

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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	:	
In re:	:	Chapter 11
	:	
SAINT VINCENTS CATHOLIC MEDICAL	:	Case No. 10-11963 (CGM)
CENTERS OF NEW YORK, <u>et al.</u> ,	:	
	:	
Debtors.	:	Jointly Administered
	:	
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DEBTORS' SECOND AMENDED JOINT CHAPTER 11 PLAN

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INTRODUCTION

Saint Vincents Catholic Medical Centers of New York, d/b/a Saint Vincent Catholic Medical Centers; 555 6th Avenue Apartment Operating Corporation; Bishop Francis J. Mugavero Center for Geriatric Care, Inc.; Chait Housing Development Corporation; Fort Place Housing Corporation; Pax Christi Hospice, Inc.; Sisters of Charity Health Care System Nursing Home, Inc. d/b/a St. Elizabeth Ann's Health Care & Rehabilitation Center; St. Jerome's Health Services Corporation (d/b/a Holy Family Home); and SVCMC Professional Registry, Inc., the above-captioned debtors and debtors-in-possession (collectively, as further defined below, the "**Debtors**"), jointly propose the following chapter 11 plan (as further defined below, the "**Plan**") pursuant to Section 1121(a) of the Bankruptcy Code. Claims against the Debtors – other than the Unclassified Claims – are classified in section 3 and treated in accordance with section 4 hereof. Reference is made to the disclosure statement filed or to be filed in connection with this Plan, including the exhibits thereto, for a discussion of the Debtors' history, business, properties, results of operations, and projections for future operations and risk factors, together with a summary and analysis of this Plan. All impaired holders of Claims entitled to vote on this Plan are encouraged to consult the disclosure statement and to read this Plan carefully before voting to accept or reject this Plan. All capitalized terms used herein have the meanings given to such terms in section 1 hereof.

The Plan approves and implements the terms of certain settlement agreements, including without limitation, the PBGC Settlement Agreement, the 1199 Settlement Agreement, the NYSNA Settlement Agreement, the DOL Settlement Agreement, the MedMal Trusts Settlement Agreement and the Intercompany Settlement. The Intercompany Settlement by and among the Debtors and with the Committee resolves potential disputes over the allocation of Sale Proceeds among the Debtors' Estates and the validity, amount and treatment of all Intercompany Claims, which Intercompany Settlement allocates such proceeds and provides for the treatment of Intercompany Claims in a manner that permits all Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Priority Non-Tax Claims, and other Allowed Claims required to be paid under this Plan to be paid and otherwise allows for implementation of the provisions of this Plan for the benefit of the Debtors, their Estates, and their Claim holders. To the extent that there are any inconsistencies between the terms of these settlement agreements and the Plan, unless otherwise provided for in such settlement agreements or the Plan, the terms of the Plan shall govern.

NO SOLICITATION MATERIALS, OTHER THAN THE DISCLOSURE STATEMENT AND RELATED MATERIALS TRANSMITTED THEREWITH AND APPROVED BY THE COURT, HAVE BEEN AUTHORIZED BY THE COURT FOR USE IN SOLICITING ACCEPTANCES OR REJECTION OF THIS PLAN. ALL HOLDERS OF CLAIMS ARE ENCOURAGED TO READ THE PLAN AND DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

Capitalized terms not defined in this Introduction shall have the meaning ascribed to them in section 1 below.

SECTION 1. DEFINITIONS AND INTERPRETATION

A. Definitions. The following terms used herein shall have the respective meanings defined below (such meanings to be equally applicable to both the singular and plural):

1.1 **1199** means 1199SEIU and the 1199 Funds.

1.2 **1199SEIU** means 1199SEIU United Health Care Workers East.

1.3 **1199 Funds** means 1199SEIU National Benefit Fund for Health and Human Service Employees, on behalf of itself and as collecting agent for the 1199SEIU Health Care Employees Pension Fund, the League/1199SEIU Training and Upgrading Fund, the 1199SEIU/Employer Child Care Fund, the 1199SEIU Hospital League Health Care Industry Labor Management Initiative, Inc. and the League/1199SEIU Health Care Industry Job Security Fund.

1.4 **1199 Settlement Agreement** means that certain stipulation among the SVCMC Group, 1199, and the Committee, which is being approved by the Bankruptcy Court under this Plan pursuant to Section 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019 and is incorporated herein by reference.

1.5 **Administrative Expense Claim** means a right to payment against any Debtor or its Estate arising after the Petition Date and prior to the Effective Date constituting a cost or expense of administration of the Chapter 11 Cases that is entitled to priority under Sections 503(b), 503(c), 507(b) or 1114(e)(2) of the Bankruptcy Code, including, without limitation: (a) any actual and necessary costs and expenses of preserving the Estate(s); (b) any actual and necessary costs and expenses of operating any Debtor's businesses during the Chapter 11 Cases, including prior to the Effective Date of the Plan; and (c) any indebtedness or obligations assumed by the Debtor(s) as debtor(s) in possession during the Chapter 11 Cases. For purposes of this definition, the DIP Loan Claim, the Compensation Claims, the Cash Settlement Claims, and any Statutory Fees are not an Administrative Expense Claim.

1.6 **Allowed** means, with respect to any Claim (other than Tort Claims and Tail Claims), a Claim:

(a) that is not Disputed;

(b) that is listed on the Schedules as liquidated in an amount that is not disputed or contingent and as to which no contrary Proof of Claim has been filed;

(c) as to which a Proof of Claim has been filed by the applicable Bar Date and either (i) such Proof of Claim does not contain an amount that is either contingent or unliquidated or (ii) no objection has been interposed prior to the Claims Objection Deadline; provided, however, that if a Proof of Claim is deemed as "Disputed" under this Plan, then such Claim shall be treated as a "Disputed Claim" and not an "Allowed Claim" unless and until such time as the Claim becomes "Allowed";

(d) that has been expressly allowed by (i) a Final Order of the Bankruptcy Court, (ii) a stipulation approved by the Bankruptcy Court or entered into pursuant

to the claims settlement procedures approved by the Bankruptcy Court, or (iii) the Plan; provided, however, that any Claims allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court shall not be considered “Allowed” Claims hereunder; or

(e) allowed pursuant to the Creditor Settlement Agreements.

1.7 ***Allowed Claim*** means an Allowed Claim in the particular Class or category specified.

1.8 ***Amended MedMal Trust Agreements*** means the MedMal Trust Agreements, as amended by the three (3) separate amendments thereto, which amendments shall be filed as an exhibit to the Plan Supplement.

1.9 ***Assets*** means (a) all assets and properties of every kind, nature, character and description, whether real, personal, or mixed, whether tangible or intangible (including contract rights), wherever situated and by whomever possessed, including the goodwill related thereto, operated, owned, or leased by the Debtors that constitute property of the Estates within the meaning of Section 541 of the Bankruptcy Code; and (b) the proceeds, products, rents, and/or profits of any of the foregoing.

1.10 ***Avoidance Actions*** means any Causes of Action arising under any Section of Chapter 5 of the Bankruptcy Code, including, without limitation, Sections 502, 510, 541, 542, 543, 544, 545, 547, 548, 549, 550, 551, and 553 or under similar or related state or federal statutes and common law, including state fraudulent transfer laws.

1.11 ***Avoidance Actions Counsel*** means Togut, Segal & Segal LLP.

1.12 ***Avoidance Actions Settlement Procedures*** means procedures for settling and resolving Avoidance Actions pursuant to an existing or future order(s) approved by the Bankruptcy Court.

1.13 ***Bankruptcy Code*** means title 11 of the United States Code, as amended from time to time.

1.14 ***Bankruptcy Court*** means the United States Bankruptcy Court for the Southern District of New York.

1.15 ***Bankruptcy Rules*** means, collectively, (a) the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under Section 2075 of title 28 of the United States Code and (b) the Local Rules of the Bankruptcy Court of the Southern District of New York, as each may be amended from time to time.

1.16 ***Bar Date*** means the applicable deadlines by which a Proof of Claim must be, or must have been, filed in these Chapter 11 Cases, as established by either an order of the Bankruptcy Court or this Plan, including without limitation, (a) the October 12, 2010 deadline to file Proofs of Claim relating to prepetition Claims, (b) the August 2, 2011 deadline to file requests of payment relating to Administrative Expense Claims that arose, accrued or otherwise became due and payable after April 14, 2010 through May 31, 2011, and (c) the May 21, 2012

deadline to file requests of payment relating to Administrative Expense Claims that arose, accrued or otherwise became due and payable on and after June 1, 2011 through April 30, 2012. For the avoidance of doubt, none of the Bar Dates shall apply to Compensation Claims.

1.17 **Bar Date Order** means any order of the Bankruptcy Court establishing Bar Dates for filing Proofs of Claim or requesting payment of Administrative Expense Claims in these Chapter 11 Cases, as the same may be amended, modified or supplemented including, but not limited to, those orders found at Docket Nos. 773, 1775 and 2860.

1.18 **Bishop Mugavero** means Bishop Francis J. Mugavero Center for Geriatric Care, Inc., a New York not-for-profit corporation.

1.19 **BSC Assets** means the land, building and equipment owned by SVCMC and related to the Bayley Seton campus, and the related ground lease for such property, including the “put” and “call” options thereunder approved by the Bankruptcy Court’s order authorizing the sale of St. Elizabeth Ann’s entered on August 10, 2011 [Docket No. 1911]. For the avoidance of doubt, BSC Assets do not include any assets relating to the operation of St. Elizabeth Ann’s and located on the Bayley Seton campus that were sold to the purchaser thereof pursuant to prior order of the Bankruptcy Court.

1.20 **Business Day** means any day other than a Saturday, a Sunday, or any other day on which banking institutions in the State of New York are required or authorized to close by law or executive order.

1.21 **Cash** means the legal tender of the United States of America and its equivalent.

1.22 **Cash Settlement Claims** means, collectively, (a) the allowed Cash payment required to be made on the Effective Date to the PBGC as set forth in the PBGC Settlement Agreement; (b) the allowed Administrative Expense Claim and Priority Non-Tax Claim of 1199 as set forth in the 1199 Settlement Agreement; (c) the allowed Administrative Expense Claim and Priority Non-Tax Claim of NYSNA as set forth in the NYSNA Settlement Agreement; (d) the allowed Cash payment required to be made on the Effective Date to the DOL as set forth in the DOL Settlement Agreement; (e) the allowed Cash payment required to be made on the Effective Date to the MedMal Trusts Monitor on account of the SVW Payment paid from the Westchester Real Property Proceeds as set forth in the MedMal Trusts Settlement Agreement, and (f) MedMal Trust’s *pro rata* share of the Cheung Claim required to be paid pursuant to the MedMal Trusts Settlement Agreement.

1.23 **Causes of Action** means any and all present or future claims, rights, legal and equitable defenses, offsets, recoupments, actions in law or equity or otherwise, choses in action, obligation, guaranty, controversy, demand, action suits, damages, judgments, third-party claims, counter-claims, cross-claims against any Person, whether known or unknown, liquidated or unliquidated, foreseen or unforeseen, existing or hereafter arising, whether based on legal or equitable relief, whether arising under the Bankruptcy Code or federal, state, common, or other law or equity, whether or not the subject of a pending litigation or proceedings on the Effective Date or thereafter, including without limitation: (a) all Avoidance Actions; (b) all other claims in avoidance, recovery, and/or subordination; and (c) all other actions described in the Disclosure Statement, the Confirmation Order, the Schedules, or the Plan. For the avoidance of doubt,

Causes of Actions shall not include any claims released pursuant to a settlement agreement approved by the Bankruptcy Court or entered into pursuant to any existing claims settlement procedures approved by the Bankruptcy Court.

1.24 **Chapter 11 Case(s)** means the voluntary case(s) commenced by each of the Debtors under chapter 11 of the Bankruptcy Code on the Petition Date and administered jointly under caption, In re Saint Vincents Catholic Medical Centers of New York, et al., Lead Case No. 10-11963 (CGM), which are currently pending before the Bankruptcy Court.

1.25 **Cheung Claim** means the proceeds from the sale or other recovery of claim #1965649 filed by SVCMC on account of Cheung v. Scaglione, M.D., et al. in the liquidation proceeding of Reliance Insurance Company, Case No. 269-MD 2001, which proceeds shall be shared pursuant to the MedMal Trusts Settlement Agreement based on a *pro rata* basis between the MedMal Trusts and SVCMC based upon payments made on account of such claim.

1.26 **Claim** means a claim (as such term is defined in Section 101(5) of the Bankruptcy Code) against any Debtor.

1.27 **Claims Objection Deadline** means the first Business Day that is the later of (a) two hundred ten (210) days after the Effective Date or (b) such other later date as the Bankruptcy Court may establish upon a motion by the Liquidating Trustee in accordance with the Plan.

1.28 **Class** means a class of Claims established pursuant to section 3 hereof.

1.29 **Collateral** means Assets subject to a valid and properly perfected lien, charge, or other encumbrance to secure the payment or performance of a Claim, which lien, charge, or other encumbrance is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable state law.

1.30 **Committee** means the Official Committee of Unsecured Creditors appointed on April 21, 2010 by the U.S. Trustee in these Chapter 11 Cases pursuant to Section 1102 of the Bankruptcy Code.

1.31 **Compensation Claim** means Claims asserted by professionals retained pursuant to a Bankruptcy Court order for compensation for services rendered and reimbursement of expenses incurred after the Petition Date through and including the Effective Date under Sections 327, 328, 330, 331, 503(b)(2), 503(b)(3), 503(b)(4) or 503(b)(5) of the Bankruptcy Code.

1.32 **Confirmation Date** means the date on which the clerk of the Bankruptcy Court enters the Confirmation Order on the docket of the Debtors' Chapter 11 Cases.

1.33 **Confirmation Order** means the order of the Bankruptcy Court confirming this Plan pursuant to Section 1129 of the Bankruptcy Code.

1.34 **Consent** means consent of a party that is not to be unreasonably withheld or delayed.

1.35 **Consumer Privacy Ombudsman** means Alan Chapell, appointed by the U.S. Trustee to serve as the consumer privacy ombudsman in these Chapter 11 Cases pursuant to Section 332(a) of the Bankruptcy Code, in accordance with the order entered by the Bankruptcy Court on April 16, 2010.

1.36 **Covered Person** means any Person that has an Indemnification Claim against the Debtors.

1.37 **Creditor Settlement Agreements** means, collectively, the 1199 Settlement Agreement, the NYSNA Settlement Agreement, the MedMal Trusts Settlement Agreement, the PBGC Settlement Agreement, and the DOL Settlement Agreement.

1.38 **Creditor Settlement Parties** means, collectively, 1199, NYSNA, the MedMal Trusts Monitor, the PBGC, and the DOL.

1.39 **Debtors** means, collectively, SVCMC and its affiliates listed on schedule 1.38 hereto, in their capacity as debtors and debtors-in-possession in these Chapter 11 Cases.

1.40 **DIP Agent** means GECC in its capacity as agent for the DIP Lenders under the DIP Financing Documents, or any successor in interest thereto.

1.41 **DIP Lenders** means, collectively, GECC and TD Bank, N.A., in their capacities as "Lenders" under and as defined in the DIP Financing Documents, or any successors in interest thereto.

1.42 **DIP Loan Claims** means all Claims asserted by the DIP Lenders and/or DIP Agent against the Debtors arising out of the DIP Financing Documents and the Final DIP Order, including all "Obligations" (as defined in the DIP Financing Documents).

1.43 **DIP Financing Documents** means, collectively, (a) the Debtor-in-Possession Credit Agreement, dated as of April 16, 2010, by and among the Debtors, the DIP Agent and the DIP Lenders and (b) all other instruments, agreements and other documents executed in connection therewith, as each of the foregoing may have been or may be amended, modified, supplemented or extended from time to time.

1.44 **Disclosure Statement** means the disclosure statement filed with the Bankruptcy Court by the Debtors pursuant to Section 1125 of the Bankruptcy Code with respect to the Plan, including all exhibits and schedules thereto, which was approved by the Bankruptcy Court pursuant to Section 1125 of the Bankruptcy Code, as it may be amended, modified or supplemented from time to time.

1.45 **Disputed** means, with respect to any Claim:

(a) if no Proof of Claim has been filed by the applicable Bar Date, a Claim that is:

(i) listed on the Schedules as either disputed, contingent, or unliquidated; or

- (ii) subject to an objection or a request for estimation that has been interposed by the Claims Objection Deadline and has not been withdrawn or determined by a Final Order; or
- (b) if a Proof of Claim has been filed by the applicable Bar Date, a Claim as to which:
 - (i) no corresponding Claim is listed on the Schedules;
 - (ii) a corresponding Claim is listed on the Schedules as disputed, contingent, or unliquidated;
 - (iii) a corresponding Claim is listed on the Schedules not as disputed, contingent, or unliquidated, but the nature or amount of the Claim as asserted in the Proof of Claim varies from the nature and amount of such Claim as listed on the Schedules; or
 - (iv) an objection or a request for estimation has been interposed by the Claims Objection Deadline that, in either instance, has not been withdrawn or determined pursuant to a Final Order.

For avoidance of doubt, all Tort Claims and Tail Claims are deemed Disputed Claims.

1.46 ***Disputed Claims Reserves*** means one or more reserves of Cash established in accordance with section 6.6(b) hereof to satisfy the Disputed Unclassified Claims and Disputed Claims in Class 1.

1.47 ***District Court*** means the United States District Court for the Southern District of New York.

1.48 ***DOL*** means the New York State Department of Labor.

1.49 ***DOL Settlement Agreement*** means that certain Settlement Agreement among the SVCMC Group, the DOL, and the Committee, which is being approved by the Bankruptcy Court under this Plan pursuant to Section 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019 and is incorporated herein by reference.

1.50 ***Effective Date*** means a day, as determined by the Debtors with the Consent of the Committee, that is a Business Day as soon as reasonably practicable after all conditions to the Effective Date specified in section 10.2 hereof have been satisfied or waived.

1.51 ***ERISA*** means Title IV of the Employee Retirement Income Security Act of 1974, as amended.

1.52 ***Estate(s)*** means, as to each Debtor, the estate created pursuant to Section 541 of the Bankruptcy Code upon the Petition Date.

1.53 ***Executory Agreement*** means any executory contract or unexpired lease subject to Section 365 of the Bankruptcy Code, excluding (a) the Debtors' collective bargaining

agreements and (b) any executory contract entered into after the Petition Date and approved by an order of the Bankruptcy Court.

1.54 **Final DIP Order** means the *Final Order (i) Authorizing Debtors to Incur Postpetition Indebtedness, (ii) Granting Senior Security Interest and Superpriority Claims, (iii) Authorizing the Debtors to Use Cash Collateral, (iv) Granting Adequate Protection, and (v) Providing Related Relief*, approved by the Bankruptcy Court on May 17, 2010 [Docket No. 285].

1.55 **Final Order** means an order of the Bankruptcy Court or any other court, the operation or effect of which has not been stayed, reversed, or amended and as to which order the time to appeal, petition for certiorari, or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall then be pending or as to which any right to appeal, petition for certiorari, reargue, or rehearing shall have been waived in writing by all Persons possessing such right, or, in the event that an appeal, writ of certiorari, or reargument or rehearing thereof has been sought, such order shall have been affirmed by the highest court to which such order was appealed, or from which reargument or rehearing was sought or certiorari has been denied, and the time to take any further appeal, petition for certiorari, or move for reargument or rehearing shall have expired; provided, however, that the possibility that a motion under either Rule 59 or 60 of the Federal Rules of Civil Procedure or any analogous rule under the Bankruptcy Rules may be filed with respect to such order shall not cause such order not to be a Final Order.

1.56 **GECC** means General Electric Capital Corporation, a Delaware Corporation.

1.57 **Government** means, collectively (a) the U.S. Government and (b) the State of New York, its agencies, departments, or agents.

1.58 **Guaranty Claims** means any Claim that arises from (a) a guarantee issued by a Debtor for the obligations of any other Debtor or (b) joint and several liabilities of any of the Debtors.

