IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF GEORGIA
MACON DIVISION

In re:	**Chapter 11**
OCONEE REGIONAL HEALTH SYSTEMS, INC., *et al.*,[1]	**Case No. 17-51005-AEC**
Debtors.	**(Jointly Administered)**

[PROPOSED] DISCLOSURE STATEMENT FOR JOINT PLAN OF LIQUIDATION

NOTHING CONTAINED IN THIS DISCLOSURE STATEMENT IS AN OFFER, ACCEPTANCE, OR A LEGALLY BINDING OBLIGATION OF THE PLAN PROPONENTS OR ANY OTHER PARTY IN INTEREST. THIS DISCLOSURE STATEMENT IS SUBJECT TO THE BANKRUPTCY COURT'S APPROVAL AND CERTAIN OTHER CONDITIONS. THIS DISCLOSURE STATEMENT IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES. ACCEPTANCES OR REJECTIONS WITH RESPECT TO THE ACCOMPANYING PLAN MAY NOT BE SOLICITED UNTIL THE BANKRUPTCY COURT HAS APPROVED SOLICITATION PROCEDURES AND CONDITIONALLY APPROVED THIS DISCLOSURE STATEMENT. ANY SOLICITATION OF THE ACCOMPANYING PLAN WILL OCCUR ONLY IN COMPLIANCE WITH APPLICABLE PROVISIONS OF BANKRUPTCY LAWS.

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[1] The Debtors include the following parties (the last four digits of the employer identification number for each of the Debtors as reported by the Debtors follow in parenthesis): (i) Oconee Regional Health Systems, Inc. (9394), (ii) Oconee Regional Medical Center, Inc. (9398), (iii) Oconee Regional Health Services, Inc. (9397), (iv) Oconee Regional Emergency Medical Services, Inc. (3857), (v) Oconee Regional Health Ventures, Inc. (sometimes d/b/a Oconee Neurology Services)(8516), (vi) Oconee Internal Medicine, LLC (1712), (vii) Oconee Orthopedics, LLC (3694), (viii) ORHV Sandersville Family Practice, LLC (1236), and (ix) Oconee Regional Senior Living, Inc. (5613).

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Dated: January 30, 2018

INTRODUCTION AND PRELIMINARY STATEMENT

This Disclosure Statement is being distributed to all known Creditors of, and holders of Interests in, Oconee Regional Health Systems, Inc. ("***ORHS***") and the eight related debtor affiliates of ORHS in the above-captioned proceedings. As set forth more fully below, the Official Committee of Unsecured Creditors appointed in these proceedings (the "***Committee***"), and U.S. Bank National Association, as bond trustee and master trustee for the Revenue Bonds described more fully below (the "***Bond Trustee***" and collectively with the Committee, the "***Plan Proponents***") have proposed a joint plan of reorganization for the resolution of outstanding Claims against and Interests in the Debtors pursuant to chapter 11 of title 11 of the United States Code, and to provide for distributions to Creditors holding Allowed Claims in the Chapter 11 Cases.

This Disclosure Statement has been prepared with respect to the Plan pursuant to Bankruptcy Code Section 1125 and is an important component of the Plan Proponents' effort to obtain Bankruptcy Court approval of the Plan. Prior to soliciting acceptances of any proposed chapter 11 plan, Bankruptcy Code Section 1125 requires the preparation of a disclosure statement containing information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance of the chapter 11 plan. For the reasons set forth in this Disclosure Statement, the Plan Proponents believe that confirmation and consummation of the Plan is in the best interests of Creditors and other parties in interest.

[THIS DISCLOSURE STATEMENT HAS BEEN APPROVED ON AN INTERIM BASIS BY THE BANKRUPTCY COURT IN ORDER FOR THE PLAN PROPONENTS TO BEGIN SOLICITATION OF VOTES ON THE PLAN AND TO COMBINE THE HEARINGS ON FINAL APPROVAL OF THE DISCLOSURE STATEMENT AND CONFIRMATION OF THE PLAN. THE BANKRUPTCY COURT WILL CONSIDER APPROVAL OF THIS DISCLOSURE STATEMENT ON A FINAL BASIS AND CONFIRMATION OF THE PLAN ON MARCH __, 2018 AT _:00 P.M EASTERN TIME.]

As set forth more fully below, Creditors are asked to support the Plan and holders of **certain** Claims have been asked to complete and return Ballots reflecting affirmative votes for (or against) the Plan. Creditors that receive Ballots should take the time to vote on the Plan which, if confirmed, will affect their economic interests. Before casting any Ballot, it is important that you be informed about the nature of the Chapter 11 Cases, the Plan and their consequences.

Creditors should read this Disclosure Statement before deciding how to vote (if applicable) and to otherwise understand the terms of the Plan. The Plan Proponents believe this Disclosure Statement provides adequate information to enable holders of Claims entitled to vote to make an informed decision on whether to vote to accept or reject the Plan. All information in

this Disclosure Statement is provided for the purpose of soliciting acceptances of the Plan. The Plan Proponents urge you to review the Plan and consult with your own legal counsel, accountants, tax advisors, and other advisers.

This Disclosure Statement, the Plan and related Plan Documents are the only documents that have been prepared for Creditors and holders of Interests to consider in connection with the solicitation of votes on the Plan. No representations by any person concerning the Debtors are authorized other than as set forth in the Plan Documents and, if given or made, should not be relied on by you in arriving at your decision to accept or reject the Plan.

This Disclosure Statement contains important information concerning the Debtors' history and operations, Claims against the Debtors, and how Claims will be treated if the Plan is confirmed by the Bankruptcy Court. This Disclosure Statement also provides information regarding alternatives to the Plan.

The Plan Proponents cannot represent or warrant that the information herein is without error though reasonable efforts have been used in the preparation of this Disclosure Statement and it is believed to be accurate. The delivery of this Disclosure Statement will not under any circumstances imply that the information herein is correct as of any time after the date hereof. The information contained in this Disclosure Statement has not been subject to audit or independent review. This Disclosure Statement has not been approved by the Securities and Exchange Commission ("***SEC***") or any state securities regulator, nor has the SEC or any state regulator commented on the accuracy or the adequacy of the statements contained in this Disclosure Statement. Nothing contained herein is an admission of any fact or liability nor shall it be admissible in any proceeding involving the Plan Proponents or Debtors.

The chart below summarizes the treatment of Claims and Interests under the Plan. Please refer to **Section 2** and **Section 3** of the Plan for a more detailed description of the treatment of holders of Claims and Interests.

Class	Description	Treatment if Claim Allowed	Estimated Recovery if Claim Allowed
Unclassified	Administrative Claims	Unimpaired	100%
Unclassified	Fee Claims	Unimpaired	100%
Unclassified	Priority Tax Claims	Unimpaired	100%
Class 1	Bond Claims	Impaired	Recovery % contingent on liquidation process, including litigation recoveries
Class 2	Other Secured Claims	Unimpaired	100%
Class 3	Unsecured Priority Claims	Unimpaired	100%
Class 4	General Unsecured Claims	Impaired	Recovery % contingent on liquidation process, including litigation recoveries
Class 5	Subordinated Claims	Impaired	0%
Class 6	Interests in Debtors	Impaired	0%

The effectiveness of the proposed Plan is subject to material conditions precedent, some of which may not be satisfied or waived.

The deadline for Ballots casting votes to accept or reject the Plan is March ___, 2018 at 4:00 P.M. eastern time. To be counted, Ballots must actually be received by this date and time.

The record date for determining which Creditors may vote on the Plan is February __, 2018.

By order of the Bankruptcy Court, a combined hearing on the adequacy of this Disclosure Statement and confirmation of the Plan has been scheduled for March ___, 2018 at ___:00 p.m. eastern time, before the Honorable Austin Carter, Bankruptcy Judge, in the United States Bankruptcy Court for the Middle District of Georgia. The hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement made at the confirmation hearing or any adjourned hearing.

Any objection to the adequacy of this Disclosure Statement or confirmation of the Plan must be made in writing and Filed with the clerk of the Bankruptcy Court on or before March ___, 2018 at 5:00 p.m. eastern time.

RECOMMENDATION: THE PLAN PROPONENTS RECOMMEND THAT HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN VOTE TO ACCEPT THE PLAN.

The Bankruptcy Code provides that only the Ballots of Creditors that actually vote on the Plan will be counted for purposes of determining whether the requisite acceptances have been attained. Any improperly completed or late Ballot will not be counted absent consent of the Plan Proponents.

This Disclosure Statement is divided into the following Articles:

Capitalized terms used but not defined in this Disclosure Statement or in the Bankruptcy Code have the meanings specified in the Plan. Unless otherwise specified, the rules of construction described in **Section 1.B.** of the Plan apply to this Disclosure Statement.

[Disclosure Statement continues on the following page]

ARTICLE I
BACKGROUND

The following background regarding the Debtors is drawn exclusively from (i) the "*Declaration of Steven M. Johnson in Support of First Day Motions and Related Relief"* [docket no. 2 in the Chapter 11 Cases] (the "***Johnson Declaration***"); (ii) the "*Debtors' Motion Pursuant to 11 U.S.C. §§ 105, 361, 362, 364 and 507 for Interim and Final Orders (I) Authorizing the Debtors to Obtain Postpetition Financing and Use Cash Collateral; (II) Granting Liens and Super-Priority Claims; and (III) Modifying the Automatic Stay"* [docket no. 10 in the Chapter 11 Cases] (the "***DIP Financing Motion***"); and (iii) the Debtors' publicly available audited financial reports.

The Debtors' Business.

The Debtors historically operated healthcare businesses in Milledgeville, Georgia and surrounding communities, including a not-for-profit acute care hospital with 140 licensed beds.

The Debtors' hospital business was founded in 1957 and operated by Baldwin County, Georgia until 1997, when Debtor Oconee Regional Medical Center, Inc. ("***ORMC***") was incorporated to lease the facility from the Baldwin County Hospital Authority ("***Authority***"). Under that lease, substantially all assets and liabilities associated with the hospital were transferred to ORMC.

