts**”) referred to in the APA. The cure amounts, if any, as determined by the Bankruptcy Court, necessary to allow assumption and assignment under Section 365 of the Bankruptcy Code of any such Assigned Contracts, Personal Property Leases, Real Property Leases, and Intellectual Property Licenses shall be paid by the Buyer (or the Buyer shall have delivered into escrow on terms reasonably acceptable to the Debtor and Sabra amounts sufficient to pay any claim therefore that remains disputed as of the Closing, as such amount shall have been determined by the Bankruptcy Court) at or before the Closing (except as otherwise agreed to by the other party to the contract or lease proposed to be assumed and assigned) and, except as set forth below, the Debtor shall have no liability for any such cure amount. The cure amounts to be paid by the Buyer(s) in accordance with provisions of the APA are hereinafter sometimes referred to as the “**Cure Amounts.**”

31. On or before January 27, 2016, the Debtor shall file and serve a notice of proposed Cure Amounts (the “**Cure Notice**”), substantially in the form attached to this Motion as **Exhibit A**, on the non-Debtor parties to such Assigned Contracts (singular a “**Contract Party**”, and plural “**Contract Parties**”). Thereafter, the Debtor proposes February 2, 2016, be set as the deadline for the Contract Parties to object to the Debtor’s proposed Cure Amounts as listed in the Cure Notice(s). Any objection to the Cure Amounts which is timely filed and served

4817-6142-9547.1

by any Contract Party in accordance with the Cure Notice, and which is not otherwise resolved by the parties, shall be heard by the Court at the Final Hearing (as defined below).

32. Pursuant to the APA, the Buyer shall be responsible for satisfying the Cure Amounts as described above or otherwise set by final order of the Court. The Buyer shall further be responsible for providing adequate assurance of future performance pursuant to Section 365(b) of the Bankruptcy Code in connection with the proposed assumption and assignment of any Assigned Contract. Debtor in consultation with Sabra reserves its rights to modify, as appropriate, the list of Assigned Contracts that will be assumed and assigned to a Buyer.

C. Bidding Procedures

33. The Debtor propose that the Court approve the following specific bidding procedures (the “**Bidding Procedures**”) and certain bid protections, as follows:

- a. **Potential Bidder.** Parties interested in participating in the bidding process (each person other than the Buyer, a “**Potential Bidder**”) will be required to deliver to the Debtor (to the extent not already delivered) the following:
 - i. An executed confidentiality agreement in form and substance acceptable to the Debtor and Sabra (the “**NDA**”); and
 - ii. The most current financial information evidencing the Potential Bidder’s ability to close the transaction that meets with the Debtor’s satisfaction, Sabra’s satisfaction and in consultation with the Committee.

As promptly as practicable after a Potential Bidder delivers the above information, the Potential Bidder shall be eligible to commence due diligence with respect to the Assets. The Debtor, Sabra, and Houlihan, in consultation with the Committee, reserve the right to refuse any Potential Bidder access to the due diligence materials if such access is deemed to be harmful to the Debtor’s estate. Each Potential Bidder is responsible for conducting its own due diligence regarding the terms under which Sabra may extend the term of the Lease.

4817-6142-9547.1

- b. **Deadline for Submission of Bids.** The deadline for submitting any and all competing bids shall be on or before **January 27, 2016, at 5:00 p.m. (CST)** (the “**Bid Deadline**”). The Debtor, with the prior written consent of Sabra or upon obtaining authorization from the Bankruptcy Court, may extend the Bid Deadline once or successively, but is not obligated to do so; *provided, however*, that the cumulative length of any such extensions shall not be longer than seven days. The Debtor shall not be required to consider bids submitted after the Bid Deadline, but may do so in consultation with Sabra and the Committee (the “**Consultation Parties**”).

- c. **Submission of Bids.** In order to qualify as a potential Qualified Bidder (as defined below) of the Assets, a Potential Bidder must timely submit:
 - i. An executed asset purchase agreement in substantially the same form as the APA filed on January 22, 2015 with all modifications redlined (a “**Modified APA**”) which identifies:
 - a. The Assets the Potential Bidder seeks to acquire;
 - b. The executory contracts and unexpired leases such Potential Bidder seeks to assume and the proposed terms of cure; and
 - c. States the total consideration to be paid by such Potential Bidder, including any amount of the purchase price attributable to payment of Cure Amounts.

 - ii. A cash deposit representing 10% of the proposed purchase price (the “**Deposit**”) which amount shall be applied to the purchase price at Closing or returned to the Potential Bidder in the event such bidder is not the Successful Bidder (defined below) or the Back-Up Bidder (defined below). If the Successful Bidder fails to close, the Deposit shall be forfeited to the Debtor as liquidated damages in addition to other additional remedies available to the Debtor under applicable law.

 - iii. A Modified APA shall not contain:
 - a. A request for any type of break-up fee, expense reimbursement, or similar type of payment; or
 - b. Any due diligence, financing contingencies, or other contingency of any kind.

- iv. Evidence of authorization and approval from such Potential Bidder's board of directors (or comparable authorization, as the case may be) with the respect to the submission, execution, delivery, and closing of the APA or the Modified APA, as the case may be.
- v. Information regarding such Potential Bidder's financial capability to consummate the transactions contemplated by the APA or Modified APA, as the case may be, containing such financial and other information that will allow the Debtor and Sabra, in consultation with the Committee, to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate the transactions contemplated by the APA or the Modified APA, as the case may be. If the Potential Bidder is an entity formed for the purpose of acquiring the assets then financial information of the equity holder(s) or such other form of financial disclosure acceptable to the Debtor and Sabra (with a written commitment of such equity holder(s) to be responsible for the Potential Bidder's obligations in connection with the acquisition of the Assets).
- vi. Discloses fully the terms of the proposed employment of any Hospital employees, management, or officers in connection with such bid.
- vii. Contains such other and further information as may reasonably be requested by the Debtor or Sabra at least two calendar days prior to the Bid Deadline.
- viii. Is delivered to the following parties (except items under subsections (v) and (vi) above are only to be delivered to the Debtor and Debtor's counsel) such that they are received by the close of business on the Bid Deadline (the "**Notice Parties**"):

Michael Miller
5500 Frisco Square Boulevard
Frisco, Texas 75034
Email: Michmiller@deloitte.com
Debtor's Chief Restructuring Officer

William Medford
Lewis Brisbois Bisgaard & Smith LLP
2100 Ross Avenue
Suite 2000
Dallas, TX 75201
Email: William.Medford@lewisbrisbois.com
Counsel for Debtor

Harold Andrews
Sabra Health Care REIT, Inc.
18500 Von Karman Avenue
Suite 550
Irvine, CA 92612
Email: handrews@sabrahealth.com

Deirdre B. Ruckman
Gardere Wynne Sewell
1601 Elm Street, Suite 3000
Dallas, TX 75201
Email: druckman@gardere.com
Counsel for Sabra

George P. Angelich
Arent Fox LLP
1675 Broadway
New York, New York 10019
Email: george.angelich@arentfox.com
Committee Counsel

Adam Dunayer
Houlihan Lokey
100 Crescent Court, Ste. 900
Dallas, TX 75201
Email: ADunayer@hl.com

- d. **Qualification of Bid.** After a Potential Bidder has delivered a bid, the Debtor and Sabra, in consultation with the Committee will determine whether such Potential Bidder is a “**Qualified Bidder**” and its bid a “**Qualified Bid.**” Promptly after making such determination, the Debtor will advise such bidder of this determination. The Debtor and Sabra, in consultation with the Committee, reserve the right to reject any bid if such bid is on terms that are materially more burdensome or conditional than the terms of the APA. The Debtor and Sabra further reserve the right to contact bidders before or after the Bid Deadline to discuss or clarify the

terms of their bid and to indicate any terms which may need to be modified in order to conform the bid to a Qualified Bid or otherwise evaluate the bid. The Debtor and Sabra further reserve the right, after consultation with the Committee to waive any of the requirements of a Qualified Bid. Within two (2) business days after the Bid Deadline, the Debtor shall inform each Potential Bidder that has submitted a bid whether it is a Qualified Bidder.

- e. **Auction.** In the event that one or more competitive Qualified Bids other than that of any Stalking Horse Bidder are received, the Debtor will conduct an auction to determine the highest or best bid for the Assets beginning at **10:00 a.m. (CST) on February 2, 2016**, at the offices of Lewis Brisbois Bisgaard & Smith LLP, 2100 Ross Avenue, Suite 2000, Dallas, TX 75201 (the “**Auction**”). The Auction may be adjourned by announcement of the Debtor to those parties who appear at the Auction and may be reconvened by giving notice to those parties who appeared. Each Qualified Bid other than the opening bid is referred to as a “**Subsequent Bid.**”

At the conclusion of the Auction, or as soon thereafter as practicable, the Debtor and Sabra, in consultation with the Committee, shall: (i) review each Qualified Bid on the basis of financial and contractual terms and the factors relevant to the process, including those factors affecting the speed and certainty of consummating the Transaction; (ii) identify the highest or otherwise best offer(s) for the Assets received at the Auction (the “**Successful Bid**”, and the bidder(s) making such bid, the “**Successful Bidder**”); and (iii) designate a back-up bid to the Successful Bid (the “**Back-Up Bid**” and “**Back-Up Bidder**”). If the Debtor and the Consultation Parties cannot reach an agreement on the Successful Bid and Back-up Bid, the Debtor and Sabra shall make the selection and present it to the Bankruptcy Court for approval. In such event, the Committee reserves the right to object.

- f. **Auction Procedures.** In the event an Auction is necessary, such Auction will be conducted as follows:
- i. Only representatives of the Debtor, Houlihan, the Stalking Horse Bidder (if any), Sabra in its capacity as DIP Lender, landlord and owner of the Hospital Real Estate, any representative of the Committee, and the Office of the U.S. Trustee, and representative of any Qualified Bidder who has timely submitted a Qualified Bid (and the legal and financial advisers to each of the foregoing) may attend the Auction, and only the Stalking Horse Bidder (if any), Buyer and the other Qualified Bidders may make any subsequent Qualified Bids at the Auction.

4817-6142-9547.1

- ii. At least one (1) business day prior to the Auction, each Qualified Bidder who has submitted timely a Qualified Bid must inform the Debtor whether it intends to participate in the Auction. Failure to comply with this provision may preclude an otherwise Qualified Bidder from attending and/or participating in the Auction. As soon as is practicable before the Auction, the Debtor must provide copies of the Qualified Bid, that the Debtor and Sabra, in consultation with the Committee, believe is the highest or otherwise best offer to all Qualified Bidders who are eligible to attend and participate in the Auction.
- iii. Each Deposit submitted pursuant to the Bidding Procedures will be held in escrow by Debtor and will not become property of the Debtor's estate absent further order of the Bankruptcy Court. Any interest earned on any Deposit shall be remitted to the appropriate Qualified Bidder if the Deposit is returned to such Qualified Bidder. Within five business days after the entry of one or more orders of the Bankruptcy Court approving other Qualified Bidders as the Successful Bidder(s), the Debtor shall return the Deposits made by any Qualified Bidders other than the Successful Bidder(s).
- iv. All Qualified Bidders who have submitted a Qualified Bid shall be entitled to be present for all Subsequent Bids with the understanding that the true identity of each bidder shall be fully disclosed to all other bidders and that all material terms of each Subsequent Bids (including any Subsequent Bid by Buyer) will be fully disclosed to all other bidders throughout the entire Auction.
- v. All Qualified Bidders attending the Auction shall agree to remain ready, willing, and able to close the Transaction under the terms of their last Qualified Bid submitted at the Auction until the earlier of (1) the close of the Transaction, or (2) February 24, 2016, and such Qualified Bidder(s) shall close if the Successful Bidder fails to close, if, as, and when determined by the Debtor to be the new Successful Bidder.
- vi. The Debtor and/or Sabra, in consultation with the Committee, may employ and announce at the Auction additional procedural rules that are reasonable under the circumstances (*e.g.*, the amount of time allotted to make Subsequent Bids) for conducting the Auction, provided that such rules are not inconsistent with these Bidding Procedures, the Bankruptcy Code, or any order entered in connection herewith.