1.59 **GUC Claim** means any general unsecured Claim that (a) is not (i) a Multi-Employer Pension Funds Subordinated Unsecured Claim, (ii) an Unclassified Claim, (iii) a Claim in Class 1 or 2, or (iv) a SV1 MedMal Claim, or (b) is otherwise determined to be a general unsecured claim pursuant to an order of the Bankruptcy Court or an agreement between the Debtors and the Claim holder. For avoidance of doubt, the SV1 Claims are GUC Claims.

1.60 **Holy Family Home** means St. Jerome's Health Services Corporation d/b/a Holy Family Home, a New York not-for-profit corporation.

1.61 **IBNP Claims** means costs and expenses incurred by SVC MC on behalf of the covered members of the USFHP Program, but not yet paid or reserved, whether or not asserted.

1.62 **Impaired** means, with respect to a Class of Claims, that such Class is "impaired" within the meaning of Section 1124 of the Bankruptcy Code.

1.63 **Indemnification Claim** means any Claim for indemnification, subrogation, contribution, or reimbursement for all liabilities, loss, damages, costs and expenses of whatever kind, including attorneys' fees.

1.64 **Intercompany Claim** means any Claim held by a Debtor, a non-debtor affiliate of a Debtor, or any other member of the SVC MC Group against a Debtor, including without limitation, any Indemnification Claim between and among the Debtors.

1.65 **Intercompany Settlement** means the settlement among each of the Debtors and the Committee that is described in section 6.1(b) hereof, which is being approved by the Bankruptcy Court under this Plan pursuant to Section 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019.

1.66 **IRC** means the Internal Revenue Code of 1986, as amended, and any applicable regulations (including temporary and proposed regulations) promulgated thereunder by the United States Treasury Department.

1.67 **Liquidating Budget** means the budget setting forth the projected costs and expenses associated with administering the Plan and settling the Estates (other than with respect to the Operating Assets), which shall be acceptable to the Committee or the Post-Effective Date Committee (as applicable), and may be amended from time to time by the Liquidating Trustee with the consent of the Post-Effective Date Committee. The Debtors shall file the initial Liquidating Budget as part of the Plan Supplement. The Liquidating Budget may be consolidated with the Operating Budget.

1.68 **Liquidating Trust** means the liquidating trust created pursuant to section 5.6(a) of the Plan to hold the Liquidating Trust Assets in trust for the benefit of holders of Allowed Claims pursuant to the terms of the Liquidating Trust Agreement.

1.69 **Liquidating Trust Agreement** means the Liquidating Trust Agreement, to be dated on or prior to the Effective Date, between the Debtors and the Liquidating Trustee, governing the disposition of the Liquidating Trust Assets and distribution of the proceeds thereof in accordance with the Plan, and setting forth the duties and obligations of the Liquidating Trustee. The Liquidating Trust Agreement shall be in form and substance acceptable to the Committee and reasonably acceptable to the Debtors.

1.70 **Liquidating Trust Assets** means any and all Assets of the Estates (other than the Operating Assets) of every kind and character, wherever located, whether real or personal, tangible or intangible, including, without limitation:

- (a) all Remaining Cash;
- (b) the Sale Proceeds (including without limitation the Westchester Promissory Note);
- (c) the medical resident refund claims for the calendar years 1995, 1997, and 1999 relating to the Federal Insurance Contributions Act taxes paid by the Debtors; provided, however, that the Liquidating Trust Assets shall not include that portion of any refunds

relating to Federal Insurance Contributions Act taxes paid by medical residents, which is payable to the medical residents and are not property of the Estates;

(d) Causes of Action (other than Causes of Action relating to the Operating Assets, provided, however, that Causes of Action relating to the Operating Assets that are Avoidance Actions shall be the Liquidating Trust Assets), and the proceeds from the prosecution and/or settlement thereof;

(e) except to the extent that they constitute an Operating Asset, all rights, claims and/or assets under any and all contracts and agreements (whether rejected or assumed) of the Debtors, including all rights and/or assets (including “excluded assets”) retained by any of the Debtors, as the sellers under their respective asset sale agreements with third-party purchasers approved by the Bankruptcy Court prior to the Effective Date, including without limitation, the accounts receivable arising out of the rendition of professional health care services or the sale of medical products in the ordinary course of business by such Debtors prior to the closing date of their respective sales and all other rights of the Debtors, as sellers, under such asset sale agreements;

(f) the Net USFHP Funds and the Net Provider Payments, which shall be transferred to the Liquidating Trust as soon as practicable but no less frequently than on a quarterly basis;

(g) the Net QIL Funds;

(h) any proceeds of the foregoing; and

(i) all files, books and records relating to the Debtors’ businesses or the administration of the Plan other than those required to be maintained by the Post-Effective Date SVCMC for the administration of the Operating Assets.

1.71 ***Liquidating Trust Reserves*** means one or more accounts or reserves of Cash established by the Liquidating Trustee in accordance with section 6.6 hereof.

1.72 ***Liquidating Trustee*** means such person selected pursuant to section 5.7(a) hereof or any successor or replacement officer appointed under the terms of the Plan.

1.73 ***Manhattan Covered Staff*** means, collectively, the Manhattan Health Staff, the Manhattan House Staff, and the Manhattan Physician Staff, a list of which will be filed as a Plan Supplement.

1.74 ***Manhattan Health Staff*** means all of the former nurses, nurse practitioners, medical technicians, and other medical staff previously employed at the Manhattan Hospital, as covered by the Manhattan Tail Settlement Agreement.

1.75 ***Manhattan Hospital*** means St. Vincent’s Hospital and other related facilities located in Manhattan, New York.

1.76 ***Manhattan House Staff*** means the former residents, interns and fellows previously employed at the Manhattan Hospital, as covered by the Manhattan Tail Settlement Agreement.

1.77 ***Manhattan Physician Staff*** means the former attending physicians previously employed at the Manhattan Hospital that elected to participate in the Manhattan Tail Fund pursuant to the Manhattan Tail Settlement Agreement.

1.78 ***Manhattan Tail Claim*** means the term “Tail Claim” as such term is defined in Manhattan Tail Settlement Agreement.

1.79 ***Manhattan Tail Fund*** means the fund established pursuant to section 6.8 hereof to fund the payment of the Manhattan Tail Claims in accordance with the Manhattan Tail Settlement Agreement.

1.80 ***Manhattan Tail Settlement Agreement*** means the Settlement Agreement, dated October 21, 2010, by and among SVCMC, the Committee of Interns and Residents/SEIU (on behalf of its members), and Charles Carpati, M.D., Susan Minkowitz, M.D. and Andrew Bohmart, M.D. (on behalf of a group of 106 physicians and two nurse practitioners), approved under Bankruptcy Rule 9019 by the Bankruptcy Court order, entered on October 29, 2010 [Docket No. 1066], as amended by the Manhattan Tail Settlement Amendment, together with any other amendments, modifications and supplements thereto.

1.81 ***Manhattan Tail Settlement Amendment*** means the Summary and Restatement of Settlement Agreement Between and Among Saint Vincents Catholic Medical Centers of New York, the Committee of Interns and Residents/SEIU, and Certain Physicians and Nurse Practitioners of St. Vincent’s Manhattan Hospital and St. Vincent’s Westchester Hospital, as approved by the Bankruptcy Court pursuant to section 6.8 of the Plan and filed as part of the Plan Supplement.

1.82 ***Medicaid*** means any state program for medical assistance administered under Title XIX of the Social Security Act.

1.83 ***Medicare*** means the health insurance program administered under Title XVIII of the Social Security Act.

1.84 ***MedMal Trustees*** means the trustees of each of the MedMal Trusts.

1.85 ***MedMal Trust Agreements*** means the Trust Agreements governing the affairs of the MedMal Trusts, substantially in the form annexed to the plan supplement for the SV1 Plan.

1.86 ***MedMal Trusts*** means the three separate medical malpractice trusts established pursuant to the SV1 Plan, referred to as the “MedMal-MW Trust,” the “MedMal-SI Trust,” and the “MedMal-BQ Trust” under the SV1 Plan.

1.87 ***MedMal Trusts Monitor*** means “MedMal Trust Monitor” under the SV1 Plan.

1.88 ***MedMal Trusts Settlement Agreement*** means the settlement agreement, dated April 20, 2012 between the Debtors and the MedMal Trusts Monitor, which is being approved under this Plan by the Bankruptcy Court pursuant to Section 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019 and is incorporated herein by reference.

1.89 ***Multi-Employer Pension Funds*** means the 1199SEIU Health Care Employees Pension Fund, the New York State Nurses Association Pension Plan and the Local 803 Pension Fund.

1.90 ***Multi-Employer Pension Funds Subordinated Unsecured Claims*** means 50% of the Allowed withdrawal liability claims asserted by the Multi-Employer Pension Funds against the Debtors.

1.91 ***Net Provider Payments*** means the net Cash proceeds from the Provider Agreements received by the Post-Effective Date SVCMC, after the payment of, or the reservation for, any taxes, and the costs and expenses incurred by the Responsible Officer or any professional rendering services to the Post-Effective Date SVCMC in collecting such proceeds, which costs shall be set forth in the Operating Budget.

1.92 ***Net QIL Funds*** means the net Cash proceeds from the continued operation, wind down, or the sale or other transfer of the QIL Entities from and after the Effective Date, after the payment of, or the reservation for, any taxes, and costs and expenses incurred in connection with selling or otherwise transferring the QIL Entities, including without limitation, the costs and expenses of the Responsible Officer and any professional rendering services relating to administering claims asserted against the QIL Entities, in accordance with the Operating Budget.

1.93 ***Net USFHP Funds*** means the net Cash proceeds, if any, from the continued operation of the USFHP Program from and after the Effective Date, after the payment of, or the reservation for (a) the IBNP Claims, (b) all operating costs incurred in connection with running the USFHP Program, including without limitation, any taxes and unpaid costs incurred by the Post-Effective Date SVCMC for the services and goods obtained in connection with the operation of the USFHP Program in accordance with the Operating Budget, and (c) all costs relating to the management of the USFHP Program, including without limitation, the costs of the Responsible Officer and any professional rendering services relating to the Operation of the USFHP Program and the Transfer of the USFHP Assets in accordance with the Operating Budget.

1.94 ***Not-For-Profit Laws*** means any and all federal, state, local and other laws and governmental regulations applicable to not-for-profit corporations, including without limitation, any administrative and judicial interpretations thereof (as applicable).

1.95 ***Not-For-Profit Status*** means status as a not-for-profit corporation under the applicable Not-For-Profit Laws.

1.96 ***NYSNA*** means The New York State Nurses Association.

1.97 ***NYSNA Settlement Agreement*** means that certain settlement agreement among the SVCMC Group, NYSNA, and the Committee, which is being approved by the

Bankruptcy Court under this Plan pursuant to Section 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019 and is incorporated herein by reference.

1.98 **Ombudsmen** means the Consumer Privacy Ombudsman and the Patient Care Ombudsman.

1.99 **Operate** (and any such variations, such as “Operation”) means to operate, oversee, manage, administer, coordinate, control, supervise and/or direct the business and operations of any and/or all of the Operating Assets, whether in the ordinary course of business or otherwise, and including undertaking or pursuing strategies, activities, or actions with the intent of furthering the objectives of, and otherwise to effectuate the Plan as contemplated by the provisions hereof, including any strategies, activities or actions aimed at retaining, renewing, amending, extending or Transferring any of the Operating Assets.

1.100 **Operating Account** means one or more accounts of Cash established and maintained by the Responsible Officer pursuant to section 6.4 hereof in connection with the Operation of the Operating Assets.

1.101 **Operating Assets** means, collectively,

- (a) the USFHP Assets;
- (b) all assets or after-acquired property used, useful to or maintained by SVCMC (or the Post-Effective Date SVCMC, as applicable) for the continued Operation of the USFHP Program, including without limitation, SVCMC’s interest in, rights and obligations under the USFHP Contract, and any other contract or lease used, useful to or maintained by SVCMC (or the Post-Effective Date SVCMC, as applicable) for the continued operation of the USFHP Program on and after the Effective Date by the Post-Effective Date SVCMC;
- (c) the Provider Agreements;
- (d) any equity and any other ownership interest in the QIL Entities as well as the rights and assets related to the QIL Entities;
- (e) Causes of Action relating to the Operating Assets, and the proceeds from the prosecution and/or settlement thereof; and
- (f) all files, books and records required to be maintained by the Post-Effective Date SVCMC for the administration of the Operating Assets.

1.102 **Operating Asset Claims** means, collectively, all Claims administered by the Responsible Officer relating to the Operating Assets.

1.103 **Operating Budget** means the budget (as the same may be amended or modified from time to time) setting forth the projected costs and expenses associated with the Operating Assets (including without limitation, the compensation of the Responsible Officer and the cost of Operating the Operating Assets), which shall be acceptable to the Committee or Post-Effective Date Committee (as applicable). The Debtors shall file the initial Operating Budget as

part of the Plan Supplement. The Operating Budget may be consolidated with the Liquidating Budget.

1.104 **Ordinary Course Professionals** means various attorneys retained by the Debtors in the ordinary course of their business operations pursuant to the Ordinary Course Professionals Order.

1.105 **Ordinary Course Professionals Order** means the *Order Authorizing the Debtors to Employ and Compensate Certain Professionals in the Ordinary Course of Business*, approved by the Bankruptcy Court on May 18, 2010 [Docket No. 302].

1.106 **Patient Care Ombudsman** means Daniel T. McMurray, appointed by the U.S. Trustee to serve as the patient care ombudsman in these Chapter 11 Cases pursuant to Section 333(a) of the Bankruptcy Code, in accordance with the order entered by the Bankruptcy Court on April 16, 2010.

1.107 **PBGC** means the Pension Benefit Guaranty Corporation, a wholly owned United States Corporation that guarantees the payment of certain benefits upon termination of a pension plan covered by Title IV of the Employment Retirement Income Security Act of 1974, as amended, 29 U.S.C. §§ 1301-1461 (2006 & Supp. III 2009).

1.108 **PBGC Settlement Agreement** means that certain settlement agreement, among the SVCMC Group, the PBGC, and the Committee, which is being approved by the Bankruptcy Court under this Plan pursuant to Section 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019 and is incorporated herein by reference.

1.109 **Pension Plan** means the Saint Vincents Catholic Medical Centers Retirement Plan, the tax-qualified defined benefit pension plan covered by ERISA that was sponsored and administered by SVCMC and terminated pursuant to the *Agreement for Appointment of Trustee and Termination of Plan* dated November 1, 2010.

1.110 **Person** means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority, governmental unit or other entity of whatever nature.

1.111 **Petition Date** means April 14, 2010.

1.112 **Plan** means the Debtors' Joint Chapter 11 Plan, including the Plan Supplement and the exhibits hereto and thereto, as the same may be amended, modified or supplemented from time to time in accordance with the provisions of the Bankruptcy Code and its terms.

1.113 **Plan Supplement** means a supplemental appendix to this Plan, as may be amended from time to time on or prior to the Effective Date, which will contain the following items:

- (a) the Schedule of Assumed Contracts;
- (b) the identity of the initial Responsible Officer;

- (c) the identity of the initial Liquidating Trustee;
- (d) the identity of the directors serving on the Post-Effective Date Board of Directors and other information specified in Section 1129(a)(5) of the Bankruptcy Code;
- (e) the Creditor Settlement Agreements;
- (f) the identity of the members of the Post-Effective Date Committee;
- (g) the initial Operating Budget and Liquidating Budget;
- (h) the form of Liquidating Trust Agreement;
- (i) copies of the three amendments to the MedMal Trust Agreements;
- (j) the Manhattan Tail Settlement Amendment and the Westchester Tail Settlement Amendment; and
- (k) a list of the Manhattan Covered Staff and the Westchester Covered Staff,

of which items (a) through (d) shall be filed prior to the Effective Date, item (e) shall be filed no later than the date of the hearing to approve the Disclosure Statement, and the other items shall be filed no later than one (1) day before the last date by which votes to accept or reject this Plan must be submitted. Each of the foregoing documents may be filed separately. Each of items (a) through (j) shall be in form and substance acceptable to the Committee (subject to the qualifiers set forth in this Plan).

1.114 ***Post-Effective Date Board of Directors*** means the three (3) member board of directors that is mutually acceptable to the Post-Effective Date Members and the Committee that shall be formed on the Effective Date in accordance with section 5.4 hereof. The identities of the Post-Effective Date Board of Directors shall be disclosed as part of the Plan Supplement.

1.115 ***Post-Effective Date Committee*** means a committee, consisting of three (3) members designated by the Committee, that shall be formed on the Effective Date in accordance with section 5.8 hereof. The identities of the members of the Post-Effective Date Committee shall be disclosed as part of the Plan Supplement.

1.116 ***Post-Effective Date Members*** means, collectively, Sr. Jane Iannucelli and Sr. Carol Barnes, as Sisters of Charity of St. Vincent de Paul of New York, in their individual capacities.

1.117 ***Post-Effective Date SVCMC*** means SVCMC, a not-for-profit corporation, on and after the Effective Date, which shall exist solely for the purposes set forth in the Plan.

1.118 ***Priority Non-Tax Claim*** means any Claim entitled to priority in payment as specified in Section 507(a)(4), (5), (6), (7) or (9) of the Bankruptcy Code other than Administrative Expense Claims and Priority Tax Claims.

1.119 **Priority Tax Claim** means any Claim of a governmental unit of the kind entitled to priority in payment as specified in Sections 502(i) and 507(a)(8) of the Bankruptcy Code.

1.120 **Pro Rata Share** means with respect to all Claims in a particular Class, the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of Allowed and Disputed Claims in such Class.

1.121 **Proof of Claim** means a proof of claim or request for payment of an Administrative Expense Claim filed in these Chapter 11 Cases.

1.122 **Provider Agreements** means the Medicare and Medicaid provider numbers for SVCMC and the related provider agreements used in connection with the operation of SVCMC's businesses, together with any rights and obligations thereunder, to the extent that such provider agreements have not been assigned by SVCMC prior to the Effective Date.

1.123 **QIL** means Queensbrook Insurance Limited, a Cayman Islands limited liability company.

1.124 **QIL Entities** means, collectively, QIL and QNY.

1.125 **QNY** means Queensbrook New York, Inc., a New York company.

1.126 **Records Retention Order** means the *Order (i) Authorizing the Debtors' Entry Into an Information Management Services Agreement With Iron Mountain Information Management, Inc. and an Information Management Services and Trust Agreement With Metalquest-SVCMC Trust, LLC d/b/a Metalquest; (ii) Approving the Document Retention And Destruction Plan Set Forth Therein; (iii) Directing the Additional Storage Vendors To Cooperate In Transfer of Records; and (iv) Granting Related Relief Pursuant To 11 U.S.C. §§ 363 And 554 and Rule 6007 of the Federal Rules of Bankruptcy Procedure*, as approved by the Bankruptcy Court on August 10, 2011 [Docket No. 1912].

1.127 **Releasees** means, collectively, the Estates, the Debtors, the SVCMC Group, the Responsible Officer, the Liquidating Trustee, the Liquidating Trust, the Post-Effective Date SVCMC, the DIP Lenders, the DIP Agent, GECC as the prepetition revolving and term loan agent and lender of the Debtors, TD Bank, N.A. as the prepetition revolving and term loan lender of the Debtors, the MedMal Trusts Monitor, the MedMal Trustees, the Committee, the Post-Effective Date Committee, the Ombudsmen, the Creditor Settlement Parties, all of the assets and property of each of the foregoing, and each current and/or former member, officer, director, employee, counsel, advisor, professional, or agents of each of the foregoing who were employed or otherwise serving in such capacity on or after the SV1 Effective Date.

1.128 **Remaining Cash** means the actual sum of Cash that constitutes Liquidating Trust Assets after (i) the payment or reservation for all Allowed Unclassified Claims and the Allowed Claims in Class 1 (as applicable), (ii) the establishment of the Liquidating Trust Reserves, and (iii) funding of the Operating Account (in accordance with the Operating Budget), the Liquidating Trust Reserves (in accordance with the Liquidating Budget and the Plan) and the Tail Funds.

1.129 **Responsible Officer** means such person selected pursuant to section 5.5 hereof or any successor or replacement officer appointed under the terms of the Plan.

