

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

IN RE: FOREST PARK MEDICAL CENTER AT FRISCO, LLC <p style="text-align: center;">DEBTOR.</p>	§ § § § § § § § § § §	CHAPTER 11 CASE NO. <u>15-41684</u> - BTR HEARING DATE & TIME: September 23, 2015 at 1:30 p.m.
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**DEBTOR'S APPLICATION FOR ENTRY OF AN ORDER AUTHORIZING THE
EMPLOYMENT, RETENTION AND DESIGNATION OF MICHAEL S. MILLER AS
CHIEF RESTRUCTURING OFFICER AS OF THE PETITION DATE**

TO THE HONORABLE CHIEF JUDGE BRENDA T. RHOADES,
UNITED STATES BANKRUPTCY JUDGE:

The debtor and debtor in possession in the above-captioned case (the "Debtor") files this application (the "Application") for entry of an order authorizing the Debtor to employ, retain and designate Michael S. Miller ("Mr. Miller") as the Debtor's Chief Restructuring Officer ("CRO") as of September 22, 2015 (the "Petition Date"), pursuant to that certain engagement letter by and among the Debtor and Mr. Miller, and all addendums thereto (the "Engagement Letter"), a copy of which is attached hereto as Exhibit "A" and incorporated by reference. In support of this Application, the Debtor submits the Affidavit of Mr. Miller in Support of the Debtor's Chapter 11 Petition and Requests for First-Day Relief, (the "Miller Affidavit") filed contemporaneously herewith.¹ In further support of this Application, the Debtor respectfully states as follows:

I.
STATUS OF THE CASE AND JURISDICTION

¹ Any defined terms not otherwise defined herein shall be ascribed the meaning contained in the Miller Affidavit.
**DEBTOR'S APPLICATION FOR ENTRY OF AN
ORDER (I) AUTHORIZING THE EMPLOYMENT AND RETENTION
OF AP SERVICES, LLC AND (H) DESIGNATING MARK HERBERS AS CHIEF
EXECUTIVE AND RESTRUCTURING OFFICER NUNC PRO TUNC TO MAY 19, 2015 – PAGE 1**

1. On September 22, 2015, the Debtor commenced this 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 Sections 1107(a) and 1108 of the Bankruptcy Code.

2. No request for a trustee or examiner has been made and no creditors' committee has yet been appointed in this case. This Court has jurisdiction over this Application under 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. §§ 157(b)(2). Venue of these proceedings and this Application is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory bases for the relief requested are Sections 363(b) of the Bankruptcy Code and Rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 2014 of the Local Rules of Bankruptcy Procedure of the United States Bankruptcy Court for the Eastern District of Texas (the "Local Rules").

II. BACKGROUND

A. General.

4. The Debtor is a doctor-owned Texas limited liability company that owns and 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. It is currently minimally staffed for an average daily census of 1-3 inpatients per day and up to 200 outpatients per month, but has a fully staffed maximum capacity of 54 inpatients per day and 1,000 outpatients per month. The Debtor's leased facility is

comprised of over 136,759 useable square feet and is situated on approximately 4.7 acres. Approximately 159 employees work at the Hospital, including 100 full-time employees and 59 part-time employees.

5. 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. The Hospital's back office services and employees are contracted through FPMC Services, LLC ("Shared Services"). Shared Services manages all revenue for the Debtor, as well as six other affiliates and is owned in equal parts by those seven entities for which it performs these services.

B. Pre-Petition Secured Lender.

Pre-Petition Financing

6. On or about October 10, 2012, 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 "Line of Credit Agreement"). The Debtors currently owe 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 on or about December 31, 2014, with an additional extension to April 1, 2015. Around the time of the December 31, 2014 maturity date, the Debtor learned that TCB would not be renewing the Debtor's Line of Credit nor providing further extensions of credit beyond the extended maturity.

7. 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 TCB in the approximate amount of \$5.5 million

secured by the Debtor's assets. The remainder of the equipment is leased through various parties, including General Electric Capital Corporation, Karl Storz, Commerce Bank and Olympus Corporation.

8. The Line of Credit was critical to the management of the Debtor's operations. Currently, based upon a trailing three (3) months ending in July 2015, the Debtor generates approximately \$3,400,000.00 a month in revenue, and has operational expenses of approximately \$4,300,000.00 a month (not including restructuring costs and debt service obligations). As such, the Debtor does not generate sufficient revenue to operate the Hospital and to service their debt unless the number of patients exceeds recent levels.

Landlord and DIP Financing

9. The Debtor leases the real property and fixtures on which the Hospital operates, from Sabra Texas Holdings, L.P. ("Sabra") pursuant to the terms of that certain *Lease Agreement* dated December 6, 2010, which was thereafter amended pursuant to that certain *First Amendment to Lease Agreement* dated as of October 22, 2013 (the "Lease") assigning the Lease from FPMC Frisco Realty Partners, LP to Sabra. 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, to increase every calendar year over the term of the Lease by 3%.

10. Sabra has offered the Debtor debtor-in-possession ("DIP") financing in the approximate amount of \$18,500,000.00, available in draws and accruing interest at a 5% interest rate, payable monthly in arrears ("DIP Financing"). The DIP Financing would mature upon the occurrence of certain events, including the conversion of this Case, dismissal of this Case, the sale of substantially all of the Debtor's assets, the revocation of the Debtor's license to operate,

or the expiration of 35 days after the filing of a Petition if a final order approving the DIP Credit Facility has not been entered by the Bankruptcy Court.

11. Prior to the Petition Date, the Debtor anticipated that without continuing liquidity, the value of its assets would rapidly diminish and would more than likely require the Debtor to close down the Hospital and liquidate its assets.

C. Reorganization Efforts.

12. The Debtor's operations were developed based upon an "out-of-network" model. This model relied upon higher reimbursement rates as an out-of-network facility. However, prior to the Petition Date, the Debtor determined that it would be unable to sustain the level of revenue needed to operate by operating solely out of network. Consequently, it attempted to increase its revenues by entering into network contracts with various insurance providers. Although being "in network" with various insurance providers would result in discounted reimbursement rates, it was thought that being in network would increase the volume of procedures at the Hospital and thus increase revenues. However, the reduced rates that the insurance providers contracted for were too low for the Hospital to schedule enough procedures to reap any financial benefit from the contracts.

13. The Debtor engaged Juniper Advisory, LLC for assistance to pursue a sale of the Hospital to a purchaser in June, 2014. Despite many possible purchasers performing due diligence and even one offer for purchase, (such offer included a purchase of the real estate owned by Sabra and Sabra was unwilling to sell the real estate at the proposed purchase price) the Debtor was unable to close a sale.

14. In addition to seeking a potential purchaser, the Debtor's Management Company, Vibrant Healthcare Frisco, LLC, ("Management Company") also sought and located a

replacement revolving lender who would pay off the TCB Line of Credit and provide up to an additional \$6.5 million in additional availability based upon the amount of the Debtor's accounts receivable. However, this demand note, bearing 15% interest, provided a decreasing amount of liquidity due to the Debtor's declining accounts receivable balance while the Debtor worked to resolve obstacles to closing such as intervening lawsuits, a delay in signing a new management contract and Sabra's impending eviction of the Debtor from its leased space. Ultimately, this financing never closed.

15. Finally, to address the increasingly exigent financial and operational issues, the Debtor retained Deloitte CRG ("Deloitte") on September 11, 2015. Deloitte is retained to assist the Debtor to, among other things, create short-term budgets, negotiate appropriate waivers and forbearances, and assess the Debtor's available assets and options by which to improve.

16. In Chapter 11, the Debtor has an opportunity to quickly evaluate whether a plan of reorganization or a sale of the Debtor's assets will provide for the most recovery to the Debtor's creditors. This would avoid further deterioration of the Debtor's business, would preserve over one hundred jobs, and would achieve maximum values for all creditors. In order to evaluate the strategies set forth herein, and maximize values for all creditors, including unsecured creditors, the Debtor was forced to commence this Chapter 11 case.

III. **RELIEF REQUESTED**

17. The Debtor seeks the entry of an Order authorizing Debtor to employ, retain and designate Michael S. Miller as the Debtor's Chief Restructuring Officer.