As of the Petition Date, the Debtors ran the only acute-care hospital within a 30-mile radius, and the largest hospital in the approximately 4,400 square mile area between Macon, Augusta and Atlanta Georgia. The Debtors' services included a 24/7 emergency room, an ICU, MRI, CT and imaging services, obstetrics, pediatrics, physical therapy, speech therapy, and surgical services. The Debtors provided specialty programs in ear, nose and throat, gastroenterology, neurology, oncology, ophthalmology, orthopedics, pulmonology and urology.

In the twelve months prior to the Petition Date, the Debtors had approximately 2,600 inpatient admissions, over 33,000 emergency room visits and over 2,100 skilled nursing patient days. As of the Petition Date, the Debtors operated three outpatient clinics. As of the Petition Date, the Debtors had approximately 500 employees with an average tenure of 8.5 years. The Debtors' workforce was non-union.

The Debtors' Prepetition Capital Structure.

As of the Petition Date, the Debtors' primary long term debt related to Revenue Bonds issued in 1998 and 2016 to support the Debtors' businesses. In August 1998, the Authority issued $24,735,000 in Revenue Bonds. In June of 2016, the Authority issued a second series of Revenue Bonds in the amount of $7,250,000.

Debtor ORMC is an obligor on the Bonds and Debtors ORHS, Oconee Regional Health Ventures ("***ORHV***"), and Oconee Regional Health Services, Inc. ("***ORH Services***") delivered pre-petition guarantees of the Series 1998 and Series 2016 Bonds. Debtors ORMC, ORHS, ORHV and ORH Services and the Authority granted liens and security interests to the Bond

Trustee as security for the Revenue Bonds, providing as collateral (i) the real property and improvements that comprise the Facility; (ii) revenues and accounts receivable; (iii) general intangibles, contracts and licenses; (iv) equipment, inventory and other tangible personal property; and (v) all proceeds of the foregoing. The remaining Debtors did not have pre-petition obligations under the Revenue Bonds.

As of the Petition Date, the Bond Trustee's records reflected Claims for: (i) unpaid principal on the 1998 Revenue Bonds in the amount of $21,510,000; (ii) unpaid principal on the 2016 Revenue Bonds in the amount of $7,250,000; (iii) accrued but unpaid interest on the Revenue Bonds; and (iv) accrued and unpaid fees and expenses of the Bond Trustee and its professionals (collectively, the "***Bond Claims***").

Events Leading to the Commencement of the Chapter 11 Cases.[2]

The Chapter 11 Cases are the culmination of longstanding financial challenges affecting the Debtors. In the years preceding the Petition Date, the Debtors and their affiliates experienced prolonged financial distress. Publicly posted audited financial statements for the Debtors reported the following annual financial results in the five full fiscal years leading up to the chapter 11 filing:

Fiscal Year ending:	Net Operating Income (Loss):
September 30, 2016	($5.88 million)
September 30, 2015	($7.85 million)
September 30, 2014	($9.40 million)
September 30, 2013	($6.78 million)
September 30, 2012	($2.68 million)
Total 5 Year Operating Losses:	($32.59 million)

In pleadings Filed in the Chapter 11 Cases, the Debtors cited the following as contributing to these financial challenges:

(a) The Debtors' service area contains large Medicare and Medicaid populations. This subjected the Debtors to unfavorable reimbursement rates for many services provided to patients;

(b) The Debtors provided millions of dollars in care to uninsured patients without reimbursement. This was exacerbated when the State of Georgia did not elect to take part in the Medicaid expansion program under the federal Affordable Care Act, which would have provided at least some reimbursement for services provided to many of these patients;

[2] The Committee, on behalf of the Estates, reserves all rights regarding the allegations made by the Debtors in their pleadings, and does not concede that these are the sole or exclusive causes of the Debtors' financial challenges. The Committee, on behalf of the Estates, further reserves all other rights.

(c) A national trend of hospital consolidation, with larger, better capitalized operators taking over or opening newer, more modern hospitals. Patients that might have otherwise used the Debtors for care instead used larger, newer hospitals, with (perceived) better equipment or larger range of services;

(d) The Debtors were unable to establish a cardiology program, or expand their gastroenterology program, due to a chronic lack of doctors in these specialties, resulting in the Debtors' loss of substantial revenue opportunities;

(e) The Debtors were unable to raise funds for capital intensive projects;

(f) There were a series of changes in senior management. There were long-standing differences of opinion among senior management and the medical staff over the strategic direction of ORMC and its affiliates, leading to a loss of vision, failed initiatives, and diversion of attention from long-term projects.

The Debtors completed two "reductions in labor force" in 2015. Matching contributions to employee retirement plans were curtailed or eliminated. The Debtors closed the Oconee Primary Care Center (a part of Debtor ORHV), which had lost over $315,000 in its last year of operation. Prior to the Petition Date, Debtors ORH Services, Oconee Regional Emergency Medical Services, Inc., Oconee Regional Senior Living, Inc., and ORHV Sandersville Family Practice, LLC, ceased business operations completely. These and other changes were not sufficient to stabilize the Debtors' business.

By late 2015 the Debtors were in default on the 1998 Revenue Bonds. In December of 2015, the Debtors engaged Houlihan Lokey Capital, Inc. ("***Houlihan Lokey***") as investment banker to consider alternatives that might be available to help the Debtors continue their mission. The Debtors also retained Grant Thornton LLC ("***Grant Thornton***") to provide financial advisory services.

Houlihan Lokey and Grant Thornton assisted the Debtors' management with the identification and evaluation of potential strategic alternatives, including a status quo strategy, a stand-alone restructuring, or affiliation process. These professionals also assisted management with the development of financial performance projections for fiscal years 2016 through 2020. These projections showed continuing cash losses and an inability to meet debt service funding obligations. At the conclusion of this analysis, the Debtors' board of directors directed Houlihan Lokey to contact third parties and solicit interest for an affiliation through a sale, partnership, or management agreement for all or any combination of the Debtors' operations.

Houlihan Lokey developed a list of fifty-six (56) potential transaction prospects. The list of potential transaction prospects included both "strategic buyers" (companies that already operate in the healthcare field) and on "financial buyers" (*i.e.*, private equity funds and other institutional buyers). Of the fifty-six (56) parties contacted, twenty-six (26) executed a confidentiality agreement to undertake due diligence. The Debtors established an on-line "data room" with documents about the Debtors' financial and operational performance, legal status and associated issues, and related information. The Debtors received eight (8) initial indications of interest in May 2016: five (5) proposing an acquisition/sale transaction and three (3)

proposing a management agreement structure. Of this group, four (4) parties took part in on-site management presentations in June of 2016.

During the balance of 2016, the Debtors continued advanced negotiations with three transaction prospects, seeking to arrive at an acquisition that would repay the Revenue Bonds, assume the outstanding trade debt, and allow the Debtors to avoid a chapter 11 proceeding.

Two of the three remaining transaction prospects withdrew from the Debtors' process in late 2016. The Debtors accordingly selected the remaining transaction prospect, Ontario, California-based Prime Healthcare Services ("***Prime***") as their affiliation partner. The Debtors negotiated the terms of an asset purchase agreement (the "***Agreement***") with Prime, though in the absence of competition from other transaction prospects, the Agreement contemplated the acquisition of substantially all of the Debtors' operating Assets for consideration including $12 million of cash and required the commencement of the Chapter 11 Cases as a condition to the transaction.

ARTICLE II
OVERVIEW OF THE CHAPTER 11 CASES

Overview of Chapter 11.

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. In addition to permitting debtor rehabilitation, chapter 11 promotes equality of treatment for similarly situated creditors and similarly situated equity interest holders, subject to the priority of distributions prescribed by the Bankruptcy Code's "absolute priority" rule. The "absolute priority rule" sets distribution priorities and governs how chapter 11 plans treat different classes of dissimilarly situated creditors and equity interest holders.

Commencement of a chapter 11 case creates an estate that comprises all of the legal and equitable interests of a debtor as of the bankruptcy commencement date. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a "debtor-in-possession."

Consummating a plan is the principal objective of a chapter 11 case. A bankruptcy court's confirmation of a chapter 11 plan binds the debtor, any person acquiring property under the chapter 11 plan, any creditor or equity interest holder of the debtor and any other person or entity as may be ordered by the bankruptcy court in accordance with the applicable provisions of the Bankruptcy Code. Subject to certain limited exceptions, the order issued by the bankruptcy court confirming a chapter 11 plan enjoins creditors of a debtor from taking any action to collect on any debt that arose prior to the confirmation of the chapter 11 plan and provides for the treatment of such debt in accordance with the terms of the confirmed chapter 11 plan.

Significant Events During the Chapter 11 Cases.

Below is a summary of certain significant events that occurred in the Debtors' Chapter 11 Cases.

1. First Day Motions and Orders.

As is typical in a chapter 11 filing, the Debtors filed motions on and immediately after the Petition Date requesting various relief to facilitate their transition into bankruptcy. In May and June 2017, the Bankruptcy Court entered the following orders, among others, in relation to these matters:

(a) An order directing joint administration for the Debtors' nine (9) related bankruptcy cases;

(b) An order authorizing the Debtors to maintain a consolidated mailing matrix to ensure that Creditors of multiple Debtors only receive a single notice of those items which must be served on all Creditors of the Debtors;

(c) An order authorizing the Debtors to maintain existing bank accounts and business forms and continue their existing cash management system;

(d) An order authorizing the Debtors to maintain insurance policies and programs to provide ongoing coverage regarding general liability, professional liability, directors and officers liability, workers' compensation, commercial automobile and property insurance;

(e) An order authorizing the Debtors to pay employee wages and benefits that remained unpaid as of the Petition Date;

(f) An order prohibiting utilities from altering, refusing or disconnecting services; and

(g) An order authorizing the Debtors to refund undisputed overpayments and deposits paid by patients.

2. Appointment of the Committee, Bar Date for Pre-Petition Claims.

As is typical in chapter 11 filings, the Office of the United States Trustee appointed the Committee as an official committee of unsecured Creditors on May 16, 2017. The Committee selected the firm Greenberg Traurig, LLP as its primary counsel.