1.130 **Sale Proceeds** means, with respect to any Asset, the Cash proceeds and other consideration (other than assumption of liabilities) actually received from a sale or other disposition of such Asset after the payment of (or the reservation for) any taxes, costs and expenses incurred in connection with selling or otherwise disposing such Asset (including expenses recovered under Section 506(c) of the Bankruptcy Code) and satisfying any liens, security interest and encumbrances thereon, that have been received but not distributed prior to the Effective Date.

1.131 **Schedule of Assumed Contracts** means the schedule listing the Executory Agreements to be assumed pursuant to the Plan, subject to the Consent of the Committee and to be made consistent with the provisions of this Plan. The Schedule of Assumed Contracts shall be filed as part of the Plan Supplement.

1.132 **Schedules** means the schedules of assets and liabilities and the statements of financial affairs filed by the Debtors under Section 521 of the Bankruptcy Code, Bankruptcy Rule 1007, and the Official Bankruptcy Forms of the Bankruptcy Rules, as such schedules and statements have been or may be supplemented or amended through the Effective Date.

1.133 **Secured Claim** means a Claim that is (a) secured by a lien on any of the Assets, which lien is valid, perfected, and enforceable under applicable law or by reason of a Final Order, to the extent of the value of the claimant's interest in such Asset, or (b) entitled to setoff under Section 553 of the Bankruptcy Code, to the extent of the amount subject to such setoff, as determined pursuant to Section 506(a) of the Bankruptcy Code. For the avoidance of doubt, Secured Claims do not include the DIP Claims.

1.134 **St. Elizabeth Ann's** means Sisters of Charity Health Care System Nursing Home, Inc. d/b/a St. Elizabeth Ann's Health Care & Rehabilitation Center, a New York not-for-profit corporation.

1.135 **St. Vincent's Westchester** means St. Vincent's Westchester Hospital, a division of SVCMC.

1.136 **Statutory Fees** means the fees payable pursuant to Section 1930 of title 28 of the United States Code that were incurred in connection with these Chapter 11 Cases.

1.137 **SVI Chapter 11 Cases** means the voluntary bankruptcy case commenced by each of the SV1 Debtors on July 5, 2005 in the United States Bankruptcy Court for the Southern District of New York, styled In re Saint Vincents Catholic Medical Centers of New York, et al., 05-14945 (CGM), which are currently pending before the Bankruptcy Court.

1.138 **SVI Claim** means a general unsecured claim allowed against the SV1 Debtors in the SV1 Chapter 11 Cases to the extent such claims have not yet been paid. For the avoidance of doubt, SV1 MedMal Claims are not SV1 Claims.

1.139 **SVI Debtors** means, collectively, SVCMC and the other entities listed in schedule 1.141 hereto, in their capacity as debtors and debtors-in-possession in SV1 Chapter 11 Cases.

1.140 **SVI Effective Date** means August 27, 2007.

1.141 **SVI MedMal Claims** means any claim arising prior to the SV1 Chapter 11 Cases relating to medical malpractice known as the “MedMal Claims” under the SV1 Chapter 11 Plan.

1.142 **SVI Plan** means the *First Amended Chapter 11 Plan of Reorganization for Saint Vincents Catholic Medical Centers of New York d/b/a Saint Vincent Catholic Medical Centers, and Chapter 11 Plans of Liquidation for Medical Service of St. Vincent’s Hospital and Medical Center, P.C., Surgical Service of St. Vincent’s P.C., CMC Cardiology Services P.C., CMC Physician Services P.C., and CMC Radiological Services P.C., dated June 5, 2007*, approved by the Bankruptcy Court in the SV1 Chapter 11 Cases.

1.143 **SVCMC** means Saint Vincents Catholic Medical Centers of New York d/b/a Saint Vincent Catholic Medical Centers, a New York not-for-profit corporation.

1.144 **SVCMC Group** means, collectively, the Debtors and all the other members or alleged members of the “controlled group” within the meaning of ERISA of which SVCMC is a member and, including without limitation, the entities listed on schedule 1.146 hereto.

1.145 **SVW Payment** means an amount equal to eighteen percent (18%) of the allocation of the Westchester Real Property Proceeds actually received by the Debtors, as more fully described in the MedMal Trusts Settlement Agreement.

1.146 **Tail Cap** means, as to each Tail Claim, the amount of \$250,000.

1.147 **Tail Claims** means, collectively, the Manhattan Tail Claims and the Westchester Tail Claims.

1.148 **Tail Claims Resolution Procedures** means the procedures to resolve and settle Tail Claims, as approved by any existing or future order(s) of the Bankruptcy Court.

1.149 **Tail Funds** means, collectively, the Manhattan Tail Fund and the Westchester Tail Fund.

1.150 **Tail Settlement Agreements** means, collectively, the Manhattan Tail Settlement Agreement and the Westchester Tail Settlement Agreement.

1.151 **Tort Claim** means any Claim that arose before the Petition Date and has not been compromised and settled or otherwise resolved which: (a) arises out of allegations of medical malpractice, personal injury, property damage, automobile accident, workers’ compensation, products liability, wrongful death, employment litigation or other similar legal theories of recovery; or (b) arises under any federal, state or local statute, rule, regulation or ordinance governing, regulating or relating to health, safety, hazardous substances or the

environment. For the avoidance of doubt, a Claim arising out of an alleged breach of a contract or fiduciary duty is not a Tort Claim and, for purposes of this definition, SV1 MedMal Claims are not Tort Claims.

1.152 ***Tort Claims Resolution Procedures*** means the procedures to resolve and settle Tort Claims, as approved by an existing or future order(s) of the Bankruptcy Court.

1.153 ***Transfer*** (and any variations such as “Transferring”) means to, directly or indirectly, sell, convey, assign, pledge, encumber, hypothecate, gift, contribute, subject to a joint venture, partnership, or similar arrangement, abandon, convey, or transfer or otherwise dispose of, either voluntarily or involuntarily, any Asset or enter into any contract for any Asset that will effectuate the foregoing whether or not the foregoing is subject to approvals or conditions.

1.154 ***Unclassified Claims*** means, collectively, the Administrative Expense Claims, the Priority Tax Claims, the Cash Settlement Claims, the DIP Loan Claims (if any), the Compensation Claims and the Statutory Fees.

1.155 ***Unsecured Claims*** means, collectively, the GUC Claims and the Multi-Employer Pension Fund Subordinated Unsecured Claim.

1.156 ***Unsecured Claims Fund*** means the account established by the Liquidating Trustee in accordance with section 6.7(a) hereof and maintained for the payment of all Allowed Unsecured Claims on or after the Effective Date.

1.157 ***U.S. Government*** means the United States of America, its agencies, departments, or agents.

1.158 ***U.S. Trustee*** means the Office of the United States Trustee for the Southern District of New York.

1.159 ***USFHP Assets*** means any Operating Assets used or useful in connection with the Operation of the USFHP Contract and the USFHP Program, including, without limitation, the USFHP Contract and the BSC Assets.

1.160 ***USFHP Contract*** means that certain contract(s) by and between the Department of Defense/TRICARE Management Activity and SVCMC, and any successor contracts thereto, as the same have been, or may in the future be, amended, modified, renewed or supplemented, as authorized by Section 722 of the National Defense Authorization Act for FY 1997, Pub. L. 104-201 as amended, pursuant to which SVCMC participates in the USFHP Program.

1.161 ***USFHP Program*** means the Uniformed Services Family Health Plan, a managed healthcare plan sponsored by the Department of Defense, open to certain categories of eligible military service beneficiaries and offered through SVCMC pursuant to the USFHP Contract.

1.162 ***Voting Deadline*** means such date by which the holders of Claims of Classes 3 and 4 must vote to either accept or reject the Plan, as established pursuant to the order of the Bankruptcy Court approving the solicitation materials that will accompany the Plan.

1.163 ***Westchester Covered Staff*** means the Westchester Physician Staff and the Westchester Health Staff.

1.164 ***Westchester Health Staff*** all of the former nurses, nurse practitioners, medical technicians, and other medical staff previously employed by St. Vincent's Westchester and its affiliated clinics and other facilities, as covered by the Westchester Tail Settlement Agreement.

1.165 ***Westchester Physician Staff*** means the former attending physicians previously employed by St. Vincent's Westchester and its affiliated clinics and other facilities that elected to participate in the Westchester Tail Fund pursuant to the Westchester Tail Settlement Agreement, a list of which will be filed as a Plan Supplement and amended from time to time through the Effective Date.

1.166 ***Westchester Promissory Note*** means the Promissory Note, dated November 1, 2010, issued by Saint Joseph's Medical Center in favor of SVCMC, in the principal amount of \$6,000,000, which is part of the sale proceeds from the sale of substantially all of the behavioral health assets of St. Vincent's Westchester, including the Westchester Real Property, pursuant to the Asset Purchase Agreement, dated August 18, 2010, by and among SVCMC, Saint Joseph's Medical Center, Chait Housing Development Corporation and Fort Place Housing Corporation as amended on October 4, 2010.

1.167 ***Westchester Real Property*** means approximately sixty-six (66) acres of land located at 275 North Street, Harrison, New York on which St. Vincent's Westchester was located, including the improvements thereon.

1.168 ***Westchester Real Property Proceeds*** means the proceeds from the sale of St. Vincent's Westchester net of payments made to Sun Life Assurance Company of Canada pursuant to the Stipulation and Settlement Agreement among the Debtors, the Committee, the MedMal Trusts Monitor and Sun Life Assurance Company of Canada.

1.169 ***Westchester Tail Claim*** means the term "Westchester Tail Claim" as such term is defined in the Westchester Tail Settlement Agreement.

1.170 ***Westchester Tail Fund*** means the fund established pursuant to section 6.9 hereof to fund the Westchester Tail Claims.

1.171 ***Westchester Tail Settlement Agreement*** means the First Amendment to Settlement Agreement to Include Certain Former Professional Staff Members of Saint Vincent's Westchester Hospital, dated as of July 27, 2011, by and between SVCMC and the Westchester Covered Staff approved and amended, as applicable, by the Bankruptcy Court order under Bankruptcy Rule 9019 entered on September 22, 2011 [Docket No. 2027], as amended by the Westchester Settlement Amendment, together with any other amendments, modifications and supplements thereto.

1.172 ***Westchester Tail Settlement Amendment*** means the Summary and Restatement of Settlement Agreement Between and Among Saint Vincent's Catholic Medical Centers of New York, the Committee of Interns and Residents/SEIU, and Certain Physicians and Nurse Practitioners of St. Vincent's Manhattan Hospital and St. Vincent's Westchester Hospital,

as approved by the Bankruptcy Court pursuant to section 6.9 of the Plan and filed as part of the Plan Supplement.

B. Interpretation and Rules of Construction. The rules of construction contained in Section 102 of the Bankruptcy Code shall apply to this Plan. Unless otherwise specified, all section or exhibit references in this Plan are to the respective section in, or exhibit to, this Plan, as the same may be amended, waived or modified from time to time. The words “herein,” “hereof,” “hereto,” “hereunder,” and other words of similar import refer to this Plan as a whole and not to any particular section, subsection or clause contained therein. A term used in the Plan that is not defined herein shall have the meaning assigned to that term in the Bankruptcy Code.

SECTION 2. UNCLASSIFIED CLAIMS

In accordance with Section 1123(a)(1), the following Claims are not classified and are excluded from the Classes set forth in section 3 hereof and shall receive the treatment discussed below:

2.1 ***Administrative Expense Claims.*** Except to the extent that a holder of an Allowed Administrative Expense Claim agrees to a different treatment, each holder of an Allowed Administrative Expense Claim shall receive, in full satisfaction of such Claim, Cash in an amount equal to 100% of the unpaid Allowed amount of such Claim on the later of (i) thirty (30) days after the Effective Date and (ii) the first Business Day after the date that is thirty (30) days after the date when such Administrative Expense Claim becomes Allowed. Except as otherwise provided herein, the Bar Date for Administrative Expense Claims incurred after May 1, 2012 through the Effective Date shall be thirty (30) days after the Effective Date or such other date as may be established by the Bankruptcy Court.

2.2 ***Cash Settlement Claims.*** Except to the extent that a holder of a Cash Settlement Claim agrees to a different treatment, each holder of a Cash Settlement Claim shall receive, in full satisfaction of such Claim, Cash in an amount equal to 100% of the unpaid Allowed amount of such Claim on the Effective Date or such other date as provided for in the applicable Settlement Agreement, in accordance with the Creditor Settlement Agreements.

2.3 *Compensation Claims.*

(a) **Compensation Claims Incurred Prior to the Effective Date.** All entities seeking an award by the Bankruptcy Court of a Compensation Claim (other than the Ordinary Course Professionals) shall file their respective final applications for allowance of compensation for services rendered and reimbursement of expenses incurred by the date that is sixty (60) days after the Effective Date, and shall receive, in full satisfaction of such Claim, Cash in an amount equal to 100% of such amounts as are allowed by the Bankruptcy Court promptly after the date an order relating to any such Compensation Claim is entered or upon such other terms as may be mutually agreed-upon between the holder of such Compensation Claim and the Liquidating Trustee. Objections to any final applications covering Compensation Claims must be filed and served on the Post-Effective Date SVC MC and the Liquidating Trustee and the requesting party no later than ninety (90) days after the Effective Date (unless otherwise agreed to by the requesting party). Ordinary Course Professionals must submit a final invoice for their services no later than thirty (30) days after the Effective Date and may continue to receive

payment of compensation and reimbursement of expenses for services rendered to the Debtors without further Bankruptcy Court review or approval (except as provided for in the Ordinary Course Professionals Order). Notwithstanding anything to the contrary contained herein, Ombudsmen and their respective professionals are authorized to apply for compensation after the deadline established herein if they are required to respond to any discovery or involuntarily become a party to litigation related to the Debtors; provided, however, that the Liquidating Trustee retains all rights to object to such applications on any applicable ground.

(b) Payment for Services Rendered After the Effective Date. The Responsible Officer and the Liquidating Trustee are authorized to pay compensation for services rendered or reimbursement of expenses incurred on or after the Effective Date in the ordinary course of business and without the need for Bankruptcy Court approval or a holdback.

2.4 ***Statutory Fees.*** All fees required to be paid by 28 U.S.C. § 1930(a)(6) and any interest thereon ("**U.S. Trustee Fees**") shall be paid by the Liquidating Trustee in the ordinary course of business until the closing, dismissal or conversion of these Chapter 11 Cases to another chapter of the Bankruptcy Code. Any unpaid U.S. Trustee Fees that accrued before the Effective Date shall be paid no later than thirty (30) days after the Effective Date.

2.5 ***Priority Tax Claims.*** Except to the extent that a holder of an Allowed Priority Tax Claim agrees to a different treatment, each holder of an Allowed Priority Tax Claim shall receive, in full satisfaction of such Claim, payment in Cash of the Allowed Amount of such Claim, at the option of the Debtors, either in (a) the full amount of such Claim on the later of (i) thirty (30) days after the Effective Date and (ii) thirty (30) days after the date such Priority Tax Claim becomes an Allowed Priority Tax Claim or (b) periodic payments having a value, as of the Effective Date, equal to the amount of such Allowed Priority Tax Claim, paid over a period not exceeding five (5) years after the Petition Date (and not exceeding the date of the closing of these Chapter 11 Cases), with interest at a rate equal to the Federal Judgment Rate as of the Effective Date, payable monthly. The Liquidating Trustee is authorized to pay all Allowed Priority Tax Claims that become due and payable after the Effective Date in the ordinary course of business.

2.6 ***DIP Loan Claims.*** The DIP Loan Claims of the DIP Agent and the DIP Lenders shall constitute an administrative expense and an Allowed Claim under Section 503(b) of the Bankruptcy Code. Except to the extent that the DIP Agent and the DIP Lenders agree to a different treatment, on the Effective Date, the DIP Agent and the DIP Lenders shall receive, in full satisfaction of the DIP Loan Claims (a) Cash equal to the then outstanding amount of the DIP Loan Claims, including any obligation of the Debtors under the DIP Loan Documents to reimburse the DIP Agent or the DIP Lenders for any costs, fees, expenses, and the like (collectively, the "**Costs and Expenses**") incurred up to the Effective Date, and (b) a Cash deposit (the "**Deposit**") in the amount of \$35,000 to cover Costs and Expenses anticipated to be incurred by the DIP Agent and the DIP Lenders in connection with the DIP Loan Documents (and the other costs and expenses provided in the last sentence of this section), including in connection with the release of collateral securing the DIP Loan Claims; provided, however, that if the Deposit is insufficient to cover the amount of the Costs and Expenses, the Post-Effective Date SVC MC shall pay the DIP Agent and the DIP Lenders the amount of such shortfall upon a demand therefor accompanied by evidence of the incurrence of the Costs and Expenses; provided, further, however, that if the Deposit exceeds the ultimate amount of the Costs and

Expenses actually incurred by the DIP Agent and the DIP Lenders, the excess shall be promptly remitted to the Liquidating Trust. Any remaining amount of the Deposit shall be remitted to the Liquidating Trust within ninety (90) days of the Effective Date. With respect to any professional fees included as part of the Costs and Expenses, such professional fees may be paid by the DIP Agent and the DIP Lenders without advance notice to any other party; provided, however, that the DIP Agent and the DIP Lenders shall provide evidence of the incurrence of such professional fees to the Responsible Officer and the U.S. Trustee in the same manner as had been provided throughout these Chapter 11 Cases. To the extent that any provisions of the DIP Loan Documents are of a type that survive repayment of the subject indebtedness (*e.g.*, confidentiality provisions, a duty to release collateral, indemnity provisions), such provisions shall remain in effect notwithstanding repayment of the DIP Loan Claims. For purposes of this Plan, the DIP Agent shall be entitled to act as agent for the holders of the Prepetition Obligations (as defined in the Final DIP Order). To the extent that lien releases or other documents with respect to the “Prepetition Liens” (as defined in the Final DIP Order) are required to be filed or recorded, the DIP Agent shall be entitled to do so on behalf of the holders of the Prepetition Obligations and collect any costs, fees and expenses related thereto from the Deposit.

SECTION 3. CLASSIFICATION OF CLAIMS

Except for the Unclassified Claims, all Claims against each and every Debtor are placed in the Classes indicated in the table below. The table below also indicates whether Classes of Claims against the Debtors are: (a) Impaired or not Impaired by this Plan; and (b) entitled to vote to accept or reject this Plan in accordance with Section 1126 of the Bankruptcy Code.

<i>All Debtors</i>			
<i>Class</i>	<i>Designation</i>	<i>Impairment</i>	<i>Entitled to Vote</i>
Class 1	Priority Non-Tax Claims	Not Impaired	No (deemed to accept)
Class 2	Secured Claims	Not Impaired	No (deemed to accept)
Class 3	GUC Claims	Impaired	Yes
Class 4	Multi-Employer Pension Funds Subordinated Unsecured Claims	Impaired	Yes

SECTION 4. TREATMENT OF CLAIMS

In full satisfaction of all of the Claims against the Debtors, the Claims shall receive the treatment described below. The timing of distributions is addressed in section 7.2 hereof.

4.1 *Class 1: Priority Non-Tax Claims.*

(a) Impairment and Voting. Class 1 is not Impaired by the Plan. In accordance with Section 1129(f) of the Bankruptcy Code, each holder of an Allowed Claim in Class 1 is conclusively presumed to accept the Plan and is therefore not entitled to vote to accept or reject the Plan.

(b) Distribution. Except to the extent such holder agrees to less favorable treatment, each holder of an Allowed Claim in Class 1 shall receive, in full satisfaction of such Allowed Claim, Cash equal to 100% of the unpaid amount of such Allowed Claim; provided, however, to the extent that the Manhattan House Staff, the Manhattan Physician Staff and the Westchester Covered Staff elected to have all or a portion of the proceeds of their Priority Non-Tax Claims contributed to the Manhattan Tail Fund or the Westchester Tail Fund (as applicable) in accordance with the Tail Settlement Agreements, such proceeds of their Priority Non-Tax Claims shall be contributed by the Liquidating Trustee to the Manhattan Tail Fund and the Westchester Tail Fund (as applicable).