18. The Debtor is currently governed by an eight-member Board of Managers (the "Board") made up of the following doctors: Dr. Guy Culpepper, Dr. Brian Borgfeld, Dr. Ricardo

Meade, Dr. Jeff Catorini, Dr. Colin Pero and Dr. Robert Wyatt. In addition, two members of GlendonTodd Capital, LLC (“GlendonTodd”), Todd Furniss and Mary Hatcher, also with the Management Company and Vibrant Healthcare Frisco Holdings, LLC (“Managing Member”), also serve on the Board.

19. Each of the members of the Board own or represent ownership interests in the Debtor. In addition, certain of the members represent interests in several of the Forest Park Center facilities, including the Dallas location, which owns a direct ownership interest in the Debtor. Finally, GlendonTodd is also working with the Management Company, which is owed a significant balance as of the Petition Date.

20. These interrelated interests held and represented by the Board members creates an inherent conflict of interest for those members, making it difficult for each of them to clearly act only in the best interest of the Debtor, especially in light of the relatively low probability of a full recovery to unsecured creditors and more than likely, no recovery to equity.

21. Due to these issues, and other concerns specific to these creditors, Sabra and TCB have specifically required that, in particular, Mr. Miller is appointed as the Debtor’s CRO. TCB has required it as a condition to their agreement to the First-Day Motions, including the agreed closure of the Debtor’s account at TCB holding their collateral. More importantly, Sabra has required it as a condition of extending the DIP Financing.

22. Mr. Miller, a Senior Vice President with Deloitte who will act as CRO for the Debtor, has more than 30 years of experience in healthcare administration and finance through various hospital administrative and executive roles. He holds a Bachelor of Science from University of Texas at Arlington, and a Master of Business Administration from the University of Dallas. He has previously served as CEO, CFO, COO and CRO for a variety of hospitals,

long-term acute care hospitals, skilled nursing, rehabilitative units, psychiatric units, ambulatory care clinics, and durable medical care. He has extensive experience examining the finances and operations of hospitals, particularly in the distressed setting.

23. The Debtor has selected Mr. Miller because of his experience and reputation for providing restructuring advisory services in healthcare cases and large, complex Chapter 11 cases such as this one. Furthermore, as a result of the pre-petition work performed on behalf of the Debtor, Mr. Miller has acquired significant knowledge of the Debtor and its business and is now very familiar with the Debtor's financial affairs, debt structure, operations, and related matters. Likewise, in providing prepetition services to the Debtor, Mr. Miller has worked closely with the Debtor's management and its other advisors. Accordingly, Mr. Miller has the experience and expertise, and specific relevant knowledge regarding the Debtor that will assist him in providing effective and efficient services in this Chapter 11 case. The Debtor submits that the retention of and the designation of Mr. Miller as CRO on the terms and conditions set forth herein are necessary, appropriate, and in the best of the Debtor's estate, creditors, and all other parties-in-interest, and should be granted in all respects.

IV. SERVICES TO BE PROVIDED

24. Mr. Miller will provide the ordinary course duties of a Chief Restructuring Officer to do the following:

- Manage the Debtor's Chapter 11 case, including, without limitation, sole management and oversight of any sale of the Debtor's assets and development of a Disclosure Statement and Plan of Reorganization, with no reporting responsibilities to the Debtor's Board.
- Managing the "working group" professionals who are assisting the Debtor in the reorganization process or who are working for the Debtor's various stakeholders to improve coordination of their

effort and individual work product to be consistent with the Debtor's overall restructuring goals.

- Assist in obtaining and presenting information required by parties-in-interest in the Debtor's bankruptcy process including official committees appointed by the United States Bankruptcy Court for the Eastern District of Texas.
- Provide assistance in such areas as testimony before this Court on matters that are within the scope of this engagement and within his area of testimonial competencies.
- Assist with such other matters as may be requested that fall within Mr. Miller's expertise and that are mutually agreeable.

Such professional services are necessary to the Debtor's restructuring efforts and in the ongoing operation and management of the Debtor's businesses while subject to Chapter 11 of the Bankruptcy Code.

V.
NO DUPLICATION OF SERVICES

25. The services provided by Mr. Miller will complement, and not duplicate, the services to be rendered by any other professional retained in this Chapter 11 case.

VI.
MILLER'S DISINTERESTEDNESS

26. To the best of the Debtor's knowledge and except to the extent disclosed herein and in the Miller Declaration: (a) Mr. Miller has no connection with the Debtor, its creditors, or other parties-in-interest, or the attorneys or accountants of the foregoing, or the Office of the United States Trustee for the Eastern District of Texas (the "U.S. Trustee") or any person employed in the Office of the U.S. Trustee; and (b) does not hold any interest adverse to the Debtor's estate. Although the Debtor respectfully submits that the retention of Mr. Miller is not governed by section 327 of the Bankruptcy Code, the Miller Declaration discloses certain connections with creditors, equity security holders, and other parties-in-interest in this Chapter 11 case. All of these matters, however, are unrelated to this Chapter 11 case. As represented by

Mr. Miller, these matters do not represent an interest materially adverse to the Debtor's estate or otherwise create a conflict of interest regarding the Debtor or this Chapter 11 case. Thereby, the Debtor submits that Mr. Miller is a "disinterested person" as that term is defined by Section 101(14) of the Bankruptcy Code.

27. To the extent that any new relevant facts or relationships bearing on the matters described herein during the period of Mr. Miller's retention are discovered or arise, Debtor submits that Mr. Miller will use reasonable efforts to file promptly a supplemental declaration.

VII.
PROFESSIONAL COMPENSATION AND EXPENSE REIMBURSEMENT

28. Mr. Miller, as a Senior Vice President of Deloitte, is accepting this engagement in conjunction with the Debtor's engagement of Deloitte as its financial advisor, and both of those engagements are conditioned upon the ability to be retained in accordance with Deloitte's customary terms and conditions of employment. Mr. Miller seeks to be compensated for his services as CRO, and reimbursed for the out-of-pocket expenses he incurs in accordance with his customary billing practices, as set forth in the Engagement Letter (the "Fee and Expense Structure") with Deloitte. The Fee and Expense Structure includes Deloitte as the Debtor's financial advisor, which includes Mr. Miller's hourly rate at \$500.00.

29. In the event that changes occur with respect to the anticipated scope, assumptions, and/or personnel requirements, including those due to unforeseen events, the parties shall meet in good faith and agree to a revised fee arrangement.

30. In the normal course of business, Mr. Miller may periodically adjust his billing rates. Changes in applicable hourly rates will be noted on the invoices for the first time period in which the revised rates became effective.

31. Mr. Miller, along with all other Deloitte professionals, will submit monthly invoices in accordance with any interim compensation procedures approved by this Court or the fee application procedures of the Bankruptcy Code.

32. The Fee and Expense Structure is consistent with and typical of compensation arrangements entered into by Mr. Miller and other comparable professionals that render similar services under similar circumstances. The Debtor believes that the Fee and Expense Structure is reasonable, market-based, and designed to compensate Mr. Miller fairly for his work and to cover fixed and routine overhead expenses.

33. According to Deloitte's books and records, during the 90 day period prior to the Petition Date, it received retainers and payments totaling \$85,000.00 in the aggregate for professional services performed and expenses incurred, which were applied to amounts due for services rendered and expenses incurred prior to the Petition Date (the "Retainer"). Mr. Miller's current estimate is that Deloitte incurred fees in excess of \$135,000 (the "Pre-petition Billings"). Deloitte has agreed that any portion of the Pre-petition Billings, currently approximately \$50,000, not paid will be written off. Accordingly, the Debtor does not owe Deloitte or Mr. Miller any sums for pre-petition services.

IX.
BASIS FOR RELIEF

34. The Debtor seeks to employ, retain and appoint Mr. Miller as CRO pursuant to section 363 of the Bankruptcy Code.

35. Under applicable case law, in this and other jurisdictions, if a debtor's proposed use of its assets pursuant to section 363(b) of the Bankruptcy Code represents a reasonable exercise of the debtor's business judgment, such use should be approved. *See, In re UAL Corp.*,

443 F.3d 565, 571 (7th Cir. 2006); *Fulton State Bank v. Schipper (In re Schipper)*, 933 F.2d 513, 515 (7th Cir. 1991); *see also In re Delaware & Hudson Ry. Co.*, 124 B.R. 169, 175-76 (D. Del. 1991) (noting that courts have applied the "sound business purpose" test to evaluate motions brought pursuant to section 363(b) of the Bankruptcy Code); *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1070 (2d Cir. 1983) ("The rule we adopt requires that a judge determining a § 363(b) application expressly find from the evidence presented before him at the hearing a good business reason to grant such an application.").

