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ARTICLE X.

CONCLUSION

This Disclosure Statement has been presented for the purpose of enabling creditors to make an informed judgment to accept or reject the Plan. Creditors are urged to read the Plan in full and consult with their individual advisors if questions arise. The District believes that acceptance of the Plan by creditors is in the best interests of all parties in interest and that Confirmation of the Plan will provide the best recovery for creditors.

Dated: June 9, 2017

WEST CONTRA COSTA HEALTHCARE
DISTRICT

By: /s/ Kathy D. White
Chief Executive Officer and
Designated Responsible Individual

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2. Such Claim is:

a. Not a Disputed Claim; or

b. Allowed, and only to the extent allowed, by the Plan, a compromise approved pursuant to the Notice Procedure established in Article VI of the Plan, or a Final Order.

“AT&T” means New Cingular Wireless d/b/a AT&T Mobility.

“Avoidance Actions” means all causes of actions under sections 506(c), 510, 544, 545, 547, 548, 549, 550 and 553 of the Bankruptcy Code, whether or not such actions seek an affirmative recovery or are raised as a defense to or offset against the allowance of a Claim.

“Bankruptcy Code” means Title 11 of the United States Code.

“Bankruptcy Court” means the United States Bankruptcy Court for the Northern District of California or, in the event such court ceases to exercise jurisdiction over the Chapter 9 Case, such court or adjunct thereof which thereafter exercises jurisdiction over the Chapter 9 Case.

“Bar Date” means January 31, 2017, the deadline set by the Bankruptcy Court for filing Proofs of Claims against the District.

“Cash” means cash and cash equivalents including, but not limited to, checks and other similar forms of payment or exchange.

“Cell Boxes” means all equipment placed on the roof of the Hospital used by Verizon and AT&T for purposes of providing cellular coverage to their customers.

“Cellular Rights Parties” means GTE Mobilnet of California Limited Partnership, d/b/a Verizon Wireless, Wireless Capital Partners, LLC, MW Cell REIT 1 LLC, and New Cingular Wireless d/b/a AT&T Mobility.

“Chapter 9 Case” means this Chapter 9 Case filed by the District on October 20, 2016.

“Claim” means any right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or any right to an equitable remedy for breach of performance, if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

1 “CNA” means the California Nurses Association.

2 “CNA Claims” means all claims of individual nurses against the District arising under that
3 certain Memorandum of Understanding between the District and the California Nurses
4 Association dated June 14, 2011.

5 “CNA Claimants” means all holders of CNA Claims.

6 “CNA Obligations” means all obligations of the District under Article 25 of that certain
7 Memorandum of Understanding between the District and the California Nurses Association dated
8 June 14, 2011.

9 “Committee” means the Official Committee of Unsecured Creditors appointed in the
10 Chapter 9 Case on March 21, 2017, pursuant to section 1102(a) of the Bankruptcy Code, as it
11 may be reconstituted from time to time.

12 “Confirmation” means entry of the Confirmation Order.

13 “Confirmation Hearing” means the hearing to determine whether the Bankruptcy Court
14 will confirm the Plan, scheduled for August __, 2017, at _____.m. Pacific Time in the
15 Courtroom of the Honorable Roger L. Efremsky, Courtroom 201 at 1300 Clay Street, Oakland,
16 California, 94612.

17 “Confirmation Order” means the order of the Bankruptcy Court, as entered, confirming
18 the Plan.

19 “COPs Amortization Table” shall mean the Schedule attached as “Exhibit C” to the
20 Disclosure Statement setting forth the payments to be made by the Reorganized District to the
21 COPs Holders pursuant to this Plan.

22 “COPs Documents” means all documents entered into by and between the District, the
23 Trustee, and WCCHD Financing Corporation in connection with the 2004 COPs and 2011 COPs
24 including, without limitation, the Installment Sale Agreements dated July 1, 2004, and December
25 1, 2011, between the District and WCCHD Financing Corporation and the Trust Agreements
26 dated July 1, 2004, and December 1, 2011, among the District, the Trustee and WCCHD
27 Financing Corporation.

28 “COPs Holders” means the 2004 COPs Holders and the 2011 COPs Holders.

1 “Cure Payment” means a Claim asserted by the nondebtor party to an executory contract
2 or unexpired lease that is assumed by the Reorganized District (and listed on Exhibit A to this
3 Plan) on account of any defaults under such contract or lease, pursuant to sections 365(b)(1)(A),
4 (B) and (C) of the Bankruptcy Code, as a condition to the assumption of such contract or lease.

5 “County” means the County of Contra Costa.

6 “Crown Castle” means Wireless Capital Partners, LLC and MW Cell REIT 1 LLC.

7 “Crown Castle Successor Lease” means all rights of Crown Castle under those certain
8 Purchase and Sale of Easement and Lease and Successor Lease documents dated July 6, 2005,
9 including, without limitation, any easements related thereto.

10 “Designated Responsible Individual” means the District’s Board of Directors and each
11 member of District’s staff, including consultants and independent contractors, who have served
12 the District during the pendency of the Chapter 9 case, including: William van Dyk, Deborah
13 Campbell, Irma Anderson, Nancy Casazza, Beverly Wallace, Eric Zell, Kathy D. White, Harold
14 Emahiser, Julie Ahr Johnson, Bobbie Ellerston, and Vickie Scharr.

15 “Disclosure Statement” means the *Disclosure Statement for the Plan for the Adjustment of*
16 *Debts Dated June 9, 2016* filed contemporaneously herewith.

17 “Disputed Claim” means any claim that: (1) was listed on the *District’s List of Creditors*
18 *and Claims Pursuant to 11 U.S.C. §§ 924 and 925* [Docket No. 21] as contingent, unliquidated,
19 or disputed; and (2) that is or becomes the subject of a claim objection by the District or by any
20 other party in interest.

21 “Distribution(s)” means the Cash or property to be distributed to holders of Allowed
22 Claims in accordance with the Plan.

23 “District” means the West Contra Costa Healthcare District, a subdivision of the State of
24 California, formed in 1948.

25 “EDD” means the Employment Development Department of the State of California.

26 “Effective Date” means: (a) the first business day following Confirmation; (b) such other
27 later date as the District shall fix, which shall be not more than sixty (60) calendar days following
28 Confirmation; or (c) such other date as the Bankruptcy Court shall order; and, in any event, the

1 Reorganized District shall file a Notice of Effective Date with the Bankruptcy Court and serve it
2 on the Committee upon the occurrence of the Effective Date.

3 “*Ex Parte Order*” means the *Order Granting Ex Parte Application for Order:*
4 *(1) Directing and Approving Form of Notice; (2) Setting Deadline for Filing Objections to*
5 *Petition; (3) Setting Deadline for Filing List of Creditors; (4) Setting Deadline for Filing Proofs*
6 *of Claims; and (5) Limiting Notice* entered by the Bankruptcy Court on October 25, 2016 [Docket
7 No. 12].