By Order dated May 18, 2017, the Bankruptcy Court set July 31, 2017 as the general deadline for persons other than governmental units to file pre-petition claims and claims pursuant to Bankruptcy Code Section 503(b)(9) against the Debtors and August 31, 2017 as the deadline for governmental units to file pre-petition claims against the Debtors. As of the date of this Disclosure Statement, approximately 800 Claims have been filed against the Debtors or otherwise appear on the Debtors' Schedules.

3. Debtor in Possession Financing.

As part of the Chapter 11 Cases, the Debtors also filed the DIP Financing Motion, requesting authority to borrow up to $5,000,000 in the form of new Series 2017 Revenue

Bonds and authority to continue to use cash that serves as collateral for the Revenue Bonds. As of the Petition Date, the Debtors did not have sufficient Cash to sustain ongoing business losses while the Debtors pursued the sale of their Assets. The DIP financing was intended to bridge this financial need pending the consummation of the sale.

On May 12, 2017 and June 12, 2017, the Bankruptcy Court entered interim and final orders authorizing the Debtors to borrow funds pursuant to this facility. The Debtors' obligations under the DIP financing facility were secured by liens on substantially all of the Debtors' assets. Through a series of draw requests between the Petition Date and September 2017, the Debtors borrowed approximately $4.65 million in the aggregate under the DIP facility. The DIP facility was paid in full in Cash from a portion of the proceeds received in the asset sale described more fully below.

4. The Sale of the Debtors' Operating Assets.

The Debtors commenced the Chapter 11 Cases for the primary purpose of consummating a sale of their operating Assets. As indicated elsewhere in this Disclosure Statement, the Debtors selected Prime as their affiliation partner before commencing the Chapter 11 Cases and entered into an Agreement contemplating the acquisition by Prime of substantially all of the Debtors' operating Assets for consideration including $12 million of cash. The Agreement with Prime contemplated further marketing of the Debtors' Assets during the Chapter 11 Cases to ascertain whether another transaction prospect would present a higher or better offer for the same Assets through a Court-supervised sale process.

On May 11, 2017, the Debtors filed their "*Motion for Orders Approving (I) (A) Bid Procedures, (B) Procedures for Notice Relating to the Assumption and Assignment of Certain Executory Contracts and Unexpired Licenses and Leases, (C) Break Up Fee and Expense Reimbursement, and (D) the Debtors' Assumption of the Consulting Agreement with Prime Healthcare Management, Inc.; and (II) (A) Asset Purchase Agreement, (B) the Sale of Substantially all of the Debtors' Assets Outside the Ordinary Course of Business, Free and Clear of all Liens, Claims, Encumbrances and Interests, (C) Assumption and Assignment of Certain Executory Contracts and Unexpired Licenses and Leases, and (D) Waiver of the 14-Day Stay of Fed. R. Bankr. P. 6004(h) and 6006(d)"* requesting that the Bankruptcy Court enter an order establishing procedures to solicit higher or better offers for the Assets the Debtors were otherwise agreeing to sell to Prime (the "***Sale Motion***"). On May 26, 2017, the Bankruptcy Court entered its order approving sale procedures in connection with the Sale Motion (the "***Sale Procedures Order***"). In connection with the Sale Motion, the Court approved the Debtors' continued retention of Houlihan Lokey to manage the sales effort.

The Debtors market-tested the terms of the Prime offer for the Debtors' operating Assets during the Chapter 11 Cases. After the Petition Date, several potential transaction prospects expressed interest in acquiring some or all of the Debtors' Assets. However, the Debtors received bids from just two potential transaction partners through this process – Prime's existing offer and a bid from Macon, Georgia-based Navicent Health ("***Navicent***"). The Debtors conducted an auction in Atlanta, Georgia on June 29, 2017 based on these proposals. At the auction, Prime did not improve its original offer for the Debtors' operating Assets on the terms of the Agreement. At the conclusion of the auction, the Debtors accepted an offer from Navicent

as the highest and best offers for the Assets. Navicent's bid included cash consideration in the amount of $12.2 million, plus an amount necessary to cover certain bid protections payable to Prime under the terms of the Sale Procedures Order.

The Bankruptcy Court held a sale hearing on June 30, 2017 and approved the sale to Navicent. On July 6, 2017, the Bankruptcy Court entered a formal order approving the sale. The sale to Navicent was substantially consummated on September 29, 2017. In connection with the consummation of the sale to Navicent, the Debtors retired the DIP facility using a portion of the proceeds from the Navicent sale.

5. Exclusivity.

Bankruptcy Code Section 1121 provided for a period of 120 days after the Chapter 11 Cases were commenced when the Debtors had the exclusive right to file and then solicit votes on a chapter 11 plan. After extensions, the Debtors agreed to modify the "exclusivity" in December 2017 to permit the Committee and Bond Trustee to also propose bankruptcy plans. The Court approved this modification in December 2017.

6. The Challenge Rights Settlement.

A significant issue in the Chapter 11 Cases involved disputes between the Committee and Bond Trustee concerning the extent and priority of the liens and claims associated with the Revenue Bonds.

The Bond Trustee asserted in the Chapter 11 Cases that all of the Assets of all of the Debtors and their Estates and all proceeds thereof are either collateral for the Bond Claims and/or subject to superpriority administrative claims for the benefit of the Bond Trustee and the Bond Claims. The Committee disputed these assertions. The Committee asserted, without limitation, that a material portion of the Assets are not subject to the Bond Trustee's claims or liens, that the Assets not subject to the Bond Trustee's claims or liens have material value, and that the Bond Trustee's liens in certain of the Assets may not be perfected. The Committee also disputed the Bond Trustee's assertions that it is entitled to superpriority administrative claims, and asserted that various Assets should otherwise be made available to Creditors and stakeholders in the Chapter 11 Cases other than the Bond Trustee on equitable and other grounds.

The Committee has standing to dispute the Bond Claims and Bond Trustee's related assertions pursuant to the Final DIP Order. The Debtors previously provided the Bond Trustee, all holders of the Revenue Bonds and their respective attorneys, officers, directors, and employees (in their capacities as such) a broad release, as specified in and approved by the Final DIP Order. That release was conditioned however on terms reserving the Committee's rights to investigate the Bond Trustee's claims and liens against the Debtors and their Estates, and to, notwithstanding the release, commence a contested matter or adversary proceeding to challenge the amount, validity, extent, enforceability, perfection, or priority of the Bond Claims or the Bond Trustee's liens in respect thereof, or otherwise assert any claims or causes of action that may exist for the benefit of the Debtors' Estates against the Bond Trustee and/or holders of the Revenue Bonds (the "***Challenge Rights***").

After a multi-month Challenge Rights investigation by the Committee, and a multi-month arms-length negotiation process between the Committee and Bond Trustee concerning the Bond Claims and the Challenge Rights, the Committee and Bond Trustee reached a settlement and compromise with respect to the Bond Claims and Challenge Rights.

The settlement reflects, in part, the Committee's and Bond Trustee's recognition of the complexity of the factual and legal issues associated with the Bond Claims and Challenge Rights, the time cost and delay that a contested resolution of these issues might entail, and the limited extent and value of the Assets that may be available for distribution in the Chapter 11 Cases in relation to the overall Creditor pool, regardless of whether the Assets are allocated to the Bond Claims or are instead made available to the Debtors' Estates and other stakeholders.

The Committee and Bond Trustee memorialized the settlement terms in the settlement agreement (the "***Settlement Agreement***") attached to the Plan as **Exhibit A**. The Settlement Agreement provides for:

(a) the creation of an Asset Pool from a material portion of the Assets for the benefit of the Debtors' Estates and stakeholders in the Chapter 11 Cases;

(b) the funding of that Asset Pool, with the remaining Assets to be applied by the Bond Trustee to the Bond Claims as provided by the Final DIP Order; and

(c) the Committee's and Bond Trustee's agreement to work cooperatively toward a cost efficient wind-down of the Chapter 11 Cases.

Generally, the Asset Pool consists of three broad types of assets:

- *First,* certain Cash that remains in the Chapter 11 Cases, including (a) a portion of the proceeds realized when the Debtors sold their acute care hospital and related assets to Navicent as part of the Chapter 11 Cases (the "***Navicent Sale Proceeds***"); and (b) certain funds the Debtors continue to hold as cash collateral pursuant to the Final DIP Order;

- *Second,* an initial portion of the proceeds to be realized from the disposition of certain of the Debtors' non-cash Assets, including without limitation certain litigation claims; and

- *Third,* the potential for additional amounts realized from the disposition of any of the Debtors' Assets once cumulative distributions on the Bond Claims through the Settlement Agreement reach $7,325,000 (approximately twenty-five percent of the dollar amount of the Bond Claims as of the Petition Date). If this recovery level on the Bond Claims is reached, 12.5% of all amounts thereafter available for distribution from the Debtors' Estates on account of prepetition claims will be allocated to the Asset Pool.

The Asset Pool is described in more complete detail in the Plan and the Settlement Agreement.

The proposed Settlement Agreement provides that the Bond Claims shall be Allowed secured claims against the Debtors in the amount of $29,318,651.40, which claims shall not be subject to offset, recoupment, deduction, counterclaim or objection of any kind or nature by any entity. The Settlement Agreement also provides that Assets not part of the Asset Pool shall be remitted to the Bond Trustee at the times and in the amounts specified by the Settlement Agreement and applied by the Bond Trustee pursuant to the Bond Documents.