36. The decision to retain and employ Mr. Miller as CRO should be authorized because it is a sound exercise of the Debtor's business judgment. Mr. Miller is well qualified and equipped to assist in CRO duties. Mr. Miller, in his capacity as CRO, will provide services that are in the best interests of all parties-in-interest in this Chapter 11 case.

X. NO PRIOR REQUEST

37. No previous request for the relief sought herein has been made to this Court or any other court.

XI. NOTICE

38. Notice of this Application has been given by e-mail, facsimile, overnight delivery, and/or courier to the Master Service List including 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) Texas Department of State Health Services; (e) Texas Capital Bank; (f) Sabra Texas Holdings, L.P.; and (g) each of the Debtor's twenty (20) largest unsecured creditors. The Debtor

submits that, in light of the nature of the relief requested, no other or further notice need be given.

WHEREFORE, the Debtor respectfully requests that this Court enter an order granting the relief requested in this Application and such other and further relief as may be just and proper.

Dated: September 22, 2015.

Respectfully submitted,

/s/ William L. Medford
William L. Medford, Esq.
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing pleading was served upon the parties listed on the attached service list via e-mail, facsimile, overnight delivery, and/or courier on this 22nd day of September, 2015.

/s/ William L. Medford
William L. Medford

EXHIBIT "A"



September 8, 2015

**Deloitte Transactions and
Business Analytics LLP**

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Todd Furniss
Forest Park Medical Center at Frisco, LLC
5500 Frisco Square Blvd.
Frisco, Texas 75034

**Re: Terms of Engagement of Deloitte Advisory as Chief Restructuring Officer and
Restructuring Advisor**

Dear Mr. Furniss:

This letter sets forth the agreement between Forest Park Medical Center at Frisco, LLC (the "Client" or "you") and Deloitte Advisory¹ ("Deloitte Advisory" and "we"), effective as of August 27, 2015, whereby Deloitte Advisory's personnel will provide to Client the services described herein. The General Business Terms & Conditions and Scope of Services applicable to this engagement are attached to this letter as Appendices A and B, respectively, and are incorporated herein by reference.

UNDERSTANDING OF ROLES

In connection with this engagement, Deloitte Advisory shall make available to the Client Michael S. Miller to act as the Client's duly appointed Chief Restructuring Officer ("CRO") on a temporary basis. The parties hereto acknowledge that approval of this engagement and the appointment of the CRO shall be the subject of a duly adopted resolution of the Board of Managers (the "Board") which shall be provided to Deloitte Advisory prior to commencement of the services hereunder. The role of the CRO will be as follows:

- Report directly to the Board of the Client, make recommendations thereto and consult therewith regarding his activities and the Services as defined below;
- Working on a collaborative basis with the Client's Chief Executive Officer, Chief Financial Officer, and other senior executives of the Client, coordinate the restructuring efforts of the Client, subject to the reporting structure above, including the identification, development, and implementation of strategies related to the Client's debt obligations, business plan and other related matters; and,

¹ For purposes of this engagement agreement, Deloitte Advisory shall mean Deloitte Transactions and Business Analytics LLP ("DTBA").

Forest Park Medical Center at Frisco, LLC
September 8, 2015
Page 2 of 14

- In consultation with the Client's Chief Executive Officer, Chief Financial Officer, and other senior executives of the Client, coordinate and manage the Services (as defined below) and the Deloitte Advisory professional staff on the engagement.

The CRO shall operate under the direction of the Board. Accordingly, Deloitte Advisory and its personnel, including the CRO, shall have no liability to the Client for any actions taken or omitted to be taken at the direction of the Board. The personnel of Deloitte Advisory performing the Services, including the CRO, shall continue to be employed by or associated with Deloitte Advisory while performing the Services and may provide services to other clients in matters unrelated to the Client while performing the Services.

The CRO, assisted by other personnel of Deloitte Advisory, is anticipated to provide the Scope of Services set forth in Appendix B (which include the activities of the CRO described above) (the "Services"), as requested by the Client and agreed to by us.

You acknowledge and agree that you are responsible for supplying complete and accurate information, representations, and books and records upon which we, including the CRO, may rely, and we, including the CRO, shall have no responsibility for mistakes or omissions on our part arising as a result of having relied upon information, representations, or books and records provided by you or on your behalf that were inaccurate or incomplete. In addition, in connection with the Services provided hereunder, including providing the CRO, we will not audit or otherwise verify the materials provided to us, nor will we provide any assurances concerning the reliability, accuracy, or completeness of any materials provided by or on behalf of you or any other person or entity, and our Services cannot be relied on to disclose errors or fraud should they exist. We shall have no responsibility for updating our Services unless pursuant to a new engagement letter.

Deloitte Advisory shall provide such other services as may be agreed to by Deloitte Advisory and the Client in writing based on discussions with you as the engagement progresses and additional information is obtained during the course of the engagement.

ENGAGEMENT STAFFING AND FEES

I will serve as engagement Principal, and will maintain overall responsibility for the engagement on behalf of Deloitte Advisory. Michael S. Miller will serve as your CRO and will lead the engagement on a day-to-day basis. Chris Hebard will serve as the engagement manager, coordinating daily management of the engagement assisted, as appropriate, by staff. Technical support may also be provided by other professionals who will be identified during the course of this engagement. However, circumstances may occur that could result in changes to our anticipated staffing for this engagement.

You agree that Deloitte Advisory will be compensated at the applicable hourly rates for professional time set forth below plus reasonable expenses incurred during this engagement. Our fees are based on the hours actually expended by Deloitte Advisory personnel, multiplied by their applicable hourly billing rate for this engagement. The applicable hourly billing rates by personnel classification for this engagement are as follows:

Partner/Principal	\$650 - 745
Director	\$550 - 625
Sr Manager Specialist	\$500 - 550
Sr Manager/Sr Vice President	\$475 - 495
Manager/Vice President	\$445
Associate/Sr. Associate	\$375 - 395

Prior to the commencement of the Services, the Client shall pay \$100,000 by wire transfer as a retainer. We will draw upon this retainer to satisfy amounts due under this engagement. We will provide you with a statement on a weekly basis showing the amount of fees and expenses incurred during such period. Upon presentation of any such statement, you agree to replenish the retainer to the original amount by wire transfer no later than three business days following receipt of the statement. Following completion of the engagement, we will return the unused portion of the retainer, if any, to you.

Payments made hereunder shall be made to:

Bank of America

US ACH: 011900571

US WIRE: 026009593

Swift code: BOFAUS3N

Account Name: Deloitte Financial Advisory Services LLP

Account# 385015879857

In the normal course of business, Deloitte Advisory revises its hourly rates to reflect changes in responsibilities, increased experience, geographical differentials and increased costs of doing business. Changes in applicable hourly rates for this engagement will be noted on the statements or invoices, as the case may be, for the first time period in which the revised rates became effective.

Because the scope and depth of our Services to you may change, it is difficult to estimate our total fees in advance. We will endeavor to discuss changes in our scope and activities with you before proceeding and, if you request, provide fee estimates for specific assignments.

As to expenses, Deloitte Advisory will be entitled to reimbursement of reasonable expenses incurred in connection with this engagement, including but not limited to travel, report preparation, delivery services, photocopying and other costs included in providing the Services.

DISCLOSURE OF RELATIONSHIPS

As you know, Deloitte Advisory is a large firm and we, as well as our affiliates and the member firms of Deloitte Touche Tohmatsu Limited and entities affiliated with such member firms (such member firms and affiliates thereof, "DTTL Member Firms"), are engaged by new clients every day. Therefore, we cannot assure that, following the completion of our internal conflict search, an engagement for or involving your creditors, vendors, customers, owners, joint venture

partners, adverse parties in disputes, potential acquirers, or other parties-in-interest or their respective attorneys and accountants will not be accepted by Deloitte Advisory or its affiliates or any of the DTTL Member Firms. Should any potential conflict come to the attention of Deloitte Advisory, we will endeavor to resolve such potential conflict and will determine what action needs to be taken.

Additionally, there is a potential that Deloitte Advisory will need to decline to perform certain aspects of the Services should a conflict come to its attention, and you agree that Deloitte Advisory may do so if Deloitte Advisory determines in its sole discretion that this is necessary. You also agree that you will inform us of all parties-in-interest to this matter or of additions to, or name changes for, those parties-in-interest whose names you provided.