- vii. Bidding at the Auction shall begin with the highest or otherwise best Qualified Bid. The bidding shall be in minimum increments of at least \$50,000.00 higher than the previous bid or bids (after giving effect to the minimum required for each bid to be determined to be a Qualified Bid). The Auction shall also continue in one or more rounds of bidding and shall conclude after each participating bidder has had the opportunity to submit one or more additional Subsequent Bids with full knowledge and written confirmation of the then-existing highest bid or bids. All Qualified Bidders shall have the right to submit additional bids and make modifications to their respective APA at the Auction to improve such bids.
 - viii. The DIP Lender will be entitled to credit bid.
 - ix. The Debtor shall provide for a court reporter to be present and prepare a transcript of the Auction. The Debtor or Sabra may determine to make all or any part of the transcript subject to confidentiality requirements and seal.
 - x. Each Qualified Bidder shall be required to confirm that it has not engaged in any collusion with respect to the bidding or the proposed sale.
 - xi. Within 24 hours of the conclusion of the Auction, the Debtor will file notices of the Successful Bid(s).
- g. **Final Hearing**. The Court has scheduled a hearing to approve the Transaction (the “**Final Hearing**”) on February 9, 2016, at [REDACTED] p.m. (CST). All objections to the Transaction shall be filed with the Bankruptcy Court and served on the Notice Parties at least two (2) days prior to the Final Hearing. The Successful Bidder and the Back-Up Bidder must produce a competent witness at the Final Hearing (and any subsequent hearing) to provide testimony, if necessary, to establish adequate assurance of future performance by each such bidder under the unexpired leases and executory contracts to be assigned to such bidder, to the extent required by Sections 365(b) of the Bankruptcy Code. At the Final Hearing, the Debtor will request that the Court approve the Transaction with regard to the Back-Up Bidder in the event the contemplated Transaction with the Successful Bidder does not timely close; in which case such Back-Up Bidder shall become the new Successful Bidder without further order of the Court. The new Successful Bidder shall be substituted for the Buyer under the APA (as amended to reflect terms of the Successful Bidder’s bid) and the proposed Sale Order (defined below).

- h. **Closing.** Closing shall take place within fourteen (14) days after the entry of the order approving the Transaction (“**Sale Order**”), but in no event later than February 24, 2016, and shall be only upon such Sale Order becoming a final order, except upon the waiver of this prerequisite (of a final order) by the Successful Bidder.

34. To ensure that all parties-in-interest receive adequate notice of the Transaction, not later than two (2) days after the entry of an order approving the portion of this Motion relating to the Bidding Procedures, the Debtor will serve a copy of any order of the Court approving the Bidding Procedures, various bid protections, and scheduling the Auction and the Final Hearing (the “**Procedures Order**”) substantially in the form attached to this Motion as **Exhibit B**, via first-class United States mail, postage prepaid to (a) the Office of the United States Trustee for the Eastern District of Texas, (b) all entities known to have expressed a *bona fide* interest in acquiring a material portion of the Assets within the last six months, (c) all federal, state, and local regulatory or taxing authorities or recording offices which have a known interest in the relief requested by the Motion, (d) all secured creditors of the Debtor, (e) the Texas Attorney General’s office; (f) the Texas Department of Health Services; (g) counsel for any committee(s) formed pursuant to Section 1102 of the Bankruptcy Code (if any hereafter is formed); (h) all other entities identified on the Debtor’s Master Service List. The Debtor submits that all parties-in-interest will have adequate notice of the Auction and Transaction. The Debtor shall also serve a Notice of (I) Proposed Sale of Substantially All of the Debtor’s Assets Free and Clear of Liens, Claims and Encumbrances, (II) Auction, and (III) Sale Hearing Thereof (“**Notice of Proposed Sale**”), substantially in the form attached to this Motion as **Exhibit C**, via first-class United States Mail, postage prepaid on those parties on the Debtor’s Creditor Matrix who is not being served with a copy of the Procedures Order as set forth above. The Debtor hereby requests

4817-6142-9547.1

that it not be required to serve either the Procedures Order or the Notice of Proposed Sale to the patients on the Patient Matrix that was filed with the Court under seal. The Debtor submits that to serve the sheer number of the patients on the Patient Matrix would be more burdensome to the estate than any benefit it might bring.

35. To facilitate the timeline proposed below, Sabra may consult independently with the Potential Bidders, Qualified Bidders or other party interested in pursuing a purchase of the Assets.

D. Right to Modify Timeline.

36. The Debtor also seeks the authority to shorten the timeline of the sale process as proposed herein. In the event the Debtor believes, in its business judgment, and with the consent of Sabra, that shortening the timeline as proposed herein would better maximizing the value of the Assets, the Debtor hereby seeks the authority to do so without further Order or the Bankruptcy Court. Should such a need arise, the Debtor proposes to file a Notice with the Bankruptcy Court to shorten the timeline as needed and serve the Notice on (a) the Office of the United States Trustee for the Eastern District of Texas, (b) all entities known to have expressed a *bona fide* interest in acquiring a material portion of the Assets within the last six months, (c) all federal, state, and local regulatory or taxing authorities or recording offices which have a known interest in the relief requested by the Motion, (d) all secured creditors of the Debtor, (e) the Texas Attorney General's office; (f) the Texas Department of Health Services; (g) counsel for any committee(s) formed pursuant to Section 1102 of the Bankruptcy Code (if any hereafter is formed); (h) all other entities identified on the Debtor's Master Service List. Any party opposing

such shortening of the timeline shall have the right to file an objection with the Bankruptcy Court.

E. Summary of Timeline.¹

37. The Debtor has formulated the following timeline to effectuate the Transaction contemplated herein, and seek hearings and deadlines to be set as follows:

Case Day		Activity/Deadline
January 27, 2016	<input type="checkbox"/>	Notice of Cure Amounts
February 2, 2016	<input type="checkbox"/>	Deadline for Contract Parties to object to Cure Amounts
January 22, 2016	<input type="checkbox"/>	Notice of Stalking Horse Bidder and form of APA
TBD	<input type="checkbox"/>	Stalking Horse Hearing to Approve Stalking Horse Bidder and Bid Protections
January 27, 2016	<input type="checkbox"/>	Bid Deadline
February 2, 2016	<input type="checkbox"/>	Auction
February 5, 2016	<input type="checkbox"/>	Last day to object to Transaction
February 9, 2016	<input type="checkbox"/>	Final Hearing
On or before February 24, 2016	<input type="checkbox"/>	Projected closing of Transaction

**IV.
BASIS FOR REQUESTED RELIEF**

38. The Debtor has determined that a disposition of the Debtor’s operating assets is necessary to maximize available value. The Debtor has also determined that a reorganization is not a viable option due to the Debtor’s lack of liquidity to appropriately fund continuation of its businesses. By this Motion, pursuant to sections 105, 363, and 365 of the Bankruptcy Code and

¹ Debtor continues to work with the parties in interest for an agreeable timeline, all things considered.

Bankruptcy Rules 2002 and 6004, the Debtor requests that the Court approve the relief requested herein.

A. Disposition of the Assets is Authorized Under Section 363(b) of the Bankruptcy Code.

39. Pursuant to Section 363(b)(1), a Chapter 11 debtor-in-possession “after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Courts have held that Section 363(b)(1) may be used to dispose of all or most of a Chapter 11 debtor’s assets through the sale as a going concern or by liquidation. *In re Tex. Rangers Baseball Ptnrs*, 431 B.R. 707, 710 (Bankr. N.D. Tex. 2010); *In re Bombay Co.*, 2007 Bankr. LEXIS 3218, *6 (Bankr. N.D. Tex. Sept. 26, 2007).

40. In determining whether to grant a debtor-in-possession’s motion to use, sell, or lease property of the estate, the Court should grant the relief sought if the Debtor is exercising sound business judgment. *Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1311 fn.10 (5th Cir. 1985); *In re Bombay Co.*, 2007 Bankr. LEXIS 3218 at *12.

41. In this case, Debtor is selling all its assets and transferring/assigning all licenses, permits and contracts held by the Debtor relating to the operation of the Hospital (to the extent transferrable).² Debtor is not selling its accounts receivable or cash.

42. As explained above, the Debtor is undertaking an extensive marketing campaign of the Debtor’s Assets and proposes to conduct the Auction process related to the Assets in accordance with this Motion, which proposes to implement procedures designed to maximize the value that will be realized from the disposition of the Assets.

² For a complete description of the Purchased Assets and Excluded Assets see the APA. Debtor reserves its right to withdraw any particular asset from the auction.

43. Based on the foregoing, the disposition of the Assets is justified by sound business reasons and is in the best interests of the Debtor and its estates. Accordingly, pursuant to Section 363(b) of the Bankruptcy Code, the Debtor requests approval of the sale of the Assets and assumption and assignment of the contract to the Successful Bidder as set forth herein.

B. Sale of the Assets Free and Clear

44. Section 363(f) of the Bankruptcy Code provides:

The trustee may sell property under subsection (b) or (c) of this section free and clear of any interest in such property of an entity other than the estate, only if:

- (1) applicable non-bankruptcy law permits sale of such property free and clear of such interest;
- (2) such entity consents;
- (3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- (4) such interest is in a bona fide dispute; or
- (5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f).

45. As quoted above, Section 363(f) of the Bankruptcy Code provides for the sale of assets “free and clear of any interests.” The term “any interest,” as used in Section 363(f), is not defined in the Bankruptcy Code. *Folger Adam Security v. DeMatteis/MacGregor, JV*, 209 F.3d 252, 259 (3d Cir. 2000). In *Folger Adam*, the Third Circuit specifically addressed the scope of the term “any interest.” *Id.*, at 258. The court observed that while some courts have “narrowly

interpreted that phrase to mean only *in rem* interests in property,” the trend in modern cases is towards “a broader interpretation which includes other obligations that may flow from ownership of the property.” *Id.* (citing 3 Collier on Bankruptcy 363.06[1]).

46. As determined by the Fourth Circuit in *In re Leckie Smokeless Coal Co.*, 99 F.3d 573, 581-582 (4th Cir. 1996), a case cited approvingly and extensively by the Third Circuit in *Folger Adam*, the scope of Section 363(f) of the Bankruptcy Code is not limited to *in rem* interests. Thus, the Third Circuit in *Folger Adam* stated that *Leckie* held that the Debtor “could sell their assets under § 363(f) free and clear of successor liability that otherwise would have arisen under federal statute.” *Folger Adam*, 209 F.3d at 258.