The Settlement Agreement includes the following release by the Committee:

> "Subject to and effective upon the occurrence of the Effective Date, the Committee for itself and any successor to the Challenge Rights or any substantively similar rights shall be deemed to have forever released, discharged, waived and abandoned any and all claims, whether direct or representative, (including, but not limited to, any claim based on Challenge Rights and any Avoidance Action brought by or on behalf of Debtors or their Creditors), rights, demands, suits, matters, issues or causes of action, whether known or unknown, whether based on federal, state, local statutory or common law, rule or regulation, by contract or in equity, and whether directly, representatively or in any other capacity, that it may have, as of the date of this Agreement, against the Bond Trustee, all holders of the Revenue Bonds ("***Holders***") and each of their respective present and former parents, subsidiaries, affiliates, divisions, successors, transferees, partners, principals, officers, directors, employees, agents, attorneys, and assigns (in each case, solely in their capacities as such) (collectively, the "***Released Parties***"), arising from, in any way based upon or in any way related to the following: the negotiation, entry into or performance of this Agreement, the Bond Claims, the Challenge Rights, the Bond Documents, the Released Parties' conduct whether prior to or during the Chapter 11 Cases, and any claim and/or interest arising under or in connection with the Assets (collectively, the "***Released Claims***"). Notwithstanding the foregoing (a) nothing herein is intended to nor shall release any claims the Committee, the Debtors or their Estates may have against any person other than Released Parties and all such claims are expressly reserved by the Committee, the Debtors or their Estates; (b) the releases granted to Holders herein are expressly limited to only claims against Holders arising from or related to their holding and ownership of the Revenue Bonds and interactions with the Debtors and their Estates as Holders of Revenue Bonds and expressly do not include any other claims or causes of action which the Committee, the Debtors or their Estates may have against any Holder, whether known or unknown, including, by way of example and not limitation, avoidance actions unrelated to transfers or payments made in connection with the Revenue Bonds, breach of contract claims for contracts other than the Revenue Bonds, and tort or other claims related to acts other than the ownership or holding of Revenue Bonds and (c) nothing herein shall limit the rights of the Parties to enforce the terms of this Agreement."

On November 28, 2017, the Committee and Bond Trustee filed their "*Joint Motion of Official Committee of Unsecured Creditors and Bond Trustee, Pursuant to Rule 9019 of the*

Federal Rules of Bankruptcy Procedure, for Approval of Settlement" seeking Court approval of the Settlement Agreement (the "***Settlement Motion"***). The Court thereafter scheduled a merits hearing on the Settlement Motion for December 28, 2017.

After ongoing consultation with the office of the United States Trustee and the Debtors and their professionals, and a status conference with the Bankruptcy Court on December 18, 2017, the Committee and Bond Trustee agreed to use the Plan to implement the Challenge Rights Settlement.

7. Administrative Claims Bar Date.

In January 2018 the Debtors' requested and the Court established February 20, 2018 as the general deadline to file requests for allowance of Administrative Claims arising on or before December 31, 2017. The Plan Proponents expect that given the completion of the sale of the Debtors' operating Assets as described in this Disclosure Statement, the overwhelming majority of potential Administrative Claims in the Chapter 11 Cases accrued on or before December 31, 2017.

ARTICLE III
THE DEBTORS' ASSETS AND LIABILITIES

As of the filing of the Plan, the Assets of the Debtors' Estates consist primarily of approximately $6.29 million of Navicent Sale Proceeds, approximately $3.09 million of Existing Debtor-Held Funds, Avoidance Actions, General Litigation Claims, Jasper Claims, and potential recoveries from the Insurance Cell. The value of the Debtors' non-cash Assets is believed to be material but that value has not been determined at this time.

The estimated anticipated liabilities of the Debtors based on information received from the Debtors and their professionals include the following:

Administrative Claims	[TBD]
Fee Claims	$600,000 - $1.2 million
Priority Tax Claims	Undetermined
Bond Claims	$29.3 million
Other Secured Claims	Undetermined
Unsecured Priority Claims	$0 - $200,000
General Unsecured Claims	$3.0 - $5.0 million, excluding Deficiency Claims

As noted, the Bankruptcy Court has established a February 20, 2018 Administrative Claims bar date for Administrative Claims arising on or before December 31, 2017. It is anticipated that this bar date will provide more information about the potential pool of Administrative Claims prior to the hearing on the Plan.

The foregoing reflect that material, and possibly severe, impairment of Claims is probable under any liquidation and distribution that occurs in the Chapter 11 Cases.

ARTICLE IV
CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

Under the Plan, Claims against, and Interests in, the Debtors are divided into "Classes of Claims" or "Classes of Interests" according to their relative priority under the Bankruptcy Code and other criteria. Although the Plan is divided into classes, the Plan does not seek to allow any Claim or any particular Claim holder's entitlement to distributions under the Plan unless specifically set forth in the Plan. Bankruptcy Code Section 1123 requires that a plan of reorganization classify the Claims of a debtor's creditors (other than certain Claims, including expenses of administration and priority taxes) and the Interests of its Interest holders. The Bankruptcy Code also provides that, except for certain Claims classified for administrative convenience, a plan of reorganization may place a Claim of a creditor or an Interest of an Interest holder in a particular Class only if such Claim or Interest is substantially similar to the other Claims or Interests in such Class. The Plan Proponents believe they have classified all Claims and Interests in compliance with the requirements of Bankruptcy Code Section 1123. If a holder of a Claim or Interest challenges such classification and the Bankruptcy Court finds that a different classification is required for the Plan to be confirmed, then the Plan Proponents intend to make such reasonable modifications to the classification of Claims or Interests under the Plan as may be required by the Bankruptcy Court for confirmation. Except to the extent that such modification or classification adversely affects the treatment of a holder of a Claim or Interest and requires re-solicitation, acceptance of the Plan by any holder of a Claim pursuant to this solicitation will be deemed to be a consent to the Plan's treatment of such holder regardless of the Class to which such holder is ultimately deemed to be a member. Except as specifically provided for in the Plan or Bankruptcy Code Section 506(b), the Plan contemplates that interest, fees, costs or charges shall not accrue on Claims and no holder of a Claim shall be entitled to interest, fees, costs or charges accruing on or after the Petition Date on any Claim.

A table is set forth in the Introduction above that summarizes the classification and treatment of Claims in the Chapter 11 Cases. Specific information concerning the classification of Claims and Interests and distributions thereon is set forth in **Section 2**, **Section 3** and **Section 8** of the Plan. Those provisions are incorporated herein by this reference.

ARTICLE V
IMPLEMENTATION OF THE PLAN

General.

The Plan includes customary provisions for implementation, including, without limitation the following:

(a) Funding for the Plan based generally on the Debtors' Assets that are Cash and proceeds from the sale or other disposition of the Debtors' non-cash Assets in a manner consistent with the Challenge Rights Settlement;

(b) The continued existence of the Debtors for limited purposes associated with the implementation of the Plan;

(c) The retention of all Causes of Action, including Avoidance Actions, General Litigation Claims and Jasper Claims;

(d) The preservation of insurance-related rights and claims;

(e) The continued existence of the Committee as a post-effective date committee until distributions on Unsecured Claims are completed; and

(f) The closing of the Chapter 11 Cases.

The Appointment of a Liquidating Trustee, Establishment of Trusts.

The Plan contemplates the appointment of a Liquidating Trustee who will be charged with the implementation of the Plan and the establishment of two trusts in connection with these matters. The first trust, the Liquidation Trust, will be established to hold all of the Assets. The second trust, the Private Action Trust, will be established to hold, prosecute and liquidate claims that certain Creditors may have against third parties related to the Debtors.

Creditors are encouraged to consider contributing claims they may have against third parties related to the Debtors to the Private Action Trust by completing and signing the Private Action Trust Election Form that is **Exhibit A**. The Private Action Trust is intended to collect possible causes of action that relate to the Debtors' business activities but may involve challenges because there may be dozens or hundreds of Creditors with similar claims against the same parties, but who do not have the ability to organize themselves and/or the means to fund the litigation. The Plan addresses these challenges and complications by providing for the establishment of the Private Action Trust. The only claims that will be contributed to the Private Action are those defined as Non-Estate Causes of Action in the Plan. In summary, these are claims arising from matters involving the Debtors against (i) any former officer, director, member, shareholder or employee of one of the Debtors, (ii) against a person that did business with any Debtor, and (iii) against professionals that provided services to Debtors. Electing Creditors will receive a majority of any net recoveries on account of contributed claims. If you wish to voluntarily make the Private Action Trust Election, the information in **Exhibit A** must be completed and this Private Action Trust Election must be signed and returned in the enclosed envelope to the voting agent described in the Procedures Order so that it is received by **March ___, 2018** in order for the Private Action Trust Election to be valid and effective. All of the contributed claims will then be assessed, prosecuted (to the extent it is feasible and advisable to do so) and liquidated via settlement or judgment by the Liquidating Trustee. Claims may, at the option of the Liquidating Trustee, be asserted by the Liquidating Trustee or, through a power of attorney, in the name of the Electing Creditor. DO NOT MAKE THE PRIVATE ACTION TRUST ELECTION IF YOU WISH TO RETAIN YOUR NON-ESTATE CAUSES OF ACTION.

The Confirmation Order shall provide for the appointment of the Liquidating Trustee. The Plan Proponents shall identify the Liquidating Trustee and his compensation terms as part of the Plan Supplement. The Liquidating Trustee shall be a third-party non-affiliate of the Debtors with experience liquidating healthcare chapter 11 cases. The Liquidating Trustee shall be deemed the Estates' representative in accordance with Bankruptcy Code Section 1123 and shall

have all powers, authority and responsibilities specified in the Plan and the Trust Agreements, including, without limitation, the powers of a trustee under Bankruptcy Code Sections 704, 108 and 1106 and Rule 2004 of the Bankruptcy Rules (including commencing, prosecuting or settling causes of action, enforcing contracts, and asserting claims, defenses, offsets and privileges), to the extent not inconsistent with the status of the Trusts as "liquidating trusts" for federal income tax purposes within the meaning of Treasury Regulation 301.7701-4(d). As set forth more fully in the Plan, the Liquidating Trustee shall be responsible for the liquidation of the remaining Assets for the benefit of Creditors in accordance with Bankruptcy Code Section 1123(a)(5) and 1129(a)(16), administration of the Plan and the wind-down of the Debtors and their Estates post-Effective Date. On the Effective Date, each member of the Debtors' Boards of Directors and their officers shall be deemed to have resigned, each board member and officer shall have no ongoing decision-making role with respect to the Debtors, and the wind down of the Debtors shall become the general responsibility of the Liquidating Trustee.