Further, Deloitte Advisory, its affiliates, the CRO and the DTTL Member Firms may have provided professional services to, may currently provide professional services to, or may in the future provide such services to, the Client's creditors, vendors, customers, owners, joint venture partners, adverse parties in disputes, potential acquirers, or other parties-in-interest or their respective attorneys and accountants. You agree that Deloitte Advisory and its personnel will have no responsibility to you relating to such professional services, nor any responsibility to use or disclose information Deloitte Advisory possesses by reason of such services, whether or not such information might be considered material to you.

LIMITATIONS OF THE SERVICES

The Services will not result in the issuance of any written or oral communications by Deloitte Advisory or the CRO to the Client or any third parties expressing any opinion, conclusion, or any other form of assurance with respect to, among other things, accounting policies, financial data, financial statements and related footnotes, appropriate application of generally accepted accounting principles, disclosure, operating or internal controls, compliance with the rules and regulations of the Securities and Exchange Commission or the Public Company Accounting Oversight Board, compliance with the Sarbanes-Oxley Act of 2002 and related rules and regulations, or any other matters.

You understand that the Services may include access to the work of the Client's other professional advisors or to financial statements or financial information or data reported on by such other professional advisors. The Client agrees that such access is not for the purpose of affirming or evaluating the procedures or professional standards used by such other professional advisors. In this regard, we call your attention to the possibility that other professional advisors may perform procedures concerning the same information or data, and perhaps the same accounts and records, and reach different observations than Deloitte Advisory for a variety of reasons, including the possibilities that additional or different information or data might be provided to them that was not provided to Deloitte Advisory, that they might perform different procedures from Deloitte Advisory, or that professional judgments concerning, among others, complex, unusual, or poorly documented matters may differ.

While Deloitte Advisory may assist in the development of certain quantitative financial models, the Client acknowledges and agrees that it will take sole responsibility for all aspects of any such

models developed in connection with the Services, including, without limitation, the underlying assumptions, inputs, formulas, calculations, and all model outputs, including any financial projections or related computations or calculations. The Client is responsible for representations about its plans and expectations and for disclosure of significant information that might affect the ultimate realization of its forecasted results, and Deloitte Advisory and its personnel, including the CRO, shall have no responsibility therefor or for the achievability of the results forecasted. The Client agrees that it will be solely responsible for making all judgments and decisions in connection with the Services and any Deloitte Advisory work product, including, without limitation, any such models.

The Services to be provided by Deloitte Advisory will not include, and should not be interpreted as providing, any predictions or provide any opinions or other assurances concerning the outcomes of future events, including, without limitation, those that pertain to the operating results of any entity, the achievability of any business plan, the success of any investment, the recovery of any asset, or the ability to pay any debt. The Client expressly acknowledges that Deloitte Advisory and the CRO do not guarantee, warrant, represent or otherwise provide any assurances that (i) a restructuring proposal, transaction or similar plan can be formulated or would be advisable for the Client; (ii) any restructuring proposal, transaction or similar plan, if formulated, will be better for the Client than any other restructuring proposal, transaction or similar plan; (iii) any restructuring proposal, transaction or similar plan, if formulated, will be acceptable to the Client's creditors, shareholders or other stakeholders or (iv) the Client will restructure successfully. Additionally, Deloitte Advisory and its personnel, including the CRO, are not responsible for any decision of the Client or the Board to pursue or not pursue any particular restructuring proposal, transaction or similar plan or any portion thereof.

In the course of performing the Services requested, matters may come to our attention that may suggest possible opportunities to enhance the effectiveness and efficiency of your controls, and we will consider communicating such matters to you. However, we have not been engaged to perform an evaluation of internal controls and procedures, and we, including the CRO, will not express an opinion or other form of assurance with respect to the Client's internal control systems. Any communications to you concerning your controls will be incidental to the purpose of this engagement, and any matters so communicated will require management's independent assessment, as the Client's management (other than the CRO) is responsible for, among other things, establishing and maintaining effective internal control over financial reporting and for identifying the laws and regulations applicable to the Client's activities and ensuring compliance therewith.

With the exception of the activities of the CRO undertaken within the scope of the Services (and subject to Board approval as discussed above), (i) the Client recognizes and acknowledges that by performing the Services, Deloitte Advisory is not acting in any Client management capacity and that the Client has not asked Deloitte Advisory to make, nor has Deloitte Advisory agreed to make, any business decisions on behalf of the Client and (ii) all decisions about the Client's business or operations, including, but not limited to, decisions concerning the execution of transactions with other persons or entities and the establishment of terms for such transactions, remain the sole responsibility of the Client's management.

OTHER MATTERS

In the event that the Client commences a chapter 11 proceeding under the Bankruptcy Code, the Client agrees that it will promptly seek the Bankruptcy Court's approval of this engagement. The application, proposed order and other supporting documents (collectively, the "Application") submitted to the Bankruptcy Court seeking its approval of this engagement must be satisfactory to Deloitte Advisory in all respects. In addition to Deloitte Advisory's other rights or remedies hereunder, Deloitte Advisory may, in its sole discretion and without any liability arising therefrom, terminate this engagement in the event that (a) a third party objects or threatens to object, or Deloitte Advisory reasonably believes that a third party may object, in the form of an objection or otherwise, to Deloitte Advisory's retention by the Client on the terms and conditions set forth in this letter, (b) a final order authorizing the employment of Deloitte Advisory is not issued by the Bankruptcy Court on or before sixty (60) days from the date of the commencement of any bankruptcy case by the Client on the terms and conditions set forth herein or on such other terms and conditions as are satisfactory to Deloitte Advisory, or (c) the Application is denied by the Bankruptcy Court. In such event, the Client hereby agrees to withdraw or amend, promptly upon Deloitte Advisory's request, any Application filed or to be filed with the Bankruptcy Court to retain Deloitte Advisory's services in the bankruptcy proceeding. For purposes of this letter, "Bankruptcy Court" shall mean the United States Bankruptcy Court with which the Client has filed a bankruptcy petition.

As we have discussed, in order to accommodate your timing requirements, this letter is being provided in advance of Deloitte Advisory's completion of all of its engagement acceptance procedures. Accordingly, we shall have the right to terminate this engagement in the event we do not complete such procedures or are not satisfied with the results of such procedures. Client hereby acknowledges such right and releases Deloitte Advisory, its affiliates and related entities from any claims, liabilities, or expenses in any way relating to or in connection with the exercise of such right.

This engagement letter, incorporating by reference the attached General Business Terms & Conditions, constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements and understandings among the parties, whether written or oral, with respect to the subject matter hereof.

Forest Park Medical Center at Frisco, LLC
September 8, 2015
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If the foregoing represents your agreement, please sign the enclosed copy of this letter in the space provided and return it to me; or if you have any questions, please call me at 214-840-7769. By signing this letter, you represent and warrant that the Client has the authority to enter into this engagement letter on behalf of itself and its subsidiaries. We appreciate the opportunity to work for you and look forward to your prompt response.

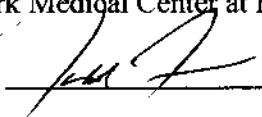
Very truly yours,

Deloitte Transactions and Business Analytics LLP



By: _____
Louis E. Robichaux, IV

Agreed and Accepted by:
Forest Park Medical Center at Frisco, LLC

By:  _____

Name: Todd Furniss

Title: Manager, Managing Member

Date: 9.11.15

Appendix A

GENERAL BUSINESS TERMS & CONDITIONS

1. Services.

- a) It is understood and agreed that the Services under the engagement agreement to which these terms are attached (the "Engagement Agreement") may include advice and recommendations, but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, the Client.
- b) The Client acknowledges that any Deloitte Advisory work product is complete only when presented in its entirety and only for the purpose stated therein. Furthermore, the Client acknowledges that: (1) neither the Services nor any work product, in whole or in part, shall constitute a fairness or solvency opinion; (2) Deloitte Advisory will not provide any legal advice or address any questions of law; and (3) the performance of the Services does not constitute an audit conducted in accordance with generally accepted auditing standards, an examination of internal controls, or other attestation or review services in accordance with standards established by the American Institute of Certified Public Accountants (the "AICPA"), the Public Company Accounting Oversight Board (the "PCAOB"), or other regulatory body.