47. Section 363(f) is drafted in the disjunctive. Thus, satisfaction of any of the requirements enumerated therein will suffice to warrant the sale of the Assets free and clear of all interests, except with respect to any interests that are Assumed Liabilities under the APA. *See In re Gulf States Steel, Inc. of Alabama*, 285 B.R. 497, 506 (Bankr. N.D. Ala. 2002) (“Since the five conditions listed in 11 U.S.C. § 363(f) are phrased in the disjunctive, property may be sold free and clear of interests if any one of the five conditions is satisfied.”) *See also Citicom Homeowners Servs., Inc. v. Elliot*, 94 B.R. 343, 345 (E.D. Pa. 1988). The Debtor submits that each interest that is not an Assumed Liability satisfies at least one of the five conditions in Section 363(f) of the Bankruptcy Code. The Debtor accordingly requests authority to convey the Assets to the Buyer, free and clear of all interests (except as otherwise provided in the APA).

48. The Debtor has conducted a UCC search to determine possible lienholders of the Debtor’s assets in conjunction with the proposed sale of the Purchased Assets. The Debtor has served such purported lienholders notice of this Motion, and will serve such parties with notice

of any order approving the relief requested by this Motion. Accordingly, this Court should approve the sale of the Assets, and excluding the Excluded Liabilities, to the Successful Bidder, free and clear of interests under Section 363(f) of the Bankruptcy Code.

C. The Bidding Procedures Provided Herein Are Appropriate.

49. Courts have made clear that a debtor's business judgment is entitled to substantial deference with respect to the procedures to be used in selling assets of the estate. *See, e.g., In re Friedman's, Inc.*, 336 B.R. 891, 895 (Bankr. S.D. Ga. 2005); *Official Committee of Subordinated Bondholders v. Integrated Resources, Inc. (In re Integrated Resources, Inc.)*, 147 B.R. 650, 656-57 (Bankr. S.D.N.Y. 1992). The paramount goal in any proposed sale of property of the estate is to maximize the proceeds received by the estate. *See Four B. Corp. v. Food Barn Stores, Inc. (In re Food Barn Stores, Inc.)*, 107 F.3d 558, 564-65 (8th Cir. 1997) (in bankruptcy sales, "a primary objective of the Code [is] to enhance the value of the estate at hand"); *Integrated Resources*, 147 B.R. at 659 (same); *Cello Bag Co. v. Champion Int'l Corp. (In re Atlanta Packaging Products, Inc.)*, 99 B.R. 124, 130 (Bankr. N.D. Ga. 1988) (same).

50. In that regard, courts uniformly recognize that procedures intended to enhance competitive bidding are consistent with the goal of maximizing the value received by the estate and therefore are appropriate in the context of bankruptcy transactions. *See, e.g., In re Montgomery Ward Holding Corp.*, Case No. 97-1409 (PJW) (Bankr. D. Del. Aug. 6, 1997); *In re Fruehauf Trailer Corp.*, Case No. 96-LS63 (PJW) (Bankr. D. Del. Feb. 26, 1997); *Integrated Resources*, 147 B.R. at 659; *In re Atlanta Packaging Products, Inc.*, 99 B.R. 124, 131 (Bankr. N.D. Ga. 1988) ("Competitive bidding yields higher offers and thus benefits the estate. Therefore, the objective is 'to maximize the bidding, not to restrict it'").

51. The Bidding Procedures proposed herein will provide a framework for the Debtor to entertain Qualified Bids for the Assets and, if it receives such Qualified Bids, to conduct the Auction in a fair and open fashion that will encourage participation by financially capable bidders who demonstrate the ability to close a transaction. This should increase the likelihood that the Debtor will receive the greatest possible consideration for the Assets. The Bidding Procedures also set forth a schedule for achieving these objectives in an expeditious manner, balancing the Debtor's desire to maximize recovery for the benefit of the estates with the need to move quickly to avoid any further deterioration in value.

D. The Buyer is Entitled to Good Faith Protections of Section 363(m).

52. Section 363(m) of the Bankruptcy Code provides:

The reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease of property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale or lease were stayed pending appeal.

11 U.S.C. § 363(m).

53. While the Bankruptcy Code does not define "good faith," the Third Circuit in *Abbotts Dairies*, has stated:

[t]he requirement that a Buyer act in good faith ... speaks to the integrity of his conduct in the course of the sale proceedings. Typically, the misconduct that would destroy a Buyer's good faith status at a judicial sale involves fraud, collusion between the Buyer and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.

788 F.2d at 147 (citations omitted). *See also In re Miami General Hospital, Inc.*, 81 B.R. 682, 688 (S.D. Fla. 1988) ("The misconduct at a judicial sale that would destroy a buyer's good faith

‘involved fraud, collusion between the Buyers and other bidders or the trustee, or an attempt to take generally unfair advantage of other bidders.’”) (*quoting Abbotts Dairies*, 788 F.2d at 147).

54. Moreover, the Second Circuit has indicated that a party would have to show fraud or collusion between the buyer and the debtor-in-possession or trustee or other bidders in order to demonstrate a lack of good faith. *See In re Colony Hill Assocs.*, 111F.3d269, 276 (2d Cir. 1997) (“Typically, the misconduct that would destroy a Buyer’s good faith status at a judicial sale involves fraud, collusion between the Buyer and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.”).

55. The Debtor intends to make an appropriate showing at the Final Hearing that the APA with the Buyer(s) is the result of a negotiated, arms’-length transaction, in which such Buyer(s) at all times acted in good faith. The Debtor thus requests that the Court find that the Buyer(s) will be purchasing the Assets in good faith within the meaning of Section 363(m) of the Bankruptcy Code.

E. The Court Should Approve the Assignment and Assumption of Contracts.

56. As required by the APA, the Debtor requests approval of the ability to assume, assign, and sell the Assigned Contracts to the Buyer.

57. The Assigned Contracts are those contracts or leases that the Debtor seeks approval to assume and assign to the Buyer as part of the Transaction under the APA. The Debtor further requests that the Order provide that the Assigned Contracts will be assigned to, and remain in full force and effect for the benefit of, the Buyer, notwithstanding any provisions in the Assigned Contracts, including those described in Sections 365(b)(2) and (f)(1) and (3) of the Bankruptcy Code, that prohibit such assignment.

58. Section 365(f)(2) of the Bankruptcy Code provides, in pertinent part, that: The trustee may assign an executory contract or unexpired lease of the debtor only if -

- (A) the trustee assumes such contract or lease in accordance with the provisions of this section; and
- (B) adequate assurance of future performance by the assignee of such contract or lease is provided, whether or not there has been a default in such contract or lease. 11 U.S.C. § 365(f)(2).

11 U.S.C. § 365(f)(2).

59. Under Section 365(a), a debtor “subject to the court’s approval, may assume or reject any executory contract or unexpired lease of the debtor.” 11 U.S.C. § 365(a). Section 365(b)(1), in turn, codifies the requirements for assuming an unexpired lease or executory contract of a debtor, providing that:

- (b)(1) If there has been a default in an executory contract or unexpired lease of the debtor, the trustee may not assume such contract or lease unless, at the time of assumption of such contract or lease, the trustee –
 - (A) cures, or provides adequate assurance that the trustee will promptly cure, such default ... ;
 - (B) compensates, or provides adequate assurance that the trustee will promptly compensate, a party other than the debtor to such contract or lease, for any actual pecuniary loss to such party resulting from such default; and
 - (C) provides adequate assurance of future performance under such contract or lease.

11 U.S.C. § 365(b)(1).

60. Although Section 365 of the Bankruptcy Code does not set forth standards for courts to apply in determining whether to approve a debtor-in-possession’s decision to assume an executory contract, it is well established that the decision to assume or reject an executory

contract or unexpired lease is a matter within the “business judgment” of the debtor. *See In re Taylor*, 913 F.2d 102 (3d Cir. 1990); *Sharon Steel Corp. v. Nat’l Fuel Gas Distrib. Corp.*, 872 F.2d 36 (3d Cir. 1989); *In re Gardinier, Inc.*, 831 F.2d 974, 975 n.2 (11th Cir. 1987). Accordingly, assumption or rejection of any executory contract is appropriate where the assumption would benefit the estate or the rejection would allow the trustee to avoid burdensome obligations previously incurred by the Debtor. *In re Diamond Mfg. Co., Inc.*, 164 B.R. 189, 198 (Bankr. S.D. Ga. 1994). *See also Sharon Steel*, 872 F.2d at 40.

61. The assumption, assignment, and sale of the Assigned Contracts as proposed in the APA is an integral part of the disposition of the Assets and, as stated above, such disposition provides the maximum available to benefit the Debtor’s estates. To the extent no objection is filed with regard to a particular Cure Amount, such Cure Amount shall be binding on the Contract Party to the applicable contract or lease. The payment of the Cure Amounts will be in full and final satisfaction of all obligations to cure defaults and compensate the Contract Parties for any pecuniary losses under such contracts or leases pursuant to Section 365(b)(1) of the Bankruptcy Code.

62. Cure Amounts properly disputed by any contracting party to an Assigned Contract will be resolved by the Court at the Final Hearing.

63. As set forth in this Motion and the APA, the Buyer is responsible for providing evidence of “adequate assurance of future performance” to the extent required in connection with the assumption and assignment of any Assigned Contract. The meaning of “adequate assurance of future performance” for the purpose of the assumption of executory contracts and unexpired leases pursuant to Section 365 of the Bankruptcy Code depends on the facts and circumstances

of each case, but should be given “practical, pragmatic construction.” See *In re DH4, Inc.*, 2007 WL 3283781 at *4 (Bankr. S.D. Fla. 2007) (“What constitutes ‘adequate assurance of future performance’ must be determined by the facts of the proposed assumption”); *Carlisle Homes, Inc. v. Arrari (In re Carlisle Homes, Inc.)*, 103 B.R. 524, 538 (Bankr. D.N.J. 1989); see also *In re Natco Indus., Inc.*, 54 B.R. 436, 440 (Bankr. S.D.N.Y. 1985) (adequate assurance of future performance does not mean an absolute assurance that debtor will thrive and pay rent); *In re Bon Ton Rest. & Pastry Shop, Inc.*, 53 B.R. 789, 803 (Bankr. N.D. Ill. 1985). To the extent necessary, the Buyer shall provide evidence of its ability to provide adequate assurance to the contracting parties to the Assigned Contracts at the Final Hearing. In the event a competitive bidder is successful at the Auction, such Successful Bidder shall be substituted as the Buyer and shall undertake the obligation with respect to the Assigned Contracts as set forth herein.

F. Request for Waiver of Stay.

64. By this Motion, the Debtor also seeks a waiver of any stay of the effectiveness of orders approving the relief requested in this Motion. Bankruptcy Rule 6004(h) provides that, “[a]n order authorizing the use, sale or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” Bankruptcy Rule 6006(d) provides that, “[a]n order authorizing trustee to assign an executory contract or expired lease under §365(f) is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” For the reasons described above, the Debtor submits that ample cause exists to justify a waiver of the 14-day stay imposed by Bankruptcy Rules 6004(h) and 6006(d), to the extent they apply.