On the Effective Date, (i) the Trusts, on the terms of the Trust Agreements, shall be formed, (ii) the Liquidating Trustee shall execute the Trust Agreements, (iii) the Trust Agreements shall be effective, (iv) the Liquidating Trustee shall be authorized to implement the Trusts, (v) the Assets shall be transferred to the Liquidation Trust, and (vi) the Contributed Non-Estate Causes of Action shall be contributed to the Private Action Trust. The Trust Agreements shall contain provisions customary in comparable circumstances. The Trusts shall be established for the sole purpose of liquidating and distributing Trust Assets in accordance with Treasury Regulations section 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business. Consistent with requirements imposed by the IRS, all parties shall treat the Trusts as liquidating trusts for all federal income tax purposes. Neither the Liquidation Trust nor the Private Action Trust shall be deemed to be the same legal entity as any of the Debtors. There shall be a total of one million (1,000,000) units of Liquidation Trust Beneficial Interests allocated to all holders of Allowed Claims, in a manner that permits them to receive the treatment specified by the Plan. There shall be a total of one million (1,000,000) units of Private Action Trust Beneficial Interests. The Liquidation Trust shall receive 25% or 250,000 units of Private Action Trust Beneficial Interests and the remaining Private Action Trust Beneficial Interests will be allocated to Electing Creditors, in return for their Contributed Non-Estate Causes of Action, ratably based upon the amount of the Allowed Claims held by each Electing Creditor in relation to the aggregate total of the Allowed Claims of all Electing Creditors. Beneficial interests in the Trusts shall be non-transferrable except by will or under the laws of descent and distribution. If there is a recovery on account of a Cause of Action that is asserted by both the Liquidation Trust and the Private Action Trust, and the recovery is not allocated by a Final Order, the recovery shall be allocated 2/3 to the Liquidation Trust and 1/3 to the Private Action Trust. Each Trust shall terminate after its liquidation, administration and distribution of applicable Trust Assets in accordance with the Plan and its full performance of all other duties and functions set forth herein or in the Trust Agreements, ***provided*** each Trust shall terminate no later than the fifth (5th) anniversary of the Effective Date unless the Liquidating Trustee, for good cause, seeks an extension of one or both of the Trusts.

Preservation of Causes of Action.

In accordance with section 1123(b)(3) of the Bankruptcy Code, except as expressly provided in the Plan, the Liquidating Trustee, as the representative of the Estates, will retain and

may enforce all Causes of Action of the Debtors and the Estates including, without limitation, Avoidance Actions, General Litigation Claims, Jasper Claims and any and all Causes of Action against the following:

(a) any individual or entity who received a transfer of property from any Debtor prior to the Petition Date, including without limitation any transfer of property that may be avoided and recovered via an Avoidance Action,

(b) any professional retained by the Debtors prior to, or after, the Petition Date, including any lawyer, law firm, accountant, accounting firm, consultant or consulting firm, or investment banker or investment banking firm for services performed prior to the Petition Date including, without limitation, any Cause of Action for negligence, malpractice, or any other tort against any of the aforementioned individuals or entities,

(c) any present or former insider of any Debtor,

(d) any individual or entity who was indebted to any Debtor,
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(e) any former or current officer, director, member, shareholder, manager or agent of the Debtors or any insider or affiliate of the Debtors for claims arising under applicable non-bankruptcy law under either federal or state law, including but not limited to breaches of fiduciary duty; and

(f) all other Causes of Action and related recoveries of any nature or type whatsoever, at law or in equity, against any person or entity.

Exhibit B sets forth a non-exhaustive list of the Debtors' former and current insiders, officers, directors, members, managers, agents, Affiliates, attorneys, law firms, accountants, and accounting firms, as well as other individuals and entities against whom the Estates are reserving and retaining any and all Causes of Action, which Causes of Action shall be enforceable by the Liquidating Trustee for the benefit of the Estates.

The failure of the Debtors to specifically list any claim, right of action, suit, proceeding or other Cause of Action in their Schedules does not, and will not be deemed to, constitute a waiver or release by the Estates, the Liquidating Trustee, or the Debtors of such claim, right of action, suit, proceeding or other Cause of Action, and the Liquidating Trustee will retain the right to pursue such claims, rights of action, suits, proceedings and other Causes of Action in his sole discretion and, therefore, no preclusion doctrine, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches will apply to such claim, right of action, suit, proceeding or other Cause of Action upon or after the confirmation or consummation of the Plan.

Nothing in the Plan shall (or is intended to) prevent, estop or be deemed to preclude the Liquidating Trustee from utilizing, pursuing, prosecuting or otherwise acting upon all or any of their Causes of Action and, therefore, no preclusion doctrine, including, without limitation, the doctrines of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, estoppel

(judicial, equitable or otherwise) or laches shall apply to such Causes of Action upon or after Confirmation, the Effective Date or the consummation of the Plan. By example only, and without limiting the foregoing, the utilization or assertion of a Cause of Action, or the initiation of any proceeding with respect thereto against a Person, by the Liquidating Trustee shall not be barred (whether by estoppel, collateral estoppel, *res judicata* or otherwise) as a result of (a) the solicitation of a vote on the Plan from such Person or such Person's predecessor in interest; (b) the Claim, Interest or Administrative Claim of such Person or such Person's predecessor in interest having been listed in a Debtor's Schedules, list of holders of Interests, or in the Plan, Disclosure Statement or any exhibit thereto; (c) prior objection to or allowance of a Claim or, Interest of the Person or such Person's predecessor in interest; or (d) Confirmation of the Plan.

Notwithstanding any allowance of a Claim, the Liquidating Trustee reserves the right to seek, among other things, to have such Claim disallowed if the Liquidating Trustee at the appropriate time, determines that the Estates have a defense under section 502(d) of the Bankruptcy Code, e.g., the Debtor or the Liquidating Trustee holds an Avoidance Action against the Holder of such Claim and such Holder after demand refuses to pay the amount due in respect thereto.

Substantive Consolidation.

The Plan contemplates the substantive consolidation of the Debtors for Plan purposes. On and after the Effective Date, (a) all assets and liabilities of each of the Debtors shall be treated as though they were merged into a single Estate solely for purposes of the Plan, (b) for all purposes associated with the Plan, the Estates of each of the Debtors shall be deemed to be one consolidated Estate, (c) each and every Claim filed, to be filed in the Chapter 11 Cases or otherwise asserted against any of the Debtors shall be deemed filed against the merged Estate and (d) the Debtors shall be treated as though they were merged into a single Estate for the purposes of calculating U.S. Trustee Fees. In accordance with the foregoing, all Intercompany Claims shall be extinguished and shall not be entitled to any distributions under the Plan. Further, (a) all guarantees by any Debtor of obligations of any other Debtor shall be deemed eliminated and extinguished, and (b) any Claims seeking recovery of the same debts asserted in the Chapter 11 Cases against multiple Debtors shall be treated as duplicative Claims and only a single Claim against the merged Estates shall be deemed to survive for purposes of the Plan, and in each case any Claim against any Debtor and any guarantee thereof executed by any other Debtor and any joint liability of any of the Debtors shall be deemed to be one obligation of the Debtors. For the avoidance of doubt, the relief specified in **Section 5.9** of the Plan shall not impair any claims or Causes of Action any Debtor or Estate may have against third parties, including Avoidance Actions, General Litigation Claims or Jasper Claims.

Substantive consolidation is appropriate under the Plan given significant uncertainty over how Navicent Sale Proceeds might otherwise be allocated between the Debtors' Assets that were included in that sale. That transaction included substantially all of the Debtors' operating Assets (as well as assets of the Authority) in return for a lump-sum payment of Cash. While this structure is common in business acquisition and sale transactions, the value of each Debtor's Assets in the form of Cash is entangled. It would be time consuming, and likely cost prohibitive,

to allocate Navicent Sale Proceeds among separate Estates.[3] The delay itself would result in further administrative burdens that would exacerbate the already disappointing financial results of the auction process. Substantive consolidation is also appropriate since, as demonstrated by the Debtors' schedules and statements, a supermajority of the Debtors' Assets and liabilities were centrally held, maintained and managed by Debtor ORMC on account of its affiliated Debtors. Given these entanglements, there are demonstrated benefits to consolidation.

Certain Claims Deadlines.

The Plan establishes deadlines for the filing of Fee Claims and requests for the payment of Administrative Claims to the extent the Plan or the Court has not otherwise fixed a different deadline.

Each Person retained or requesting compensation in these Chapter 11 Cases, pursuant to Bankruptcy Code Sections 330, 331, and 503(b), must file with the Court an application for allowance of any Fee Claims no later than thirty (30) days after the Effective Date. All Fee Claims for which an application is not timely filed shall be forever barred. Objections to each such application may be filed in accordance with the Bankruptcy Rules. The Court shall determine all such Fee Claims.

Except to the extent the Plan or the Court has fixed or does fix a different date, all requests for payment of Administrative Claims must be filed no later than thirty (30) days after the Effective Date. All Administrative Claims for which a request for payment is not timely filed shall be forever barred. Objections to each such claim may be filed in accordance with the Bankruptcy Rules. The Court shall determine all such Administrative Claims.

Rejection of Contracts.

The Plan generally provides that each executory contract and unexpired lease of the Debtors that has not previously been assumed or rejected shall be rejected as of the Effective Date. Any Claim for damages arising from rejection of any executory contract or unexpired lease under the Plan must be filed with the Court within the earlier of thirty (30) days after the Effective Date or such other deadline established by the Court. Any Claim arising from the rejection of an executory contract or unexpired lease not filed within such time will be forever barred from receiving any distribution under the Plan or asserting any Claims against the Debtors, the Estates or the Liquidating Trustee.

Further Information Concerning Implementation of the Plan.

You are strongly encouraged to review **Section 5**, **Section 6**, **Section 7** and **Section 11** of the Plan with respect to these matters.

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[3] The Plan Proponents note that the Challenge Rights Settlement could have funded the Asset Pool solely from Navicent Sale Proceeds. The Asset Pool Components instead reflect the Bond Trustee's insistence that doing so would leave all risk as to the timing and amount of recovery from the Debtors' non-Cash Assets with the Bond Trustee and holders of the Revenue Bonds. As a matter of risk sharing for all Creditors, portions of the Asset Pool are funded from sources where the timing and amount of recovery for the Estates is uncertain.

ARTICLE VI
EFFECTS OF CONFIRMATION

The Plan provides the following regarding the effects of Confirmation of the Plan.

Satisfaction of Claims. Holders of Claims shall receive the distributions provided for in the Plan and other treatment set forth therein, if any, in full settlement and satisfaction of the Debtors' obligations thereunder.