2. **Payment.** Prior to the commencement of any chapter 11 proceeding by the Client, payment shall be made as specified in the Engagement Agreement. Subsequent to the commencement of any chapter 11 cases, subject to any administrative rules or guidelines established in such proceeding and/or by the Bankruptcy Court, Deloitte Advisory's invoices are due upon presentation. Without limiting its rights or remedies, Deloitte Advisory shall have the right to halt or terminate the Services entirely if payment is not timely received as specified in the Engagement Agreement. The Client shall be responsible for all taxes imposed on the Services or on the transaction, other than Deloitte Advisory's income taxes imposed on a net basis or by employment withholding, and other than taxes imposed on Deloitte Advisory's property. In addition, Deloitte Advisory will be compensated for any time and expenses (including, without limitation, reasonable legal fees and expenses) that Deloitte Advisory may incur in considering or responding to discovery requests or other requests for documents or information, or in participating as a witness or otherwise in any legal, regulatory, arbitration, or other proceedings (including, without limitation, those unrelated to the matters that are subject to this engagement) as a result of or in connection with the Services or the Engagement Agreement.

3. **Term.** Unless terminated sooner in accordance with its terms, this engagement shall terminate on the completion of the Services. This engagement may be terminated by either party at any time, with or without cause, by giving written notice to the other party not less than seven (7) calendar days before the effective date of termination, provided that, in the event of a termination for cause, the breaching party shall have the right to cure the breach within the notice period. Deloitte Advisory may terminate this engagement upon written notice to the Client if it determines that (a) a governmental, regulatory, or professional entity (including, without limitation, the AICPA, the PCAOB, or the Securities and Exchange Commission ("SEC")), or an entity having the force of law has introduced a new, or modified an existing, law, rule, regulation, interpretation, or decision, the result of which would render Deloitte Advisory's performance of any part of the engagement illegal or otherwise unlawful or in conflict with independence or professional rules, or (b) circumstances change (including, without limitation, changes in ownership of the Client or any of its affiliates) such that Deloitte Advisory's performance of any part of the engagement would be illegal or otherwise unlawful or in conflict with independence or professional rules. Upon termination of the engagement, the Client will compensate Deloitte Advisory under the terms of the Engagement Agreement for the Services performed and expenses incurred through the effective date of termination.

4. Deloitte Advisory Technology, Property and Deliverables.

- a) Deloitte Advisory has created, acquired, or otherwise has rights in, and may, in connection with the performance of the Services, employ, provide, modify, create, acquire, or otherwise obtain rights in, works of authorship, materials, information, and other intellectual property (collectively, the "Deloitte Advisory Technology").
- b) Except as provided below, upon full and final payment to Deloitte Advisory hereunder, the tangible items specified as deliverables or work product in the Engagement Agreement (the "Deliverables") shall become the property of the Client. To the extent that any Deloitte Advisory Technology is contained in any of the Deliverables, Deloitte Advisory hereby grants the Client, upon full and final

payment to Deloitte Advisory hereunder, a royalty-free, fully paid-up, worldwide, nonexclusive license to use such Deloitte Advisory Technology in connection with the Deliverables.

- c) To the extent that Deloitte Advisory utilizes any of its property (including, without limitation, the Deloitte Advisory Technology or any hardware or software of Deloitte Advisory) in connection with the performance of the Services, such property shall remain the property of Deloitte Advisory and, except for the license expressly granted in the preceding paragraph, the Client shall acquire no right or interest in such property. Notwithstanding anything herein to the contrary, the parties acknowledge and agree that (1) Deloitte Advisory shall own all right, title, and interest, including, without limitation, all rights under all copyright, patent, and other intellectual property laws, in and to the Deloitte Advisory Technology and (2) Deloitte Advisory may employ, modify, disclose, and otherwise exploit the Deloitte Advisory Technology (including, without limitation, providing services or creating programming or materials for other clients). Deloitte Advisory does not agree to any terms that may be construed as precluding or limiting in any way its right to (1) provide consulting or other services of any kind or nature whatsoever to any person or entity as Deloitte Advisory in its sole discretion deems appropriate or (2) develop for itself, or for others, materials that are competitive with or similar to those produced as a result of the Services, irrespective of their similarity to the Deliverables.
- d) To the extent any Deloitte Advisory Technology provided to the Client hereunder is a product (to the extent it constitutes merchandise within the meaning of section 471 of the Internal Revenue Code), such Deloitte Advisory Technology is licensed to the Client by Deloitte Advisory as agent for Deloitte Transactions and Business Analytics Products Company LLC on the terms and conditions herein. The assignment and license grant in this paragraph 4 do not apply to any works of authorship, materials, information or other intellectual property (including any modifications or enhancements thereto or derivative works based thereon) that is subject to a separate license agreement between the Client and a third party, including without limitation, Deloitte Transactions and Business Analytics Products Company LLC.

5. Limitation on Warranties. THIS IS A SERVICES ENGAGEMENT. DELOITTE ADVISORY WARRANTS THAT IT SHALL PERFORM THE SERVICES IN GOOD FAITH AND IN A PROFESSIONAL MANNER. DELOITTE ADVISORY DISCLAIMS ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THE CLIENT'S EXCLUSIVE REMEDY FOR ANY BREACH OF THIS WARRANTY SHALL BE FOR DELOITTE ADVISORY, UPON RECEIPT OF WRITTEN NOTICE, TO USE DILIGENT EFFORTS TO CURE SUCH BREACH, OR, FAILING ANY CURE IN A REASONABLE PERIOD OF TIME, THE RETURN OF PROFESSIONAL FEES PAID TO DELOITTE ADVISORY HEREUNDER WITH RESPECT TO THE SERVICES GIVING RISE TO SUCH BREACH.

6. Limitation on Damages, Indemnification and Insurance.

- a) The Client agrees that Deloitte Advisory, its subcontractors, and their respective personnel, including the CRO (as defined in the Engagement Agreement), shall not be liable to the Client for any claims, liabilities, or expenses relating to this engagement ("Claims") for an aggregate amount in excess of the fees paid by the Client to Deloitte Advisory pursuant to this engagement, except to the extent finally judicially determined to have resulted primarily from the bad faith or intentional misconduct of Deloitte Advisory or its subcontractors. In no event shall Deloitte Advisory, its subcontractors, or their respective personnel, including the CRO, be liable for any loss of use, data, goodwill, revenues or profits (whether or not deemed to constitute a direct Claim), or any consequential, special, indirect, incidental, punitive, or exemplary loss, damage, or expense relating to this engagement. Notwithstanding the foregoing, Deloitte Advisory, its subcontractors, and their respective personnel, including the CRO, shall not be responsible for any third party products or services separately procured by the Client, whether or not the CRO, acting as such, had a role in procuring such third party product or service. The Client's exclusive remedy with respect to such products and services shall be against such third party. The agreements contained in the Engagement Agreement for the benefit of the CRO shall not be deemed exclusive of any other rights to which he shall be entitled as an officer of the Client under the corporate charter or by-laws of the Client, under applicable law or otherwise.
- b) The Client shall indemnify and hold harmless Deloitte Advisory, its subcontractors, and their respective personnel (including, without limitation, the CRO) from all Claims, except to the extent finally judicially determined to have resulted primarily from the bad faith or intentional misconduct of Deloitte Advisory or its subcontractors. In addition to the above indemnification, the CRO will receive the benefit of the most favorable indemnification and exculpation provisions provided by the Client to its directors, officers and similar employees pursuant to the Client's corporate charter and by-laws, by contract, by applicable law or otherwise.
- c) In circumstances where all or any portion of the provisions of this paragraph or paragraph 11(c) are finally judicially determined to be unavailable, the aggregate liability of Deloitte Advisory, its

subcontractors, and their respective personnel for any Claim shall not exceed an amount that is proportional to the relative fault that their conduct bears to all other conduct giving rise to such Claim.