4.2 *Class 2: Secured Claims.*

(a) Impairment and Voting. Class 2 is not Impaired by the Plan. In accordance with Section 1129(f) of the Bankruptcy Code, each holder of an Allowed Secured Claim in Class 2 is conclusively presumed to accept the Plan and is therefore not entitled to vote to accept or reject the Plan.

(b) Distribution. Except to the extent such holder agrees to less favorable treatment, each holder of an Allowed Secured Claim in Class 2 shall receive, in full satisfaction of the unpaid amount of such Allowed Secured Claim, at the election of the Debtors or the Liquidating Trustee with the Consent of the Committee or the Post-Effective Date Committee (as applicable), the Collateral securing such Allowed Secured Claim, the value of such Collateral or the proceeds (if any) from the sale of such Collateral (whether Cash or otherwise) after the payment of (or the reservation for) the actual and necessary costs and expenses of disposing of and preserving such Collateral as may be agreed by the parties or determined by the Bankruptcy Court. To the extent that either the value or the net proceeds (as applicable) of the Collateral attributable to the specific Secured Claim is less than the total Allowed amount of such Claim, the undersecured portion shall be treated as an Allowed Unsecured Claim in Class 3.

4.3 *Class 3: GUC Claims.*

(a) Impairment and Voting. Class 3 is Impaired by the Plan. Each holder of an Allowed Claim in Class 3 is entitled to vote to accept or reject the Plan.

(b) Distribution. Except to the extent such holder agrees to less favorable treatment, each holder of an Allowed GUC Claim in Class 3 shall receive, in full satisfaction of the unpaid amount of such Allowed Claim, a Pro Rata Share of the proceeds in the Unsecured Claims Fund. Pursuant to the Intercompany Settlement, all GUC Claims against each of the Debtors shall be aggregated. For purposes of classification, treatment and distribution under the Plan, all Guaranty Claims, in each case representing a GUC Claim, shall be treated as a single obligation of all the Debtors.

4.4 Class 4: Multi-Employer Pension Funds Subordinated Unsecured Claims.

(a) Impairment and Voting. Class 4 is Impaired by the Plan. Each holder of an Allowed Claim in Class 4 is entitled to vote to accept or reject the Plan.

(b) Distribution. Except to the extent such holder agrees to less favorable treatment, once all of the Allowed Claims in Class 3 are paid in full, each holder of an Allowed Claim in Class 4 shall receive, in full satisfaction of the unpaid amount of such Allowed Claim, a Pro Rata Share of the proceeds in the Unsecured Claims Fund.

SECTION 5. POST-EFFECTIVE DATE GOVERNANCE

5.1 *Dissolution of Certain Debtors*. On the Effective Date, all of the Debtors other than SVCMC shall be dissolved, their interests and rights shall be vested for all purposes in the Post-Effective Date SVCMC, and all of the interests in such Debtors shall be cancelled and terminated without further order of the Bankruptcy Court.

5.2 Continued Existence of SVCMC After the Effective Date.

(a) Continued Existence of SVCMC. On and after the Effective Date, SVCMC shall continue in existence as the Post-Effective Date SVCMC and, pursuant to this Plan, retain its Not-For-Profit Status to the same extent as such status existed immediately prior to the Petition Date. No party shall take any action to interfere with, alter, terminate or otherwise adversely affect the Not-For-Profit Status of the Post-Effective Date SVCMC.

(b) Responsibilities of the Post-Effective Date SVCMC. The Post-Effective Date SVCMC shall continue in existence for the following limited purposes:

(i) to retain its status as a designated provider under the USFHP Program and the owner of the Operating Assets, including without limitation, the USFHP Contract;

(ii) to Operate the Operating Assets, including without limitation, providing services in connection with the USFHP Program (whether directly or indirectly, including by way of a management or similar arrangement), and to take such actions with respect to the USFHP Program and the USFHP Assets as the Post-Effective Date SVCMC shall deem appropriate, necessary, advisable or convenient to further the objectives of, and effectuate,

the USFHP Program as contemplated by the provisions of this Plan;

(iii) to retain equity and other ownership rights in the QIL Entities and as may otherwise be required by any regulatory authority overseeing operations of the QIL Entities until they are wound down or Transferred;

(iv) to collect or otherwise liquidate all amounts owing under the Provider Agreements until all payments due under such agreements have been received by the Post-Effective Date SVCMC and transferred to the Liquidating Trust as provided for in the Plan;

(v) to wind up and dissolve any non-Debtor affiliates, including, without limitation, professional corporations;

(vi) to prosecute and complete any *cy pres* proceedings or other necessary actions to wind up the affairs of the SVCMC Foundation;

(vii) to oversee the resolution of any and all claims asserted against the insurance policies provided by the QIL Entities;

(viii) in furtherance of implementation of the provisions of the Plan, to take any action necessary under applicable law that is consistent with the provisions of the Plan with respect to the Post-Effective Date SVCMC and the Operating Assets; and

(ix) to take such other actions as may be necessary or appropriate with respect to the affairs, businesses and/or operations of any of the Debtors which are not permitted to be undertaken by the Liquidating Trust under applicable law;

provided, however, that actions that are outside of the ordinary course of business of the Post-Effective Date SVCMC, including without limitation (A) any Transfer by Post-Effective Date SVCMC of the USFHP Contract and (B) the payment of the Responsible Officer inconsistent with Operating Budget, shall require the prior Consent of the Post-Effective Date Committee.

(c) Employment and Compensation of Professionals. Subject to the Operating Budget, the Post-Effective Date SVCMC may employ such counsel, advisors and other professionals selected by the Responsible Officer that are reasonably required for the Post-Effective Date SVCMC and the Responsible Officer to fulfill their responsibilities under the Plan. Professionals employed by the Post-Effective Date SVCMC shall be compensated at their respective standard hourly rates as agreed to by the Responsible Officer. The fees of the Post-Effective Date SVCMC's professionals shall be satisfied out of the Operating Assets in accordance with the Operating Budget and shall be paid upon five (5) Business Days' notice to the Post-Effective Date Committee, without further motion, application, notice or other order of the Bankruptcy Court; provided, that, to the extent that the compensation for the professionals of

the Post-Effective Date SVCMC exceeds the amount set forth in the Operating Budget, the professionals may be compensated only after the prior Consent of the Post-Effective Date Committee.

(d) No Further Approvals Required/Transfers of Operating Assets. In performance of its duties hereunder, Post-Effective Date SVCMC shall have the rights and powers of a debtor-in-possession under Section 1107 of the Bankruptcy Code, and such other rights, powers, and duties necessary, appropriate, advisable or convenient to effectuate the provisions of the Plan. On and after the Effective Date, the Post-Effective Date SVCMC shall not be required to obtain any approvals from the Bankruptcy Court, any court or governmental body (other than, as may be applicable, the U.S. Government with respect to the USFHP Program) and/or provide any notices under the Not-For-Profit Laws to implement the terms of the Plan, including, without limitation, the Transfer of any Operating Assets retained by the Post-Effective Date SVCMC. Without limiting the foregoing, (i) the Post-Effective Date SVCMC shall be authorized to continue to Operate the USFHP Program without necessity of any further notice or approval of the Bankruptcy Court and/or under any applicable state or federal law, including under the Not-For-Profit Laws, and (ii) with the prior Consent of the Post-Effective Date Committee, the Post-Effective Date SVCMC shall be authorized pursuant to this Plan to Transfer any or all of the Operating Assets without necessity of any further notice or approval of the Bankruptcy Court and/or under any applicable state or other law, including under the Not-For-Profit Laws.

(e) Dissolution. After (i) the expiration, Transfer and/or novation of the Post-Effective Date SVCMC's interest in the USFHP Program, including without limitation, the USFHP Contract, and the administration of all obligations and claims relating to the USFHP Program, including the IBNP Claims, (ii) the Transfer or other disposition of the BSC Assets, and (iii) the wind down or Transfer of the QIL Entities, the Post-Effective Date SVCMC shall be deemed dissolved without further order of the Bankruptcy Court and without the necessity for any approval or notice under any applicable state or other law, including the Not-For-Profit Laws.

5.3 *Membership in Post-Effective Date SVCMC.* As of the Effective Date, the Post-Effective Date Members shall be appointed and serve as the members of the Post-Effective Date SVCMC.

5.4 *Post-Effective Date Board of Directors.*

(a) Discharge of Current Directors. On the Effective Date, all current directors of SVCMC shall be deemed discharged of and from all further authority, duties, responsibilities and obligations related to, arising from and in connection with or related to their services as such through and including the Effective Date.

(b) Formation. On the Effective Date, the Post-Effective Date Board of Directors shall be formed and consist of three (3) individuals that are mutually acceptable to the Post-Effective Date Members and the Committee. The directors that shall serve on the Post-Effective Date Board of Directors shall be disclosed in the Plan Supplement.

(c) Duties. The Post-Effective Date Board of Directors, with the consent of the Post-Effective Date Committee, shall appoint and oversee the Responsible

Officer, consistent with the terms of this Plan and the by-laws of the Post-Effective Date SVCMC as then in effect. Actions that are outside of the ordinary course of business, including (i) any transfer of the Debtor's interest in the USFHP Program and Contract, and (ii) the payment of the Responsible Officer inconsistent with the Operating Budget, shall require the prior consent of the Post-Effective Date Committee.

(d) Resignation or Termination. Any member of the Post-Effective Date Board of Directors may resign at any time upon not less than thirty (30) days' written notice to the Post-Effective Date Members with a copy of such notice to the Post-Effective Date Committee; provided, that, the Post-Effective Date Members, with the consent of the Post-Effective Date Committee, may waive such notice period. Any member of the Post-Effective Date Board of Directors may be removed for cause upon a joint finding by the Post-Effective Date Committee and the Post-Effective Date Member that an appropriate showing of cause has been made.

(e) Replacement. In the event that a director serving on the Post-Effective Date Board of Directors resigns or is duly removed for cause in accordance with the Plan, or in the event of the death of any such director or other occurrence rendering such director incapacitated or unavailable for a period of thirty (30) consecutive days, a replacement director shall be designated by the mutual agreement of the Post-Effective Date Members, the remaining members of the Post-Effective Date Board of Directors, and the Post-Effective Date Committee.

5.5 *Responsible Officer.*

(a) Appointment. The Responsible Officer shall be deemed appointed on the Effective Date, without further motion, application, notice, hearing, or other order of the Bankruptcy Court. The initial Responsible Officer shall be selected by the Post-Effective Date Board of Directors and shall be acceptable to the Committee in its sole and absolute discretion, consistent with the terms of the Plan and then-effective by-laws of the Post-Effective Date SVCMC. The identity of the initial Responsible Officer will be disclosed in the Plan Supplement.

(b) Duties. After the Effective Date, without necessity of any further order of the Bankruptcy Court and/or any state court, the Responsible Officer shall have the sole responsibility to:

(i) oversee the management and operations of the Operating Assets, including, without limitation, continue managing the Operations of, and services provided by, the Post-Effective Date SVCMC under the USFHP Program, and the administration of all obligations and claims relating to the USFHP Program, including IBNP Claims, and oversee the Transfer or other disposition of the USFHP Assets;

(ii) Operate the QIL Entities and oversee and manage the resolution of any and all claims asserted against the insurance policies provided by the QIL Entities;

(iii) oversee and implement the responsibilities and duties of the Post-Effective Date SVCMC; and

(iv) report to the Post-Effective Date Committee on a regular basis and provide such information and reports that may be reasonably requested by the Post-Effective Date Committee or the Liquidating Trustee.

(c) Resignation or Termination. The Responsible Officer may resign at any time upon not less than sixty (60) days' written notice to the Post-Effective Date Board of Directors and the Post-Effective Date Committee; provided, that, the Post-Effective Date Board of Directors may waive such notice period with the consent of the Post-Effective Date Committee. The Post-Effective Date Board, at the request of the Post-Effective Date Committee, shall remove the Responsible Officer with or without cause, beginning on the earlier of (i) twelve (12) months following the Effective Date or (ii) the completion of (A) the Transfer of all or substantially all of the Post-Effective Date SVCMC's interest in the USFHP Program and (b) the wind down or Transfer of the Post-Effective Date SVCMC's interest in the QIL Entities. Any removal other than for cause requires the Post-Effective Date Board of Directors to provide the Responsible Officer at least fifteen (15) days' prior written notice of such removal.

(d) Replacement. In the event that the Responsible Officer resigns or is duly terminated, or in the event of the death of the Responsible Officer or other occurrence rendering the Responsible Officer incapacitated or unavailable for an extended period of thirty (30) consecutive days, a replacement Responsible Officer shall be selected by the Post-Effective Date Board of Directors with the consent of the Post-Effective Date Committee. A notice of the identity of the new Responsible Officer shall be filed with the Bankruptcy Court promptly after the new Responsible Officer is duly appointed in accordance with the terms of the Plan and the then effective by-laws of the Post-Effective Date SVCMC.

(e) No Further Approvals Required/Transfers of Operating Assets. In performance of his or her duties hereunder, the Responsible Officer shall have the rights and powers of a debtor in possession under Section 1107 of the Bankruptcy Code, and such other rights, powers, and duties necessary, appropriate, advisable or convenient to effectuate the provisions of the Plan. The Responsible Officer shall be authorized to implement the terms of this Plan (as applicable to him or her) without further application to the Bankruptcy Court, any court or governmental body (other than, as may be applicable, the U.S. Government with respect to the USFHP Program) and/or the need to provide notice under any laws, including the Not-For-Profit Laws. Without limitation of the foregoing, (i) the Responsible Officer shall be authorized to continue to Operate the USFHP Program without necessity of any further notice or approval of the Bankruptcy Court and/or under any applicable state or federal law, including under the Not-For-Profit Laws and (ii) with the prior consent of the Post-Effective Date Committee for any Transfer outside of the ordinary course of business, the Responsible Officer shall be authorized pursuant to this Plan to Transfer any or all of the Operating Assets without necessity of any further notice or approval of the Bankruptcy Court and/or under any applicable state or other law, including under the Not-For-Profit Laws.

(f) Compensation. Subject to the limitations set forth in the Operating Budget, the Responsible Officer shall be compensated at his or her standard hourly rate for his or

her services and reimbursed for his or her out-of-pocket expenses incidental to the performance of his or her duties under the Plan. The fees of the Responsible Officer shall be satisfied out of the Operating Assets in accordance with the Operating Budget and shall be paid upon five (5) Business Days' notice to the Post-Effective Date Committee, without further motion, application, notice or other order of the Bankruptcy Court; provided, that, to the extent that the compensation of the Responsible Officer exceeds the amount set forth in the Operating Budget, the Responsible Officer may be compensated only after the prior Consent of the Post-Effective Date Committee.

5.6 *Liquidating Trust.*

(a) Creation. On the Effective Date, the Liquidating Trust shall be created and all of the Liquidating Trust Assets shall be transferred to the Liquidating Trust, pursuant to the terms of the Liquidating Trust Agreement. Nothing in this Plan, including the implementation of the Liquidating Trust, or actions or inactions by the Liquidating Trustee after the Effective Date, shall alter, terminate or otherwise adversely affect the Not-For-Profit Status of the Post-Effective Date SVC MC. The Liquidating Trust shall be established for the sole purpose of liquidating and distributing its assets, in accordance with Treasury Regulation section 301.7701-4(d).

(b) Employment and Compensation of Professionals. In accordance with the Liquidating Trust Agreement and subject to the Liquidating Budget, the Liquidating Trust may employ such counsel (which may be the same counsel employed by either the Post-Effective Date Committee or the Post-Effective Date SVC MC), advisors and other professionals selected by the Liquidating Trustee that the Liquidating Trust reasonably requires to perform its responsibilities under the Plan without further order from the Bankruptcy Court. The Liquidating Trust's professionals shall be compensated at their respective standard hourly rates as agreed to by the Liquidating Trustee and paid upon five (5) Business Days' notice to the Post-Effective Date Committee, without further motion, application, notice or other order of the Bankruptcy Court. The fees and expenses of the Liquidating Trust's professionals (other than fees and expenses related to the administration of the Tail Funds or the resolution of the Tail Claims) shall be satisfied out of the Liquidating Trust Assets and shall be in accordance with the Liquidating Budget. The fees and expenses of the Liquidating Trust's professionals related to the administration of the Tail Funds or the resolution of the Tail Claims shall be satisfied out of the respective Tail Funds in accordance with the terms of the Tail Settlement Agreements.

5.7 *Liquidating Trustee.*

(a) Appointment. The Liquidating Trustee shall be deemed appointed on the Effective Date, without further motion, application, notice, hearing, or other order of the Bankruptcy Court. The initial Liquidating Trustee shall be recommended by the Debtors and acceptable to the Committee. The identity of the initial Liquidating Trustee shall be disclosed in the Plan Supplement.

(b) Duties. As more fully described in the Liquidating Trust Agreement, the Liquidating Trustee shall (i) have the responsibility for administering the Liquidating Trust, maintaining the Liquidating Trust Reserves, liquidating the Liquidating Trust Assets and making distributions under the Plan, and (ii) report to the Post-Effective Date Committee. The Liquidating Trustee shall not be authorized to act with respect to the Operating

Assets nor take any action on behalf of the Post-Effective Date SVCMC; provided, however, that, as and to the extent provided for in the Plan, the Liquidating Trustee may coordinate with the Responsible Officer.

(c) Resignation and Termination. The Liquidating Trustee may resign at any time upon not less than sixty (60) days' written notice to the Post-Effective Date Committee with a copy of such notice to the Post-Effective Date Board of Directors; provided, that the Post-Effective Date Committee may waive such notice requirement. The Liquidating Trustee may be removed, with or without cause, after nine (9) months following the Effective Date by a vote of the Post-Effective Date Committee, in which case the Post-Effective Date Committee shall provide to the Liquidating Trustee at least fifteen (15) days' prior written notice of such removal.

(d) Replacement. In the event that the Liquidating Trustee resigns or is duly removed, or in the event of the death of the Liquidating Trustee or other occurrence rendering the Liquidating Trustee incapacitated or unavailable for an extended period of thirty (30) consecutive days, a replacement Liquidating Trustee shall be designated by the Post-Effective Date Committee. A notice of the identity of the new Liquidating Trustee shall be filed with the Bankruptcy Court promptly after the new Liquidating Trustee is voted in.

(e) No Further Approvals Required/Transfer of Liquidating Trust Assets. In performance of its duties hereunder, the Liquidating Trustee shall have the rights and powers of a debtor in possession under Section 1107 of the Bankruptcy Code, and such other rights, powers, and duties necessary, appropriate, advisable or convenient to effectuate the provisions of the Plan. On and after the Effective Date, the Liquidating Trustee shall not be required to obtain any approvals from the Bankruptcy Court, any court or governmental body and/or provide any notices under any applicable laws, including under the Not-For-Profit Laws, to implement the terms of the Plan, including, without limitation, the Transfer of any Liquidating Trust Assets retained by the Liquidating Trust. As further set forth in the Liquidating Trust Agreement, without limitation of the foregoing, with the prior Consent of the Post-Effective Date Committee, the Liquidating Trustee shall be authorized pursuant to this Plan to Transfer any or all of the Liquidating Trust Assets without necessity of any further notice or approval of the Bankruptcy Court and/or under any applicable state or federal law, including under the Not-For-Profit Laws. This provision shall be subject in its entirety to the Liquidating Trust Agreement.

(f) Compensation. Subject to the limitations set forth in the Liquidating Budget, the Liquidating Trustee shall be compensated at his or her standard hourly rate for his or her services and reimbursed for his or her out-of-pocket expenses incident to the performance of his or her duties under the Plan. The Liquidating Trustee shall be paid upon five (5) Business Days' notice to the Post-Effective Date Committee, without further motion, application, notice or other order of the Bankruptcy Court. The fees and expenses of the Liquidating Trustee (other than fees and expenses related to the administration of the Tail Funds or the resolution of the Tail Claims) shall be satisfied out of the Liquidating Trust Assets and shall be in accordance with the Liquidating Budget. The fees and expenses of the Liquidating Trustee related to the administration of the Tail Funds or the resolution of the Tail Claims shall be satisfied out of the respective Tail Funds in accordance with the terms of the Tail Settlement Agreements.