V.
NOTICE

65. Notice of this Motion has been given by e-mail, facsimile, overnight delivery, and/or courier to the following parties or, in lieu thereof, to their counsel, if known: (a) the Office of the United States Trustee for the Eastern District of Texas; (b) the Office of the Texas Attorney General; (c) the Office of the United States Attorney General; (d) the Texas Department of Health Services; (e) Texas Capital Bank; (f) Sabra Texas Holdings, L.P.; (g) the Internal Revenue Service; (h) all other relevant taxing authorities; (i) proposed counsel for the Committee; (j) each of the parties subject to an executory contract or unexpired lease; (k) the Debtor's equity security holders; and (l) all other known parties-in-interest in this Chapter 11 case. The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

DATED: November 14, 2015

Respectfully submitted,

**LEWIS BRISBOIS BISGAARD &
SMITH LLP**

/s/ Vickie L. Driver

William L. Medford (#00797060)

Vickie L. Driver (#24026886)

Christina W. Stephenson (#24049535)

2100 Ross Avenue, Suite 2000

Dallas, TX 75201

Email: William.Medford@lewisbrisbois.com

Email: Vickie.Driver@lewisbrisbois.com

Email: Christina.Stephenson@lewisbrisbois.com

COUNSEL FOR THE DEBTOR

CERTIFICATE OF CONFERENCE

On November 13, 2015, the undersigned counsel for the Debtor conferred with counsel for the DIP Lender regarding this Motion. Mr. Medford had not heard back from counsel for the Committee at the time of filing this Motion. Counsel for the DIP Lender supports the relief requested. The Debtor anticipates working with the Committee to resolve any objections they may have.

/s/ Vickie L. Driver
Vickie L. Driver

CERTIFICATE OF SERVICE

I hereby caused a true and correct copy of the foregoing pleading to be served by Donlin, Recano & Company upon the parties listed on the attached Master Service List via US Mail, ECF notification, e-mail, facsimile, overnight delivery, and/or courier on this 14th day of November, 2015.

/s/ Vickie L. Driver
Vickie L. Driver

EXHIBIT A

CURE NOTICE

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

	§	
IN RE:	§	CHAPTER 11
	§	
FOREST PARK MEDICAL CENTER AT FRISCO, LLC,	§	CASE NO. 15-41684 - BTR
	§	
DEBTOR.	§	Complex Case
	§	
	§	
	§	

**NOTICE OF PROPOSED ASSUMPTION, ASSIGNMENT AND CURE
AMOUNT WITH RESPECT TO EXECUTORY CONTRACTS AND UNEXPIRED
LEASES RELATED TO THE SALE OF THE ASSETS OF THE DEBTOR**

**YOU ARE RECEIVING THIS NOTICE BECAUSE YOU MAY BE A COUNTERPARTY
TO AN EXECUTORY CONTRACT OR UNEXPIRED LEASE WITH FOREST PARK
MEDICAL CENTER AT FRISCO, LLC (THE “DEBTOR”). PLEASE READ THIS
NOTICE CAREFULLY AS YOUR RIGHTS MAY BE AFFECTED BY THE
TRANSACTIONS DESCRIBED HEREIN.**

PLEASE TAKE NOTICE that, on November 14, 2015, the Debtor filed a motion (the “**Sale Motion**”) to, among other things, (a) seek approval of certain Bidding Procedures (the “**Bidding Procedures**”) related to the sale (the “**Sale Transaction**”) of substantially all of the Debtor’s assets (the “**Assets**”), (b) schedule an auction (the “**Auction**”) and sale hearing (the “**Sale Hearing**”) with respect to the Sale Transaction, and (c) approve the sale of the Assets and the assumption and assignment of certain contracts and leases relating thereto free and clear of all liens, claims, encumbrances and other interests.

PLEASE TAKE FURTHER NOTICE that, on [_____], 2015, the Court entered an order (the “**Bidding Procedures Order**”) ¹ approving the Bidding Procedures and setting a date for the Sale Hearing. The Sale Hearing is currently scheduled to be held on _____ at __:00 a.m. (CDT) at the United States Bankruptcy Court for the Eastern District of Texas, before the Honorable Brenda T. Rhoades, Chief United States Bankruptcy Court Judge, to consider the Debtor’s selection of the highest or otherwise best bid and the approval of the Sale Transaction. The Sale Hearing may be adjourned or rescheduled without notice.

¹ Capitalized terms used but not otherwise defined herein shall have the same meanings ascribed to them in the Bidding Procedures Order.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Bidding Procedures Order, the key dates for the sale process are as follows:

- January 22, 2016 - Deadline to Designate Stalking Horse Bidder
- _____ at __:00 __.M. (CDT)- Stalking Horse Hearing
- January 27, 2016 - Deadline to Serve Assumption and Assignment Notice
- January 27, 2016 at 5:00 P.M. (CDT) - Bid Deadline
- February 2, 2016 - Assumption and Assignment Objection Deadline
- February 2 at 10:00 A.M. (CDT) - Auction (if necessary)
- _____ at __:00 __.M. (CDT)- Sale Hearing Objection Deadline
- _____ at __:00 __.M. (CDT)- Sale Hearing

PLEASE TAKE FURTHER NOTICE that, pursuant to the Sale Motion, the Debtor has sought authorization to assume and assign certain executory contracts and unexpired leases relating to the Assets (the “**Designated Contracts**”) upon consummation of the transactions contemplated by the Sale Transaction. A list of the executory contracts and unexpired leases proposed to be assumed is attached hereto as Exhibit “1” and will also be available on the Internet at <http://www.donlinrecano.com/clients/fpmc> (the “**Website**”), or upon request to the Debtor’s noticing agent, Donlin Recano & Company, Inc., at fpmcinfo@donlinrecano.com or (877) 281-4469.

PLEASE TAKE FURTHER NOTICE that if any executory contract or unexpired lease is proposed to be assumed by being (i) added to the schedule of Designated Contracts attached to the Stalking Horse Agreement or (ii) included in a schedule of Designated Contracts attached to the purchase agreement included in any other qualified bid for the Assets (a “**Qualified Bid**”), a copy of the applicable notice shall be served on the nondebtor counterparty by fax, email or (if neither is available) overnight courier within one business day of such addition (and in no event less than three business days before the Sale Hearing).

PLEASE TAKE FURTHER NOTICE that Section 365(b)(1) of the Bankruptcy Code requires a chapter 11 debtor to cure, or provide adequate assurance that it will promptly cure, any defaults under executory contracts and unexpired leases at the time of assumption. The required cure amount (the “**Cure Amount**”) for each Designated Contract calculated by the Debtor is listed on Exhibit “1” hereto and posted on the Website. Please note that if no amount is stated for a particular Designated Contract, the Debtor believes that there is no Cure Amount outstanding for such contract or lease.

PLEASE TAKE FURTHER NOTICE that pursuant to the Bidding Procedures Order, you must file and serve any objections to (i) the proposed assumption and assignment set forth in this Assumption and Assignment Notice (except with respect to the adequate assurance of future performance of any Successful Bidder) and/or (ii) if applicable, the proposed Cure Amount, no later than **February 2, 2016**; *provided, however*, if (a) the Cure Amount associated with any such executory contract or unexpired lease is modified, or (b) an executory contract or unexpired lease is proposed to be assumed pursuant to the purchase agreement accompanying any other Qualified Bid,

4849-9094-1225.2 4849-9094-1225.2 4849-9094-1225.2

any counterparty to such a Designated Contract may file an objection to the aforesaid addition or modification at any time prior to the Sale Hearing or by appearing and objecting at the Sale Hearing (as applicable, the “**Objection Deadline**”). Any counterparty objecting to a Successful Bidder’s proposed form of adequate assurance of future performance may file an objection at any time prior to the Sale Hearing or by appearing and objecting at the Sale Hearing.

PLEASE TAKE FURTHER NOTICE that to the extent that you object to (i) the proposed assumption and assignment of your respective Designated Contract as set forth in this Assumption and Assignment Notice or (ii) the Cure Amount, then you must file with the Bankruptcy Court and serve an objection upon the following parties, so as to be actually received or presented by no later than the applicable Objection Deadline: (i) Lewis Brisbois Bisgaard & Smith, LLP (Attn: William Medford and Vickie Driver), counsel to the Debtor, (ii) Gardere Wynne Sewell, LLP (Attn: Dierdre Ruckman and Marcus Helt), counsel to Sabra (iii) McGuire Craddock & Strother, P.C. (Attn: Mark Chevallier), counsel to TCB, (iv) the Office of the United States Trustee for the Eastern District of Texas, (Attn: John Vardemann and Timothy O’Neal), (v) the IRS, (vi) the Office of the Texas Attorney General, (vii) the Texas Department of State Health Services, (viii) the Office of the United States Attorney General (Attn: Hal Morris), (ix) the Official Unsecured Creditors’ Committee (Attn: George Angelich and Robert Hirsh), and (x) any persons who have filed a request for notice in the above-captioned Chapter 11 Case. Any objection to the proposed assumption and assignment must state with specificity the legal and factual basis on which the objection is premised. Any objection to the Cure Amount must state with specificity what other Cure Amount is required and provide appropriate documentation in support thereof.

PLEASE TAKE FURTHER NOTICE that your objection, if any, will be heard and determined at the Sale Hearing unless the Debtor and the Successful Bidder agree otherwise or the Court orders otherwise.

PLEASE TAKE FURTHER NOTICE that, if an objection to a Cure Amount is filed, the Successful Bidder reserves the right to delete the applicable contract or lease as a Designated Contract if the Cure Amount is ultimately determined by order of the Court to be higher than the Cure Amount set forth on Exhibit “1” hereto.

PLEASE TAKE FURTHER NOTICE that, if no objection to the assumption and assignment of a Designated Contract or Cure Amount is timely filed and served, (a) the counterparty to such a Designated Contract shall be deemed to have consented to the assumption and assignment of the Designated Contract in connection with the Sale Transaction and shall be forever barred from asserting any objection with regard to such assumption or assignment, and (b) the Cure Amount set forth on Exhibit “1” or on the Website shall be controlling, notwithstanding anything to the contrary in any Designated Contract, or any other document, and the counterparty to a Designated Contract shall be deemed to have consented to the Cure Amount and shall be forever barred from asserting any other claims related to such Designated Contract against the Debtor or the successful bidder, or the property of any of them.

PLEASE TAKE FURTHER NOTICE THAT if you wish to receive notice via email or fax of Qualified Bidders or the Successful Bidder please provide your contact information to Debtor’s Counsel, Lewis Brisbois Bisgaard & Smith, LLP (Attn: William Medford and Vickie Driver),

William.medford@lewisbrisbois.com, Vickie.driver@lewisbrisbois.com, facsimile: (214) 722-7111.

PLEASE TAKE FURTHER NOTICE that the listing of a Designated Contract on Exhibit "1" does not constitute an admission that the agreement is an executory contract or unexpired lease as contemplated by Section 365(a) of the Bankruptcy Code or that the Debtor has any liability thereunder, and the Debtor expressly reserves all of its rights, claims, causes of action and defenses with respect to the Designated Contracts listed on Exhibit 1.