8 “Excess Parcel Tax Proceeds” means all Parcel Tax Proceeds held by the Trustee or
9 required to be paid to the Trustee under the COPs Documents that are not necessary to make
10 payments to the COPs Holders during the immediate calendar year under the schedule set forth in
11 the COPs Amortization Table.

12 “Final Order” means an order or judgment of the Bankruptcy Court as to which: (i) the
13 time to appeal, petition for certiorari, or move for reargument or rehearing has expired and as to
14 which no appeal, petition for certiorari, or proceedings for reargument or rehearing shall then be
15 pending; or (ii) in the event that an appeal, writ of certiorari, reargument or rehearing thereof has
16 been sought, such order or judgment of the Bankruptcy Court shall have been affirmed by the
17 highest court to which such order or judgment was appealed, or from which reargument or
18 rehearing was sought, or certiorari has been denied, and the time to take any further appeal,
19 petition for certiorari or move for reargument or rehearing shall have expired.

20 “Hospital” means Doctors Medical Center in San Pablo, California, formerly known as
21 Brookside Hospital, and all of the real property upon which Doctors Medical Center is located.

22 “LAFCo” means the Contra Costa Local Agency Formation Commission.

23 “Lien” means charge against or interest in property to secure payment of a debt or
24 performance of an obligation.

25 “LRC” shall mean Lytton Rancheria of California.

26 “Matrix” means MG Trust Company, LLC d/b/a Matrix Trust Company, as trustee of the
27 WCCHD Successor Pension Plan.

28

1 “Mid-America” MidAmerica Administrative & Retirement Solutions, as benefits
2 administrator for the CNA Claimants.

3 “Non-Classified Claims” means Claims of the type that the Bankruptcy Code provides
4 shall not be put into classes. The Claims are described in Article III of the Plan.

5 “Notice of Commencement” means the *Notice of Commencement of Case Under Chapter*
6 *9, Notice of Automatic Stay, Notice of Deadline for Filing Objections to the Petition, Notice of*
7 *Deadline for Filing Proofs of Claims, and Related Orders* approved by the Bankruptcy Court
8 pursuant to the *Ex Parte* Order.

9 “Order for Relief” means the *Order for Relief Pursuant to 11 U.S.C. § 921* entered by the
10 Bankruptcy Court on January 11, 2017 [Docket No. 61].

11 “Parcel Tax” means the special parcel tax approved by the voters of the District at a
12 special election held on June 8, 2004.

13 “Parcel Tax Reserve” means all Parcel Tax Revenues held by the Trustee pursuant to the
14 Parcel Tax Documents in order to provide for payments to the COPs holders in the immediately
15 proceeding calendar year.

16 “Parcel Tax Revenues” means all revenues derived from the Parcel Tax.

17 “Patient Records Order” means the *Order Authorizing the Disposal of Patient Records*
18 entered by the Bankruptcy Court on January 18, 2017.

19 “Petition Date” means October 20, 2016.

20 “Plan” means this Plan for the Adjustment of Debt filed by the District on June 9, 2017, as
21 it may be amended from time to time.

22 “*Pro Rata*” means proportionately so that the ratio of the value of the Distribution on
23 account of an Allowed Claim in a class to the aggregate Distributions on account of all Allowed
24 Claims in the class is the same as the ratio of such Allowed Claim to the aggregate amount of all
25 Allowed Claims in the class.

26 “Record Date” means the date as of which it will be determined for the purpose of Federal
27 Rule of Bankruptcy Procedure 3018: (a) which holders of Claims will be entitled to vote to
28 accept or reject the Plan and receive a ballot; and (b) whether Claims have been properly assigned

1 or transferred to an assignee pursuant to Bankruptcy Rule 3001(e) such that the assignee can vote
2 as the holder of the Claim. The Record Date is July __, 2017.

3 “Reorganized District” means the District on and after the Effective Date of the Plan.

4 “Tax Sharing Agreements” shall mean all agreements between the District and the County
5 regarding the allocation of *Ad Valorem* Revenues between the District and County including,
6 without limitation, the Second Amendment to Amended and Restated Second Agreement for
7 Property Tax Transfer from West Contra Costa Healthcare District to Contra Costa County dated
8 May 3, 2016, and the First Amendment to Third Agreement for Property Tax Transfer from West
9 Contra Costa Healthcare District to Contra Costa County dated May 3, 2016.

10 “Trustee” means U.S. Bank, National Association, not in its individual capacity but as
11 Trustee for the COPs Holders under the COPs Documents.

12 “Unclaimed Property” means any Cash (together with any interest earned thereon) that is
13 unclaimed on the sixtieth (60th) day following a Distribution. Unclaimed Property shall include:
14 (a) checks (and the funds represented thereby) that have been returned as undeliverable without a
15 proper forwarding address; (b) funds for checks that have not been honored within sixty (60) days
16 after a Distribution; and (c) checks (and the funds represented thereby) that were not mailed or
17 delivered because of the absence of a proper address to which to mail or deliver such checks. The
18 date of a Distribution to the holder of an Allowed Claim shall be the date of the check issued to
19 such holder.

20 “Verizon” means GTE Mobilnet of California Limited Partnership, d/b/a Verizon
21 Wireless.

22 “WCCHD Successor Pension Plan” means the West Contra Costa Healthcare District
23 Successor Retirement Plan.