- d) The Client agrees that it shall take such actions as are necessary to have the CRO specifically covered as an officer under the Client's existing director and officer liability policy. The Client shall maintain such insurance coverage for the CRO for such period as claims may be made against the CRO. The Client shall provide Deloitte Advisory with a certificate of insurance and any other documents requested by Deloitte Advisory, including any applicable corporate documents, evidencing such coverage prior to the commencement of the Services and such documents and coverage shall be satisfactory to Deloitte Advisory in its sole discretion. The Client shall also provide Deloitte Advisory with reasonable advanced written notice of cancellation or nonrenewal of such insurance coverage or material change in policy terms, provided, that Deloitte Advisory shall have the right to terminate this Engagement Agreement in the event that such insurance coverage does not remain satisfactory to Deloitte Advisory in its sole discretion.
- e) The Client's indemnification obligations and insurance coverage in this paragraph provided for the benefit of the CRO shall be primary with respect to, and without any allocation against, any similar indemnification and other insurance coverage that may otherwise apply to such CRO, whether provided by Deloitte Advisory or otherwise.

7. Client Responsibilities, Third Party Information, and Assumptions.

- a) The Client shall cooperate with Deloitte Advisory and the CRO in the performance by Deloitte Advisory and the CRO of the Services, including, without limitation, providing Deloitte Advisory with reasonable facilities and timely access to data, information, and personnel of the Client and the Board. The Client shall be responsible for the performance of its personnel and agents and for the accuracy and completeness of all data and information provided to Deloitte Advisory and the CRO for purposes of the performance by Deloitte Advisory and the CRO of the Services. The Client acknowledges and agrees that Deloitte Advisory's and the CRO's performance is dependent upon the timely and effective satisfaction of the Client's responsibilities hereunder and timely decisions and approvals of the Client and the Board in connection with the Services. Deloitte Advisory and the CRO shall be entitled to rely on all decisions and approvals of the Client and the Board. The Client and the Board, as applicable, shall be responsible for, among other things (a) the performance of their personnel and agents, (b) the accuracy and completeness of all data and information provided to Deloitte Advisory for purposes of the performance of the Services, (c) making all management decisions, performing all management functions, and assuming all management responsibilities, (d) designating a competent management member to oversee the Services, (e) evaluating the adequacy and results of the Services, (f) accepting responsibility for the results of the Services, and (g) establishing and maintaining internal controls, including monitoring ongoing activities. With respect to the data and information provided by Client to Consultant or its subcontractors for the performance of the Services, Client shall have all rights required to provide such data and information, and shall do so only in accordance with applicable law and with any procedures agreed upon in writing.
- b) If Deloitte Advisory is provided with access to or use of the Client's facilities outside of the United States for the purpose of performing the Services: (i) the facilities may not be dedicated solely for Deloitte Advisory's use, (ii) Deloitte Advisory will not be deemed a tenant of the Client with respect to the facilities, and (iii) Deloitte Advisory will abide by the Client's reasonable instructions with respect to the use of the facilities to the extent not inconsistent with these terms, the Engagement Agreement, or any other agreement of the parties.
- c) Deloitte Advisory and the CRO may use information and data furnished by parties other than the Client if Deloitte Advisory and/or the CRO in good faith believes that such information and data is reliable. Deloitte Advisory and the CRO, however, shall neither be responsible for, nor provide any assurance regarding, the accuracy or completeness of any such information or data.
- d) Deloitte Advisory and the CRO shall be entitled to assume, without independent verification, the accuracy and completeness of any and all assumptions provided to Deloitte Advisory or the CRO by or on behalf of the Client for purposes of the performance by Deloitte Advisory or the CRO of the Services.

- 8. Force Majeure.** Neither party shall be liable for any delays or nonperformance directly or indirectly resulting from circumstances or causes beyond its reasonable control, including, without limitation, disability or death of the CRO, acts or omissions or the failure to cooperate by the other party (including, without limitation, entities or individuals under its control, or any of their respective officers, directors, employees, other personnel, and agents), acts or omissions or the failure to cooperate by any third party, fire, epidemic or other casualty, act of God, strike or labor dispute, war or other violence, or any law, order, or requirement of any governmental agency or authority.

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- 9. Limitation on Actions.** No action, regardless of form, relating to this engagement, may be brought by either party more than one year after the cause of action has accrued, except that an action for non-payment may be brought by a party not later than one year following the date of the last payment due to the party bringing such action.
- 10. Independent Contractor.** It is understood and agreed that each party hereto is an independent contractor and that neither party is, nor shall be considered to be, the other's agent, distributor, partner, fiduciary, joint venturer, co-owner, or representative. Except as otherwise provided herein, neither party shall act or represent itself, directly or by implication, in any such capacity or in any manner assume or create any obligation on behalf of, or in the name of, the other, except that the CRO may do so within the scope of the Services as provided in the Engagement Agreement (subject to Board approval as specified in the Engagement Agreement). All professional staff, including any partners, principals or directors of Deloitte Advisory serving in the role of CRO, shall remain partners, principals and employees with Deloitte Advisory during this engagement.
- 11. Confidentiality and Internal Use.**
- a) The Client agrees that all Services and Deliverables shall be solely for the Client's informational purposes and internal use, and are not intended to be, and should not be, used by any person or entity other than the Client. The Client further agrees that such Services and Deliverables shall not be circulated, quoted, disclosed, or distributed to, nor shall reference to such Services or Deliverables be made to, any person or entity other than the Client, except that Client may disclose that a Deloitte Advisory partner, principal or director is acting in the role of CRO at the Client. Notwithstanding the foregoing, the Client shall not be prohibited from creating its own materials based on the content of such Services and Deliverables and using and disclosing such Client-created materials for external purposes, provided that the Client does not, expressly or by implication, in any manner whatsoever, attribute such materials to Deloitte Advisory or otherwise refer to or identify Deloitte Advisory in connection with such materials. Client understands and agrees that Deloitte Advisory is not an expert under the Securities Act of 1933, as amended, or the Securities and Exchange Act of 1934, as amended, and will not consent to be a named expert in any Client filings with the SEC under the Securities Act of 1933, as amended, or the Securities and Exchange Act of 1934, as amended, or otherwise.
- b) To the extent that, in connection with this engagement, either party (each, the "receiving party") comes into possession of any trade secrets or other proprietary or confidential information of the other (the "disclosing party"), it will not disclose such information to any third party without the disclosing party's consent. The disclosing party hereby consents to the receiving party disclosing such information (1) to contractors providing administrative, infrastructure and other support services to the receiving party and subcontractors providing services in connection with this engagement, in each case, whether located within or outside of the United States, provided that such contractors and subcontractors have agreed to be bound by confidentiality obligations similar to those in this Section 11(b); (2) as may be required by law, regulation, judicial or administrative process, or in accordance with applicable professional standards or rules, or in connection with litigation pertaining hereto; or (3) to the extent such information (i) shall have otherwise become publicly available (including, without limitation, any information filed with any governmental agency and available to the public) other than as the result of a disclosure in breach hereof, (ii) becomes available to the receiving party on a nonconfidential basis from a source other than the disclosing party that the receiving party believes is not prohibited from disclosing such information to the receiving party by obligation to the disclosing party, (iii) is known by the receiving party prior to its receipt from the disclosing party without any obligation of confidentiality with respect thereto, or (iv) is developed by the receiving party independently of any disclosures made by the disclosing party to the receiving party of such information. In satisfying its obligations under this paragraph 11(b), each party shall maintain the other's trade secrets and proprietary or confidential information in confidence using at least the same degree of care as it employs in maintaining in confidence its own trade secrets and proprietary or confidential information, but in no event less than a reasonable degree of care. For the avoidance of doubt, Client agrees to permit Deloitte Advisory and its affiliates and related entities the right to use Client's name and logos as part of a general client listing and as a specific citation in proposals or similar directed marketing efforts. Nothing in this paragraph 11(b) shall alter the Client's obligations under paragraph 11(a). Notwithstanding anything to the contrary herein, the Client acknowledges that Deloitte Advisory, in connection with performing the Services, may develop or acquire experience, skills, knowledge, and ideas that are retained in the unaided memory of its personnel. Notwithstanding, the foregoing, the CRO shall be permitted to make disclosures of confidential information of the Client in connection with the performance of the Services as he determines in his discretion are necessary or appropriate. Further, Deloitte Advisory and its affiliates and related entities shall have the right to use Client's name and logo as part of a general client listing and as a specific citation in proposals or similar directed marketing efforts.
- c) Notwithstanding anything to the contrary in these terms or in those of the Engagement Agreement, the provisions of paragraph 11(a) regarding confidentiality and use will not apply to "confidential transactions" or "reportable transactions" (as described in Rule 3501(c)(i) of PCAOB Release 2005-

014, Internal Revenue Code Sections 6011 and 6111, and related Internal Revenue Service guidance) (collectively referred to as "**Subject Tax Planning Advice**") under the Engagement Agreement. Nothing in this paragraph 11 shall be construed as limiting or restricting disclosure of the Subject Tax Planning Advice or any tax feature thereof for purposes of Rule 3501(c)(1) of PCAOB Release 2005-014, Internal Revenue Code Sections 6011 and 6111, and related Internal Revenue Service guidance. The Services and Deliverables provided in connection with this engagement shall be solely for the Client's informational purposes and internal use, and this engagement does not create privity between Deloitte Advisory and any person or party other than the Client ("**third party**"). Neither the Services nor any Deliverables provided in connection with this engagement are intended for the express or implied benefit of any third party. Unless otherwise agreed to in writing by Deloitte Advisory, no third party is entitled to rely in any manner or for any purpose on the advice, opinions, reports, or other Services or Deliverables provided by Deloitte Advisory. In the event of any unauthorized reliance, the Client agrees to indemnify and hold harmless Deloitte Advisory, its subcontractors, and their respective personnel from all third-party claims, liabilities, costs, and expenses.