PLEASE TAKE FURTHER NOTICE THAT ASSUMPTION OF ANY DESIGNATED CONTRACT SHALL RESULT IN THE FULL RELEASE AND SATISFACTION OF ANY CLAIMS OR DEFAULTS, WHETHER MONETARY OR NONMONETARY, INCLUDING DEFAULTS OF PROVISIONS RESTRICTING THE CHANGE IN CONTROL OR OWNERSHIP INTEREST COMPOSITION OR OTHER BANKRUPTCY-RELATED DEFAULTS, ARISING UNDER ANY ASSUMED EXECUTORY CONTRACT AT ANY TIME BEFORE THE DEBTOR ASSUMES SUCH EXECUTORY CONTRACT. ANY PROOFS OF CLAIM FILED WITH RESPECT TO AN EXECUTORY CONTRACT THAT HAS BEEN ASSUMED SHALL BE DEEMED DISALLOWED AND EXPUNGED, WITHOUT FURTHER NOTICE TO OR ACTION, ORDER OR APPROVAL OF THE BANKRUPTCY COURT.

Dated: November __, 2016.

/s/ _____
William L. Medford, Esq.
State Bar No. 00797060
Vickie L. Driver, Esq.
State Bar No. 24026886
Christina W. Stephenson, Esq.
State Bar No. 24049535
Lewis Brisbois Bisgaard & Smith, LLP
2100 Ross Avenue, Suite 2000
Dallas, Texas 75201
Phone: (214) 722-7100
Fax: (214) 722-7111
Email: william.medford@lewisbrisbois.com
Email: vickie.driver@lewisbrisbois.com
Email: christina.stephenson@lewisbrisbois.com

COUNSEL FOR THE DEBTOR

EXHIBIT B

PROCEDURES ORDER

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

IN RE:	§	Chapter 11
	§	
FOREST PARK MEDICAL CENTER AT FRISCO, LLC	§	CASE NO. 15-41684-BTR
	§	
Debtor.	§	Complex Case

**ORDER APPROVING (1) BIDDING PROCEDURES IN ADVANCE OF AUCTION, (2)
APPROVING FORM AND MANNER OF NOTICE OF PROPOSED CURE AMOUNTS,
(3) AUCTION (4) STALKING HORSE HEARING AND FINAL HEARING AND (5)
GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”) filed by Forest Park Medical Center at Frisco, LLC (“**Debtor in Possession**” or the “**Debtor**”), requesting an entry of an order pursuant to 105, 363(b), (f) and (m) and 365 of the Bankruptcy Code¹ on an expedited basis (1) approving Bidding Procedures related to the sale of the Debtor’s Assets; (2) approving the form, extent and manner of notice of the proposed Cure Amounts, Auction, Stalking Horse Hearing and Final Hearing (each as defined below); (3) authorizing the assumption, assignment, and sale of certain executory contracts and unexpired leases pursuant to Sections 363 and 365 of the Bankruptcy Code; and (4) granting related relief; the Court, having reviewed the Motion and the objections thereto and having heard the statements of counsel and considered the evidence presented at a hearing before the Court on the Motion,

THE COURT FINDS AND CONCLUDES AS FOLLOWS:

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

B. Venue of this case and the Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.

C. The Debtor filed the Motion on November 14, 2015, proposing to sell the Assets to a potential buyer(s), and requesting approval of the Bidding Procedures related to the proposed Transaction (the “**Procedures Order**”).

D. The statutory and legal predicates for the relief sought in the Motion are Sections 105, 363, and 365 of the Bankruptcy Code and Rules 2002, 6004, 6006, and 9014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

¹ Capitalized terms not defined herein shall have the meanings ascribed to them in the Motion.

E. The Debtor has articulated good and sufficient reasons for approving the Bidding Procedures and the Bid Protections and the form and manner of notice of the proposed Cure Amounts, Auction, stalking horse hearing (“**Stalking Horse Hearing**”) and the final hearing thereon (the “**Final Hearing**”).

F. The Bidding Procedures are reasonable and appropriate, and represent the best method for maximizing the return for the Assets. The relief granted herein is in the best interests of the Debtor, its estates, creditors, and other parties-in-interest.

THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Debtor, at its discretion, with the consent of Sabra, and in consultation with the Committee, may designate one or more Stalking Horse Bidder(s). Should the Debtor designate one or more Stalking Horse Bidder(s), no later than **January 22, 2015**, the Debtor shall file and service a notice (the “**Stalking Horse Notice**”) that includes (i) the identify of each proposed Stalking Horse Bidder, (ii) a summary of the key terms of each Stalking Horse Agreement, (iii) a summary of the type and amount of bid protections (“**Bid Protections**”), if any. The Stalking Horse Notice shall be served on all parties that have expressed an interest in acquiring Assets subject to the proposed sale contemplated by each of the Stalking Horse Agreements, as well as all parties who have requested notice in the Debtor’s Chapter 11 Case pursuant to Bankruptcy Rule 2002.

2. The Stalking Horse Hearing is set for _____, **2016**, at _____ **p.m.** (CDT), before the United States Bankruptcy Court for the Eastern District of Texas, Sherman Division, in Courtroom _____ at 660 N. Central Expressway, Suite 300B, Plano, Texas 75074, at which time the Court shall consider the Bid Protections.

3. The Final Hearing on the Motion is set for **February 9, 2016**, at _____ **p.m.** (CDT), before the United States Bankruptcy Court for the Eastern District of Texas, at which time the Court shall consider the Motion, confirm the results of the Auction, if any, and consider approval of the Transaction.

4. Objections to the Stalking Horse Bid Protections must be filed and served such that they are received by Debtor’s counsel no later than _____ **p.m. (CDT) on _____, 2016** (the “**Stalking Horse Objection Deadline**”).

5. Objections to approval of the sale to the highest and best bidder must be filed and served such that they are received by Debtor’s counsel no later than _____ **p.m. (CDT) on February 5, 2016** (the “**Sale Objection Deadline**”).

6. The failure of any objecting person or entity to file and serve its objection to the Bid Protections, the Motion, the Transaction, or the Debtor’s consummation and performance of the APA, including the assumption and assignment of certain executory contracts, on or before the Stalking Horse Objection Deadline or the Motion Objection Deadline, as the case may be, shall be a bar to the assertion, at the Final Hearing or thereafter, of any objection to the Bid Protections, the Motion, the Auction, the Transaction, or the Debtor’s consummation and

performance of the APA, including the assumption and assignment of certain executory contracts, if authorized by the Court.

7. The Debtor is authorized and empowered to take such steps, expend such sums of money, and do such other things as may be necessary to implement and effect the terms and requirements of this Procedures Order, subject to the restrictions on the use of cash collateral and orders of this Court with respect to same.

8. The Debtor is hereby authorized to shorten the timeline approved herein. Should the Debtor, in the exercise of its business judgment, and with the consent of Sabra, believe shortening the sale timeline would better maximize the value of the Assets, the Debtor may do so by filing a Notice with this Court (the “**Notice to Shorten Timeline**”) and serve such Notice to Shorten Timeline on (a) the Office of the United States Trustee for the Eastern District of Texas, (b) all entities known to have expressed a *bona fide* interest in acquiring a material portion of the Assets within the last six months, (c) all federal, state, and local regulatory or taxing authorities or recording offices which have a known interest in the relief requested by the Motion, (d) all secured creditors of the Debtor, (e) the Texas Attorney General’s office; (f) the Texas Department of Health Services; (g) counsel for any committee(s) formed pursuant to Section 1102 of the Bankruptcy Code (if any hereafter is formed); (h) all other entities identified on the Debtor’s Master Service List. Parties shall have the right to file objections to the Notice to Shorten Time.

9. Notice of the Procedures Order, Auction, Stalking Horse Hearing, Final Hearing, and the potential assumption and assignment of Assigned Contracts (as defined in the Motion) to the Successful Bidder pursuant to the APA shall be good and sufficient, and no other or further notice shall be required, if given as follows:

(a) Notice of Auction and Final Hearing. As soon as practicable after the Court’s entry of this Procedures Order, the Debtor (or its agents) shall:

(A) serve a copy of this Procedures Order by first-class United States mail, postage pre-paid, upon (i) the Office of the United States Trustee; (ii) all entities known to have expressed a *bona fide* interest in acquiring a material portion of the Assets within the last six months; (iii) all federal, state, and local regulatory or taxing authorities or recording offices which have a known interest in the relief requested by the Motion; (iv) all secured creditors of the Debtor; (v) the Texas Attorney General’s office; (vi) the Texas Department of Health Services; (vii) counsel for any committee(s) formed pursuant to Section 1102 of the Bankruptcy Code (if any hereafter is formed); (viii) all entities identified on the Debtor’s Master Service List;

(B) serve a Notice of Proposed Sale, substantially in the form attached to the Motion as Exhibit C, by first class United States mail, postage pre-paid, upon those parties on the Debtor’s Creditor Matrix who

is not being served with a copy of the Procedures Order as set forth in (A) above; and

(C) the Debtor shall not be required to serve the Procedures Order or the Notice of Proposed Sale to the patients on the Patient Matrix that was filed with the Court under seal.

(b) Cure Notice. On or before January 27, 2016, the Debtor shall serve by first-class United States Mail, postage pre-paid, on all non-debtor parties to contracts and leases that may become Assigned Contracts a copy, substantially in the form that was attached to the Motion as Exhibit A and which form is hereby approved, of the Cure Notice of (i) the Debtor's potential intent to assume and assign that party's Assigned Contract, and (ii) the proposed cure amount (the "**Cure Amount**") that the Debtor proposes as necessary to assume the Assigned Contract. Each non-debtor party to the Assigned Contract shall have until **February 2, 2016 at ____ p.m.** to object to the assumption and assignment of the Assigned Contract or the Cure Amount and, if objecting to the Cure Amount, must state in its objection with specificity what Cure Amount the non-debtor party believes is required (with appropriate documentation in support thereof). If no objection is timely received, the Assigned Contract may be assumed and assigned to the Successful Bidder on the closing date of the Transaction, and the Cure Amount set forth in the Cure Notice shall be controlling, notwithstanding anything to the contrary in any Assigned Contract or any other document, and the non-debtor party to the Assigned Contract shall be forever barred from asserting any other claims against the Debtor, the Successful Bidder, or its property that arise out of or relate to the Assigned Contract, the Assets, or the Transaction.

10. Any final agreement purporting to memorialize an agreement for the disposition of substantially all of the Debtor's Assets by and between the Debtor and the Successful Bidder, shall be substantially in the form of the APA, which will be on file by January 22, 2016.

11. The Debtor is authorized to reject any bid or offer that the Debtor or Sabra conclude, in consultation with the Committee is not in conformity with the terms and conditions of the APA. Any creditor seeking to obtain copies of an APA or letter of intent must provide a written request to counsel for the Debtor and execute a confidentiality agreement which will be provided by Debtor's counsel upon receipt of such request.