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EXHIBIT B
DETAILED FINANCIAL PROJECTIONS

West Contra Costa Healthcare District: Projected Annual Cash Flow

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
|---|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Beginning Balance (Operating Acct at Citibank) | 9,940,177 | 12,338,036 | 9,290,975 | 7,589,624 | 7,457,682 | 7,801,296 | 7,751,215 | 10,638,243 | 13,427,045 | 16,677,398 | 9,940,177 |
| Ad Valorem tax receipts | 3,693,375 | 3,711,842 | 3,730,401 | 3,749,053 | 3,767,798 | 3,786,637 | 3,805,571 | 3,824,598 | 3,843,721 | 3,862,940 | 37,775,937 |
| Parcel tax, 2004 | 5,650,000 | 5,650,000 | 5,650,000 | 5,650,000 | 5,650,000 | 5,650,000 | 5,650,000 | 5,650,000 | 5,650,000 | 5,650,000 | 56,500,000 |
| Other | 8,012,267 | | | | | | | | | | 8,012,267 |
| Total Cash Receipts | 17,355,642 | 9,361,842 | 9,380,401 | 9,399,053 | 9,417,798 | 9,436,637 | 9,455,571 | 9,474,598 | 9,493,721 | 9,512,940 | 102,288,204 |
| Cash Payments: | | | | | | | | | | | |
| Payroll/Administration | 273,967 | 280,816 | 287,837 | 295,033 | 302,409 | 309,969 | 317,718 | 325,661 | 333,802 | 342,148 | 3,069,360 |
| Bookkeeping Services | 40,000 | 20,000 | 20,500 | 21,013 | 21,538 | 22,076 | 22,628 | 23,194 | 23,774 | 24,368 | 239,090 |
| Cost Report Audits and Settlement | 30,000 | 30,750 | 31,519 | 32,307 | 33,114 | | | | | | 157,690 |
| Annual Financial Audit | 15,000 | 15,375 | 15,759 | 16,153 | 16,557 | 16,971 | 17,395 | 17,830 | 18,276 | 18,733 | 168,051 |
| Audit/Actuarial for Successor Pension Plan | 60,000 | 61,500 | 63,038 | 64,613 | 66,229 | 67,884 | 69,582 | 71,321 | 73,104 | 74,932 | 672,203 |
| IT Costs | 12,000 | 12,300 | 12,608 | 12,923 | 13,246 | 13,577 | 13,916 | 14,264 | 14,621 | 14,986 | 134,441 |
| Other | 10,000 | 10,250 | 10,506 | 10,769 | 11,038 | 11,314 | 11,597 | 11,887 | 12,184 | 12,489 | 112,034 |
| Total personnel/consulting costs | 440,967 | 430,991 | 441,766 | 452,810 | 464,131 | 441,792 | 452,836 | 464,157 | 475,761 | 487,655 | 4,552,868 |
| Office Expenses | 30,000 | 30,750 | 31,519 | 32,307 | 33,114 | 33,942 | 34,791 | 35,661 | 36,552 | 37,466 | 336,101 |
| Total facilities costs | 30,000 | 30,750 | 31,519 | 32,307 | 33,114 | 33,942 | 34,791 | 35,661 | 36,552 | 37,466 | 336,101 |
| Records Storage | 216,164 | 191,904 | 164,316 | 131,606 | 96,116 | 62,722 | 34,391 | 23,653 | 18,980 | 15,045 | 954,897 |
| Legal Fees | 300,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 1,200,000 |
| Fees and Other | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 100,000 |
| Election costs every two years | | 450,000 | 450,000 | 450,000 | 450,000 | 450,000 | 450,000 | 450,000 | 450,000 | 450,000 | 2,250,000 |
| Total other costs | 526,164 | 751,904 | 274,316 | 691,606 | 206,116 | 622,722 | 144,391 | 583,653 | 128,980 | 575,045 | 4,504,897 |
| Unsecured Creditors | 2,000,000 | 2,000,000 | 2,000,000 | | | | | | | | 6,000,000 |
| Repayment to County (Unsecured, past election) | | | | | | | | | | | 218,133 |
| EDD | 661,371 | 661,371 | | | | | | | | | 1,322,742 |
| CNA_Medical Pension Plan | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 2,500,000 |
| Successor Pension Plan Payments | 4,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 13,000,000 |
| 2004 COPs Payment (US Bank) | 1,895,006 | 1,895,988 | 1,894,013 | 1,894,081 | 1,895,925 | 1,894,275 | 1,894,131 | 1,895,225 | 1,895,475 | 1,896,325 | 18,950,444 |
| 2011 COPs Payment (US Bank) | 2,460,900 | 2,457,925 | 2,459,738 | 2,461,138 | 2,457,100 | 2,457,350 | 2,457,350 | 2,457,100 | 2,456,600 | 2,455,850 | 24,581,050 |
| Repayment to County (Ad Valorem tax exchange) | 2,693,375 | 2,711,842 | 2,730,401 | 2,749,053 | 2,767,798 | 2,786,637 | 335,042 | - | - | - | 16,774,149 |
| Creditor Payments | 13,960,652 | 11,195,258 | 10,334,151 | 8,354,272 | 8,370,823 | 8,388,262 | 5,936,524 | 5,602,325 | 5,602,075 | 5,602,175 | 83,346,517 |
| Total Cash Payments | 14,957,783 | 12,408,903 | 11,081,752 | 9,530,995 | 9,074,184 | 9,486,718 | 6,568,542 | 6,685,796 | 6,243,369 | 6,702,341 | 92,740,384 |
| Net Cash Flow, Annual | 2,397,859 | (3,047,061) | (1,701,351) | (131,942) | 343,614 | (50,081) | 2,887,029 | 2,788,802 | 3,250,353 | 2,810,599 | 9,547,820 |
| Total Cash Available | \$ 12,338,036 | \$ 9,290,975 | \$ 7,589,624 | \$ 7,457,682 | \$ 7,801,296 | \$ 7,751,215 | \$ 10,638,243 | \$ 13,427,045 | \$ 16,677,398 | \$ 19,487,997 | \$ 19,487,997 |

Notes:

Amount held by U.S. Bank as of 1/1/2018 reflecting all parcel taxes collected prior to 2018 less all payments on the 2004 Cops and 2011 Cops through 2017.

DMC may be eligible to receive a total of \$605,401 for 2013 and 2014 from the State for "Newly Eligible O/P" for Medi-Cal. The reports have been submitted to the State. The State has acknowledged that these payments are due.

The District will be entitled to destroy its records on 1/18/18. Currently, no decision has been made by the Board on whether District will destroy the records; in the event it does, these costs will be avoided.

EXHIBIT C
COPs AMORTIZATION TABLE

2004 and 2011 COPs Amortization Schedule

| Year | Parcel Tax Collections | 2004 Payments | 2011 Payments | Total Debt Service | Net Proceeds |
|------|------------------------|---------------|---------------|--------------------|--------------|
| 2018 | 5,650,000 | (1,895,006) | (2,460,900) | (4,355,906) | 1,294,094 |
| 2019 | 5,650,000 | (1,895,988) | (2,457,925) | (4,353,913) | 1,296,088 |
| 2020 | 5,650,000 | (1,894,013) | (2,459,738) | (4,353,750) | 1,296,250 |
| 2021 | 5,650,000 | (1,894,081) | (2,461,138) | (4,355,219) | 1,294,781 |
| 2022 | 5,650,000 | (1,895,925) | (2,457,100) | (4,353,025) | 1,296,975 |
| 2023 | 5,650,000 | (1,894,275) | (2,457,350) | (4,351,625) | 1,298,375 |
| 2024 | 5,650,000 | (1,894,131) | (2,457,350) | (4,351,481) | 1,298,519 |
| 2025 | 5,650,000 | (1,895,225) | (2,457,100) | (4,352,325) | 1,297,675 |
| 2026 | 5,650,000 | (1,895,475) | (2,456,600) | (4,352,075) | 1,297,925 |
| 2027 | 5,650,000 | (1,896,325) | (2,455,850) | (4,352,175) | 1,297,825 |
| 2028 | 5,650,000 | (1,897,500) | (2,458,650) | (4,356,150) | 1,293,850 |
| 2029 | 5,650,000 | (1,893,725) | (2,460,850) | (4,354,575) | 1,295,425 |
| 2030 | 5,650,000 | - | (4,352,450) | (4,352,450) | 1,297,550 |
| 2031 | 5,650,000 | | (4,355,050) | (4,355,050) | 1,294,950 |
| 2032 | 5,650,000 | | (4,355,150) | (4,355,150) | 1,294,850 |
| 2033 | 5,650,000 | | (4,352,450) | (4,352,450) | 1,297,550 |
| 2034 | 5,650,000 | | (4,352,725) | (4,352,725) | 1,297,275 |
| 2035 | 5,650,000 | | (4,354,950) | (4,354,950) | 1,295,050 |
| 2036 | 5,650,000 | | (4,353,550) | (4,353,550) | 1,296,450 |
| 2037 | 5,650,000 | | (4,353,238) | (4,353,238) | 1,296,763 |
| 2038 | 5,650,000 | | (4,353,438) | (4,353,438) | 1,296,563 |
| 2039 | 5,650,000 | | (4,352,500) | (4,352,500) | 1,297,500 |
| 2040 | 5,650,000 | | (4,354,063) | (4,354,063) | 1,295,938 |
| 2041 | 5,650,000 | | (4,352,188) | (4,352,188) | 1,297,813 |
| 2042 | 5,650,000 | | (4,356,250) | (4,356,250) | 1,293,750 |
| 2043 | 5,650,000 | | | | 5,650,000 |
| 2044 | 5,650,000 | | | | 5,650,000 |
| 2045 | 5,650,000 | | | | 5,650,000 |