- 12. Survival and Interpretation.** All paragraphs herein relating to payment of invoices, Deloitte Advisory Technology, property and deliverables, limitation on warranties, limitation on damages, indemnification and insurance, limitation on actions, confidentiality and internal use, survival and interpretation, assignment and subcontracting, waiver of jury trial, and governing law, venue, jurisdiction and severability shall survive the expiration or termination of this engagement. For purposes of these terms, "Deloitte Advisory" shall mean Deloitte Advisory and, for purposes of paragraph 6, shall also mean Deloitte Transactions and Business Analytics Products Company LLC, one of its subsidiaries. The Client acknowledges and agrees that no affiliated or related entity of Deloitte Advisory, whether or not acting as a subcontractor, shall have any liability hereunder to the Client or any other person and the Client will not bring any action against any such affiliated or related entity in connection with this engagement. Without limiting the foregoing, affiliated and related entities of Deloitte Advisory are intended third-party beneficiaries of these terms, including, without limitation, the limitation on damages and indemnification provisions of paragraph 6, and the agreements and undertakings of the Client contained in the Engagement Agreement. Any affiliated or related entity of Deloitte Advisory may in its own right enforce such terms, agreements and undertakings. **The provisions of paragraphs 6, 9, 11(c), 12, 14, and 16 hereof shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise notwithstanding the failure of the essential purpose of any remedy.**
- 13. Assignment and Subcontracting.** Except as provided below, neither party may assign, transfer, or delegate any of its rights (including, without limitation, interests or Claims), relating to this Agreement or the Services, without the prior written consent of the other party and any such purported assignment shall be void. The Client hereby consents to Deloitte Advisory assigning or subcontracting any of Deloitte Advisory's rights or obligations hereunder to (a) any affiliate or related entity, whether located within or outside of the United States, or (b) any entity that acquires all or a substantial part of the assets or business of Deloitte Advisory. Services performed hereunder by Deloitte Advisory's subcontractors shall be invoiced as professional fees on the same basis as Services performed by Deloitte Advisory's personnel, unless otherwise agreed.
- 14. Dispute Resolution.** Any controversy or claim between the parties arising out of or relating to these terms, the Engagement Agreement, or this engagement (a "Dispute") shall be resolved by mediation or binding arbitration as set forth below.

a) Mediation:

All Disputes shall first be submitted to nonbinding confidential mediation by written notice to the parties, and shall be treated as compromise and settlement negotiations under the standards set forth in the Federal Rules of Evidence and all applicable state counterparts, together with any applicable statutes protecting the confidentiality of mediations or settlement discussions. If the parties cannot agree on a mediator, the International Institute for Conflict Prevention and Resolution ("CPR"), at the written request of a party, shall designate a mediator.

b) Arbitration Procedures:

If a Dispute has not been resolved within 90 days after the effective date of the written notice beginning the mediation process (or such longer period, if the parties so agree in writing), the mediation shall terminate and the Dispute shall be settled by binding arbitration to be held in Dallas, Texas. The arbitration shall be conducted in accordance with the CPR Rules for Non-Administered Arbitration that are in effect at the time of the commencement of the arbitration, except to the extent modified by this Section 14 (the "Rules").

The arbitration shall be conducted before a panel of three arbitrators. Each of the parties shall designate one arbitrator in accordance with the "screened" appointment procedure provided in the Rules and the two party-designated arbitrators shall jointly select the third in accordance with the Rules. No arbitrator may serve on the panel unless he or she has agreed in writing to abide by the terms of this Section 14. Except

with respect to the interpretation and enforcement of these arbitration procedures (which shall be governed by the Federal Arbitration Act), the arbitrators shall apply the governing law set forth in Section 16 in connection with the Dispute. The arbitrators shall have no power to award damages inconsistent with these terms or the Engagement Agreement, including the limitation on liability provisions contained herein. The arbitrators may render a summary disposition relative to all or some of the issues, provided that the responding party has had an adequate opportunity to respond to any such application for such disposition. No discovery shall be permitted in connection with the arbitration, except to the extent that it is expressly authorized by the arbitrators upon a showing of substantial need by the party seeking discovery.

All aspects of the arbitration shall be treated as confidential, as provided in the Rules. Before making any disclosure permitted by the Rules, a party shall give written notice to the other party and afford such party a reasonable opportunity to protect its interests. Further, judgment on the arbitrators' award may be entered in any court having jurisdiction.

c) Costs:

Each party shall bear its own costs in both the mediation and the arbitration; however, the parties shall share the fees and expenses of both the mediators and the arbitrators equally.

- 15. Entire Agreement, Amendment, and Notices.** These terms, and the Engagement Agreement, including exhibits, constitute the entire agreement between the parties with respect to this engagement; supersede all other oral and written representations, understandings, or agreements relating to this engagement; and may not be amended except by written agreement signed by the parties. In the event of any conflict, ambiguity, or inconsistency between these terms and the Engagement Agreement, these terms shall govern and control. All notices hereunder shall be (a) in writing, (b) delivered to the representatives of the parties at the addresses first set forth above, unless changed by either party by notice to the other party, and (c) effective upon receipt.
- 16. Governing Law and Severability.** These terms, the Engagement Agreement, including exhibits, and all matters relating to this engagement shall be governed by, and construed in accordance with, the laws of the State of New York (without giving effect to the choice of law principles thereof). If any provision of such terms or the Engagement Agreement is unenforceable, such provision shall not affect the other provisions, but such unenforceable provision shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth herein.
- 17. Nonsolicitation.** During the term of this engagement and for a period of one (1) year thereafter, each party agrees that its personnel (in their capacity as such) who had substantive contact with personnel of the other party in the course of this engagement shall not, without the other party's consent, directly or indirectly employ, solicit, engage, or retain the services of such personnel of the other party. In the event a party breaches this provision, the breaching party shall be liable to the aggrieved party for an amount equal to thirty percent (30%) of the annual base compensation of the relevant personnel in his or her new position. Although such payment shall be the aggrieved party's exclusive means of monetary recovery from the breaching party for breach of this provision, the aggrieved party shall be entitled to seek injunctive or other equitable relief. This provision shall not restrict the right of either party to solicit or recruit generally in the media.

Appendix B – Scope of Services

- Assist the Client in its assessment of cash management and cash flow forecasting processes, including the monitoring of actual cash flow versus projections;
- Assist the Client in its analysis of its liquidity outlook, debt service capacity and appropriate capital structure;
- Assist the Client in (i) identifying various operational, managerial, financial and strategic restructuring alternatives and (ii) understanding the business and financial impact of same;
- Assist the Client in connection with Client’s communications and negotiations with other parties, including its landlord, secured lenders, significant vendors, etc.;
- Subject to the limitations contained herein and in Appendix A, assist the Client in connection with Client’s preparation of various financial reports which may be required during discussions with Client’s Board, lenders and stakeholders;
- Advise and assist the Client in its development of budgets for cash collateral, DIP financing, and other purposes;
- Advise and assist Client with management’s preparation and review of monthly operating reports;
- Assist Client’s bankruptcy counsel in gathering information, preparing exhibits and providing testimony at hearings on various motions for relief;
- Assist the Client with its preparation of the required Schedule of Assets and Liabilities, and the Statement of Financial Affairs;
- Advise and assist the Client’s management team concerning various other financial / business disclosures and reporting requirements pertaining to the Chapter 11 proceedings;
- Serve as a resource for Management in the Client’s interaction with financial advisors to the Official Committee of Unsecured Creditors;
- Provide limited assistance to the Client’s management and staff in connection with the sale process, including, (a) assist management to obtain information for an electronic data room, (b) assist management to respond to due diligence requests, (c) assist the Board and counsel evaluate any bids received, and (d) provide supporting testimony as requested by counsel related to hearings on section 363 procedures motion and sale motion;
- Upon conclusion of a sale process, advise and assist management to analyze claims and potential objections to claims and avoidance actions (e.g., preference and fraudulent transfer actions) based on the proposed exit strategy; and
- Provide advice and recommendations with respect to other related matters as the Client or its professionals may request from time to time, as agreed to by Deloitte Advisory.