12. The Court hereby approves the following bidding procedures (the "**Bidding Procedures**") which shall govern all proceedings relating to the APA and any subsequent bids for the Assets in this case:

(a) **Potential Bidder**. Parties interested in participating in the bidding process (each person other than the Buyer, a "**Potential Bidder**") will be required to deliver to the Debtor (to the extent not already delivered) the following:

(i) An executed confidentiality agreement in form and substance acceptable to the Debtor and Sabra (the "**NDA**"); and

(ii) The most current financial information evidencing the Potential Bidder's ability to close the transaction that meets with the Debtor's satisfaction, Sabra's satisfaction and in consultation with the Committee.

As promptly as practicable after a Potential Bidder delivers the above information, the Potential Bidder shall be eligible to commence due diligence with respect to the Assets. The Debtor, Sabra, and Houlihan, in consultation with the Committee, reserve the right to refuse any Potential Bidder access to the due diligence materials if such access is deemed to be harmful to the Debtor's estate. Each Potential Bidder is responsible for conducting its own due diligence regarding the terms under which Sabra may extend the term of the Lease.

(b) **Deadline for Submission of Bids.** The deadline for submitting any and all competing bids shall be on or before **January 27, 2016, at 5:00 p.m. (CST)** (the "**Bid Deadline**"). The Debtor, with the prior written consent of Sabra or upon obtaining authorization from the Bankruptcy Court, may extend the Bid Deadline once or successively, but is not obligated to do so; *provided, however*, that the cumulative length of any such extensions shall not be longer than seven days. The Debtor shall not be required to consider bids submitted after the Bid Deadline, but may do so in consultation with Sabra and the Committee (the "**Consultation Parties**").

(c) **Submission of Bids.** In order to qualify as a potential Qualified Bidder (as defined below) of the Assets, a Potential Bidder must timely submit:

(i) An executed asset purchase agreement in substantially the same form as the APA filed on _____, 2016, with all modifications redlined which identifies ("**Modified APA**");

(A) The Assets the Potential Bidder seeks to acquire;

(B) The executory contracts and unexpired leases such Potential Bidder seeks to assume and the proposed terms of cure; and

(C) States the total consideration to be paid by such Potential Bidder, including any amount of the purchase price attributable to payment of Cure Amounts.

(ii) A cash deposit in the amount representing 10% of the proposed purchase price (the **Deposit**) which amount shall be applied to the purchase price at Closing or returned to the Potential Bidder in the event such bidder is not the Successful Bidder or the Back-Up Bidder. If the Successful Bidder fails to close, the Deposit shall be forfeited to the Debtor as liquidated damages in addition to other additional remedies available to the Debtor under applicable law.

(iii) A Modified APA shall not contain:

(A) A request for any type of break-up fee, expense reimbursement, or similar type of payment; or

(B) Any due diligence, financing contingencies, or other contingency of any kind.

(iv) Evidence of authorization and approval from such Potential Bidder's board of directors (or comparable authorization, as the case may be) with the respect to the submission, execution, delivery, and closing of the APA or the Modified APA, as the case may be.

(v) Information regarding such Potential Bidder's financial capability to consummate the transactions contemplated by the APA or Modified APA, as the case may be, containing such financial and other information that will allow the Debtor and Sabra, in consultation with the Committee, to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate the transactions contemplated by the APA or the Modified APA, as the case may be. If the Potential Bidder is an entity formed for the purpose of acquiring the assets then financial information of the equity holder(s) or such other form of financial disclosure acceptable to the Debtor and to Sabra (with a written commitment of such equity holder(s) to be responsible for the Potential Bidder's obligations in connection with the acquisition of the Assets).

(vi) Discloses fully the terms of the proposed employment of any of Hospital's employees, management, or officers in connection with such bid.

(vii) Is delivered to the following parties (except items under subsection (v) and (vi) above are only to be delivered to the Debtor, Debtor's counsel, Sabra and its counsel) such that they are received by the close of business on the Bid Deadline (the "**Notice Parties**");

Michael Miller
5500 Frisco Square Boulevard
Frisco, Texas 75034
Email: Michmiller@deloitte.com
Debtor's Chief Restructuring Officer

William Medford
Lewis Brisbois Bisgaard & Smith LLP
2100 Ross Avenue
Suite 2000
Dallas, TX 75201
Email: William.Medford@lewisbrisbois.com
Counsel for Debtor

Harold Andrews
Sabra Health Care REIT, Inc.
18500 Von Karman Avenue
Suite 550
Irvine, CA 92612
Email: handrews@sabrahealth.com

Deirdre B. Ruckman
Gardere Wynne Sewell
1601 Elm Street, Suite 3000
Dallas, TX 75201
Email: druckman@gardere.com
Counsel for Sabra

George P. Angelich
Arent Fox LLP
1675 Broadway
New York, New York 10019
Email: george.angelich@arentfox.com
Committee Counsel

Adam Dunayer
Houlihan Lokey
100 Crescent Court, Ste. 900
Dallas, TX 75201
Email: ADunayer@hl.com

(d) **Qualification of Bid.** After a Potential Bidder has delivered a bid, the Debtor and Sabra, in consultation with the Committee will determine whether such Potential Bidder is a “**Qualified Bidder**” and its bid a “**Qualified Bid.**” Promptly after making such determination, the Debtor will advise such bidder of this determination. The Debtor and Sabra, in consultation with the Committee, reserve the right to reject any bid if such bid is on terms that are materially more burdensome or conditional than the terms of the APA.

(e) **Auction.** In the event that one or more competitive Qualified Bids other than that of the Stalking Horse Bidder are received, the Debtor will conduct an auction to determine the highest or best bid for the Assets beginning at ___ **a.m. (CST) on February 2, 2016**, at the offices of Lewis Brisbois Bisgaard & Smith LLP, 2100 Ross Avenue, Suite 2000, Dallas, Texas 75201 (the “**Auction**”). The Auction may be adjourned by announcement of the Debtor to those parties who appear at the Auction and may be reconvened by giving notice to those parties who appeared. Each Qualified Bid other than the opening bid is referred to as a “**Subsequent Bid.**”

At the conclusion of the Auction, or as soon thereafter as practicable, the Debtor and Sabra, in consultation with the Committee, shall: (i) review each Qualified Bid on the basis of financial and contractual terms and the factors relevant to the process, including those factors affecting the speed and certainty of consummating the Transaction; (ii) identify the highest or otherwise best offer(s) for the Assets received at the Auction (the “**Successful Bid**”, and the bidder(s) making such bid, the “**Successful Bidder**”); and (iii) designate back-up bid(s) to the Successful Bid (the “**Back-Up Bid**” and “**Back-Up Bidder**”). If Sabra and the Debtor cannot reach an agreement on the Successful Bid and Back-up Bidder(s), the Debtor shall make the selection and present it to the Bankruptcy Court for approval. Sabra and the Committee reserve the right to object.

(f) **Auction Procedures.** In the event an Auction is necessary, such Auction will be conducted as follows:

(i) Only representatives of the Debtor, Houlihan, the Stalking Horse Bidder (if any), Sabra in its capacity as DIP Lender, landlord and owner of the Hospital Real Estate, any representative of the Committee, and the Office of the U.S. Trustee, and representative of any Qualified Bidder who has timely submitted a Qualified Bid (and the legal and financial advisers to each of the foregoing) may attend the Auction, and only the Stalking Horse Bidder (if any), Buyer and the other Qualified Bidders may make any subsequent Qualified Bids at the Auction.

(ii) At least one (1) business day prior to the Auction, each Qualified Bidder who has submitted timely a Qualified Bid must inform the Debtor whether it intends to participate in the Auction. Failure to comply with this provision may preclude an otherwise Qualified Bidder from attending and/or participating in the Auction. As soon as is practicable before the Auction, the Debtor must provide copies of the Qualified Bid, that the Debtor and Sabra, in consultation with the Committee, believe is the highest or otherwise best offer to all Qualified Bidders who are eligible to attend and participate in the Auction.

(iii) Each Deposit submitted pursuant to the Bidding Procedures will be held in escrow by Debtor and will not become property of the Debtor’s estate absent further order of the Bankruptcy Court. Any interest earned on any Deposit shall be remitted to the appropriate Qualified Bidder if the Deposit is returned to such Qualified Bidder. Within five business days after the entry of one or more orders of the Bankruptcy Court approving other Qualified Bidders as the Successful Bidder(s), the Debtor shall return the Deposits made by any Qualified Bidders other than the Successful Bidder(s).

(iv) All Qualified Bidders who have submitted a Qualified Bid shall be entitled to be present for all Subsequent Bids with the understanding that the true identity of each bidder shall be fully disclosed to all other bidders and that all material terms of each Subsequent Bids (including any Subsequent Bid by Buyer) will be fully disclosed to all other bidders throughout the entire Auction.

(v) All Qualified Bidders attending the Auction shall agree to remain ready, willing, and able to close the Transaction under the terms of their last Qualified Bid submitted at such Auction until the earlier of (1) the close of the Transaction, or (2) February 24, 2016, and such Qualified Bidder(s) shall close if the Successful Bidder fails to close, if, as, and when determined by the Debtor to be the new Successful Bidder.

(vi) The Debtor and/or Sabra, in consultation with the Committee, may employ and announce at the Auction additional procedural rules that are reasonable under the circumstances (*e.g.*, the amount of time allotted to make Subsequent Bids) for conducting the Auction, provided that such rules are not inconsistent with these Bidding Procedures, the Bankruptcy Code, or any order entered in connection herewith.

(vii) Bidding at the Auction shall begin with the highest or otherwise best Qualified Bid. The bidding shall be in minimum increments of at least \$50,000 higher than the previous bid or bids (after giving effect to the minimum required for each bid to be determined to be a Qualified Bid). The Auction shall also continue in one or more rounds of bidding and shall conclude after each participating bidder has had the opportunity to submit one or more additional Subsequent Bids with full knowledge and written confirmation of the then-existing highest bid or bids. All Qualified Bidders shall have the right to submit additional bids and make modifications to their respective APA at the Auction to improve such bids.

(viii) The DIP Lender will be entitled to credit bid.

(ix) The Debtor shall provide for a court reporter to be present and prepare a transcript of the Auction. The Debtor or Sabra may determine to make all or any part of the transcript subject to confidentiality requirements and seal.

(x) Each Qualified Bidder shall be required to confirm that it has not engaged in any collusion with respect to the bidding or the proposed sale.

(xi) Within 24 hours of the conclusion of the Auction, the Debtor will file notices of the Successful Bid(s).

(g) **Final Hearing.** The Court has scheduled a hearing to approve the Transaction (the “**Final Hearing**”) on February 9, 2016, at ____ p.m. (CST). All objections to the Transaction shall be filed with the Bankruptcy Court and served on the Notice Parties at least two (2) days prior to the Final Hearing. The Successful Bidder and the Back-Up Bidder must produce a competent witness at the Final Hearing (and any subsequent hearing) to provide testimony, if necessary, to establish adequate assurance of future performance by each such bidder under the unexpired leases and executory contracts to be assigned to such bidder, to the extent required by Sections 365(b) of the Bankruptcy Code. At the Final Hearing, the Debtor will request that the Court approve

the Transaction with regard to the Back-Up Bidder in the event the contemplated Transaction with the Successful Bidder does not timely close; in which case such Back-Up Bidder shall become the Successful Bidder without further order of the Court. The Successful Bidder shall be substituted for the Buyer under the APA (as amended to reflect terms of the Successful Bid) and the proposed Order.