EXHIBIT D
PLAN OF ADJUSTMENT

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13 **UNITED STATES BANKRUPTCY COURT**
14 **NORTHERN DISTRICT OF CALIFORNIA**
15 **OAKLAND DIVISION**

16 In re:
17 WEST CONTRA COSTA HEALTHCARE
18 DISTRICT.
19 Debtor.
20 Tax ID: 94-6003145

Case No. 16-42917
Chapter 9
PLAN FOR THE ADJUSTMENT OF DEBTS
DATED JUNE 9, 2017

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10 **EXHIBIT 1 Executory Contracts and Unexpired Leases to be Assumed & Associated**
11 **Cure Payments**

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1 “Avoidance Actions” means all causes of actions under sections 506(c), 510, 544, 545,
2 547, 548, 549, 550 and 553 of the Bankruptcy Code, whether or not such actions seek an
3 affirmative recovery or are raised as a defense to or offset against the allowance of a Claim.

4 “Bankruptcy Code” means Title 11 of the United States Code.

5 “Bankruptcy Court” means the United States Bankruptcy Court for the Northern District
6 of California or, in the event such court ceases to exercise jurisdiction over the Chapter 9 Case,
7 such court or adjunct thereof which thereafter exercises jurisdiction over the Chapter 9 Case.

8 “Bar Date” means January 31, 2017, the deadline set by the Bankruptcy Court for filing
9 Proofs of Claims against the District.

10 “Cash” means cash and cash equivalents including, but not limited to, checks and other
11 similar forms of payment or exchange.

12 “Cell Boxes” means all equipment placed on the roof of the Hospital used by Verizon and
13 AT&T for purposes of providing cellular coverage to their customers.

14 “Cellular Rights Parties” means GTE Mobilnet of California Limited Partnership, d/b/a
15 Verizon Wireless, Wireless Capital Partners, LLC, MW Cell REIT 1 LLC, and New Cingular
16 Wireless d/b/a AT&T Mobility.

17 “Chapter 9 Case” means this Chapter 9 Case filed by the District on October 20, 2016.

18 “Claim” means any right to payment, whether or not such right is reduced to judgment,
19 liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal,
20 equitable, secured, or unsecured; or any right to an equitable remedy for breach of performance, if
21 such breach gives rise to a right to payment, whether or not such right to an equitable remedy is
22 reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or
23 unsecured.

24 “CNA” means the California Nurses Association.

25 “CNA Claims” means all claims of individual nurses against the District arising under that
26 certain Memorandum of Understanding between the District and the California Nurses
27 Association dated June 14, 2011.

28 “CNA Claimants” means all holders of CNA Claims.

1 “CNA Obligations” means all obligations of the District under Article 25 of that certain
2 Memorandum of Understanding between the District and the California Nurses Association dated
3 June 14, 2011.

4 “Committee” means the Official Committee of Unsecured Creditors appointed in the
5 Chapter 9 Case on March 21, 2017, pursuant to section 1102(a) of the Bankruptcy Code, as it
6 may be reconstituted from time to time.

7 “Confirmation” means entry of the Confirmation Order.

8 “Confirmation Hearing” means the hearing to determine whether the Bankruptcy Court
9 will confirm the Plan, scheduled for August __, 2017, at _____.m. Pacific Time in the
10 Courtroom of the Honorable Roger L. Efremsky, Courtroom 201 at 1300 Clay Street, Oakland,
11 California, 94612.

12 “Confirmation Order” means the order of the Bankruptcy Court, as entered, confirming
13 the Plan.

14 “COPs Amortization Table” shall mean the Schedule attached as “Exhibit C” to the
15 Disclosure Statement setting forth the payments to be made by the Reorganized District to the
16 COPs Holders pursuant to this Plan.

17 “COPs Documents” means all documents entered into by and between the District, the
18 Trustee, and WCCHD Financing Corporation in connection with the 2004 COPs and 2011 COPs
19 including, without limitation, the Installment Sale Agreements dated July 1, 2004, and December
20 1, 2011, between the District and WCCHD Financing Corporation and the Trust Agreements
21 dated July 1, 2004, and December 1, 2011, among the District, the Trustee and WCCHD
22 Financing Corporation.

23 “COPs Holders” means the 2004 COPs Holders and the 2011 COPs Holders.

24 “Cure Payment” means a Claim asserted by the nondebtor party to an executory contract
25 or unexpired lease that is assumed by the Reorganized District (and listed on Exhibit A to this
26 Plan) on account of any defaults under such contract or lease, pursuant to sections 365(b)(1)(A),
27 (B) and (C) of the Bankruptcy Code, as a condition to the assumption of such contract or lease.

28 “County” means the County of Contra Costa.

1 “Crown Castle” means Wireless Capital Partners, LLC and MW Cell REIT 1 LLC.

2 “Crown Castle Successor Lease” means all rights of Crown Castle under those certain
3 Purchase and Sale of Easement and Lease and Successor Lease documents dated July 6, 2005,
4 including, without limitation, any easements related thereto.

5 “Designated Responsible Individual” means the District’s Board of Directors and each
6 member of District’s staff, including consultants and independent contractors, who have served
7 the District during the pendency of the Chapter 9 case, including: William van Dyk, Deborah
8 Campbell, Irma Anderson, Nancy Casazza, Beverly Wallace, Eric Zell, Kathy D. White, Harold
9 Emahiser, Julie Ahr Johnson, Bobbie Ellerston, and Vickie Scharr.

10 “Disclosure Statement” means the *Disclosure Statement for the Plan for the Adjustment of*
11 *Debts Dated June 9, 2016* filed contemporaneously herewith.