Exculpation. **Except as specifically provided in the Plan, no Exculpated Party shall have or incur, and each Exculpated Party is hereby released and exculpated from, any Exculpated Claim, obligation, cause of action or liability for any Exculpated Claim, except for gross negligence or willful misconduct, but in all respects such Persons shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. Each Exculpated Party has, and upon Confirmation of the Plan shall be deemed to have, participated in good faith and in compliance with the Bankruptcy Code and applicable non-bankruptcy law with regard to the solicitation of votes pursuant to the Plan, and, therefore, shall not be, liable at any time for the violation of any applicable law, rule or regulation governing the solicitation of acceptances or rejections of the Plan or distributions made pursuant to the Plan.**

Challenge Rights Settlement. **The Settlement Agreement and Challenge Rights Settlement, including the release specified in Section 5.04 of the Settlement Agreement are expressly incorporated into the Plan.**

Injunction. **Except as otherwise provided in the Plan or Confirmation Order, as of the Effective Date all Persons that hold a Claim are permanently enjoined from taking any of the following actions against (i) the Exculpated Parties; (ii) the Liquidating Trustee; (iii) the Trusts; (iv) any successors or professionals of the foregoing; or (v) any Assets or any other Trust Assets, on account of any Claim: (1) commencing or continuing in any manner any action or other proceeding with respect to a Claim; (2) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order with respect to a Claim; (3) creating, perfecting or enforcing any lien or encumbrance with respect to a Claim; (4) commencing or continuing any action in any court other than the Bankruptcy Court absent a showing the Bankruptcy Court lacks jurisdiction; or (5) commencing or continuing any action that does not comply with or is inconsistent with the Plan. Nothing in this injunction shall preclude the holder of a Claim from enforcing its rights to the treatment provided in the Plan, from pursing any available insurance or third parties not expressly described above, or from seeking discovery in actions against third parties**

Post-Effective Date Effect of Evidences of Claims. Notes, shareholder certificates, and other evidences of liens or Claims against the Debtors shall, effective upon the Effective Date, represent only the right to participate in the distributions or rights, if any, contemplated by the Plan.

Surrender of Instruments and Release of Liens. Except as otherwise provided in the Plan, each holder of an instrument evidencing a Claim against the Debtors or any of the property

of the Debtors shall, if requested by the Liquidating Trustee, surrender such instrument to the Liquidating Trustee. The Liquidating Trustee may withhold distributions under the Plan to or on behalf of any holder of such Claim unless and until such instrument is received or the non-availability of such instrument is established to the satisfaction of the Debtors or Liquidating Trustee ***provided*** this surrender requirement shall not apply to the Bond Trustee or the beneficial owners of the Revenue Bonds. Each Person who is to receive distributions under the Plan in complete satisfaction of a Secured Claim shall if requested by the Liquidating Trustee, execute and deliver a release of its liens and security interests to the Liquidating Trustee. The Court may enter an order requiring the execution and delivery of a release at the cost of such Person by the Liquidating Trustee and providing that such act when so done shall have like effect as if done by such Person or any other appropriate order.

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

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

ARTICLE VII
RETENTION OF JURISDICTION AND OTHER PROVISIONS

Following the Effective Date, the Bankruptcy Court shall retain jurisdiction of the Chapter 11 Cases pursuant to the provisions of chapter 11 of the Bankruptcy Code to the fullest extent permitted by law, until the entry of a final decree closing the Chapter 11 Cases.

You are strongly encouraged to review **Section 10.11** of the Plan, which lists various specific matters for which jurisdiction shall be retained.

ARTICLE VIII
REQUIREMENTS FOR CONFIRMATION OF A PLAN

In General.

In order for a plan to be confirmed, the Bankruptcy Code requires, among other things, that the plan be proposed in good faith, that the proponents disclose specified information concerning payments made or promised to insiders, and that the plan comply with the applicable provisions of chapter 11 of the Bankruptcy Code. Bankruptcy Code Section 1129(a) requires,

among other things, that (i) each Impaired Class of Claims has accepted the Plan ("***Minimum Voting Threshold***"), (ii) confirmation of the plan is not likely to be followed by the need for further financial reorganization (the "***Feasibility Test***") and (iii) the Plan be fair and equitable with respect to each Class of Claims or Interests which is impaired under the Plan (the "***Best Interests of Creditors Test***"). The Bankruptcy Court can confirm a Plan if it finds that all of the requirements of section 1129(a) have been met.

The Minimum Voting Threshold.

The Plan voting process will determine whether the Minimum Voting Threshold is met. As indicated elsewhere in this Disclosure Statement, all holders of Class 1 Bond Claims and Class 4 Unsecured Claims as of **February , 2018** are entitled to vote to accept or reject the Plan and may do so by completing the appropriate Ballot which is enclosed with this Disclosure Statement.

The Feasibility Test.

The Plan Proponents believe the Feasibility Test is satisfied. To satisfy the Feasibility Test, a debtor must generally demonstrate that confirmation of the plan is not likely to be followed by the need for further financial reorganization. The Plan satisfies that general test because the Debtors are liquidating rather than reorganizing and, accordingly no further financial reorganization will be necessary. Under these circumstances, the Plan Proponents believe the Feasibility Test is otherwise met since the Plan Proponents will satisfy the conditions to the Effective Date and the Plan provides sufficient funds to pay the costs of administering and consummating the Plan.

The Best Interests of Creditors Test.

The Plan Proponents believe the Best Interests of Creditors Test is also satisfied. To satisfy this test, each holder of a Claim or Interest in an impaired Class must either (i) accept the plan or (ii) receive or retain under the plan cash or property of value, as of the effective date of the plan, that is not less than the value such holder would receive or retain if the debtor was liquidated under chapter 7 of the Bankruptcy Code.

The Plan Proponents believe holders of Claims against and Interests in the Debtors will receive an equal or greater recovery under the Plan than they would in a chapter 7 liquidation. This is primarily because the Plan already provides for a liquidation, and a liquidation under chapter 7 would merely increase administrative costs.

Consummation of the Plan means the Debtors will avoid the costs and expenses of a chapter 7 liquidation, including the fees payable to a chapter 7 trustee and his or her professionals. The Cash available to Creditors would be reduced by the chapter 7 trustee's statutory fee, which is calculated on a sliding scale from which the maximum compensation is determined based on the total amount of moneys disbursed or turned over by the chapter 7 trustee. Bankruptcy Code Section 326(a) permits among other things reasonable compensation for a chapter 7 trustee based on distributions to creditors as follows:

Distribution Segment:	Compensation:
First $5,000	Up to 25%
$5,000 - $50,000	Up to 10%
$50,000 - $1,000,000	Up to 5%
Thereafter	Up to 3%

The Plan Proponents believe that a chapter 7 trustee's professionals, including legal counsel and accountants, would add substantial administrative expenses that would also be entitled to be paid ahead of Allowed Claims against the Debtors. If the Plan is confirmed, the Liquidating Trustee will also be compensated and will be entitled to retain professionals. However, the Plan Proponents believe that the compensation that would be paid to a chapter 7 trustee pursuant to Bankruptcy Code Section 326(a) would exceed the compensation to be paid to the Liquidating Trustee because the Liquidating Trustee may retain professionals familiar with this bankruptcy case.

Additionally, the Plan Proponents believe that a chapter 7 liquidation could result in a significant delay in distributions. Pursuant to Bankruptcy Rule 3002(c), conversion of a chapter 11 case to chapter 7 will trigger a new bar date for filing claims against the Estate, and that the new bar date will be more than 90 days after the chapter 11 case converts to chapter 7. Further delay and expense would be likely since the Creditors Rights Settlement would not be implemented, and the Bond Trustee and chapter 7 trustee) would likely spend time and significant legal costs reopening the many issues that the Challenge Rights Settlement resolves.

Nonconsensual Confirmation and Cramdown.

In the event that the Plan does not satisfy the Minimum Voting Threshold, the Bankruptcy Court nevertheless may confirm the Plan under the "cramdown" provisions of Bankruptcy Code Section 1129(b) if all of the other provisions of Bankruptcy Code Section 1129(a) are met.

In order to confirm the Plan over a dissenting impaired Class under Bankruptcy Code Section 1129(b), the Bankruptcy Court, must find that the Plan does not discriminate unfairly, and is fair and equitable with respect to each Class of Claims or Interests that is impaired under, and has not accepted, the plan. For purposes of Bankruptcy Code Section 1129(b), a plan is "fair and equitable" with respect to a Class of unsecured creditors if, at a minimum, it satisfies the "Absolute Priority Rule."

To satisfy the Absolute Priority Rule, a plan must provide that the holder of any Claim or Interest that is junior to the Claims of the dissenting Class will not receive or retain under the plan on account of such junior Claim or Interest any property unless the Claims of the dissenting Class are paid in full.

The Plan Proponents believe that the Plan will satisfy the Absolute Priority Rule because any non-accepting impaired Class will receive or retain payments or distributions, as the case may be, on account of their Claims or Interests, sufficient to permit full satisfaction of such Claims before junior Classes receive or retain any property on account of such junior

Claims. The Plan satisfies the absolute priority rule specifically with respect to Class 4 because no Classes junior to Class 4 will receive or retain any property under the Plan.

ARTICLE IX
CERTAIN FACTORS TO BE CONSIDERED

Certain Bankruptcy Considerations.

Although the Plan Proponents believe that the Plan will satisfy all requirements for confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court will reach the same conclusion. Moreover, there can be no assurance that modifications of the Plan will not be required for confirmation or that such modifications would not necessitate the re-solicitation of votes. The Plan Proponents believe that the Bankruptcy Court should confirm the Plan without modification. There can also be no assurance that the conditions to the Effective Date will occur.

Risks Relating to Recoveries Under the Plan.

There are various risk factors that may affect recoveries under the Plan. Among such factors are a risk that the Plan might not be consummated, risk of an unfavorable outcome of legal matters and risk of recovery dilution by disputed Claims becoming Allowed Claims.

