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10 **UNITED STATES BANKRUPTCY COURT**
11 **FOR THE DISTRICT OF ARIZONA**

12 In re:

13 REGIONAL CARE SERVICES CORP.,
14 CASA GRANDE COMMUNITY HOSPITAL
15 D/B/A CASA GRANDE REGIONAL MEDICAL
16 CENTER,
17 REGIONAL CARE PHYSICIAN'S GROUP,
18 INC., and
19 CASA GRANDE REGIONAL RETIREMENT
20 COMMUNITY,

Debtors.

This Filing Applies to:

- 21 All Debtors
22 Specified Debtor(s)

Chapter 11 Proceedings

Case Nos. 4:14-bk-01383-EWH
4:14-bk-01384-EWH
4:14-bk-01385-EWH
4:14-bk-01386-EWH
(Joint Administration)

Hearing Date: May 15, 2014

Hearing Time: 9:30 a.m.

Location: Courtroom 329

23 **MINOR MODIFICATION TO DEBTORS' SECOND AMENDED**
24 **JOINT CHAPTER 11 PLAN OF REORGANIZATION**

25 **Dated: May 14, 2014**

26 Regional Care Services Corp. ("RCSC"), Casa Grande Community Hospital d/b/a
Casa Grande Regional Medical Center ("CGRMC"), Regional Care Physician's Group, Inc.

1 (“RCPG”), and Casa Grande Regional Retirement Community (“CGRRC”) (collectively,
2 the “Debtors”), submit this minor modification of their Second Amended Joint Chapter 11
3 Plan of Reorganization (the “Plan”).¹

4 1. Section 4.02 of the Plan is amended and restated as follows:

5 **Tax Claims.** Except to the extent any entity entitled to payment
6 of any Allowed Tax Claim has received payment on account of
7 such Claim prior to the Effective Date, each Holder of an
8 Allowed Tax Claim shall receive, in full and final satisfaction of
9 its Allowed Tax Claim, Cash in an amount equal to the amount
10 of such Tax Claim within 14 days after the Effective Date. The
11 tax claims asserted by Pinal County Treasurer in Claim Nos. 106
12 and 107, based on 2013 property taxes owed by RCSC and
13 CGRMC to Pinal County Treasurer, totaling \$110,308.45, plus
14 interest, shall be deemed secured claims and Allowed Tax
15 Claims and shall be entitled to payment in accordance with this
16 Section 4.02. Debtors will pay the 2014 property taxes to Pinal
17 County Treasurer provided the Debtors are in possession of the
18 property specified in Claim Nos. 106 and 107 when the taxes are
19 due.

20 2. The Plan is amended to include a new Section 3.06(d) as follows:

21 **Rights in Respect of Medicare Provider Agreement.**
22 CGRMC is a party to a Medicare Provider Agreement with
23 Centers for Medicare & Medicaid Services (CMS), United
24 States Department of Health and Human Services, under which
25 CGRMC provides health care services to Medicare beneficiaries
26 under Medicare provider number 03-0016 (the “Agreement”).
By its March 21, 2014 letter attached as Plan Exhibit A, page
169 (DE 272-1), Banner designated the Agreement as an
Assigned Contract under the Section 2.08 of the APA and
Section 3.06(a) of the Plan. Banner has executed documents in
accordance with applicable regulations to assume CGRMC’s
rights and obligations under the Agreement. Banner and
Debtors have agreed to and executed the First Amendment to
Asset Purchase Agreement to the APA in the form attached and
incorporated here as Exhibit C with respect to cure issues under

¹ All terms not defined herein shall have the meaning set forth in the Plan.

1 the Agreement. The Plan as modified herein does not change
2 the effect of Banner's assumption through operation of
3 Bankruptcy Code section 365 or otherwise, and must be
4 consistent with Medicare statute and Medicare regulations.
5 Nothing in the Plan, the Disclosure Statement or the
6 Confirmation Order shall cause the Agreement to be deemed
7 rejected under the Plan.

8 3. The "Administrative Expense Claim Bar Date," defined in Section 4.01 of the
9 Plan, is amended to mean "August 4, 2014."

10 4. Section 9.01 of the Plan is amended and restated as follows:

11 **Creditor Trust Agreement.** The Creditor Trust will be formed
12 as of the Effective Date and shall be governed by the Creditor
13 Trust Agreement, substantially in the form filed with the
14 Bankruptcy Court, which will be subject to separate hearing and
15 approval by the Bankruptcy Court prior to the Effective Date.
16 The Creditor Trust shall receive all assets of the Debtors'
17 Estates, excluding Transferred Assets, but including the Sale
18 Proceeds net of amounts to be paid at Sale Closing and any
19 Excluded Assets under the APA.

20 5. The APA, attached as Exhibit A to the Plan, has been amended pursuant to
21 that First Amendment to Asset Purchase Agreement entered into between the Debtors and
22 Banner, dated as of May 14, 2014. This First Amendment to Asset Purchase Agreement,
23 attached as an exhibit hereto, is hereby incorporated into and part of the Plan as a new
24 Exhibit C thereto.

25 6. Section 8.01 of the Plan is amended and restated as follows:

26 **Assumption or Rejection of Executory Contracts and
Unexpired Leases.** Pursuant to §§ 365(a) and 1123(b)(2) of the
Bankruptcy Code, all executory contracts and unexpired leases
that exist between the Debtors and any party that have not been
previously assumed pursuant to an order of the Bankruptcy
Court, are not a Banner Assigned Contract or are not the subject
of a motion to assume pending before the Bankruptcy Court,
shall be deemed rejected on the Effective Date.

1 Dated: May 14, 2014.

Debtors and Debtor-in-Possession

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By: s/Rona Curphy

Title: Chief Executive Officer

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5 **APPROVED AS TO FORM:**

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