MASTER SERVICE LIST

Forest Park Medical Center at Frisco, LLC

Case No. _____-BTR-11

Secured Creditors:

Debtor:

Forest Park Medical Center at Frisco, LLC
5500 Frisco Square Blvd.
Frisco, TX 75034

Commerce Bank
Attn: Gregory (Greg) Leftwich
Market President
2828 N. Harwood, Suite 1250
Dallas, TX 75201

Debtor's Counsel:

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Vickie L. Driver
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Dallas, TX 75201

Olympus America Inc.
3500 Corporate Parkway
Center Valley, PA 18034

Karl Storz
2151 E. Grand Ave.
El Segundo, CA 90245

Governmental Agencies:

Internal Revenue Service
P.O. Box 7346
Philadelphia, PA 19101-7346

General Electric Capital Corporation
Attn: Alan Beckman
20225 Watertower Blvd.
Brookfield, WI 53045

Timothy W. O'Neal
Assistant U.S. Trustee
Office of the United States Trustee
Bank of America Building
110 North College Ave., Room 300
Tyler, TX 75702

Texas Capital Bank
c/o J. Mark Chevallier
James "Jim" Rea
McGuire Craddock & Strother, P.C.
2501 N. Harwood St., Suite 1800
Dallas, TX 75201

Texas Department of State Health Services
P.O. Box 149347
Austin, TX 78714-9347

Landlord and Proposed DIP Financing:

Sabra Texas Holdings, L.P.
c/o Deirdre B. Ruckman
Marcus Helt
Gardere
3000 Thanksgiving Tower
1601 Elm St.
Dallas, TX 75201

Texas Attorney General's Office
Bankruptcy-Collections Division
P.O. Box 12548
Austin, TX 78711-2548

Office of the Attorney General
Main Justice Building, Room 5111
10th and Constitution Ave., N.W.
Washington D.C. 20530

Twenty Largest Unsecureds

Vibrant Management
c/o glendonTodd LLC
2101 Cedar Springs
Suite 1540
Dallas, TX 75201

MASTER SERVICE LIST

Forest Park Medical Center at Frisco, LLC

Case No. _____-BTR-11

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San Francisco, CA 94139

Stryker Endoscopy
P.O. Box 93276
Chicago, IL 60673

CPM Medical LLC
1565 N Central Expressway, Suite 200
Richardson, TX 75080

Pro Silver Star Ltd.
1 Cowboys Parkway
Irving, TX 75063

Valley Services, Inc.
P.O. Box 742992
Atlanta, GA 30374-2992

Inpatient Physician Assoc PLLC
6901 Snider Plaza, #130
Dallas, TX 75205

Medline
One Mundelein Place
Mundelein, IL 60060

Ricoh USA Inc.
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Chicago, IL 60673-1211

Lifecell Corporation
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Houston, TX 77216-3888

Ricoh USA Inc.
P.O. Box 660342
Dallas, TX 75266-0342

Identity Media Services LLC
400 East Royal Lane, Suite 290
Irving, TX 75093

Medical Information Technology, Inc.
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Westwood, MA 02090

Johnson and Johnson Healthcare
5972 Collections Center Dr.
Chicago, IL 60693

Smith and Nephew Inc.
P.O. Box 905706
Charlotte, NC 28209-5706

Johnson and Johnson Healthcare
425 Hoes Lane
Piscataway, NJ 08855

Smith and Nephew Inc.
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LDR Spine USA Inc.
P.O. Box 671716
Dallas, TX 75267

Siemens Medical Solutions USA Inc.
51 Valley Stream Parkway
Malvern, PA 19355

Bell Nunnally and Martin LLP
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Allergan USA Inc.
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Irvine, CA 92612

Stryker Instruments
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Kalamazoo, MI 49001

MASTER SERVICE LIST

Forest Park Medical Center at Frisco, LLC

Case No. _____-BTR-11

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

IN RE: FOREST PARK MEDICAL CENTER AT FRISCO, LLC <p style="text-align: center;">DEBTOR.</p>	§ § § § § § § § § §	CHAPTER 11 CASE NO. _____ - BTR
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**ORDER APPROVING DEBTOR’S APPLICATION FOR ENTRY OF AN ORDER
AUTHORIZING THE EMPLOYMENT, RETENTION AND DESIGNATION OF
MICHAEL S. MILLER AS CHIEF RESTRUCTURING OFFICER,
AS OF THE PETITION DATE**

Upon consideration of the Application, dated September 22, 2015 (the “Application”),¹ of Forest Park Medical Center at Frisco, LLC, as debtor and debtor-in-possession (the “Debtor”), for an order approving the retention and employment of Michael S. Miller (“ Mr. Miller”) as Chief Restructuring Officer for the Chapter 11 Estate in the above-referenced case (the “Case”). The Application has been properly served. Upon review of the Application, it appears to the Court that the proposed professional is "disinterested" as that term is defined in 11 U.S.C. §101(14) and that the proposed professional represents or holds no interest adverse to the Estate. Accordingly,

IT IS THEREFORE ORDERED that the Application is **GRANTED** and that the employment of Mr. Miller as Chief Restructuring Officer for the Chapter 11 Estate in the above-referenced case is hereby **APPROVED**; and it is further

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Application.

ORDERED that the proposed use of the Debtor's assets pursuant to 11 U.S.C. §363(b) to retain Mr. Miller as set forth in the Application represents a reasonable exercise of the Debtor's business judgment; and it is further

ORDERED that Mr. Miller is retained by the Debtor as of the Petition Date to provide the ordinary course duties of a Chief Restructuring Officer and may work with the Debtor to do the following:

- Manage the Debtor's Chapter 11 case, including, without limitation, sole management and oversight of any sale of the Debtor's assets and development of a Disclosure Statement and Plan of Reorganization, with no reporting responsibilities to the Debtor's Board.
- Managing the "working group" professionals who are assisting the Debtor in the reorganization process or who are working for the Debtor's various stakeholders to improve coordination of their effort and individual work product to be consistent with the Debtor's overall restructuring goals.
- Assist in obtaining and presenting information required by parties in interest in the Debtor's bankruptcy process including official committees appointed by the United States Bankruptcy Court for the Eastern District of Texas.
- Provide assistance in such areas as testimony before this Court on matters that are within the scope of this engagement and within his area of testimonial competencies.
- Assist with such other matters as may be requested that fall within Mr. Miller's expertise and that are mutually agreeable.

ORDERED, that Mr. Miller's employment, retention and designation of Mr. Miller as Chief Restructuring Officer is in the best interests of the Debtor and the estate; and it is further

ORDERED that Mr. Miller will seek compensation and reimbursement of expenses as a professional included in the applications or notices of Deloitte according to the procedures later ordered by this Court or in accordance with applicable fee application procedures as provided in the Bankruptcy Code, Bankruptcy Rules, and local rules of this Court per the terms set forth in the Application; and it is further

ORDERED, that this Court shall retain jurisdiction over all matters arising from or related to the interpretation and implementation of this Order; and it is further

ORDERED that, notwithstanding anything herein to the contrary, the authority granted herein to the Debtor, including to make payments and honor obligations, is subject in all respects to the terms and conditions of the Debtor's post-petition financing agreement, including any budget contained therein, and any order approving the same.

HONORABLE CHIEF JUDGE BRENDA T. RHOADES
UNITED STATES BANKRUPTCY JUDGE

PREPARED BY:

/s/ William L. Medford

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PROPOSED DEBTOR'S COUNSEL