5.8 *Post-Effective Date Committee.*

(a) Dissolution of the Committee. On the Effective Date, the Committee shall be dissolved (except with respect to any then pending litigation or contested matter to which the Committee is a party, any appeals filed regarding the confirmation of the Plan, the resolution of any substantial contribution applications, and the resolution of applications for Compensation Claims), and the members, employees, agents, advisors, affiliates, and representatives (including, without limitation, attorneys, financial advisors, and other professionals) of each thereof shall thereupon be released from and discharged of and from all further authority, duties, responsibilities, and obligations related to, arising from and in connection with or related to the Chapter 11 Cases; provided, however, that (i) obligations arising under confidentiality agreements, joint interest agreements, and protective orders, if any, entered during the Chapter 11 Cases shall remain in full force and effect according to their terms, and (ii) the Committee may make application for Compensation Claims and members of the Committee may make requests for compensation and reimbursement of expenses pursuant to Section 503(b) of the Bankruptcy Code for making a substantial contribution in any of the Chapter 11 Cases. The Liquidating Trust shall continue to compensate the Committee's professionals in the ordinary course of business for reasonable services provided in connection with any of the foregoing post-Effective Date activities out of the Liquidating Trust Assets.

(b) Formation of the Post-Effective Date Committee. On the Effective Date, the Post-Effective Date Committee shall be appointed. The members that shall serve on the Post-Effective Date Committee shall be selected by the Committee and shall be disclosed in a Plan Supplement.

(c) Duties. The Post-Effective Date Committee shall have and be tasked with the following rights and duties in accordance with the Plan:

- (i) monitoring the actions of the Liquidating Trustee;
- (ii) monitoring the actions of Post-Effective Date SVC MC;
- (iii) reviewing and approving the Operating Budget and Liquidating Budget; and
- (iv) overseeing the administration of the Liquidating Trust and liquidating the Liquidating Trust Assets, including without limitation, consulting on and approving proposed sales of any of the Liquidating Trust Assets.

(d) Resignation. Any member of the Post-Effective Date Committee may resign at any time upon not less than thirty (30) days' written notice to the Post-Effective Date Committee with a copy of such notice to the Post-Effective Date Members; provided, that, the Post-Effective Date Committee may waive such notice period. Any member of the Post-Effective Date Committee may be removed in accordance with any by-laws governing the actions of the Post-Effective Date Committee.

(e) Replacement. In the event that a member of the Post-Effective Date Committee resigns or is duly terminated or unable to serve as a member thereof, then a

successor member shall be selected by the remaining members of the Post-Effective Date Committee, in consultation with Post-Effective Date SVCMC; provided, however, that if no agreement on the replacement member can be reached or if there are fewer than two (2) members remaining on the Post-Effective Date Committee, the parties shall request that the Bankruptcy Court resolve such dispute and/or appoint the replacement member(s).

(f) Employment and Compensation. The Post-Effective Date Committee may employ counsel (which may be the same counsel employed by the Liquidating Trust) to advise the Post-Effective Date Committee on matters related to their duties under this Plan. Counsel for the Post-Effective Date Committee shall be entitled to be compensated at its standard hourly rates in accordance with the Liquidating Budget; provided, however, that such fees and expenses shall be subject to the reasonable approval of the Post-Effective Date Committee. To the extent the Liquidating Trust's counsel has a conflict of interest in implementing a portion of the Plan, counsel for the Post-Effective Date Committee shall have standing and ability to act as counsel for the Liquidating Trust for such specific matters.

(g) Termination of the Committee. The Post-Effective Date Committee shall continue in existence until such time as either the Post-Effective Date Committee deems it appropriate by a majority vote to dissolve itself or all members of the Post-Effective Date Committee resign; provided, however, that the Post-Effective Date Committee shall automatically dissolve upon the closing of the Chapter 11 Cases in accordance with the terms of section 7.8 hereof.

SECTION 6. MEANS FOR IMPLEMENTATION OF THE PLAN

6.1 *Settlement Agreements.*

(a) Creditor Settlement Agreements. Pursuant to Bankruptcy Rule 9019 and Section 1123(b)(3) of the Bankruptcy Code, the entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date, of each of the Creditor Settlement Agreements and the finding that (i) entering into each of the Creditor Settlement Agreements is in the best interests of the Debtors, their Estates, and their Claim holders, (ii) each of the Creditor Settlement Agreements is fair, equitable and reasonable, and (iii) each of the Creditor Settlement Agreements meets all the standards set forth in Bankruptcy Rule 9019 and Section 1123(b)(3) of the Bankruptcy Code. Notwithstanding anything to the contrary set forth herein, all distributions contemplated by each Creditor Settlement Agreement shall be made only in accordance with the terms of the respective Creditor Settlement Agreement.

(b) Intercompany Settlement. Pursuant to Bankruptcy Rule 9019 and Section 1123(b)(3) of the Bankruptcy Code, the entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date, of the Intercompany Settlement and the finding that (i) entering into the Intercompany Settlement is in the best interests of the Debtors, their Estates, and their Claim holders, (ii) the Intercompany Settlement is fair, equitable and reasonable, and (iii) the Intercompany Settlement meets all the standards set forth in Bankruptcy Rule 9019 and Section 1123(b)(3) of the Bankruptcy Code. Without limitation of the foregoing, the Bankruptcy Court approves the settlement of potential disputes among the Debtors and with the Committee concerning the allocation of Sale Proceeds among the Debtors' Estates and the validity, amount and treatment of all Intercompany Claims, which Intercompany Settlement allocates such proceeds and provides for the treatment of Intercompany Claims in a

manner that permits payment of all Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Priority Non-Tax Claims, and other Allowed Claims required to be paid under this Plan and otherwise allows for implementation of the provisions of this Plan for the benefit of the Debtors, their Estates, and their Claim holders.

6.2 ***Funding for the Distribution to Creditors.*** The distributions to holders of Allowed Claims contemplated under the Plan shall be funded by the proceeds of Liquidating Trust Assets. After the payment or reservation for all Allowed Unclassified Claims (including Cash Settlement Claims payable on the Effective Date), all Allowed Claims in Class 1, the Liquidating Trust Reserves, the Operating Accounts (in accordance with the Operating Budget), and the Tail Funds, the Remaining Cash shall be used to fund the Unsecured Claims Fund.

6.3 ***No Further Court Authorization.*** Except as provided herein or the Confirmation Order, the Liquidating Trustee will continue the orderly administration of the Liquidating Trust Assets and otherwise implement the provisions of this Plan, and the Responsible Officer will continue to Operate the Operating Assets in accordance with the Plan, and, in connection with the foregoing, may Transfer the Liquidating Trust Assets and Operating Assets (respectively) in accordance with the Liquidating Budget and the Operating Budget (respectively) in each case without necessity of any further order of the Bankruptcy Court and/or state court or other governmental body, including under the Not-For-Profit Laws. For the avoidance of doubt, the Responsible Officer is authorized to Transfer the BSC Assets, in accordance with any agreement relating to the BSC Assets or the USFHP Program, with the Consent of the Post-Effective Date Committee.

6.4 ***Operating Accounts for the Post-Effective Date SVCMC.*** On the Effective Date, Operating Accounts for Post-Effective Date SVCMC shall be established and funded in accordance with the Operating Budget. The Responsible Officer shall be authorized to use the funds in these Operating Accounts to preserve, administer and continue the Operations of the Operating Assets, including paying all costs and expenses associated therewith, in accordance with the Operating Budget. After the Effective Date, all Cash or other proceeds generated by the Operating Assets and required to fund the Operating Accounts and/or Operate the Operating Assets shall not be included within the definition of the Remaining Cash under this Plan.

6.5 ***Transfer of Certain Funds Into the Liquidating Trust.*** The Responsible Officer shall transfer the available Net USFHP Proceeds, Net QIL Proceeds and Net Provider Payments to the Liquidating Trust as soon as practicable but no less frequently than on a quarterly basis with the first such transfer occurring as soon as practicable after the Effective Date.

(a) **Liquidating Trust Tax Matters.** For all federal and applicable state and local income tax purposes:

(i) All parties must treat each transfer of Liquidating Trust Assets to the Liquidating Trust in accordance with the terms of the Plan and the Liquidating Trust Agreement.

(ii) All parties shall treat the Liquidating Trust as a grantor trust, of which the beneficiaries of the Liquidating Trust are the owners and grantors, and treat the beneficiaries of the Liquidating Trust as the direct owners of an undivided interest in Liquidating Trust Assets (other than any assets allocable to Disputed Claims), consistent with their economic interests therein.

(iii) Each transfer of Liquidating Trust Assets (other than any assets allocable to Disputed Claims) to the Liquidating Trust shall be treated as a transfer of such assets directly to the holders of Claims that constitute beneficiaries of the Liquidating Trust in partial satisfaction of their Claims (with each beneficiary of the Liquidating Trust receiving an undivided interest in such assets in accord with their economic interests in such assets), followed by the transfer by the beneficiaries of the Liquidating Trust to the Liquidating Trust of such assets in exchange for the beneficial interests in the Liquidating Trust.

(iv) The Liquidating Trustee will make a good faith valuation of the Liquidating Trust Assets. All parties must consistently use such valuation for all federal and applicable state and local income tax purposes.

(v) Allocations of the Liquidating Trust's taxable income (other than income attributable to assets in the Disputed Claims Reserve or reserves for Disputed Unsecured Claims) among the beneficiaries of the Liquidating Trust shall be determined by reference to the manner in which an amount of Cash equal to such taxable income would be distributed (without regard to any restrictions on distributions) if, immediately prior to such deemed distribution, the Liquidating Trust had distributed all of its other assets (valued at their tax book value and other than assets allocable to Disputed Claims) to the beneficiaries of the Liquidating Trust, in each case up to the tax book value of the assets treated as contributed by such beneficiaries of the Liquidating Trust, adjusted for prior taxable income and loss and taking into account all prior and concurrent distributions from the Liquidating Trust. Similarly, taxable loss of the Liquidating Trust shall be allocated by reference to the manner in which an economic loss would be borne immediately after a liquidating distribution of the remaining Liquidating Trust Assets. The tax book value of the Liquidating Trust Assets for this purpose shall equal their fair market value on the date such assets are transferred to the Liquidating Trust, adjusted in accordance with tax accounting principles prescribed by the IRC, applicable Treasury regulations, and other applicable administrative and judicial authorities and pronouncements.

(vi) The Liquidating Trustee shall file with the IRS returns for the Liquidating Trust as a grantor trust pursuant to Treasury Regulation section 1.671-4(a). The Liquidating Trustee also shall annually send to each beneficiary of the Liquidating Trust a separate statement setting forth the beneficiary's share of items of income, gain, loss, deduction, or credit and shall instruct all of the beneficiaries of the Liquidating Trust to report such items on their federal income tax returns or to forward the appropriate information to such beneficiary's underlying beneficial holders with instructions to report such items on their federal income tax returns.

(vii) The Liquidating Trustee shall (x) treat the Disputed Claims Reserve and the reserves for Disputed Unsecured Claims as "disputed ownership funds" governed by Treasury Regulation section 1.468B-9 by timely making an election, and (y) to the extent permitted by applicable law, report consistently with the foregoing for state and local income tax purposes.

(viii) The Liquidating Trustee shall be responsible for the payment, out of the Liquidating Trust, of any taxes imposed on the Liquidating Trust or the Liquidating Trust Assets, including the Disputed Claims Reserve and the reserves for Disputed Unsecured Claims.

6.6 ***Liquidating Trust Reserves.*** The Liquidating Trustee shall have the authority to establish and maintain the following reserves on the Effective Date:

(a) Trust Administration Account. The Liquidating Trustee shall have the authority, subject to the Liquidating Trust Agreement and the Liquidating Budget, to establish and maintain accounts and utilize the funds in these accounts to pay any and all reasonable costs and expenses incurred in implementing the terms of the Plan, as set forth in the Liquidating Trust Budget.

(b) Disputed Claims Reserves.

(i) *Establishment.* On the Effective Date, the Liquidating Trustee shall set aside Cash sufficient in the aggregate to fund the Disputed Claims Reserves on account of the Disputed Unclassified Claims and the Disputed Claims in Class 1. Once such Disputed Claims are resolved and become Allowed, Cash in the Disputed Claims Reserves shall be made available for distribution to the holders of such newly Allowed Claims in accordance with the Plan. If all Unclassified Claims and Claims in Class 1 are either Allowed and satisfied or disallowed, any remaining funds in the Disputed Claims Reserves shall be used to first fund the Trust Administration Account (if necessary) and the remainder shall be deposited into the Unsecured Claims Fund.

(ii) *Funding Amount.* The Liquidating Trustee may fund the Disputed Claims Reserve based on the face amount of the Disputed Claim Holder's Proof of Claim (or if no Proof of Claim was filed, the amount set forth in the Debtors' Schedules with respect to such Disputed Claim) or request that the Bankruptcy Court estimate the amount of any Disputed Claim pursuant to Section 502(c) of the Bankruptcy Code, in which event the amount so estimated shall be deemed the amount of the Disputed Claim for purposes of funding the Disputed Claims Reserves.

6.7 *Unsecured Claims Fund.*

(a) Establishment of the Unsecured Claims Fund. On the Effective Date or as soon as practicable thereafter, the Liquidating Trustee shall use the Remaining Cash to fund the Unsecured Claims Fund. The proceeds of the Unsecured Claims Fund shall be used to (i) make distributions on account of the Allowed Unsecured Claims in an amount of their Pro Rata Share, and (ii) reserve for Disputed GUC Claims until such Claims are reconciled and either Allowed or Disallowed. As Disputed GUC Claims are resolved and become Allowed, Cash in the Unsecured Claims Fund shall be made available for distribution to the holders of such newly Allowed GUC Claims in an amount of their Pro Rata Share in accordance with the Plan.

(b) Funding Amount. The Liquidating Trustee may either (i) reserve on account of Disputed GUC Claims an amount necessary to satisfy such claims once they are Allowed, which shall be based upon the estimated distribution percentage for all Allowed GUC Claims (using either the face value of the Proofs of Claim, or if no Proof of Claim was required to be filed, the amount reflected in the Schedules) or (ii) request that the Bankruptcy Court estimate the amount to be reserved on account of any Disputed GUC Claim.

6.8 *Manhattan Tail Fund.* The Manhattan Tail Settlement Amendment shall be deemed approved as of the Effective Date on the terms and conditions set forth therein. On the Effective Date or as soon as practicable thereafter, to implement the Bankruptcy Court-approved settlement embodied in the Manhattan Tail Settlement Agreement, the Liquidating Trustee shall establish, maintain and fund the Manhattan Tail Fund in accordance with the terms of such agreement (including using the proceeds of the Priority Non-Tax Claims held by the Manhattan House Staff and the Manhattan Physician Staff that they elected to contribute to the Manhattan Tail Fund). Any excess monies available in the Manhattan Tail Fund (after payment of all Manhattan Tail Claims and all related fees, costs and expenses attributable to the administration of the Manhattan Tail Fund) shall be used to pay any outstanding Westchester Tail Claims to the extent there is a shortfall in the Westchester Tail Fund to pay such obligations. If there is no shortfall in the Westchester Tail Fund, or after the shortfall is satisfied, any excess monies from the Manhattan Tail Fund shall be distributed to the Liquidating Trust and the participating Manhattan Physician Staff and Manhattan House Staff on a pro rata basis based on their respective contributions.

6.9 *Westchester Tail Fund.* The Westchester Tail Settlement Amendment shall be deemed approved as of the Effective Date on the terms and conditions set forth therein. On the Effective Date or as soon as practicable thereafter, to implement the Bankruptcy Court approved settlement embodied in the Westchester Tail Settlement Agreement, the Liquidating

Trustee shall establish, maintain and fund the Westchester Tail Fund in accordance with the terms of such agreement (including using the proceeds of the Priority Non-Tax Claims held by the Westchester Covered Staff that they elected to contribute to the Westchester Tail Fund). Any excess monies available in the Westchester Tail Fund (after payment of all Westchester Tail Claims and all related fees, costs and expenses attributable to the administration of the Westchester Tail Fund) shall be used to pay any outstanding Manhattan Tail Claims to the extent there is a shortfall in the Manhattan Tail Fund to pay such obligations. If there is no shortfall in the Manhattan Tail Fund, or after the shortfall is satisfied, any excess monies from the Westchester Tail Fund shall be distributed to the Liquidating Trust and the participating Westchester Physician Staff on a pro rata basis based on their respective contributions.

6.10 *Coordination Between Post-Effective Date SVCMC and the Liquidating Trust.* Notwithstanding anything herein to the contrary, in furtherance of the purposes of the Liquidating Trust, at the request of the Liquidating Trustee, the Post-Effective Date SVCMC (including, without limitation, the Responsible Officer and the Post-Effective Date SVCMC's employees, agents and/or professionals) shall be authorized to provide assistance and services to, or otherwise act on behalf of, the Liquidating Trustee in the performance of the Liquidating Trustee's duties under the Plan and the Liquidating Trust Agreement. Without limitation on the foregoing, the Post-Effective Date SVCMC shall be authorized to assist in the reconciliation and administration of claims (including, without limitation, SV1 MedMal Claims, Tort Claims, and Tail Claims), and assist in the liquidation and/or collection of Liquidating Trust Assets (including, without limitation, litigation claims). The Liquidating Trustee shall oversee all such services provided on behalf of the Liquidating Trustee.

6.11 *Avoidance Actions.* The Avoidance Actions shall be analyzed, prosecuted and settled by the Avoidance Actions Counsel pursuant to the Avoidance Actions Settlement Procedures.

6.12 *Destruction and Abandonment of Books and Records.* Subject to the terms of the Records Retention Order with respect to the records covered thereby and the terms of the MedMal Trusts Settlement Agreement, on or after the Effective Date, pursuant to Section 554(a) of the Bankruptcy Code, the Liquidating Trustee and Responsible Officer (as applicable) are each authorized, from time to time, without further application to the Bankruptcy Court or notice to any party, to abandon or otherwise destroy documents and records (whether in electronic or paper format) that he or she determine, in his or her reasonable business judgment, are no longer necessary to the administration of either the Chapter 11 Cases or the Plan, notwithstanding any federal, state, or local law or requirement requiring the retention of the applicable documents or records. The Liquidating Trustee and the Responsible Officer (as applicable) are authorized, from time to time, to abandon the documents and records (whether in electronic or paper format) associated with the SV1 MedMal Claims to the MedMal Trusts Monitor in accordance with and subject to the provisions of the MedMal Trusts Settlement Agreement.

6.13 *Preservation of Insurance.* Nothing in this Plan shall diminish, impair or otherwise affect distributions from the proceeds or the enforceability of any insurance policies that may cover Claims against any Debtor.

6.14 ***Mutuality Preserved.*** Unless specifically agreed to by the Debtors, the Responsible Officer or the Liquidating Trustee, as applicable, in writing, nothing in the Plan constitutes a waiver of the mutuality requirement for setoff under Section 553 of the Bankruptcy Code and each Debtor shall be treated independently for mutuality and setoff purposes.

SECTION 7. DISTRIBUTIONS

7.1 ***Party Responsible for Making Distributions.*** The Liquidating Trustee shall be charged with making distributions under the Plan with respect to all Allowed Claims other than Operating Asset Claims; provided, however, that SVCMC and/or the Post-Effective Date SVCMC shall make all distributions with respect to Cash Settlement Claims on the Effective Date as provided herein. The Responsible Officer shall be charged with making distributions with respect to all Allowed Operating Asset Claims.

7.2 Timing of Distributions.

(a) Distributions on Account of All Claims Other Than Unsecured Claims. Unless otherwise provided herein, all distributions on account of all Allowed Claims other than the Unsecured Claims shall be made no later than thirty (30) days after the later of (i) the Effective Date, or (ii) the date that the applicable Claim becomes an Allowed Claim; provided, however, that distributions on account of an Allowed Secured Claim that is determined to receive proceeds of the sale of Collateral shall be made within thirty (30) days after the date the Liquidating Trustee receives the proceeds from the sale of the Collateral securing such Allowed Secured Claims; provided, further, however, that for any employee continuing to provide services to the Post-Effective Date SVCMC and/or the Liquidating Trustee, solely with respect to any Allowed Claims for paid time off and severance, the “Effective Date” for purposes of making such distributions shall be deemed to mean each individual employee’s last date of employment by the Post-Effective Date SVCMC and the Liquidating Trustee.