12 “Disputed Claim” means any claim that: (1) was listed on the *District’s List of Creditors*
13 *and Claims Pursuant to 11 U.S.C. §§ 924 and 925* [Docket No. 21] as contingent, unliquidated,
14 or disputed; and (2) that is or becomes the subject of a claim objection by the District or by any
15 other party in interest.

16 “Distribution(s)” means the Cash or property to be distributed to holders of Allowed
17 Claims in accordance with the Plan.

18 “District” means the West Contra Costa Healthcare District, a subdivision of the State of
19 California, formed in 1948.

20 “EDD” means the Employment Development Department of the State of California.

21 “Effective Date” means: (a) the first business day following Confirmation; (b) such other
22 later date as the District shall fix, which shall be not more than sixty (60) calendar days following
23 Confirmation; or (c) such other date as the Bankruptcy Court shall order; and, in any event, the
24 Reorganized District shall file a Notice of Effective Date with the Bankruptcy Court and serve it
25 on the Committee upon the occurrence of the Effective Date.

26 “*Ex Parte Order*” means the *Order Granting Ex Parte Application for Order:*
27 *(1) Directing and Approving Form of Notice; (2) Setting Deadline for Filing Objections to*
28 *Petition; (3) Setting Deadline for Filing List of Creditors; (4) Setting Deadline for Filing Proofs*

1 *of Claims; and (5) Limiting Notice* entered by the Bankruptcy Court on October 25, 2016 [Docket
2 No. 12].

3 “Excess Parcel Tax Proceeds” means all Parcel Tax Proceeds held by the Trustee or
4 required to be paid to the Trustee under the COPs Documents that are not necessary to make
5 payments to the COPs Holders during the immediate calendar year under the schedule set forth in
6 the COPs Amortization Table.

7 “Final Order” means an order or judgment of the Bankruptcy Court as to which: (i) the
8 time to appeal, petition for certiorari, or move for reargument or rehearing has expired and as to
9 which no appeal, petition for certiorari, or proceedings for reargument or rehearing shall then be
10 pending; or (ii) in the event that an appeal, writ of certiorari, reargument or rehearing thereof has
11 been sought, such order or judgment of the Bankruptcy Court shall have been affirmed by the
12 highest court to which such order or judgment was appealed, or from which reargument or
13 rehearing was sought, or certiorari has been denied, and the time to take any further appeal,
14 petition for certiorari or move for reargument or rehearing shall have expired.

15 “Hospital” means Doctors Medical Center in San Pablo, California, formerly known as
16 Brookside Hospital, and all of the real property upon which Doctors Medical Center is located.

17 “LAFCo” means the Contra Costa Local Agency Formation Commission.

18 “Lien” means charge against or interest in property to secure payment of a debt or
19 performance of an obligation.

20 “LRC” shall mean Lytton Rancheria of California.

21 “Matrix” means MG Trust Company, LLC d/b/a Matrix Trust Company, as trustee of the
22 WCCHD Successor Pension Plan.

23 “Mid-America” MidAmerica Administrative & Retirement Solutions, as benefits
24 administrator for the CNA Claimants.

25 “Non-Classified Claims” means Claims of the type that the Bankruptcy Code provides
26 shall not be put into classes. The Claims are described in Article III of the Plan.

27 “Notice of Commencement” means the *Notice of Commencement of Case Under Chapter*
28 *9, Notice of Automatic Stay, Notice of Deadline for Filing Objections to the Petition, Notice of*

1 *Deadline for Filing Proofs of Claims, and Related Orders* approved by the Bankruptcy Court
2 pursuant to the *Ex Parte* Order.

3 “Order for Relief” means the *Order for Relief Pursuant to 11 U.S.C. § 921* entered by the
4 Bankruptcy Court on January 11, 2017 [Docket No. 61].

5 “Parcel Tax” means the special parcel tax approved by the voters of the District at a
6 special election held on June 8, 2004.

7 “Parcel Tax Reserve” means all Parcel Tax Revenues held by the Trustee pursuant to the
8 Parcel Tax Documents in order to provide for payments to the COPs holders in the immediately
9 proceeding calendar year.

10 “Parcel Tax Revenues” means all revenues derived from the Parcel Tax.

11 “Patient Records Order” means the *Order Authorizing the Disposal of Patient Records*
12 entered by the Bankruptcy Court on January 18, 2017.

13 “Petition Date” means October 20, 2016.

14 “Plan” means this Plan for the Adjustment of Debt filed by the District on June 9, 2017, as
15 it may be amended from time to time.

16 “*Pro Rata*” means proportionately so that the ratio of the value of the Distribution on
17 account of an Allowed Claim in a class to the aggregate Distributions on account of all Allowed
18 Claims in the class is the same as the ratio of such Allowed Claim to the aggregate amount of all
19 Allowed Claims in the class.

20 “Record Date” means the date as of which it will be determined for the purpose of Federal
21 Rule of Bankruptcy Procedure 3018: (a) which holders of Claims will be entitled to vote to
22 accept or reject the Plan and receive a ballot; and (b) whether Claims have been properly assigned
23 or transferred to an assignee pursuant to Bankruptcy Rule 3001(e) such that the assignee can vote
24 as the holder of the Claim. The Record Date is July __, 2017.

25 “Reorganized District” means the District on and after the Effective Date of the Plan.

26 “Tax Sharing Agreements” shall mean all agreements between the District and the County
27 regarding the allocation of *Ad Valorem* Revenues between the District and County including,
28 without limitation, the Second Amendment to Amended and Restated Second Agreement for

1 Property Tax Transfer from West Contra Costa Healthcare District to Contra Costa County dated
2 May 3, 2016, and the First Amendment to Third Agreement for Property Tax Transfer from West
3 Contra Costa Healthcare District to Contra Costa County dated May 3, 2016.

4 “Trustee” means U.S. Bank, National Association, not in its individual capacity but as
5 Trustee for the COPs Holders under the COPs Documents.

6 “Unclaimed Property” means any Cash (together with any interest earned thereon) that is
7 unclaimed on the sixtieth (60th) day following a Distribution. Unclaimed Property shall include:
8 (a) checks (and the funds represented thereby) that have been returned as undeliverable without a
9 proper forwarding address; (b) funds for checks that have not been honored within sixty (60) days
10 after a Distribution; and (c) checks (and the funds represented thereby) that were not mailed or
11 delivered because of the absence of a proper address to which to mail or deliver such checks. The
12 date of a Distribution to the holder of an Allowed Claim shall be the date of the check issued to
13 such holder.

14 “Verizon” means GTE Mobilnet of California Limited Partnership, d/b/a Verizon
15 Wireless.

16 “WCCHD Successor Pension Plan” means the West Contra Costa Healthcare District
17 Successor Retirement Plan.

18 **1.2 Interpretation, Rules of Construction, Time.**

19 **1.2.1 Interpretation.** A term used but not defined herein, but defined in either the
20 Disclosure Statement, the Bankruptcy Code, or the Federal Rules of Bankruptcy Procedure, has
21 the meaning given to that term in the Disclosure Statement, the Bankruptcy Code, or in the
22 Federal Rules of Bankruptcy Procedure, unless the context of the Plan clearly requires otherwise.