The recovery projections included in this Disclosure Statement are dependent upon certain matters, most of which are beyond the control of the Liquidating Trustee and some of which may well not materialize. Unanticipated events and circumstances occurring subsequent to the preparation of the projections may affect the actual recoveries. Therefore, the actual recoveries achieved by the Liquidating Trustee may vary from the projected recoveries included herein. These variations may be material.

ARTICLE X
ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

If no chapter 11 plan can be confirmed, the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code. If converted, a trustee would be elected or appointed to liquidate any remaining assets of the Debtors for distribution in accordance with the priorities established by the Bankruptcy Code. A discussion of the effect that a chapter 7 liquidation would have on the recoveries of holders of Claims is set forth in **Article VIII**. The Plan Proponents believe that liquidation under chapter 7 would result in smaller distributions being made to holders of Allowed Claims because of (a) additional administrative expenses attendant to the appointment of a trustee, the trustee's employment of attorneys and other professionals and the trustee's distribution of funds to creditors, and (b) additional expenses and claims, some of which would be entitled to priority, which would be generated during the liquidation.

If the Plan is not confirmed, the Plan Proponents or any other party in interest could attempt to formulate a different plan under chapter 11 of the Bankruptcy Code. The Plan Proponents believe that the Plan enables holders of Claims to realize the most value under the circumstances. If the Plan is rejected, it is possible that an alternative chapter 11 plan could be

proposed; it is likely, however, that such a plan would involve increasing administrative expenses and reducing distributions. In the event the Plan is not confirmed, the statements contained herein shall not be deemed to have been admissions by the Plan Proponents that may be introduced into evidence.

ARTICLE XI
CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

Generally.

The following discussion summarizes certain federal income tax consequences of the Plan to holders of Claims and Interests. This summary does not address the federal income tax consequences to holders whose Claims are paid in full, in Cash, or which are otherwise not impaired under the Plan.

THE TAX CONSEQUENCES TO HOLDERS OF CLAIMS OR INTERESTS MAY VARY BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH SUCH HOLDER. THIS DISCUSSION DOES NOT CONSTITUTE TAX ADVICE OR A TAX OPINION CONCERNING THE MATTERS DESCRIBED. THERE CAN BE NO ASSURANCE THAT THE INTERNAL REVENUE SERVICE WILL NOT CHALLENGE ANY OR ALL OF THE TAX CONSEQUENCES DESCRIBED HEREIN, OR THAT SUCH A CHALLENGE, IF ASSERTED, WOULD NOT BE SUSTAINED. ACCORDINGLY, EACH HOLDER OF A CLAIM OR INTEREST IS STRONGLY URGED TO CONSULT WITH THEIR OWN TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF THE PLAN.

THIS ARTICLE XI IS INTENDED TO BE ONLY A SUMMARY OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN, AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE FEDERAL, STATE AND LOCAL INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN ARE COMPLEX AND, IN SOME CASES, UNCERTAIN.

Each holder of an Allowed Claim may recognize gain or loss upon receipt of such holders' distribution equal to the difference between the "amount realized" by such holder and such holder's adjusted tax basis in the Claim. The tax consequences to holders will differ and will depend on factors specific to each such Creditor, including but not limited to: (i) whether the holder's Claim (or a portion thereof) constitutes a Claim for principal or interest, (ii) the origin of the holder's Claim, (iii) the type of consideration received by the holder in exchange for the Claim, (iv) whether the holder is a United States person or a foreign person for tax purposes, (v) whether the holder reports income on the accrual or cash basis method, and (vi) whether the holder has taken a bad debt deduction or otherwise recognized a loss with respect to the Claim.

The Trusts are intended to each qualify as a "liquidating trust" as described in Treasury Regulations section 301.7701-4(d) and Revenue Procedure 94-45. As such, for federal income tax purposes, the Trusts are each intended to be treated as a grantor trust. The sole purpose of

the Trusts are to liquidate and distribute the Trust Assets and the Trusts have no objective to continue or engage in the conduct of a trade or business.

No opinion of counsel has been sought or obtained with respect to any tax consequences of the Plan. No rulings or determinations of the U.S. Internal Revenue Service (the "***IRS***") or any other tax authorities have been sought or obtained with respect to any tax consequences of the Plan, and the discussion below is not binding on the IRS or such other authorities. In addition, a significant amount of time may elapse between the date of this Disclosure Statement and the receipt of a final distribution under the Plan. Events occurring after the date of this Disclosure Statement, including changes in law and changes in administrative positions, could affect the U.S. federal income tax consequences of the Plan.

Withholding and Reporting.

Payments of interest, dividends, and certain other payments may be subject to backup withholding unless the payee of such payment furnishes such payee's correct taxpayer identification number (social security number or employer identification number) to the payor. The Liquidating Trustee may be required to withhold the applicable percentage of any payments made to a holder who does not provide a taxpayer identification number. Backup withholding is not an additional tax, but an advance payment that may be refunded to the extent it results in an overpayment of tax.

Circular 230 Disclaimer.

To ensure compliance with requirements imposed by the IRS we inform you that any U.S. federal tax information contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax related penalties under the Internal Revenue Code of 1986, as amended or (ii) promoting, marketing or recommending to another party any transaction or tax matter(s) addressed herein.

ARTICLE XII
VOTING TO ACCEPT OR REJECT THE PLAN

Voting Requirements Under the Bankruptcy Code.

Pursuant to the Bankruptcy Code, a plan classifies claims and interests into classes, each consisting of creditors and interest holders having similar legal rights in relation to the debtor. Each class must then be classified as either "impaired" or "unimpaired" under a plan.

There are two ways a plan may leave a claim or interest "unimpaired." First, a plan may leave the legal, equitable and contract rights of the holder of a claim or interest in that class unaltered. Second, a plan may cure all defaults and reinstate all of the terms of the obligations underlying the claim or interest. If a class is unimpaired, it is conclusively deemed to have voted in favor of the plan and is not entitled to vote to accept or reject the plan.

An impaired class of claims or interests that will receive no distribution under the plan is deemed to have voted against the plan and is not entitled to vote to accept or reject the plan.

If an impaired class of claims or interests will receive a distribution under the plan, each holder of a claim or interest in that class has the right to vote, as a class, to accept or reject the plan. A class of claims or interests accepts a plan if more than one-half in number of the ballots received from members of that class representing at least two-thirds of the amount of the claims or interests for which ballots are received vote to accept the plan.

If there is one or more impaired class under a plan, at least one impaired class must vote to accept the plan pursuant to Bankruptcy Code Section 1129(10).

As discussed more fully in **Section 3** of the Plan, holders of Claims in Classes 1 and 4 are Impaired and are entitled to vote to accept or reject the Plan. Holders of Claims in these Classes will receive a form of Ballot to be used in voting to accept or reject the Plan in addition to a copy of this Disclosure Statement and the Plan.

Procedures for Voting.

VOTING ON THE PLAN BY EACH HOLDER OF AN IMPAIRED CLAIM ENTITLED TO VOTE ON THE PLAN IS IMPORTANT. IF YOU HOLD CLAIMS IN MORE THAN ONE CLASS YOU MAY RECEIVE MORE THAN ONE BALLOT. YOU SHOULD COMPLETE, SIGN, AND RETURN EACH BALLOT THAT YOU RECEIVE.

In order for a holder's vote to be properly counted, the holder should complete the Ballot by (i) filling in the name of the holder for whom the Ballot is being submitted; (ii) indicating the total dollar amount of the Claim; (iii) marking in the space provided whether the holder votes to accept or reject the Plan; and (iv) having the Ballot signed by the holder or by an officer, partner, or other authorized agent of the holder. The Plan Proponents reserve the right to object to the allowance and/or allowable amount of any Claim set forth on a Ballot for purposes of voting and/or distributions under the Plan.

DETAILED INSTRUCTIONS REGARDING HOW TO VOTE ON THE PLAN ARE CONTAINED IN THE BALLOTS. IF YOU RECEIVED A BALLOT PLEASE CAREFULLY FOLLOW THE INSTRUCTIONS.

IF NO HOLDERS OF CLAIMS ELIGIBLE TO VOTE IN A PARTICULAR CLASS VOTE TO ACCEPT OR REJECT THE PLAN, THE PLAN SHALL BE DEEMED ACCEPTED BY THE HOLDERS OF SUCH CLAIMS IN SUCH CLASS.

Mailing of Ballots.

Unless otherwise specified in the Ballot instructions, completed and signed Ballots should be sent to the voting agent as specified in the Procedures Order. Owners of Revenue Bonds that receive Ballots will receive special instructions with respect to Plan voting. In general, owners of Revenue Bonds may be directed to return completed Ballots to a broker, dealer or other nominee as specified in the instructions. Completed Ballots should not be sent directly to the Debtors or Plan Proponents. COMPLETED BALLOTS SHOULD BE SENT SO THAT THEY ARE RECEIVED NO LATER THAN **MARCH , 2018** AT 5:00 P.M. EASTERN TIME. UNLESS AGREED BY THE PLAN PROPONENTS, ANY BALLOTS

RECEIVED AFTER THE ABOVE DATE WILL NOT BE COUNTED IN DETERMINING ACCEPTANCE OR REJECTION OF THE PLAN.

ARTICLE XIII
CONFIRMATION HEARING

By order of the Bankruptcy Court, a combined hearing on the adequacy of this Disclosure Statement and confirmation of the Plan has been scheduled for **March , 2018** at :00 p.m. eastern time, before the Honorable Austin Carter, Bankruptcy Judge, in the United States Bankruptcy Court for the Middle District of Georgia. The hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement made at the confirmation hearing or any adjourned hearing. Any objection to the adequacy of the Disclosure Statement or confirmation of the Plan must be made in writing and Filed with the clerk of the Bankruptcy Court on or before **March , 2018** at 5:00 p.m. eastern time.

Objections to this Disclosure Statement or to confirmation of the Plan are governed by Bankruptcy Rule 9014. UNLESS AN OBJECTION IS TIMELY SERVED AND FILED IT WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

At the Confirmation Hearing, the Bankruptcy Court must determine whether the requirements of Bankruptcy Code Section 1129 have been satisfied and, upon demonstration of such compliance, the Bankruptcy Court will enter the Confirmation Order.