(b) Distributions on Account of Unsecured Claims. Distributions on account of Allowed Unsecured Claims shall be made at least annually, provided, however, that distributions need not be made to the extent there is no Cash to distribute or if the Liquidating Trustee and the Post-Effective Date Committee agree that it is reasonably necessary to retain Cash to maintain the value of the Liquidating Trust Assets or to meet claims and contingent liabilities, taking into account the available Cash in the Unsecured Claims Fund and the costs and expenses of each such distribution. With respect to the distributions on account of the Allowed Unsecured Claims, the initial distribution shall not be made unless and until the Unsecured Claims Fund contains at least \$5,000,000 (other than the reserve for Disputed Unsecured Claims).

7.3 ***Withholding of Distributions.*** All distributions under the Plan and all related agreements shall be subject to any applicable withholding and reporting requirements. In addition to any other withholding authorized hereunder, in the case of a Cash distribution that is subject to withholding, the Liquidating Trustee may withhold from amounts distributable on account of Allowed Claims any and all amounts determined in the Liquidating Trustee’s reasonable sole discretion to be required by any law, regulation, rule, ruling, directive or other governmental requirement. In the case of a non-Cash distribution that is subject to withholding, the distributing party may withhold an appropriate portion of such distributed property and sell such withheld property to generate Cash necessary to pay over the withholding tax. Holders of

Allowed Claims shall, as a condition to receiving distributions, provide such information and take such steps as the Liquidating Trustee may reasonably require to enable it to comply with the withholding and reporting requirements and to obtain certifications and information as may be necessary or appropriate to satisfy the provisions of any tax law. Notwithstanding the foregoing, each holder of an Allowed Claim that receives a distribution under the Plan shall have the sole and exclusive responsibility for any taxes imposed by any governmental unit, including income, withholding, and other taxes, on account of such distribution.

7.4 *Delivery of Distributions and Undeliverable Distributions.* Subject to Bankruptcy Rule 9010, all distributions to any holder of an Allowed Claim shall be made at the address of such holder as set forth on either the Schedules or the books and records of the Debtors, unless the Liquidating Trustee has otherwise been notified by the holder in writing of a change of address, including, without limitation, by the filing of a Proof of Claim by such holder that contains an address for such holder different from the address reflected on either the Schedules or the books and records. In the event that any distribution to any holder is returned as undeliverable, no further distributions to such holder shall be made unless and until the Liquidating Trustee is notified of such holder's then-current address, at which time all missed distributions shall be made to such holder, without interest. At the option of the Liquidating Trustee, any Cash payment to be made hereunder may be made by a check or wire transfer or as otherwise required or provided in applicable agreements. Checks issued by the Liquidating Trustee in respect of Allowed Claims shall be null and void if not negotiated within ninety (90) days after the date of issuance thereof. All demands for undeliverable distributions (including requests for re-issuance of any voided check) shall be made to the Liquidating Trustee on or before thirty (30) days after the expiration of the ninety (90) day period after the date such undeliverable distribution was initially made or the check was originally issued, as applicable. Thereafter, the amount represented by such undeliverable distribution (including a voided check) shall be deemed forfeited, and any Claim in respect of such undeliverable distribution (including a voided check) shall be disallowed, discharged and forever barred from asserting any such Claim against the Releasees. Any distributions that are forfeited or otherwise cancelled shall be distributed to the holders of the Allowed Unsecured Claims (other than those whose distributions are deemed undeliverable hereunder) in accordance with the Plan. If either (i) all Allowed Unsecured Claims (other than those whose distributions are deemed undeliverable hereunder) have been paid in full or (ii) the amount of any final distribution to any holder of Allowed Unsecured Claims would be \$25.00 or less, then no further distribution shall be made and any surplus Cash shall be donated and distributed to a charitable organization exempt from U.S. federal income tax under Section 501(c)(3) of the IRC selected by the Liquidating Trustee.

7.5 *Setoffs.* For purposes of determining the Allowed amount of a Claim on which distribution shall be made, the Liquidating Trustee and the Responsible Officer may, but shall not be required to, setoff against any respective Claim administered by them, any claims of any nature whatsoever that the Debtors may have against the holder of such Claim, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Liquidating Trustee or the Responsible Officer (as applicable) of any such setoff claim(s).

7.6 *De Minimis Distributions.* No distribution is required to be made to a holder of an Allowed Claim if the amount of Cash to be distributed on any distribution date under the Plan on account of such Claim is \$25 or less. Any holder of an Allowed Claim on account of which the amount of Cash to be distributed is \$25 or less will have its Claim for such

distribution discharged and will be forever barred from asserting any such Claim against the Releasees. Any Cash not distributed pursuant to this section will, in the Liquidating Trustee's discretion, be included in the Liquidating Trust Reserves and/or the Unsecured Claims Fund, free of any restrictions thereon, and will be distributed in accordance with the Plan.

7.7 Allocation of Plan Distribution Between Principal and Interest. All distributions in respect of any Allowed Claim shall be allocated first to the principal amount of such Allowed Claim, as determined for federal income tax purposes, and thereafter, to the remaining portion of such Allowed Claim (including the interest portion of the Allowed Claim), if any.

7.8 Closing of Chapter 11 Cases. Once all the Disputed Claims have become Allowed Claims or have been disallowed by Final Order, and all distributions in respect of Allowed Claims have been made in accordance with this Plan, or at such earlier time as the Liquidating Trustee deems appropriate, the Liquidating Trustee (i) shall seek authority from the Bankruptcy Court to close the Chapter 11 Cases in accordance with the Bankruptcy Code and the Bankruptcy Rules and (ii) shall be authorized under the Plan to take any necessary corporate action with respect to the Debtors' continued existence without the necessity for approvals or notices under any applicable state or other law, including under the Not-For-Profit Laws. Notwithstanding the foregoing, actions with respect to the Post-Effective Date SVC MC shall be taken by the Responsible Officer. The closing of these Chapter 11 Cases shall not affect the Not-For-Profit Status of the Post-Effective Date SVC MC to the extent it has not dissolved in accordance with the Plan. Except to the extent expressly modified by the Plan, the Creditor Settlement Agreements or the Confirmation Order, the provisions of (i) the SV1 Plan, (ii) the confirmation order implementing the SV1 Plan, and (iii) the Amended MedMal Trust Agreements shall remain in full force and effect.

SECTION 8. PROCEDURES FOR TREATING AND RESOLVING DISPUTED CLAIMS

8.1 Objection to Claims. Unless otherwise ordered by the Bankruptcy Court after notice and a hearing, and except as otherwise expressly provided herein, the Liquidating Trustee, in consultation with the Post-Effective Date Committee, shall have the exclusive right to file, prosecute, resolve and otherwise deal with objections to Claims (other than the Operating Asset Claims). The Liquidating Trustee shall serve a copy of each Claim objection upon the holder of the Claim to which the objection is made. Claims objections with respect to all Claims shall be made as soon as reasonably practical but in no event later than the Claims Objection Deadline; provided, however, that the Claims Objection Deadline shall not apply to the filing of objections with respect to the Operating Asset Claims, the Tort Claims, the SV1 MedMal Claims, and the Tail Claims and, accordingly, no such deadline shall be imposed by this Plan with respect to such Claims. If the Liquidating Trustee wishes to extend the Claims Objection Deadline, it may do so pursuant to a motion, which may be approved without a hearing and without notice to any party if filed with the Consent of the Post-Effective Date Committee.

8.2 Disallowed Claims. The following Claims shall be automatically disallowed and expunged, without the need for filing any objections thereto, and shall not be entitled to any distributions under the Plan: (a) Claims for which no Proof of Claim was filed by the applicable Bar Date even though such Claims were listed on the Schedules as disputed,

contingent, or unliquidated and (b) Claims covered by Section 502(d) of the Bankruptcy Code to the extent that the holder of such Claim has not been paid the amount or turned over the property for which such holder is liable under Section 522(i), 542, 543, 550, or 553 of the Bankruptcy Code, in accordance with Section 502(d) of the Bankruptcy Code.

8.3 ***Resolution of Operating Asset Claims.*** All Operating Asset Claims shall be reconciled and resolved by the Responsible Officer in the ordinary course of business without any further Bankruptcy Court order; provided, however, that the Responsible Officer shall have the right to seek approval (as necessary) of separate procedures relating to reconciliation and resolution of Operating Asset Claims. Any deadlines in this Plan relating to objections of Claims shall not apply to the resolution (by objection or otherwise) of Operating Asset Claims.

8.4 ***Resolution of Tort Claims.*** All Tort Claims shall be resolved and reconciled in accordance with the Tort Claims Resolution Procedures, which are incorporated herein by reference. To the extent that any provisions of the Plan conflict with the provisions of the Tort Claims Resolution Procedures, the terms of the Tort Claims Resolution Procedures shall control.

8.5 ***Resolution of Tail Claims.*** In further implementation of the Tail Settlement Agreement, all Tail Claims shall be resolved in accordance with the Tail Claims Resolution Procedures, which are incorporated herein by reference. To the extent that any provisions of the Plan conflict with the provisions of either Tail Settlement Agreement, the respective terms of such settlement agreements shall control.

8.6 ***Resolution of SV1 MedMal Claims.*** The MedMal Trusts Monitor shall have, and retain, the sole and exclusive authority to reconcile and resolve the SV1 MedMal Claims in accordance with the SV1 Plan, the Amended MedMal Trust Agreements, and the MedMal Trusts Settlement Agreement. To the extent any SV1 MedMal Claims cannot be consensually resolved, the holders of such claims shall be required to submit to such mediation and other similar dispute resolution procedures as are established by either (i) the MedMal Trusts Monitor pursuant to the SV1 Plan, the Amended MedMal Trust Agreements and the MedMal Trusts Settlement Agreement or (ii) pursuant to an order of the Bankruptcy Court. To the extent that the Post-Effective Date SVCMC has employees or representatives who are able to do so, the Post-Effective Date SVCMC shall coordinate and provide such assistance as may be reasonably requested by the MedMal Trusts Monitor for the settlement of SV1 MedMal Claims subject to reimbursement pursuant to the MedMal Trusts Settlement Agreement. The MedMal Trusts Monitor shall have the option (but not the obligation) to utilize the Tort Claims Resolution Procedures established by the Debtors in lieu of establishing separate procedures for the resolution of SV1 MedMal Claims.

8.7 ***No Distribution Pending Allowance.*** Notwithstanding any other provision of this Plan, if any portion of a Claim is Disputed, no payment or distribution provided hereunder shall be made on account of such Claim unless and until such Disputed Claim becomes an Allowed Claim.

8.8 ***Distributions After Allowance.*** Any Claim (or portion thereof) that is Disputed and then subsequently Allowed, shall be an Allowed Claim, not a Disputed Claim, in such amount and to the extent it is subsequently Allowed. Except as otherwise provided herein, if, on or after the Effective Date, any Disputed Claim becomes an Allowed Claim, the

Liquidating Trustee shall distribute to the holder of such Claim, from the applicable fund or reserve in accordance with the Plan, the amount such holder would have received had its Claim been Allowed on the Effective Date as determined by distributions actually made to other holders of Allowed Claims.

8.9 *Disputed Claims.*

(a) Applicability to Certain Disputed Claims. The provisions of this section 8.9 shall not apply to the Tort Claims, the SVI MedMal Claims, the Tail Claims and the Operating Asset Claims.

(b) Resolution of the Disputed Claims.

(i) The Liquidating Trustee shall have the authority to settle all Disputed Claims without further Bankruptcy Court order. The procedures for resolving any Disputed Claims shall be as follows (unless otherwise agreed to by the Liquidating Trustee): at his or her option, in lieu of, or in addition to the filing of an objection, the Liquidating Trustee (in coordination with the Post-Effective Date Committee) may (A) request that the holder of a Disputed Claim provide documentation to evidence the validity and amount of such Disputed Claim, and/or (B) submit a written settlement proposal to the holder of a Disputed Claim as to the validity, amount, priority and payment of such claim. The holder of a Disputed Claim may accept the Liquidating Trustee's settlement proposal at any time within fourteen (14) days of the Liquidating Trustee's mailing of such counter-proposal, or such additional time agreed to by the Liquidating Trustee (in coordination with the Post-Effective Date Committee). If the settlement is reached, the Disputed Claim shall be deemed settled in accordance with the terms of the proposal, without the necessity for further order of the Bankruptcy Court and/or any state court. The Liquidating Trustee shall file with the Bankruptcy Court a quarterly notice of Disputed Claims resolved during the prior quarter, starting with the first quarter after the Effective Date.

(ii) If no settlement is reached pursuant to paragraph (a) above, the Liquidating Trustee (in coordination with the Post-Effective Date Committee), shall have the option to require the holder of a Disputed Claim to participate in a non-binding mediation process. All mediation pursuant to this section shall be conducted at the offices of the Liquidating Trustee, pursuant to the applicable Bankruptcy Rules. In the event that mediation is scheduled and the holder of the Disputed Claim does not participate in the mediation, the Disputed Claim shall be forever disallowed and expunged in its entirety.

(iii) If the Liquidating Trustee and the holder of a Disputed Claim are unable to reach settlement of the Disputed Claim

pursuant to the procedures set forth above, such Disputed Claim shall be submitted to the Bankruptcy Court for resolution. If it is determined that the Bankruptcy Court does not have jurisdiction to resolve any Disputed Claim, then the Disputed Claim shall be submitted to the District Court for resolution.

(iv) In lieu of the procedures set forth in this section, the Liquidating Trustee may seek (in coordination with the Post-Effective Date Committee) to settle, compromise or otherwise resolve any Disputed Claim at any time in accordance with any existing claims settlement procedures approved by the Bankruptcy Court.

(c) Estimation of Disputed Claims. The Liquidating Trustee may at any time request that the Bankruptcy Court estimate any Disputed Claim pursuant to Section 502(c) of the Bankruptcy Code regardless of whether the Debtors or the Liquidating Trustee previously objected to such Claim, and the Bankruptcy Court shall retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including, without limitation, during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any Disputed Claim, the amount so estimated shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the amount of such Claim, the Liquidating Trustee, as applicable, may pursue supplementary proceedings to object to the allowance of such Claim. On and after the Effective Date, Claims that have been estimated may be compromised, settled, withdrawn, or otherwise resolved, without further order of the Bankruptcy Court.

8.10 *Cumulative Effect.* All the objection, estimation, and resolution procedures set forth in this section are intended to be cumulative (where possible) and not exclusive of one another.

SECTION 9. EXECUTORY CONTRACTS AND UNEXPIRED LEASES

9.1 *General Treatment.* On the Effective Date, all Executory Agreements to which any Debtor is a party shall be deemed rejected as of the Effective Date, except for those Executory Agreements that (a) have been assumed or rejected pursuant to a Final Order of the Bankruptcy Court (including pursuant to the Rejection Procedures), (b) are the subject of a separate motion to assume, assume and assign, or reject filed under Section 365 of the Bankruptcy Code on or before the Effective Date, or (c) are specifically designated as a contract or lease to be assumed on the Schedule of Assumed Contracts and no timely objection to the proposed assumption has been filed, provided, however, that the Debtors reserve the right, with the Consent of the Committee, to amend the Plan Supplement at any time on or before thirty (30) days after the Effective Date to modify the Schedule of Assumed Contracts to include or delete any Executory Agreement. If the party to the Executory Agreement listed to be assumed in the Schedule of Assumed Contracts wishes to object to the proposed assumption (including with respect to the cure amounts), it shall do so within thirty (30) days from the service of the Schedule of Assumed Contracts.

9.2 ***Cure of Defaults.*** Except to the extent that a different treatment has been agreed to by the non-Debtor party or parties to any Executory Agreement to be assumed pursuant to section 9.1 hereof, the Debtors shall, pursuant to the provisions of Sections 1123(a)(5)(G) and 1123(b)(2) of the Bankruptcy Code and consistent with the requirements of Section 365 of the Bankruptcy Code, within fifteen (15) days after (a) the Effective Date or (b) the date of the filing of the Plan Supplement listing an Executory Agreement, file with the Bankruptcy Court and serve on counterparties to Executory Agreements to be assumed, a notice listing the cure amounts of all such Executory Agreements. The scheduled cure amount (if any) shall be binding absent any timely objection to such scheduled amount. If there are any timely objections to the cure amounts filed, the Bankruptcy Court shall hold a hearing. Notwithstanding the foregoing, at all times through the date that is fifteen (15) days after the Bankruptcy Court enters a Final Order resolving and fixing the amount of a disputed cure amount, the Debtors, the Liquidating Trustee or the Responsible Officer (as applicable) shall have the right to remove such Executory Agreement from the Schedule of Assumed Contracts and such Executory Agreement shall be deemed rejected.

9.3 ***Bar Date for Rejection Damages.*** Claims arising out of the rejection of an Executory Agreement pursuant to the Plan must be filed with the Bankruptcy Court (or as otherwise provided for in the Debtors' notice of rejection) no later than thirty (30) days after the later of (a) the Effective Date or (b) the date of the Debtors' notice of determination to reject an Executory Agreement. Any Claims not filed within such time period will be forever barred from assertion against the Debtors and/or their property and/or their Estates.

SECTION 10. CONDITIONS PRECEDENT TO EFFECTIVE DATE

10.1 ***Conditions Precedent to Confirmation of Plan.*** The confirmation of the Plan shall be conditioned upon the Bankruptcy Court entering the Confirmation Order in form and substance satisfactory to the Debtors.

10.2 ***Conditions to Effective Date.*** The following are conditions precedent to the Effective Date:

- (a) The Confirmation Order shall become a Final Order;
- (b) The Debtors have sufficient Cash to satisfy Allowed Unclassified Claims, Cash Settlement Claims that are payable on the Effective Date, and the Allowed Claims in Class 1;
- (c) The Debtors have sufficient Cash to fund the Operating Account and each of the Liquidating Trust Reserves;
- (d) The Bankruptcy Court has approved, pursuant to Bankruptcy Rule 9019 and Section 1123(b)(2) of the Bankruptcy Code, the Creditor Settlement Agreements and the Intercompany Settlement, which shall be effective but for the occurrence of the Effective Date;
- (e) The Debtors have sufficient Cash to fund the Tail Funds as contemplated by the Tail Settlement Agreements and the Plan; and

(f) All documents, instruments and agreements provided for under or necessary to implement this Plan (including without limitation, the Liquidating Trust Agreement) shall be in form and substance reasonably acceptable to the Committee and have been executed and delivered by the parties thereto, unless such execution or delivery shall have been waived by the parties benefited thereby.

10.3 ***Waiver of Conditions.*** The Debtors may (with the Consent of the Committee) waive the conditions to effectiveness of this Plan set forth in sections 10.2(a)-(c) hereof without leave of the Bankruptcy Court and without any formal action other than proceeding with confirmation of this Plan and filing a notice of confirmation with the Bankruptcy Court. To the extent that the Debtors believe that they are unable to comply with the conditions to the effectiveness of this Plan set forth in section 10.2(d) hereof, the Debtors reserve the right to amend the Plan with the Consent of the Committee at such time (in accordance with the terms hereof) to address this inability.

SECTION 11. EFFECT OF CONFIRMATION

11.1 ***Vesting of Assets.*** Except as provided herein or in the Confirmation Order, upon the Effective Date, pursuant to Sections 1141(b) and (c) of the Bankruptcy Code, (a) the Liquidating Trust Assets shall vest in the Liquidating Trust and (b) the Operating Assets shall vest in the Post-Effective Date SVC MC, in each case free and clear of all Claims, liens, encumbrances, charges and other interests, subject to Debtors' obligations under this Plan.