23 **1.2.2 Time.** In computing any period of time prescribed or allowed by the Plan, the
24 provisions of Rule 9006(a) of the Federal Rules of Bankruptcy Procedure shall apply.

25 **ARTICLE II.**

26 **DESIGNATION OF CLASSES OF CLAIMS**

27 **SPECIFICATION OF STATUS AS IMPAIRED OR UNIMPAIRED**

28 All Claims (except Non-Classified Claims treated under Article III of this Plan) are placed

1 in the following classes pursuant to section 1122 of the Bankruptcy Code:

2 **2.1 Secured Claims of the COPs Holders (Class 1).**

3 Class 1 consists of the Claims of the COPs Holders secured by the Parcel Tax Revenue of
4 the District. Class 1 is impaired under section 1124 of the Bankruptcy Code.

5 **2.2 Unsecured Claim and Contractual Rights of the County Under the Tax Sharing**
6 **Agreements (Class 2).**

7 Class 2 consists of the Allowed Unsecured Claim of the County and the contractual rights
8 of the County under the Tax Sharing Agreements. Class 2 is impaired under section 1124 of the
9 Bankruptcy Code.

10 **2.3 WCCHD Successor Pension Plan Claims (Class 3).**

11 Class 3 consists of the holders of all claims against the District under the WCCHD
12 Successor Pension Plan. Class 3 is unimpaired under section 1124 of the Bankruptcy Code.

13 **2.4 CNA Claims (Class 4).**

14 Class 4 consists of the holders of all claims against the District pursuant to that certain
15 Memorandum of Understanding between the District and CNA dated June 14, 2011. Class 4 is
16 impaired under section 1124 of the Bankruptcy Code.

17 **2.5 General Unsecured Claims (Class 5).**

18 Class 5 consists of the holders of all general unsecured claims against the District other
19 than the claims of the County, EDD, the WCCHD Successor Pension Plan Claims, and the CNA
20 Claims. Class 5 is impaired under section 1124 of the Bankruptcy Code.

21 **2.6 EDD Claim (Class 6).**

22 Class 6 consists of the claim of EDD, filed by EDD as a priority unsecured claim in the
23 amount of \$1,664,785.23 [Claim No. 314]. Class 6 is impaired under section 1124 of the
24 Bankruptcy Code.

25 **ARTICLE III.**

26 **TREATMENT OF NON-CLASSIFIED CLAIMS**

27 In accordance with section 1123(a)(1) of the Bankruptcy Code, the following Claims
28 (“Non-Classified Claims”) are not classified under the Plan. Non-Classified Claims are treated in

1 the following manner:

2 **3.1 General Administrative Claims.**

3 Except as provided otherwise in this Article III, the holders of Non-Classified Claims that
4 are Allowed Claims entitled to priority under section 507(a)(2) of the Bankruptcy Code, including
5 entities entitled to payment pursuant to section 503 of the Bankruptcy Code, will receive Cash in
6 the amount of such Allowed Claims or in such amounts as the District and the holders of such
7 Allowed Claims shall agree on the later of: (a) sixty (60) days after the Effective Date; (b) the
8 date such Non-Classified Claims become Allowed Claims; or (c) at such time as the District and
9 the holders of such Allowed Claims shall agree. Non-Classified Claims shall include Claims of
10 governmental units for taxes or duties.

11 **3.2 Professional Fees.**

12 Professionals employed by the District and the Committee will receive Cash on account of
13 fees and expenses incurred from the Filing Date through the Effective Date in the amount
14 approved by the Reorganized District within sixty (60) calendar days of the Effective Date. The
15 Reorganized District reserves the right to object to the fees and expenses of the Committee.

16 **ARTICLE IV.**

17 **TREATMENT OF CLAIMS**

18 Only the Allowed Claims in Classes 1, 2, 4, 5, and 6 are impaired and entitled to vote
19 under the Plan.

20 **4.1 Class 1 (Secured Claims of the COPs Holders).**

21 The secured claim of the 2004 COPs Holders shall be allowed in the amount of
22 \$16,370,000.00 or such other amount as is actually outstanding as of the Effective Date. The
23 secured claim of the 2011 COPs Holders shall be allowed in the amount of \$39,620,000.00 or
24 such other amount as is actually outstanding as of the Effective Date.

25 The secured claims of the COPs Holders shall be paid in full with interest under the Plan.
26 Payments of principal and interest shall be made to the COPs Holders pursuant to the COPs
27 Documents, and the Plan shall not modify the applicable interest rates or maturity dates under the
28 COPs Documents, except that the COPs Documents shall be modified to provide that: (1) all

1 existing defaults of the District under the COPs Documents shall be deemed waived upon
2 confirmation of the Plan; (2) the Trustee shall no longer be permitted to retain the Excess Parcel
3 Tax Proceeds or the Parcel Tax Reserve, and all funds held by the Trustee as of the Effective Date
4 that constitute Excess Parcel Tax Proceeds or the Parcel Tax Reserve funds shall be returned by
5 the Trustee to the Reorganized District within seven days of the Effective Date of the Plan;
6 (3) any mandatory prepayment rights of the COPs Holders under the COPs Documents or any
7 other provision of the COPs Documents that would cause payments by the Reorganized District
8 to the Trustee to be inconsistent in any way with the COPs Amortization Table shall be
9 extinguished; and (4) the Default Provisions of the COPs Documents shall be modified to provide
10 that only the District's failure to make the payments set forth in the COPs Amortization Table,
11 after notice and a cure period, shall constitute a default under the COPs Documents. The Trustee
12 and COPs Holders shall retain their lien on the Parcel Tax Proceeds in order to secure the
13 Reorganized District's payment obligations under the Plan. The Trustee and Reorganized District
14 shall execute amended COPs Documents consistent with the treatment described herein.

15 **4.2 Class 2 (Unsecured Claim and Contractual Rights of the County Under the Tax**
16 **Sharing Agreements).**

17 The County holds an unsecured claim against the District in the amount of \$436,265.01.
18 The County's claim shall be an Allowed Unsecured Claim. The County shall receive one
19 distribution in the amount of \$218,132.50 on account of its Allowed Unsecured Claim within
20 twenty-four (24) months of the Effective Date.

21 The County also holds certain rights with respect to the District *Ad Valorem* Revenues
22 pursuant to the Tax Sharing Agreements. Pursuant to the Tax Sharing Agreements, the District
23 assigned to the County certain of the District's right to receive certain of its *Ad Valorem*
24 Revenues in exchange for financial and other support provided to the District by the County.
25 The County's rights under the Tax Sharing Agreements shall remain unaltered by the Plan.