(h) **Closing.** Closing shall take place within fourteen (14) days after the entry of the order approving the Transaction (the “**Sale Order**”), but in no event later than February 24, 2016, and shall be only upon the Sale Order becoming a final order, except upon the waiver of this prerequisite (of a final order) by the Successful Bidder.

13. The Debtor reserves the right with the consent of Sabra, in consultation with its professionals and the Committee, to alter these Bidding Procedures, and to establish procedures and rules during the Auction, as they may determine reasonably appropriate to maximize the value realized by the Debtor’s estate, subject to the ultimate approval of its determinations by the Court.

14. To facilitate these procedures, Sabra may consult independently with Potential Bidders, Qualified Bidders, or other persons potentially interested in acquiring some or all of the Assets.

15. The Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Procedures Order.

16. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 6006(d), 7062, 9014, or otherwise, the terms and conditions of this Procedures Order shall be immediately effective and enforceable upon its entry.

THE HONORABLE BRENDA T. RHOADES
CHIEF UNITED STATES BANKRUPTCY
JUDGE

EXHIBIT C

NOTICE OF PROPOSED SALE

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

	§	
IN RE:	§	CHAPTER 11
FOREST PARK MEDICAL CENTER AT FRISCO, LLC,	§	CASE NO. 15-41684 - BTR
DEBTOR.	§	Complex Case
	§	
	§	

NOTICE OF (I) PROPOSED SALE OF SUBSTANTIALLY ALL OF THE DEBTOR’S ASSETS FREE AND CLEAR OF LIENS, CLAIMS, AND ENCUMBRANCES, (II) AUCTION AND (III) SALE HEARING THEREOF

PLEASE TAKE NOTICE that, on September 21, 2015, upon the consent of the above-captioned debtor and debtor in possession (the “**Debtor**”), the United States Bankruptcy Court for the Eastern District of Texas (the “**Court**”) entered an order for relief commencing a chapter 11 case for the Debtor (the “**Chapter 11 Case**”).

PLEASE TAKE FURTHER NOTICE that on November 14, 2015, the Debtor filed the *Expedited Motion of the Debtor for Orders (I) Approving Bidding Procedures in Advance of Auction,, (II) Authorizing the Assumption, Assignment, and Sale of Certain Executory Contracts and Unexpired Leases, (III) Approving Sale of Assets Free and Clear of All Liens, Claims, Encumbrances and Other Interests, (IV) Setting Related Deadlines and Hearings, and (V) Granting Related Relief* (the “**Sale Motion**”) ¹ to, among other things, (a) seek approval of certain Bidding Procedures (the “**Bidding Procedures**”) related to the sale (the “**Sale Transaction**”) of substantially all of the Debtor’s assets (the “**Assets**”), (b) schedule an auction (the “**Auction**”) and sale hearing (the “**Sale Hearing**”) with respect to the Sale Transaction, and (c) approve the sale of the Assets and the assumption and assignment of certain contracts and leases relating thereto free and clear of all liens, claims, encumbrances and other interests.

PLEASE TAKE FURTHER NOTICE that on [_____], 2015, the Court entered an order approving the Bidding Procedures and scheduling the Auction and Sale Hearing (the “**Bidding Procedures Order**”).

¹ Capitalized terms used but not otherwise defined herein shall have the same meanings ascribed to them in the Sale Motion.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Bidding Procedures Order, the key dates for the sale process are as follows:

- January 22, 2016 - Deadline to Designate Stalking Horse Bidder
- _____, 2016 at __:00 __.M. (CDT) – Stalking Horse Hearing
- January 27, 2016 - Deadline to Serve Assumption and Assignment Notice
- January 27, 2016 at 5:00 P.M. (CDT) - Bid Deadline
- February 2, 2016 - Assumption and Assignment Objection Deadline
- February 2 at 10:00 A.M. (CDT) - Auction (if necessary)
- _____ at __:00 __.M. (CDT) - Sale Hearing Objection Deadline
- _____ at __:00 __.M. (CDT) - Sale Hearing

PLEASE TAKE FURTHER NOTICE that pursuant to the Bidding Procedures Order the Debtor is authorized to enter into a Stalking Horse Agreement with a Stalking Horse Bidder. In the event the Debtor enters into a Stalking Horse Agreement, the Debtor will file and serve notice of the designation of the proposed Stalking Horse Bidder and the proposed Stalking Horse Agreement no later than January 22, 2016.

PLEASE TAKE FURTHER NOTICE that in the event the Debtor enters into a Stalking Horse Agreement, a hearing to approve the Stalking Horse Bidder, Stalking Horse Agreement, and accompanying Bid Protections, will be conducted by the Court on _____, 2016 at __:00 __.m. (CDT).

PLEASE TAKE FURTHER NOTICE that the Debtor proposes that the Auction will, if necessary, be conducted at the offices of Lewis Bisbois Bisgaard & Smith, LLP, 2100 Ross Avenue, Suite 2000, Dallas, Texas 75201 on February 2, 2016 at 10:00 a.m. (CDT). The Auction will continue until such time as the highest or otherwise best offer is determined. The Debtor, in consultation with the Consultation Parties, may adopt rules for the Auction that will promote the goals of the Auction process and that are not inconsistent with any of the provisions of the Bidding Procedures.

PLEASE TAKE FURTHER NOTICE that the Sale Hearing to approve any Sale Transaction with respect to any bid accepted by the Debtor shall be conducted by the Court on _____ at __:00 __.m. (CDT) and may be adjourned or rescheduled without notice.

PLEASE TAKE FURTHER NOTICE THAT OBJECTIONS TO ANY RELIEF REQUESTED IN THE SALE MOTION, INCLUDING THE DEBTOR'S REQUEST TO APPROVE THE SALE OF ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS AND ENCUMBRANCES, MUST BE FILED AND SERVED SO AS TO BE ACTUALLY RECEIVED BY THE OBJECTION NOTICE PARTIES BY _____ AT __:00 __.M. (CDT).

PLEASE TAKE FURTHER NOTICE that the Objection Notice Parties are (i) Lewis Brisbois Bisgaard & Smith, LLP (Attn: William Medford and Vickie Driver), counsel to the Debtor, (ii) Gardere Wynne Sewell, LLP (Attn: Dierdre Ruckman and Marcus Helt), counsel to Sabra (iii) McGuire Craddock & Strother, P.C. (Attn: Mark Chevallier), counsel to TCB, (iv) the Office of the United States Trustee for the Eastern District of Texas, (Attn: Timothy O'Neal), (v) the IRS, (vi) the Office of the Texas Attorney General, (vii) the Texas Department of State Health Services, (viii) the Office of the United States Attorney General, (ix) the Official Unsecured Creditors' Committee (Attn: George Angelich and Robert Hirsh), and (x) any persons who have filed a request for notice in the above-captioned Chapter 11 Case.

PLEASE TAKE FURTHER NOTICE THAT UNLESS AN OBJECTION IS TIMELY SERVED AND FILED IN ACCORDANCE WITH THIS NOTICE, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT AND THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED IN THE SALE MOTION WITHOUT FURTHER HEARING AND NOTICE.

This notice is qualified in its entirety by the Bidding Procedures Order. All persons and entities are urged to read the Bidding Procedures Order and the provisions thereof carefully. To the extent that this notice is inconsistent with the Bidding Procedures Order, the terms of the Bidding Procedures Order shall govern.

PLEASE TAKE FURTHER NOTICE that this notice is subject to the fuller terms and conditions of the Sale Motion and the Bidding Procedures Order, with such Bidding Procedures Order controlling in the event of any conflict, and the Debtor encourages parties in interest to review such documents in their entirety. Parties interested in receiving more information regarding the sale of the Assets and/or copies of any related document, including the Sale Motion, the forms of Asset Purchase Agreement filed in connection with the Sale Motion, or the Bidding Procedures Order, may make a written request to Lewis Brisbois Bisgaard & Smith, LLP (Attn: William Medford and Vickie Driver), William.medford@lewisbrisbois.com, Vickie.driver@lewisbrisbois.com, facsimile: (214) 722-7111. In addition, copies of the Sale Motion, the Bidding Procedures Order and this Notice may be examined by interested parties (i) free of charge at the website established for this Chapter 11 Case by the Debtor's Court approved claims agent, <http://www.donlinrecano.com/clients/fpmc> (the "**Website**"), or upon request to the Debtor's noticing agent, Donlin Recano & Company, Inc., at fpmcinfo@donlinrecano.com or (877) 281-4469., or (ii) on the Court's electronic docket for the Debtor's Chapter 11 Case, which is posted on the Internet at www.txeb.uscourts.gov (a PACER login and password are required and can be obtained through the PACER Service Center at www.pacer.psc.uscourts.gov).

4826-0844-5481.3

Dated: November __, 2015.

/s/ _____
William L. Medford, Esq.
State Bar No. 00797060
Vickie L. Driver, Esq.
State Bar No. 24026886
Christina W. Stephenson, Esq.
State Bar No. 24049535
Lewis Brisbois Bisgaard & Smith, LLP
2100 Ross Avenue, Suite 2000
Dallas, Texas 75201
Phone: (214) 722-7100
Fax: (214) 722-7111
Email: william.medford@lewisbrisbois.com
Email: vickie.driver@lewisbrisbois.com
Email: christina.stephenson@lewisbrisbois.com

COUNSEL FOR THE DEBTOR

MASTER SERVICE LIST
Forest Park Medical Center at Frisco, LLC
Case No. 15-41684-BTR-11

CASH MANAGEMENT BANK

PLAINS CAPITAL BANK
8200 DOUGLAS AVENUE
SUITE 201
DALLAS TX 75225

COUNSEL FOR COLIN PERO, M.D., BJB SURGICAL INVESTMENTS LLC, BRYAN J. BORGFELD, M.D., JEFFREY CATTORINI, M.D., GUY CULPEPPER, M.D., DPSI HOLDINGS, L.P., LOWELL T. KU, M.D., AND FRISCO PEDI ENT INVESTME

QUILLING SELANDER ET AL.
ATTN: LINDA S. LARUE
2001 BRYAN ST., SUITE 1800
DALLAS TX 75201

COUNSEL FOR COMMERCE BANK

HUSCH BLACKWELL, LLP
ATTN: BUFFEY E. KLEIN
2001 ROSS AVENUE, SUITE 2000
DALLAS TX 75201

COUNSEL FOR MEDISOURCE PARTNERS, LLC

HIERSCHE, HAYWARD, DRAKELEY ET AL.
ATTN: JASON M. KATZ
15303 DALLAS PARKWAY, SUITE 700
ADDISON TX 75001

COUNSEL FOR OLYMPUS AMERICA INC.

COLE SCHOTZ, P.C.
ATTN: MICHAEL D. WARNER, ESQ.
301 COMMERCE ST., SUITE 1700
FORT WORTH TX 76102

NORRIS MCLAUGHLIN & MARCUS, P.A.
ATTN: MORRIS S. BAUER, ESQ.
721 ROUTE 202/206, SUITE 200
BRIDGEWATER NJ 08807

COUNSEL FOR OLYMPUS AMERICA INC.