ARTICLE XIV
CONCLUSION

The Plan Proponents believe that the Plan is in the best interests of all holders of Claims and Interests and urge holders of Claims entitled to vote to accept the Plan.

[signature pages follow]

January 30, 2018

The Official Committee of Unsecured Creditors

By: /s/ John D. Elrod
Name: John D. Elrod
Title: One of its attorneys

January 30, 2018

U.S. Bank National Association, as Trustee

By: /s/ Ian A. Hammel
Name: Ian A. Hammel
Title: One of its attorneys

Exhibit A

Consent Form

PRIVATE ACTION TRUST ELECTION

Preliminary Statement.

This Private Action Trust Election Form relates to the Private Action Trust established under the *Plan of Liquidation* (the "***Plan***") in chapter 11 bankruptcy proceedings commenced by Oconee Regional Health Systems, Inc. and eight related affiliates (the "***Debtors***") in the United States Bankruptcy Court for the Middle District of Georgia as jointly administered case no 17-51005 (the "***Chapter 11 Cases***"). The Private Action Trust is being established to hold, prosecute and liquidate claims that certain creditors in the Chapter 11 Cases may have against third parties, or to take possession of and distribute the proceeds of certain claims. Eligible creditors can contribute certain claims they may have against third parties to the Private Action Trust by completing and signing this Private Action Trust Election Form.

The only claims that will be contributed to the Private Action Trust are those defined as Non-Estate Causes of Action in the Plan (quoted below). These claims will, at the Liquidating Trustee's option, be asserted by the Liquidating Trustee or, through a power of attorney, in the name of a contributing creditor. In summary, these are claims arising from matters involving the Debtors against: (i) all current and former officers, directors, members, shareholders or employees of any of the Debtors; (ii) all Persons or Entities that conducted transactions with any of the Debtors, including, without limitation, investment bankers and lenders; and (iii) all Persons or Entities that provided professional services to any of the Debtors, including, without limitation, all attorneys, accountants, auditors, financial advisors. A party that has purchased a Non-Estate Cause of Action from a creditor can also contribute that claim to the Private Action Trust and participate in the proceeds thereof, provided such purchaser has received a lawful and valid assignment of the qualifying claim from the original holder of such claim and the purchaser elects to contribute the claim to the Private Action Trust.

Under the Plan, the right to receive the proceeds of the Private Action Trust will be divided into one million (1,000,000) units of Private Action Trust Beneficial Interests (each a "***Trust Beneficial Interest***"). The Liquidation Trust shall receive 250,000 Trust Beneficial Interests and the remaining 750,000 Trust Beneficial Interests will be allocated to Electing Creditors, in return for their assigned Non-Estate Causes of Action, ratably based upon the amount of each Electing Creditor's Allowed Claims, as compared in relation to the aggregate total of the Allowed Claims of all Electing Creditors. The proceeds from prosecuting, settling or otherwise liquidating the claims assigned to the Private Action Trust will be distributed to the holders of Private Action Trust Beneficial Interests based upon the number of Interests each holds, net of fees, costs and repayment of debts incurred by the Private Action Trust to finance its activities. If there is a recovery on account of a Cause of Action that is asserted by both the Liquidation Trust and the Private Action Trust, and the recovery is not allocated by court order, the recovery shall be allocated 2/3 to the Liquidation Trust and 1/3 to the Private Action Trust.

The Liquidating Trustee will have full discretion to make decisions regarding the prosecution, settlement or abandonment of any claims subject to the Private Action Trust Election Form, borrow money to finance Trust activities, and engage attorneys and other professionals.

Non-Estate Causes of Action are defined in the Plan to mean those causes of action which are held by a holder of a Claim arising from any matter involving the Debtors against: (i) all current and former officers, directors, members, shareholders or employees of any of the Debtors; (ii) all Persons or Entities that conducted transactions with any of the Debtors, including, without limitation, investment bankers and lenders; and (iii) all Persons or Entities that provided professional services to any of the Debtors, including, without limitation, all attorneys, accountants, auditors, financial advisors

The foregoing is only a summary of the terms of the Private Action Trust, and is qualified in its entirety by the Plan and the Trust Agreement, Creditors who wish further information may access and download a copy of the Private Action Trust Agreement (when available), the Plan and the Disclosure Statement in their entirety, at http://cases.gardencitygroup.com/orm. Capitalized terms in this summary are defined in the Plan and the terms of the Plan will control if there is any conflict between it and this summary.

THE PRIVATE ACTION TRUST ELECTION IS ENTIRELY VOLUNTARY.

If you wish to voluntarily make the Private Action Trust Election, the information below must be completed and this Private Action Trust Election Form must be signed and returned in the enclosed envelope to GCG, Inc, so that it is received by March ___ 2018 in order for the Private Action Trust Election to be valid and effective.

DO NOT MAKE THE PRIVATE ACTION TRUST ELECTION IF YOU WISH TO RETAIN YOUR NON-ESTATE CAUSES OF ACTION.

Private Action Trust Election.

Item 1. Private Action Trust Election.

Check the box *only* if you wish to make the Private Action Trust Election.

❑ Yes, I wish to make the Private Action Trust Election.

Item 2. Acknowledgements and Certifications Concerning Private Action Trust Election.

By signing this Private Action Trust Election, I acknowledge, agree and certify as follows:

(a) I am the Holder of Non-Estate Causes of Action, as defined above; and

(b) At the option of the Liquidating Trustee, I am (i) voluntarily contributing my Non-Estate Causes of Action to the Private Action Trust and/or (ii) appointing the Liquidating Trustee as my true and lawful attorney, agent-in-fact, and proxy to pursue any Non-Estate Causes of Action in my name, and (iii) assigning my allocable share of any proceeds from the Non-Estate Causes of Action to the Private Action Trust; and

(c) neither the Plan Proponents nor the Liquidating Trustee, or their respective agents (i) have any obligation to conduct due diligence, otherwise investigate, pursue, prosecute or attempt to resolve by means of negotiation, settlement, litigation or any other means whatsoever the Non-Estate Causes of Action that is/are being assigned by this Private Action Trust Election Form; and (ii) are making any representation, promise or guaranty about the monetary outcome of the Non-Estate Causes of Action or the Private Action Trust Election; and

(d) the sole source of recovery, if any, from the Non-Estate Causes of Action that I am contributing by this Private Action Trust Election will be from the Private Action Trust in accordance with the Plan and the Private Action Trust Agreement, and I have no recourse against any other Person; and

(e) I have carefully read the Disclosure Statement and Plan and have had the ability to consult with counsel of my choosing, and following that review and any such consultation, I have executed this irrevocable Private Action Trust Election knowingly and voluntarily; and

(f) I hereby irrevocably make, constitute, and appoint the Liquidating Trustee as my true and lawful attorney, agent-in-fact, and proxy, with full authority and power in the place and stead of me and in my name or otherwise, to take any action that the Liquidating Trustee may deem reasonably necessary in his sole discretion for the purposes of enabling the Liquidating Trustee to assert all claims, rights, privileges, and claims related to this Private Trust Election, or to collect any proceeds thereof. I hereby authorize, ratify, and approve all acts of the Liquidating Trustee as my attorney-in-fact, other than those constituting acts of gross negligence or willful misconduct. The aforementioned power of attorney shall be a power of attorney coupled with an interest and irrevocable. The Liquidating Trustee shall be deemed a trustee with respect to the Non-Estate Causes of Action and shall have the same rights, authority, and powers as a receiver, liquidator, trustee, or similar official for the Non-Estate Causes of Action; and

(g) I represent and warrant that I will expend reasonable efforts to cooperate with the Liquidating Trustee in the enforcement of this Private Trust Election and any investigation, prosecution, and/or legal action related to any of the Non-Estate Causes of Action including without limitation keeping the Liquidating Trustee informed of all facts bearing upon any rights and remedies assigned herein, providing requested documents, making any parties within their control available for interviews, executing any necessary documents, agreeing to be named as plaintiffs in any litigation commenced by the Private Actions Trust or the Liquidating Trustee, and all other actions that the Liquidating Trustee may deem reasonably necessary in its sole discretion to effectuate the intent of this Private Trust Election; and

(h) I represent and warrant that I have capacity and authority to effectively convey the Non-Estate Causes of Action to the Liquidating Trustee and that I have taken or will take all actions necessary to execute, deliver, and perform all obligations under this Private Trust Election.

_____
Name of Electing Creditor

_____
Signature

_____
Federal Tax I.D. No. of Social Security Number

_____
Street Address

_____
City, State, Zip Code

_____
Telephone Number

_____
Date

ANY HOLDER OF NON-ESTATE CAUSES OF ACTION WHO DOES NOT WISH TO PARTICIPATE IN THE PRIVATE ACTION TRUST ELECTION OR OTHERWISE FAILS TO TIMELY AND PROPERLY COMPLETE THIS PRIVATE ACTION TRUST ELECTION FORM WILL RECEIVE NO DISTRIBUTION, IF ANY, FROM THE PRIVATE ACTION TRUST BUT WILL RETAIN THE RIGHT TO PURSUE NON-ESTATE CAUSES OF ACTION.

Exhibit B

Non-Exhaustive List of Parties Against Whom Any Causes of Action Are Reserved

Michael Anderson
Jean Aycock
Deborah Block
Mickey Couey
Andy Cowart
Jeff Crisp
Dr. Michael Duke
Tyrone Evans
David Groseclose
Randy Hoover
Alan Horton
Dr. Marshall Ivey
Michael Johnson
Steven Johnson
Alice Loper
Dr. Phyllis Parks-Veal
Dr. Prabdheep Brar
Dr. Ram Kumar Puri
Brenda Qualls
Cay Quattlebaum
Dr. James Smith
Mollie Thomas
Michael Vaughn
Dr. Elizabeth Youngblood
Vanessa Walker
Ted Zarkowsky
Bryan Cave
Chilivis Cochran Larkins & Bever LLP
Dixon Hughes Goodman, LLP
James-Bates-Brannan-Groover-LLP
Jones Cork, LLP
Houlihan Lokey Capital, Inc.
Grant Thornton,
The Weathington Firm
Jasper Health Services, Inc.
Oconee Regional Health Systems Segregated Portfolio
Georgia Health Care Insurance Company SPC