11.2 ***Settlement of Causes of Action Relating to Claims.*** Unless otherwise authorized by another order of the Bankruptcy Court, pursuant to Section 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the distributions and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all Causes of Actions relating to the rights that a holder of a Claim may have with respect to any Allowed Claim or any distribution to be made pursuant to the Plan on account of any Allowed Claim. Unless otherwise authorized, the entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such Causes of Action and the Bankruptcy Court's finding that all such Causes of Action are in the best interests of the Debtors, their Estates, their respective property and Claim holders and are fair, equitable and reasonable.

11.3 ***Extension of Existing Injunctions and Stays.*** Unless otherwise provided herein, all injunctions or stays arising under Section 105 or 362 of the Bankruptcy Code, any order entered during the Chapter 11 Cases under Section 105 or 362 of the Bankruptcy Code or otherwise, and in existence on the Effective Date, shall remain in full force and effect until the Closing of the Chapter 11 Cases; provided, however, that insofar as any such injunction or stay is applicable to any SV1 MedMal Claim, or the holder thereof, such injunction or stay shall remain in full force relative to such SV1 MedMal Claim until such time as such SV1 MedMal Claim has been fully and finally resolved in accordance with the procedures provided for in section 8.6.

11.4 ***Discharge and Releases.***

(a) ***General Discharge and Release of the Debtors.*** Pursuant to Section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan, the distributions, rights and treatment that are provided in the Plan shall be in complete

satisfaction, discharge and release, effective as of the Effective Date, of Claims and Causes of Action of any nature whatsoever, whether known or unknown, against, liabilities of, liens on, obligations of the Debtors, their Estates or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims relate to services performed by employees of the Debtors before the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in Sections 502(g), 502(h) or 502(i) of the Bankruptcy Code, in each case whether or not: (i) a Proof of Claim based upon such debt or right is filed or deemed filed pursuant to Section 501 of the Bankruptcy Code; (ii) a Claim based upon such debt or right is Allowed; or (iii) the holder of such a Claim has accepted the Plan or is entitled to receive a distribution hereunder. Any default by the Debtors or their affiliates with respect to any Claim that existed immediately before or on account of the filing of the Chapter 11 Cases shall be deemed cured on the Effective Date.

(b) *Releases by the Debtors.* *As of the Effective Date, each of the Debtors release all Releasees from any and all Causes of Action held by, assertable on behalf of, or derivative of the Debtors, in any way relating to the Debtors (including, without limitation, the ownership, management, and operation of the Debtors whether before or after the Petition Date), the Chapter 11 Cases (including, without limitation, the filing of the Chapter 11 Cases), the Plan and any related documents (including, without limitation, the negotiation and consummation of the Plan, the pursuit of the Effective Date, the administration of the Plan, the administration of the Plan or the property to be distributed under the Plan), and/or the closure of any of the Debtors' healthcare and related services (including without limitation the events and decisions leading up to the closure of the Manhattan Hospital), except with respect to actions or inactions found by Final Order to be willful misconduct, gross negligence, fraud, and/or criminal conduct; provided, however, that the Debtors may setoff against any Claim held by any of the Releasees hereunder against any Debtor any amount released by this section; provided, further, however, that the Debtors' release of Releasees from Causes of Actions hereunder shall not include any Avoidance Actions that were timely commenced by the Avoidance Actions Counsel against any Releasees.*

(c) *Releases by the Releasees.* *As of the Effective Date, the Releasees shall release each other from any and all Causes of Action, that any Releasee is entitled to assert against any other Releasee, based in whole or in part upon any act or omission, transaction, agreement, event or occurrence taking place on or before the Effective Date (including, without limitation, whether occurring before or after the Petition Date) in any way relating to any Debtor, the Chapter 11 Cases, the closure of any of the Debtors' healthcare and related services (including without limitation the events and decisions leading up to the closure of the Manhattan Hospital), and/or the negotiation, formulation, and preparation of this Plan or any related document, except for Causes of Action against any Releasee resulting from actions or inactions found by Final Order to involve the willful misconduct, gross negligence, fraud, and/or criminal conduct of such Releasee.*

(d) Creditor Settlement Agreement Releases.

(i) Releases of Creditor Settlement Parties. Notwithstanding anything to the contrary contained herein, all of the releases granted by the Creditor Settlement Parties pursuant to the respective Creditor Settlement Agreements are expressly incorporated herein and shall be enforceable against such parties only to the extent provided in the Creditor Settlement Agreements.

(ii) Releases by the PBGC. On the Effective Date, the PBGC, on its own behalf and on behalf of the Pension Plan, will release any and all Causes of Action against (A) the Debtors, (B) the Estates, (C) all of the members of the SVCMC Group, (D) any successor to any of the entities listed in (A) through (C), and (E) each of the current, former, or future officers, directors, employees, agents and professionals of the entities listed in (A) through (D) (collectively, the "PBGC Released Parties"). Notwithstanding anything to the contrary in the Plan, nothing contained in the Plan, the PBGC Settlement Agreement, or any other documents filed in these Chapter 11 Cases shall release or discharge any PBGC Released Party that is a fiduciary of the Pension Plan from liability arising under Sections 404, 405, 407 or 409 of ERISA (29 U.S.C. §§ 1104, 1105, 1107 and 1109).

(e) NON-DEBTOR RELEASES. AS OF THE EFFECTIVE DATE, EACH PERSON WHO DIRECTLY OR INDIRECTLY, HAS HELD, HOLDS, OR MAY HOLD CLAIMS AND SUBMITS A BALLOT TO VOTE ON THE PLAN BUT DOES NOT ELECT TO OPT OUT OF THE RELEASES CONTAINED IN THIS PARAGRAPH, CONCLUSIVELY, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND FOREVER RELEASES AND DISCHARGES EACH OF THE DEBTORS' PRESENT AND FORMER DIRECTORS, OFFICERS, TRUSTEES, AGENTS, ATTORNEYS, ADVISORS, EMPLOYEES, OR MEMBERS (SOLELY IN THEIR CAPACITY AS SUCH) WHO SERVE OR SERVED ON OR AFTER THE SVI EFFECTIVE DATE OF ALL CAUSES OF ACTION, HERETOFORE EXISTING OR WHICH MAY HERETOFORE ACCRUE FROM THE BEGINNING OF TIME TO AND INCLUDING THE EFFECTIVE DATE IN ANY WAY RELATING TO THE DEBTORS (INCLUDING, WITHOUT LIMITATION, THE OWNERSHIP, MANAGEMENT, AND OPERATION OF THE DEBTORS, WHETHER BEFORE OR AFTER THE PETITION DATE), THE CHAPTER 11 CASES (INCLUDING, WITHOUT LIMITATION, THE FILING OF THE CHAPTER 11 CASES), THE PLAN OR ANY RELATED DOCUMENT (INCLUDING, WITHOUT LIMITATION, THE NEGOTIATION AND CONSUMMATION OF THE PLAN), THE PURSUIT OF THE EFFECTIVE DATE, THE ADMINISTRATION OF THE PLAN OR THE PROPERTY TO BE DISTRIBUTED UNDER THE PLAN, AND/OR THE CLOSURE OF ANY OF THE DEBTORS' HEALTHCARE AND RELATED SERVICES (INCLUDING WITHOUT LIMITATION THE EVENTS AND DECISIONS LEADING UP TO THE CLOSURE OF THE MANHATTAN HOSPITAL), EXCEPT WITH RESPECT TO ACTIONS OR

IN ACTIONS FOUND BY FINAL ORDER TO BE WILLFUL MISCONDUCT, GROSS NEGLIGENCE, FRAUD, AND/OR CRIMINAL CONDUCT; PROVIDED, HOWEVER, THAT (I) THE RELEASES PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO CAUSES OF ACTION HELD BY THE DEBTORS' FORMER OR CURRENT PATIENTS THAT ARISE OUT OF OR RELATE TO MEDICAL MALPRACTICE COMMITTED BY THE DEBTORS' FORMER OR CURRENT EMPLOYEES; AND (II) NOTHING CONTAINED IN THIS PARAGRAPH SHALL IMPACT ANY DEFENSES TO SUCH CAUSES OF ACTIONS THAT MAY BE AVAILABLE UNDER ALL APPLICABLE LAW.

(f) ***Releases by Manhattan Covered Staff.*** *In accordance with the Manhattan Tail Settlement Agreement, in consideration for the injunction granted to the Manhattan Covered Staff, the Manhattan Covered Staff release all Indemnification Claims against the Estates related to any Manhattan Tail Claims and Administrative Expense Claims for tail coverage; provided, however, that such waiver does not extend to any other types of Claims that they may hold, including any remaining priority or severance Claims (after taking into account the contributions made to the Manhattan Tail Fund) and further provided that this release shall not impair the Channeling Injunction in this Plan in favor of the Manhattan Covered Staff, nor shall it release the obligations of any insurance company to defend a Covered Person under an otherwise applicable insurance policy.*

(g) ***Releases by Westchester Covered Staff.*** *In accordance with the Westchester Tail Settlement Agreement, in consideration for the injunction granted to the Westchester Covered Staff, the Westchester Covered Staff release all Indemnification Claims against the Estates related to any Westchester Tail Claims and Administrative Expense Claims for tail coverage; provided, however, that such waiver does not extend to any other types of Claims that they may hold, including any remaining priority or severance Claims (after taking into account the contributions made to the Westchester Tail Fund) and further provided that this release shall not impair the Channeling Injunction in this Plan in favor of the Westchester Covered Staff, nor shall it release the obligations of any insurance company to defend a Covered Person under an otherwise applicable insurance policy.*

11.5 Injunctions.

(a) ***General Injunction.*** Except as otherwise expressly provided herein, all Persons that have held, currently hold or may hold a Claim against the Debtors are permanently enjoined on and after the Effective Date from taking any action in furtherance of such Claim or any other Cause of Action released and discharged under the Plan, including, without limitation, the following actions against Releasees: (a) commencing, conducting or continuing in any manner, directly or indirectly, any action or other proceeding with respect to a Claim; (b) enforcing, levying, attaching, collecting or otherwise recovering in any manner or by any means, whether directly or indirectly, any judgment, award, decree or order with respect to a Claim; (c) creating, perfecting or enforcing in any manner, directly or indirectly, any lien or encumbrance of any kind with respect to a Claim; (d) asserting any setoff, right of subrogation or recoupment of any kind, directly or indirectly, against any debt, liability or obligation due to the Debtors, the Post-Effective Date SVC MC or the Liquidating Trust with respect to a Claim; or (e) commencing, conducting or continuing any proceeding that does not conform to or comply with or is contradictory to the provisions of this Plan; provided, however, that nothing in this

injunction shall preclude the holders of Claims against the Debtors from (i) pursuing the Debtors' general liability insurance or insurance for Tort Claims to recover and litigate the Claim against the applicable insurance policies; (ii) seeking discovery in actions against third parties or from pursuing third-party insurance that does not cover Claims against the Debtors; and (iii) enforcing any obligations of the Debtors, the Post-Effective Date SVCMC, the Liquidating Trust, the Responsible Officer, or the Liquidating Trustee under this Plan and the contracts, instruments, releases and other agreements delivered in connection herewith, including, without limitation, the Confirmation Order, or any other order of the Bankruptcy Court in the Chapter 11 Cases; ***provided, further, that this injunction shall neither expand nor limit any valid right of set off or recoupment to the extent provided under section 553 of the Bankruptcy Code.***

(b) ***Other Injunctions.*** *The Responsible Officer, the Post-Effective Date SVCMC, the Liquidating Trustee, the Post-Effective Date Committee, or the Liquidating Trust and their respective members, directors, officers, agents, attorneys, advisors or employees shall not be liable for actions taken or omitted in its or their capacity as, or on behalf of, the Responsible Officer, the Liquidating Trustee, the Post-Effective Date Committee, or the Liquidating Trust (as applicable), except those acts found by Final Order to be arising out of its or their willful misconduct, gross negligence, fraud, and/or criminal conduct, and each shall be entitled to indemnification and reimbursement for fees and expenses in defending any and all of its or their actions or inactions in its or their capacity as, or on behalf of, the Responsible Officer, the Post-Effective Date SVCMC, the Liquidating Trustee, the Post-Effective Date Committee, or the Liquidating Trust (as applicable), except for any actions or inactions found by Final Order to involve willful misconduct, gross negligence, fraud, and/or criminal conduct. Any indemnification claim of the Responsible Officer, the Liquidating Trustee, the Post-Effective Date Committee and the other parties entitled to indemnification under this subsection shall be satisfied from either (i) the Liquidating Trust Assets (with respect to all claims, other than those claims related to the Operating Assets and the administration of the Tail Funds or the resolution of the Tail Claims), (ii) the Operating Assets (with respect to all claims related to the Operating Assets), or (iii) the Tail Funds (with respect to all claims related to the administration of the Tail Funds or the resolution of the Tail Claims). The parties subject to this section shall be entitled to rely, in good faith, on the advice of retained professionals, if any.*

11.6 Channeling Injunction for Tail Claims.

(a) ***Channeling Injunction Relating to Manhattan Tail Claims.*** *As of the Effective Date, all Persons, including, but not limited, to direct or indirect holders of Manhattan Tail Claims, shall be permanently enjoined from commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind and/or from enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order with respect to a claim that would entitle a Covered Person to an Indemnification Claim arising from a Manhattan Tail Claim (including, but not limited to, Indemnification Claims against SVCMC or the Post-Effective Date SVCMC related to the Manhattan Tail Claims) against SVCMC or the Post-Effective Date SVCMC and the Manhattan Covered Staff for the purpose of, directly or indirectly, collecting, recovering, or receiving payment of, on, or with respect to a Manhattan Tail Claims. Any collection, recovery and payment on account of the Manhattan Tail Claims will be channeled to and*

solely paid from the Manhattan Tail Fund, pursuant to the Tail Claims Resolution Procedures.

(b) **Channeling Injunction Relating to Westchester Tail Claims.** *As of the Effective Date, all Persons, including but not limited to direct or indirect holders of Westchester Tail Claims shall be permanently enjoined from commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind and/or from enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order with respect to a claim that would entitle a Covered Person to an Indemnification Claim arising from a Westchester Tail Claim (including, but not limited to, the Indemnification Claims related to the Westchester Tail Claims against SVCMC or the Post-Effective Date SVCMC) against SVCMC or the Post-Effective Date SVCMC and the Westchester Covered Staff for the purpose of, directly or indirectly, collecting, recovering, or receiving payment of, on, or with respect to the Westchester Tail Claims. Any collection, recovery and payment on account of a Westchester Tail Claim will be channeled to and solely paid from the Westchester Tail Fund, pursuant to the Tail Claims Resolution Procedures.*

11.7 Exculpation. *To the maximum extent permitted by applicable law, the Releasees shall not have or incur any liability for any act or omission in connection with, related to, or arising out of the Chapter 11 Cases (including, without limitation, the filing of the Chapter 11 Cases), the Plan and any related documents (including, without limitation, the negotiation and consummation of the Plan, the pursuit of the Effective Date, the administration of the Plan, the administration of the Plan or the property to be distributed under the Plan), and/or the closure of any of the Debtors' healthcare and related services (including without limitation the events and decisions leading up to the closure of the Manhattan Hospital), except with respect to the actions found by Final Order to constitute willful misconduct, gross negligence, fraud, or criminal conduct, and, in all respects, the Releasees shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan. Without limitation of the foregoing, each such Releasee shall be released and exculpated from any and all Causes of Action that any Person is entitled to assert in its own right or on behalf of any other Person, based in whole or in part upon any act or omission, transaction, agreement, event or other occurrence in any way relating to the subject matter of this section.*

11.8 No Recourse. *If a Claim is Allowed in an amount for which after application of the payment priorities established by this Plan (including without limitation in sections 2, 4.1, and 6.2 hereof) there is insufficient value to provide a recovery equal to that received by other holders of Allowed Claims in the respective Class, no Claim holder shall have recourse for any such deficiency against any of the Releasees. However, except as specifically stated otherwise in this Plan, nothing in this Plan shall modify any right of a holder of a Claim under Section 502(j) of the Bankruptcy Code. The obligations under this Plan of the Debtors' Estates shall (i) be contractual only and shall not create any fiduciary relationship and (ii) be obligations of the Debtors' Estates only and no individual acting on behalf of the Debtors, the Post-Effective Date SVCMC, the Committee, the Post-Effective Date Committee, the Liquidating Trustee or otherwise shall have any personal or direct liability for these obligations. Approval of the Plan by the Confirmation Order shall not in any way limit the foregoing.*

11.9 *Preservation of Causes of Action.*

(a) Nothing contained in this Plan shall be deemed a waiver or relinquishment of any claims or Causes of Action of the Debtors that are not specifically waived or relinquished by this Plan, which shall vest in the Liquidating Trust (with respect to the Liquidating Assets) or the Post-Effective Date SVC MC (with respect to the Operating Assets), subject to any existing valid and perfected security interest or lien in such Causes of Action. The Causes of Action preserved hereunder include, without limitation, claims, rights or other causes of action:

(i) against vendors, suppliers of goods or services (including attorneys, accountants, consultants or other professional service providers), utilities, contract counterparties, and other parties for, including but not limited to: (A) services rendered; (B) over- and under-payments, back charges, duplicate payments, improper holdbacks, deposits, warranties, guarantees, indemnities, setoff or recoupment; (C) failure to fully perform or to condition performance on additional requirements under contracts with any one or more of the Debtors; (D) wrongful or improper termination, suspension of services or supply of goods, or failure to meet other contractual or regulatory obligations; (E) indemnification and/or warranty claims; or (F) turnover causes of action arising under Sections 542 or 543 of the Bankruptcy Code;

(ii) against landlords or lessors, including, without limitation, for erroneous charges, overpayments, returns of security deposits, indemnification, or for environmental claims;

(iii) arising from damage to Debtors' property;

(iv) relating to claims, rights, or other causes of action the Debtors may have to interplead third parties in actions commenced against any of the Debtors;

(v) for collection of a debt owed to any of the Debtors;

(vi) arising against current or former tenants or lessees, including, without limitation, for non-payment of rent, damages, and holdover proceedings;

(vii) against insurance carriers, reinsurance carriers, underwriters or surety bond issuers relating to coverage, indemnity, contribution, reimbursement or other matters;

(viii) relating to pending litigation, including, without limitation, the suits, administrative proceedings, executions, garnishments, and attachments listed in Attachment 4a to each of the Debtors' Statements of Financial Affairs;

(ix) arising from underpayment claims against Oxford Health Plans, Inc./Oxford Health Insurance, Inc.;

(x) arbitration between SVCMC and Aptium W. New York, Inc. and United Healthcare Insurance Company, United Healthcare of New York, Inc., Oxford Health Insurance, Inc., and Oxford Health Plans (NY), Inc.;

(xi) that constitute Avoidance Actions;

(xii) arising under or relating to any and/or all asset purchase agreements and related sale documents (including, without limitation, any leases) entered into during these Chapter 11 Cases (including, without limitation, relating to the sale of any and/or all of the Debtors' nursing home businesses and/or related real estate assets), including, but not limited to, enforcement of such agreements by the Debtors' Estates and/or breaches of any and/or all such agreements by the applicable non-Debtor parties (including, without limitation, the purchasers of the Debtors' assets under such agreements and any and all principals and/or guarantors of the obligations under or relating to such agreements); and

(xiii) relating to the Operating Assets.

The Liquidating Trustee, the Post-Effective Date Committee, the Responsible Officer and the Post-Effective Date SVCMC shall have, retain, reserve and be entitled to assert all such claims, rights of setoff and other legal or equitable defenses that the Debtors had immediately prior to the Petition Date as fully as if the Chapter 11 Cases had not been commenced, and all of the Debtors' legal and equitable rights respecting any claim that is not specifically waived or relinquished by this Plan may be asserted by the Liquidating Trustee and the Post-Effective Date Committee on their behalf after the Effective Date to the same extent as if the Chapter 11 Cases had not been commenced.