NORRIS MCLAUGHLIN & MARCUS, P.A.
ATTN: REBECCA J. PRICE, ESQ.
515 WEST HAMILTON ST., SUITE 502
ALLENTOWN PA 18101

COUNSEL FOR SABRA TEXAS HOLDINGS, L.P.

GARDERE WYNNE SEWELL LLP
ATTN: MARCUS A. HELT
1601 ELM STREET, SUITE 3000
DALLAS TX 75201

GARDERE WYNNE SEWELL LLP
ATTN: THOMAS C. SCANNELL
1601 ELM STREET, SUITE 3000
DALLAS TX 75201

COUNSEL FOR VIBRANT HEALTHCARE FRISCO, LLC

GREENBERG TRAUIG, LLP
ATTN: HOWARD J. STEINBERG
1840 CENTURY PARK EAST, SUITE 1900
LOS ANGELES CA 90067

GREENBERG TRAUIG, LLP
ATTN: BRYAN L. ELWOOD
2200 ROSS AVE., SUITE 5200
DALLAS TX 75201

COUNSEL TO CITY OF FRISCO

LINEBARGER GOGGAN BLAIR & SAMPSON, LLP
ATTN: LAURIE SPINDLER HUFFMAN
2777 N. STEMMONS FREEWAY
SUITE 1000
DALLAS TX 75207

MASTER SERVICE LIST
Forest Park Medical Center at Frisco, LLC
Case No. 15-41684-BTR-11

COUNSEL TO TEXAS CAPITAL BANK

TEXAS CAPITAL BANK
C/O MCGUIRE, CRADDOCK & STROTHER, P.C.
ATTN: J. MARK CHEVALLIER AND JAMES REA
2501 N. HARWOOD STREET
SUITE 1800
DALLAS TX 75201

LITIGATION PARTY

HUSCH BLACKWELL LLP
AARON J. MANN
4801 MAIN STREET
SUITE 1000
KANSAS CITY MO 64112

GOVERNMENTAL AGENCY

UNITED STATES ATTORNEY
EASTERN DISTRICT OF TEXAS
600 EAST TAYLOR STREET
SUITE 2000
SHERMAN TX 75090

LAW OFFICE OF GLENN TUCKER, SR.
GLENN D. TUCKER SR.
8330 LBJ FREEWAY
SUITE 360
DALLAS TX 75243

TEXAS DEPT. OF STATE HEALTH SERVICES
ATTN: LEGAL DEPT.
P.O. BOX 149347
AUSTIN TX 78714

K. STEWART LAW, P.C.
KELLY STEWART
100 HIGHLAND PARK VILLAGE
SUITE 200
DALLAS TX 75205

INTERNAL REVENUE SERVICE
P.O. BOX 7346
PHILADELPHIA PA 19101

WINSTEAD P.C.
JOSEPH P. REGAN
300 THROCKMORTON
SUITE 1700
FORT WORTH TX 76102

TEXAS ATTORNEY GENERAL'S OFFICE
BANKRUPTCY-COLLECTIONS DIVISION
P.O. BOX 12548
AUSTIN TX 78711-2548

PROSPINE LLC
WILLIAM ENGLISH
5909 NEWGATE LANE
PLANO TX 75093

OFFICE OF THE ATTORNEY GENERAL
MAIN JUSTICE BUILDING, RM. 5111
10TH and CONSTITUTION AVENUE, N.W.
WASHINGTON DC 20530

WORMINGTON & BOLLINGER
MARIA WORMINGTON RN JD
212 EAST VIRGINIA STREET
MCKINNEY TX 75069

LANDLORD AND PROPOSED DIP FINANCING

SABRA TEXAS HOLDINGS, L.P.
C/O GARDERE WYNNE SEWELL LLP
ATTN: DEIDRE B. RUCKMAN, ESQ.
3000 THANKSGIVING TOWER
1601 ELM STREET
DALLAS TX 75201

WORMINGTON & BOLLINGER
DAVID BENFORD
212 EAST VIRGINIA STREET
MCKINNEY TX 75069

MASTER SERVICE LIST
Forest Park Medical Center at Frisco, LLC
Case No. 15-41684-BTR-11

LITIGATION PARTY

HUSCH BLACKWELL LLP
KEVIN KORONKA
2001 ROSS AVENUE
SUITE 2000
DALLAS TX 75201

HUSCH BLACKWELL LLP
JOHN POWER
4801 MAIN STREET
SUITE 1000
KANSAS CITY MO 64112

WINSTEAD P.C.
JACLYN AUSTEIN
500 WINSTEAD BUILDING
2728 N. HARWOOD STREET
DALLAS TX 75201

LITIGATION PARTY: COUNSEL FOR CPM MEDICAL, LLC

FERGUSON BRASWELL & FRASER, PC
ATTN: JOHN D. FRASER
2500 DALLAS PARKWAY
SUITE 501
PLANO TX 75093

OFFICE OF THE U.S. TRUSTEE

OFFICE OF THE U.S. TRUSTEE
ATTN: TIMOTHY W. O'NEAL
ASSISTANT U.S. TRUSTEE
BANK OF AMERICA BUILDING
110 N. COLLEGE AVE., SUITE 300
TYLER TX 75702-7231

PROPOSED COUNSEL FOR UNSECURED CREDITORS COMMITTEE

ARENT FOX, LLP
ATTN: ROBERT HIRSH
ATTN: GEORGE ANGELICH
1675 BROADWAY
NEW YORK NY 10019-5820

PROPOSED LOCAL COUNSEL FOR UNSECURED CREDITOR COMMITTEE

ERIC A. LIEPINS, P.C.
12770 COIT ROAD, SUITE 1100
DALLAS TX 75251

SECURED CREDITOR

COMMERCE BANK
ATTN: GREGORY LEFTWICH
MARKET PRESIDENT
2828 NORTH HARWOOD
SUITE 1250
DALLAS TX 75201

OLYMPUS AMERICA, INC.
3500 CORPORATE PARKWAY
CENTER VALLEY PA 18034

KARL STORZ
2151 E. GRAND AVENUE
EL SEGUNDO CA 90245

GENERAL ELECTRIC CAPITAL CORPORATION
ATTN: ALAN BECKMAN
20225 WATERTOWER BLVD.
BROOKFIELD WI 53045

STATE OF TEXAS - ATTORNEY GENERAL

ATTORNEY GENERAL - STATE OF TEXAS
ATTN: KEN PAXTON
300 W. 15TH STREET
AUSTIN TX 78701

MASTER SERVICE LIST
Forest Park Medical Center at Frisco, LLC
Case No. 15-41684-BTR-11

TOP 20 UNSECURED CREDITOR

RICOH USA INC.
P.O. BOX 660342
DALLAS TX 75266-0342

JOHNSON AND JOHNSON HEALTHCARE
5972 COLLECTIONS CENTER DRIVE
CHICAGO IL 60693

SMITH AND NEPHEW INC.
1450 BROOKS RD.
MEMPHIS TN 38116

SMITH AND NEPHEW
150 MINUTE MAN ROAD
ANDOVER MA 01810

TOP 20 UNSECURED CREDITORS

VIBRANT MANAGEMENT
C/O GLENDONTODD LLC
TODD FURNISS & MARY HATCHER
2101 CEDAR SPRINGS RD, SUITE 1540
DALLAS TX 75201

INTUITIVE SURGICAL
PO BOX 39000
SAN FRANCISCO CA 94139

CPM MEDICAL LLC
1565 N CENTRAL EXPWY, STE 200
RICHARDSON TX 75080

TOP 20 UNSECURED CREDITORS

VALLEY SERVICES, INC.
P.O. BOX 742992
ATLANTA GA 30374-2992

MEDLINE
ONE MUNDELEIN PLACE
MUNDELEIN IL 60060

LIFECELL CORPORATION
ATTN: ADAM MANGER
95 CORPORATE DRIVE
BRIDGEWATER NJ 08807

JOHNSON AND JOHNSON HEALTHCARE
425 HOES LANE
PISCATAWAY NJ 08855

LDR SPINE USA, INC.
PO BOX 671716
DALLAS TX 75267

BELL NUNNALLY AND MARTIN, LLC
3232 MCKINNEY AVE
STE 1400
DALLAS TX 75204

STRYKER INSTRUMENTS, A DIV. OF STRYKER CORP.
C/O LORI L. PURKEY, ESQ.
PURKEY & ASSOCIATES, PLC
5050 CASCADE ROAD, SE, SUITE A
GRAND RAPIDS MI 49546

Case No. 15-41684-BTR-11**TOP 20 UNSECURED CREDITORS**

STRYKER ENDOSCOPY, A DIV. OF STRYKER CORP.
C/O LORI L. PURKEY, ESQ.
PURKEY & ASSOCIATES, PLC
5050 CASCADE ROAD, SE, SUITE A
GRAND RAPIDS MI 49546

PROSILVER STAR LTD.
1 COWBOYS PARKWAY
IRVING TX 75063

INPATIENT PHYSICIAN ASSOC, PLLC
6901 SNIDER PLAZA #130
DALLAS TX 75205

RICOH USA INC.
21146 NETWORK PLACE
CHICAGO IL 60673-1211

MEDICAL INFORMATION TECHNOLOGY, INC.
1 MEDITECH CIRCLE
WESTWOOD MA 02090

SMITH AND NEPHEW, INC.
3909 HULEN STREET
FORT WORTH TX 76107

SIEMENS MEDICAL SOLUTIONS USA, INC.
51 VALLEY STREAM PARKWAY
MALVERN PA 19355

TOP 20 UNSECURED CREDITORS

ALLERGEN USA, INC.
2525 DUPONT DRIVE
IRVINE CA 92612

STEVEN NUESSE
IDENTITY MEDIA SERVICES
1801 ROYAL LANE
SUITE 800
DALLAS TX 75229

STRYKER SPINE, A DIVISION OF STRYKER CORP.
C/O LORI L. PURKEY, ESQ.
PURKEY & ASSOCIATES, PLC
5050 CASCADE ROAD, SE, SUITE A
GRAND RAPIDS MI 49546

U.S. ATTORNEY GENERAL

U.S. DEPT. OF JUSTICE
OFFICE OF THE U.S. ATTORNEY GENERAL
ATTN: LORETTA E. LYNCH
950 PENNSYLVANIA AVENUE, NW
WASHINGTON DC 20530-0001

UNSECURED CREDITORS COMMITTEE MEMBER

SHANE REED
MEDLINE INDUSTRIES, INC.
1 MEDLINE PLACE
MUNDELEIN IL 60060

MATTHEW DAVIS, M.D.
INPATIENT PHYSICIAN ASSOCIATES, PLLC
6901 SNIDER PLAZA #130
DALLAS TX 75205

THOMAS WALKER - CHAIRMAN
PRO SILVER STAR LTD.
ONE COWBOYS PKWAY
IRVING TX 75063

MASTER SERVICE LIST
Forest Park Medical Center at Frisco, LLC
Case No. 15-41684-BTR-11

UNSECURED CREDITORS COMMITTEE MEMBER

SCOTT WAY
LDR SPINE USA, INC.
13785 RESEARCH BLVD.
SUITE 200
AUSTIN TX 78750