26 **4.3 Class 3 (WCCHD Successor Pension Plan Claims).**

27 The District owes certain obligations under the WCCHD Successor Pension Plan to
28 retirees who are holders of WCCHD Successor Pension Plan Claims. All such claims shall be

1 Allowed Claims under the Plan. On the Effective Date, the Reorganized District shall assume all
2 rights and responsibilities of the District under the WCCHD Successor Pension Plan. The
3 WCCHD Successor Pension Plan shall continue to be administered by Matrix, who shall act as
4 disbursement agent for all payments to be made to beneficiaries under the Plan. Within thirty
5 (30) days of the Effective Date, the Reorganized District shall transfer \$4 million to Matrix in
6 order to fund the WCCHD Successor Pension Plan. Thereafter, the District shall transfer \$1
7 million to Matrix each year until the WCCHD Successor Pension Plan is fully funded.

8 **4.4 Class 4 (CNA Claims).**

9 The District owes certain obligations to nurses who formerly worked at the Hospital and
10 who are or were members of CNA pursuant to that certain Memorandum of Understanding
11 between the District and CNA dated June 14, 2011. All CNA Claims shall be Allowed Claims.
12 Within thirty (30) days of the Effective Date, the \$212,292.13 in funds held by MidAmerica for
13 the benefit of the CNA Claimants shall be paid by MidAmerica to CNA for disbursement to the
14 CNA Claimants. Within thirty (30) days of the Effective Date, the CNA Claimants shall be paid
15 \$2,500,000 over ten years without interest in equal, annual payments. CNA shall serve as the
16 disbursing agent for all payments to be made by the Reorganized District to the holders of CNA
17 Claims.

18 **4.5 Class 5 (General Unsecured Claims).**

19 Class 5 consists of all holders of Allowed Unsecured Claims other than claims held by the
20 County, EDD, CNA Claimants, and holders of WCCHD Successor Pension Claims. The holders
21 of Allowed Claims in Class 5 will receive their *pro rata* share of \$6 million in three
22 (3) installments over three (3) years following the Effective Date. As set forth in Paragraph 6.5
23 below, the Plan enables the District to file objections to claims at any time within 180 days after
24 the Effective Date. To the extent a Class 5 Claim is not an Allowed Claim on the date that is 180
25 days after the Effective Date, such claim will receive its *pro rata* share of the \$6 million paid to
26 Class 5 Claims at the time and to the extent such claim becomes an Allowed Claim. Until the
27 total allowed amount of all Class 5 Claims is determined, the Reorganized District may delay
28 payment or make adequate reserves prior to payment of any Allowed Class 5 Claims.

1 **4.6 Class 6 (EDD Claim).**

2 Class 6 consists of the claim of EDD, filed by EDD as a priority unsecured claim in the
3 amount of \$1,664,785.23 [Claim No. 314]. The EDD Claim includes penalties and interest of
4 \$341,089.13. The Reorganized District shall pay the EDD Claim, less the penalties and interest,
5 over a two (2) year period following the Effective Date in two (2) equal installments of
6 \$661,848.05, which payments shall be in full satisfaction of the EDD Claim.

7 **ARTICLE V.**

8 **FUTURE OF THE DISTRICT**

9 **5.1 Creation of the Reorganized District.**

10 Upon the Effective Date, the District, as discharged in the manner set forth in Paragraph
11 7.1 below, shall be reorganized into the Reorganized District.

12 **5.2 Governance of the Reorganized District.**

13 The Reorganized District shall remain a separate and distinct legal entity and shall
14 continue to be governed by its Board of Directors. After the Effective Date, the Reorganized
15 District will work with the County to sponsor special legislation that will replace District board
16 elections and an elected board with a governing body appointed by the County Board of
17 Supervisors. This change in governance would also accommodate a change in management of
18 the Reorganized District from independently employed staff to a management contractual
19 arrangement with the County such that existing County Health Services administrative staff and
20 resources could cover the administrative needs of the Reorganized District during the period of
21 relative inactivity accompanying the debt payment focus under the Plan.

22 **5.3 Period of Dormancy & Repayment of Creditors.**

23 Following the Effective Date, the Reorganized District will focus its operations on making
24 the payments to creditors envisaged by the Plan. The Reorganized District will devote
25 substantially all of its revenues to this task until approximately 2024.

26 **5.4 Return to Provision of Healthcare Services.**

27 Beginning in 2024, the District projects that the Reorganized District will have completed
28 making the payments to the County required by the Tax Sharing Agreements. At that point,

1 based on the Plan Financial Projections, the Reorganized District's net revenues will increase by
2 roughly \$2.8 million annually. Moreover, the Reorganized District's remaining payment
3 obligations under the Plan will be minimal, with continuing payments owed only to the COPs
4 Holders and CNA. At that point, the Reorganized District intends to utilize its revenues to
5 resume providing some form of healthcare services to the citizens of West Contra Costa County.

6 ARTICLE VI.

7 MEANS FOR IMPLEMENTATION OF THE PLAN

8 **6.1 Sale of the Hospital.**

9 The District has entered into a contract with LRC to sell the Hospital to LRC for \$13
10 million. Pursuant to the Plan, the Hospital will be sold to LRC free and clear of liens, claims, and
11 encumbrances, including any liens, claims, or encumbrances of the Cellular Rights Parties, for
12 \$13 million pursuant to, *inter alia*, Sections 1123(a)(5) and 105 of the Bankruptcy Code. The
13 Reorganized District shall be authorized to close the sale of the Hospital to LRC and to execute
14 such documents as necessary to close the sale and to pay any closing expenses, commissions, and
15 taxes as required. The Cellular Rights Parties shall, upon the earlier of the closing of the Hospital
16 sale or ten (10) days of the Effective Date: (i) remove the Cell Boxes from the Hospital roof and
17 otherwise vacate the Hospital; and (ii) otherwise cooperate and not interfere with the sale of the
18 Hospital to LRC, including by executing quitclaim deeds of any interest in or lien on the Hospital.

19 **6.2 The Disputed Claims Reserve.**

20 The Disputed Claims Reserve will be a separate account or accounting reserve maintained
21 by the Reorganized District for the benefit of holders of Claims that are not Allowed Claims. As
22 each Claim becomes an Allowed Claim, the Reorganized District will transfer the amount
23 reserved for that Claim into the appropriate fund and the holder will be entitled to receive any
24 Distributions that have been made and all future Distributions. When a Claim is disallowed by
25 order of the Bankruptcy Court, the Reorganized District will also transfer the amount reserved for
26 that Claim into the appropriate fund but the holder of the Claim will not be entitled to any
27 Distributions.

28 **6.3 Distributions to Holders of Allowed Claims.**

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6.3.1 Effective Date Payments

Within seventy-five (75) days of the Effective Date, the Reorganized District shall pay in full, in Cash, all Non-Classified Allowed Claims then payable under the Plan as set forth in Article III.