(b) On and after the Effective Date, in accordance with Section 1123(b) of the Bankruptcy Code and the terms of this Plan, the Liquidating Trustee, the Post-Effective Date Committee, the Responsible Officer and the Post-Effective Date SVCMC shall retain and have the exclusive right to prosecute, abandon, settle or release any or all Causes of Action, as they deem appropriate, without the need to obtain approval or any other or further relief from the Bankruptcy Court. The Post-Effective Date Committee shall analyze potential Causes of Action in consultation with the Liquidating Trustee, to determine whether the pursuit of these actions would be beneficial. The Liquidating Trustee shall also confer and cooperate with the Post-Effective Date Committee in the prosecution and defense of all Causes of Action to be brought under this Plan. The Responsible Officer shall analyze potential Causes of Action and shall confer with the Liquidating Trustee to determine whether the pursuit of these actions should be beneficial.

(c) The rights granted hereunder as they pertain to the Causes of Action identified in section 11.9(a)(ix)-(x) shall be subject to the rights of Aptium W. New York,

Inc. pursuant to any valid agreements and stipulations between Aptium W. New York, Inc. and SVCMC.

11.10 *Special Provisions for the Government.*

(a) As to the Government only, nothing in the Plan or Confirmation Order shall limit or expand the scope of releases, discharge or injunction to which the Debtors, the Estates, and each of their respective successors are entitled under the Bankruptcy Code. The releases, discharge and injunction provisions contained in the Plan and Confirmation Order are not intended and shall not be construed to bar the Government from, subsequent to the Confirmation Date, pursuing any police or regulatory action in accordance with the Bankruptcy Code; provided however that nothing herein shall constitute relief from the automatic stay.

(b) Notwithstanding any provision of the Plan or the Confirmation Order to the contrary, as to the Government only, nothing in the Plan or Confirmation Order shall discharge, release, impair, or otherwise preclude: (i) any liability of the Debtors, the Estates, or their respective successors to the Government arising on or after the Confirmation Date; (ii) any liability to the Government that is not a Claim; (iii) any valid right of setoff or recoupment of the Government against any of the Debtors, provided, however that any such right of setoff or recoupment must be allowable under applicable law, including Section 553 of the Bankruptcy Code; or (iv) subject to the provisions of section 11.10(a) hereof, any liability of the Debtors, their Estates, and each of their respective successors under environmental law to any Governmental Unit (as defined by section 101(27) of the Bankruptcy Code) as the owner or operator of property that such entity owns or operates after the Confirmation Date, except liability arising from an obligation to either reimburse costs expended or paid by the Government before the Petition Date or pay penalties owing to the Government for violations of environmental laws or regulations that occurred before the Petition Date. Nothing in this Plan or Confirmation Order be deemed to have limited or expanded the jurisdiction of the Bankruptcy Court, or another court, commission or tribunal, as may be applicable, to make determinations as to any of the foregoing.

(c) Nothing in the Confirmation Order or the Plan shall release or exculpate any Person that is not a Debtor, their Estates, or their respective successors ("**Non-Debtor Persons**"), from any liability to the U.S. Government, including but not limited to any liabilities arising under the Internal Revenue Code, the environmental laws, or the criminal laws against any Non-Debtor Persons, nor shall anything in this Plan or Confirmation Order enjoin the U.S. Government from bringing any claim, suit, action or other proceeding against any Non-Debtor Persons for any liability whatsoever.

(d) Nothing contained in the Plan or Confirmation Order shall be deemed to determine the tax liability of any person or entity, including but not limited to the Debtors and their successors under the Plan, nor shall the Plan or Confirmation Order be deemed to have determined the tax treatment of any item, distribution, or entity, including the tax consequences of this Plan, nor shall anything in this Plan or Confirmation Order be deemed to have limited or expanded the jurisdiction of the Bankruptcy Court to make determinations as to any such tax liability and tax treatment.

11.11 *Termination of Responsibilities of the Ombudsmen.* On the Effective Date, the duties and responsibilities of the Ombudsmen shall be terminated and the Ombudsmen

shall be discharged from their duties as Ombudsmen and shall not be required to file any further reports or perform any additional duties as Ombudsmen. No person or entity may seek discovery in any form, including but not limited to by motion, subpoena, notice of deposition or request or demand for production of documents, from the Ombudsmen or their agents, professionals, employees, other representatives, designees or assigns (collectively, with the Ombudsmen, the "**Ombudsmen Parties**") with respect to any matters arising from or relating in any way to the performance of the duties of the Ombudsmen in these Chapter 11 Cases, including, but not limited to, pleadings, reports or other writings filed by the Ombudsmen in connection with these Chapter 11 Cases. Nothing herein shall in any way limit or otherwise affect the obligations of the Ombudsmen under confidentiality agreements, if any, between the Ombudsmen and any other person or entity or shall in any way limit or otherwise affect the Ombudsmen's obligation, under Sections 332(c) and 333(c)(1) of the Bankruptcy Code or other applicable law or Bankruptcy Court Orders, to maintain patient information, including patient records, as confidential, and no such information shall be released by the Ombudsmen without further order of the Bankruptcy Court.

SECTION 12. RETENTION OF JURISDICTION

12.1 ***Bankruptcy Court Jurisdiction.*** Unless otherwise provided herein or in the Confirmation Order, on and after the Effective Date, the Bankruptcy Court shall retain jurisdiction over all matters arising in, arising under, or related to the Chapter 11 Cases. Without limiting the foregoing, the Bankruptcy Court shall retain jurisdiction to:

(a) hear and determine motions for the assumption or rejection of Executory Agreements and the allowance of Claims resulting therefrom;

(b) determine any motion, adversary proceeding, application, contested matter, and other litigated matter pending on or commenced after the Effective Date, including, without limitation, any and all Causes of Action preserved under the Plan commenced prior to, on, or after the Effective Date;

(c) ensure that distributions to holders of Allowed Claims are accomplished as provided herein;

(d) hear and determine matters relating to Claims, including without limitation the allowance, classification, priority, compromise, estimation or payment of any Claim;

(e) hear and determine matters relating to claims with respect to the Debtors' director and officer insurance;

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

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

order of the Bankruptcy Court, including, without limitation, any actions relating to the Not-for-Profit Status of the Post-Effective Date SVC MC;

(h) resolve a dispute with respect to and/or otherwise appoint a replacement of the Responsible Officer or the Liquidating Trustee, or replacement members of the Post-Effective Date Committee;

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

(j) hear and determine all applications under Sections 330, 331 and 503(b) of the Bankruptcy Code for awards of compensation for services rendered and reimbursement of expenses incurred prior to the Effective Date;

(k) hear and determine disputes arising in connection with the interpretation, implementation, obligation or enforcement of this Plan, the Confirmation Order, any transactions or payments contemplated in the Plan, SV1 Plan, confirmation order implementing the SV1 Plan, or any agreement, instrument, or other document governing or relating to any of the foregoing;

(l) take any action and issue such orders as may be necessary to construe, enforce, implement, execute and consummate this Plan or to maintain the integrity of this Plan following consummation, including the post-Effective Date sale of any Liquidating Trust Assets or Operating Assets;

(m) hear any disputes arising out of the resolution of Tort Claims and Tail Claims in accordance with the Tort Claims Resolution Procedures and the Tail Claims Resolution Procedures (respectively), and the resolution of SV1 MedMal Claims in accordance with the procedures set forth in section 8.6 of the Plan;

(n) hear any disputes arising out of, and to enforce, the Tail Settlement Agreements or any order approving alternative dispute resolution procedures to resolve personal injury, employment litigation and similar Claims pursuant to Section 105(a) of the Bankruptcy Code;

(o) determine such other matters and for such other purposes as may be provided in the Plan and/or the Confirmation Order;

(p) hear and determine matters concerning state, local, and federal taxes in accordance with Sections 346, 505 and 1146 of the Bankruptcy Code, including without limitation, (i) any requests for expedited determinations under Section 505(b) of the Bankruptcy Code filed, or to be filed, with respect to tax returns for any and all taxable periods ending after the Petition Date through, and including, the date of final distribution under the Plan, and (ii) any other matters relating to the Not-For-Profit Status of the Post-Effective Date SVC MC;

(q) hear and determine any other matters related hereto and not inconsistent with the Bankruptcy Code and Title 28 of the United States Code;

(r) authorize recovery of all assets of any of the Debtors and property of the applicable Debtor's Estate, wherever located;

(s) consider any and all claims against the Releasees involving or relating to the administration of the Chapter 11 Cases, any rulings, orders, or decisions in the Chapter 11 Cases or any aspects of the Debtors' Chapter 11 Cases and the events leading up to the commencement of the Chapter 11 Cases, including the decision to commence the Chapter 11 Cases, the development and implementation of the Plan, the decisions and actions taken prior to or during the Chapter 11 Cases and any asserted claims based upon or related to prepetition obligations of the Debtors for the purpose of determining whether such claims belong to the Estates or third parties. In the event it is determined that any such claims belong to third parties, then, subject to any applicable subject matter jurisdiction limitations, the Bankruptcy Court shall have exclusive jurisdiction with respect to any such litigation, subject to any determination by the Bankruptcy Court to abstain and consider whether such litigation should more appropriately proceed in another forum;

(t) hear and resolve any disputes regarding the reserves required hereunder, including without limitation, disputes regarding the amounts of such reserves or the amount, allocation and timing of any releases of such reserved funds; and

(u) enter a final decree closing the Chapter 11 Cases.

SECTION 13. MISCELLANEOUS PROVISIONS

13.1 *Termination of All Employee, Retiree and Workers' Compensation Benefits.* All existing employee benefits (including, without limitation, workers' compensation benefits, health care plans, disability plans, severance benefit plans, incentive plans, and life insurance plans) and retiree benefits (as such term is defined under Section 1114(a) of the Bankruptcy Code) not previously terminated by the Debtors, or assumed by the Debtors in the Schedule of Assumed Contracts, shall be terminated on or before the Effective Date, except as otherwise expressly provided in the Confirmation Order. For the avoidance of doubt, employee and retiree benefits shall not be terminated with respect to the employees of the Post-Effective Date SVCMC.

. Nothing contained herein shall be deemed to expand or limit any valid rights of the Debtors (or their successors under the Plan) or Chartis, Inc and its applicable subsidiaries, and, without limitation, those companies defined as Insurer in the Stipulations referenced below ("Chartis") with respect to the following: (a) any rights pursuant to those certain Stipulations between the Debtors and Chartis concerning the Debtors' insurance programs with Chartis [Docket Nos. 851, 1936, 2356]; (b) any rights to seek arbitration of disputes between Chartis and the Debtors (or their successors under the Plan); (c) any contractual or other obligations of the Debtors (or their successors under the Plan) to maintain documents relating to claims insured by Chartis; (d) in connection with or pursuant to the Debtors' insurance policies and related agreements and transactions with Chartis, any rights of Chartis to seek or obtain recoupment or subrogation, and, to the extent provided under this Plan or under section 553 of the Bankruptcy Code, any right to seek or obtain setoff; (e) the continuing rights of workers' compensation

claimants or the continuing obligations of Chartis with respect to workers' compensation claims insured by Chartis before the Effective Date, where the injury to such worker occurred before the Effective Date. For purposes of this paragraph "successors under the Plan" shall include, without limitation, the Liquidating Trust and the Post-Effective Date SVCMC.

13.3 Termination of Collective Bargaining Agreements. Subject to the 1199 Settlement Agreement and the NYSNA Settlement Agreement, the Debtors shall either (a) enter into consensual terminations of their collective bargaining agreements without further Bankruptcy Court approval or (b) in the absence of such consensual agreement obtain entry of an order of the Bankruptcy Court holding that either (i) Section 1113 of the Bankruptcy Code is no longer applicable or (ii) the Debtors may terminate their collective bargaining agreements in accordance with Section 1113 of the Bankruptcy Code. Notwithstanding the foregoing, the collective bargaining agreements that govern the Post-Effective Date SVCMC's Operations will continue to govern until the last employee subject to the collective bargaining agreements has either voluntarily resigned from or has been terminated by SVCMC or the Post-Effective Date SVCMC, as applicable.

13.4 Business Day Transactions. In the event that any payment or act under this Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on or as soon as reasonably practicable on the next succeeding Business Day, but shall be deemed to have been completed as of the initial due date.

13.5 Exemption from Transfer Taxes. Pursuant to Section 1146(c) of the Bankruptcy Code, the assignment or surrender of any lease or sublease, or the delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with, this Plan, including any deeds, bills of sale or assignments executed in connection with any disposition of assets contemplated by this Plan, whether real or personal property (including without limitation, the Transfer of Bayley Seton campus), shall not be subject to any stamp, real estate transfer, mortgage recording, sales, use or other similar tax.

13.6 Amendments. The Debtors reserve the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify this Plan at any time prior to the entry of the Confirmation Order with the Consent of the Committee. After the entry of the Confirmation Order, the Debtors may with the Consent of the Committee, upon order of the Bankruptcy Court, amend or modify this Plan, in accordance with Section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in this Plan in such manner as may be necessary to carry out the purpose and intent of this Plan; provided, however, that no Bankruptcy Court authorization is required if the proposed amendment or modification to the Plan is not material and consented to by the Committee. A holder of an Allowed Claim that is deemed to have accepted this Plan shall be deemed to have accepted this Plan as modified if the proposed modification does not materially and adversely change the treatment of the Claim of such holder.

13.7 Revocation or Withdrawal of Plan. The Debtors may, with the Consent of the Committee, withdraw or revoke this Plan at any time prior to the Effective Date. If the Debtors revoke or withdraw this Plan prior to the Effective Date, or if the Effective Date does not occur, then this Plan shall be deemed null and void. In such event, nothing contained herein

shall be deemed to constitute a waiver or release of any Claim by or against the respective Debtor or any other Person or to prejudice in any manner the rights of the respective Debtor or any other Person in any further proceedings involving the respective Debtor.

13.8 ***Severability.*** In the event that the Bankruptcy Court determines, prior to the Effective Date, that any provision of this Plan is invalid, void or unenforceable, the Bankruptcy Court shall, with the Consent of the Debtors and the Committee, have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistently with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

13.9 ***Request for Expedited Determination of Taxes.*** The Debtors or the Liquidating Trustee, as applicable, shall have the right to request an expedited determination under Section 505(b) of the Bankruptcy Code with respect to tax returns filed, or to be filed, for any and all taxable periods ending after the Petition Date through and including the date of final distribution under the Plan.

13.10 ***Courts of Competent Jurisdiction.*** If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of this Plan, such abstention, refusal or failure of jurisdiction shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

13.11 ***Approval of Amended MedMal Trust Agreements.*** The Amended MedMal Trust Agreements are hereby authorized and approved in all respects, *nunc pro tunc*, and the parties thereto are hereby authorized and directed to perform each of their respective obligations thereunder.

13.12 ***Governing Law.*** Except to the extent that the Bankruptcy Code or Bankruptcy Rules are applicable, the rights, duties and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without giving effect to the principles of conflict of laws thereof.

13.13 ***Continuing Effect of the Bankruptcy Court Orders and Settlement Stipulations.*** Unless otherwise set forth in the Plan or the Confirmation Order or otherwise ordered by the Bankruptcy Court, the orders of the Bankruptcy Court and any other settlement stipulations entered into by the Debtors (including without limitation, agreements to lift the automatic stay, resolve litigation claims and limit recoveries to available insurance proceeds) shall not be modified, limited or amended by the Plan and shall remain in full force and effect. To the extent of any direct conflict between the terms of this Plan and the Creditor Settlement Agreements, the conflicting provisions of the Creditor Settlement Agreements shall govern with respect to the treatment of Allowed Claims as provided for therein.

13.14 **Time.** In computing any period of time prescribed or allowed by this Plan, unless otherwise set forth herein or determined by the Bankruptcy Court, the provisions of Bankruptcy Rule 9006 shall apply.

13.15 **Headings.** Headings are used in this Plan for convenience and reference only and shall not constitute a part of this Plan for any other purpose.

13.16 **Exhibits.** All Exhibits and schedules to this Plan are incorporated into and are a part of this Plan as if set forth in full herein.

13.17 **Notices.** Any notices to or requests of the Debtors by parties in interest under or in connection with this Plan shall be in writing and served either by (i) certified mail, return receipt requested, postage prepaid, (ii) hand delivery or (iii) reputable overnight delivery service, all charges prepaid, and shall be deemed to have been given when received by the following parties:

Saint Vincents Catholic Medical Centers of New York
450 W. 33rd Street
New York, New York 10001
Attn: Mark E. Toney
Steven R. Korf

with copies to:

Kramer Levin Naftalis & Frankel LLP
Attorneys for the Debtors and Debtors-In-Possession
1177 Avenue of the Americas
New York, New York 10036
(212) 715-9100
Attn: Kenneth H. Eckstein, Esq.
Adam C. Rogoff, Esq.
P. Bradley O'Neill, Esq.
Gregory G. Plotko, Esq.

-and-

Akin Gump Strauss Hauer & Feld LLP
Attorneys for the Official Committee of Unsecured Creditors
One Bryant Park
New York, NY 10036
(212) 872-1000
Attn: David H. Botter, Esq.
Sarah Link Schultz, Esq.
Ashleigh L. Blaylock, Esq.

Dated: New York, New York
As of June 21, 2012

**SAINT VINCENTS CATHOLIC MEDICAL
CENTERS OF NEW YORK**

By: /s/ Steven R. Korf
Name: Steven R. Korf
Title: Chief Financial Officer

**ST. JEROME'S HEALTH SERVICES
CORPORATION**

By: /s/ Steven R. Korf
Name: Steven R. Korf
Title: Chief Financial Officer

PAX CHRISTI HOSPICE, INC.

By: /s/ Steven R. Korf
Name: Steven R. Korf
Title: Chief Financial Officer

**BISHOP FRANCIS J. MUGAVERO CENTER
FOR GERIATRIC CARE, INC.**

By: /s/ Steven R. Korf
Name: Steven R. Korf
Title: Chief Financial Officer

**SISTERS OF CHARITY HEALTH CARE
SYSTEM NURSING HOME, INC.**

By: /s/ Steven R. Korf
Name: Steven R. Korf
Title: Chief Financial Officer

[Signature Pages Continue]

**SVCMC PROFESSIONAL REGISTRY,
INC.**

By: /s/ Steven R. Korf
Name: Steven R. Korf
Title: Chief Financial Officer

**CHAIT HOUSING DEVELOPMENT
CORPORATION**

By: /s/ Steven R. Korf
Name: Steven R. Korf
Title: Chief Financial Officer

**FORT PLACE HOUSING
CORPORATION**

By: /s/ Steven R. Korf
Name: Steven R. Korf
Title: Chief Financial Officer

**555 6TH AVENUE APARTMENT
OPERATING CORPORATION**

By: /s/ Steven R. Korf
Name: Steven R. Korf
Title: Chief Financial Officer

Schedule 1.39

Debtors

Debtor	Case No.
1. 555 6th Avenue Apartment Operating Corporation	10-11971
2. Bishop Francis J. Mugavero Center for Geriatric Care, Inc.	10-11965
3. Chait Housing Development Corporation	10-11966
4. Fort Place Housing Corporation	10-11967
5. Pax Christi Hospice, Inc.	10-11968
6. Sisters of Charity Health Care System Nursing Home, Inc. d/b/a St. Elizabeth Ann's Health Care & Rehabilitation Center	10-11969
7. St. Jerome's Health Services Corporation d/b/a Holy Family Home	10-11970
8. SVCMC Professional Registry, Inc.	10-11972

Schedule 1.139

SV1 Debtors

1. Medical Service of St. Vincent's Hospital and Medical Center, P.C.
2. Surgical Service of St. Vincent's, P.C.
3. CMC Cardiology Services P.C.
4. CMC Physician Services P.C.
5. CMC Radiological Services P.C.

Schedule 1.144

SVCMC Group

1. East 19th Street, LLC
2. Immaculata Hall Housing Development Fund Corporation
3. Medical Associates of St. Vincents PC
4. Medical Service of St. Vincents Hospital and Medical Center, P.C.
5. Queensbrook Insurance Limited
6. Queensbrook New York, Inc.
7. Saint Vincents Catholic Medical Center of New York Ipa No. 1, Inc.
8. Saint Vincents Catholic Medical Centers Foundation, Inc.
9. St. Mary's Supportive Housing Development Fund Corporation
10. St. Vincents Emergency Services, P.C.
11. St. Vincents Physician Services, P.C.
12. Surgical Services of St. Vincents
13. Twelfth Street MPA