6.3.2 Distributions to Allowed Claims in Class 1

All Distributions to holders of Allowed Class 1 Claims shall be made in accordance with the terms of the COPs Documents, as modified by this Plan. The County shall continue to pay the Parcel Tax Revenue to the Trustee, who shall: (1) disburse funds to the COPs Holders in accordance with the COPs Documents in the amounts set forth in the COPs Amortization Table; and (2) promptly pay all Excess Parcel Tax and Parcel Tax Reserve to the District.

6.3.3 Distributions to Allowed Claims in Class 2

The Class 2 distribution to the County shall be made by the Reorganized District directly to the County within twenty-four (24) months of the Effective Date.

6.3.4 Distributions to Allowed Claims in Class 3

All Distributions made to holders of Allowed Class 3 Claims shall be made by Matrix, as disbursing agent for the Reorganized District. The Reorganized District shall pay to Matrix all funds to be disbursed to holders of Allowed Class 3 Claims, and Matrix shall subsequently disburse funds to such holders in the manner set forth in the WCCHD Successor Pension Plan.

6.3.5 Distributions to Allowed Claims in Class 4

All Distributions made to holders of Allowed Class 4 Claims shall be made by CNA, as disbursing agent for the Reorganized District. The Reorganized District shall pay to CNA all funds to be disbursed to holders of Allowed Class 4 Claims, and CNA shall subsequently disburse funds to such holders. In addition, within thirty (30) days of the Effective Date, MidAmerica shall pay the \$212,292.13 held by MidAmerica to CNA for disbursement to holders of Allowed Class 4 Claims.

6.3.6 Distributions to Allowed Claims in Class 5

1 6.3.6.1 Initial Distribution

2 The Reorganized District will make an Initial Distribution to the holders of Allowed
3 Claims in Class 5 within one hundred and eighty (180) calendar days after the Effective Date.
4 Simultaneously, the Reorganized District will transfer an amount of funds to the Disputed Claims
5 Reserve sufficient to ensure a *pro rata* distribution to all subsequently Allowed Claims in the
6 manner set forth in Paragraph 6.2 of this Plan.

7 6.3.6.2 Subsequent Distributions

8 The Reorganized District will make subsequent distributions to allowed claims in Class 5
9 in 2019 and 2020 in accordance with the terms of this Plan.

10 6.3.6.3 Final Distribution

11 The Reorganized District shall make a Final Distribution to holders of Allowed Claims in
12 Class 5 within thirty (30) days of the date that all Class 5 Claims become Allowed Claims or are
13 disallowed by Final Order of the Bankruptcy Court.

14 **6.3.7 Distributions to Allowed Claims in Class 6**

15 The Reorganized District will make an initial distribution to EDD in the amount of
16 \$661,848.05 within ninety (90) calendar days after the Effective Date. The Reorganized District
17 will make a second and final distribution to EDD in the amount of \$661,848.05 on or about the
18 first anniversary of the initial distribution.

19 **6.4 Postconfirmation Operations.**

20 **6.4.1 The Creditors' Committee**

21 Upon the Effective Date, the Committee shall be dissolved and the members of the
22 Committee shall be released and discharged from any further rights and duties in connection with
23 the Chapter 9 Case, except with respect to any disputes over the amount, allowance or payment of
24 Non-Classified Claims payable to any of its professionals for services rendered prior to the
25 Effective Date.

26 **6.4.2 Non-Classified Claims Bar Date**

27 The deadline for filing Non-Classified Claims entitled to treatment as administrative
28 Claims in accordance with Article III of the Plan shall be sixty (60) days after the Effective Date,

1 provided that, holders of such Claims that have already filed requests for payment or proofs of
2 Claim shall not be required to file any additional requests for payment or proofs of Claim.
3 Holders of administrative Claims based on liabilities incurred in the ordinary course of the
4 Debtor's business following the Petition Date or orders of the Bankruptcy Court shall not be
5 required to comply with the Non-Classified Claims Bar Date, provided that, (a) such holders of
6 Administrative Claims based on liabilities incurred in the ordinary course of business have
7 otherwise submitted an invoice, billing statement or other evidence of indebtedness to the District
8 in the ordinary course of business, and (b) such Claims are not past due according to their terms.

9 **6.4.3 Consequences of Untimely Administrative Claim**

10 **ANY PERSON FAILING TO TIMELY FILE AN ADMINISTRATIVE CLAIM**
11 **SHALL BE FOREVER BARRED FROM MAKING SUCH A CLAIM OR FUTURE**
12 **APPLICATION AND SHALL NOT PARTICIPATE IN ANY DISTRIBUTION ON**
13 **ACCOUNT OF SUCH AN ADMINISTRATIVE CLAIM.**

14 **6.5 Professional Fees**

15 All fees and expenses incurred by professionals engaged by the Reorganized District after
16 the Effective Date shall be paid in full by the Reorganized District.

17 **6.6 Treatment of Disputed Claims.**

18 **6.6.1 Disputed Claims Reserve**

19 Within sixty (60) days of the Effective Date, the Reorganized District shall establish (or
20 account for) a Disputed Claims Reserve that is adequate and sufficient for the payment of
21 Distributions contemplated by the Plan to the holders of Disputed Claims in Class 5. At such
22 time as a Disputed Class 5 Claim becomes an Allowed Class 5 Claim, the previous Distributions
23 due on account of such Allowed Claim shall be released from the Disputed Claims Reserve and
24 placed in the appropriate fund for Distribution to the holder of such Allowed Claim.

25 **6.7 Calculation of Appropriate Reserves.**

26 Except to the extent that the Reorganized District and the holder of the Claim agree, or the
27 Bankruptcy Court shall determine, that a sufficient reserve is less than the full amount of the
28

1 Claim, in determining the amount to be held in the Disputed Claims Reserve, the appropriate
2 calculations shall be made as if all Disputed Class 5 Claims were Allowed Class 5 Claims.

3 **6.8 Treatment of Unclaimed Property.**

4 If a Distribution to a holder of an Allowed Claim becomes Unclaimed Property, the
5 Reorganized District will make a reasonable effort to reach the holder of the Allowed Claim after
6 which the holder of the Allowed Claim shall cease to be entitled to the Distribution or any further
7 Distributions. In the event that any Distributions from an interim Distribution become Unclaimed
8 Property, all such Unclaimed Property shall be returned to the appropriate fund for distribution to
9 creditors or, if such fund balance reverts to the Reorganized District, to the Reorganized District.
10 In the event that any Distributions from the Final Distribution become Unclaimed Property, all
11 such Unclaimed Property shall revert to the Reorganized District.

12 **6.9 De Minimis Distributions and Rounding of Distributions.**

13 The Reorganized District shall not be required to make a Distribution to the holder of an
14 Allowed Claim if the amount of the Distribution is less than \$10. All Cash not so distributed
15 shall remain in the appropriate fund. The Reorganized District may round all Distributions to the
16 nearest whole dollar amount.

17 **ARTICLE VII.**

18 **EFFECT OF CONFIRMATION**

19 **7.1 Discharge of the District.**

20 Pursuant to Section 944 of the Bankruptcy Code, upon the Effective Date the District shall
21 be discharged from all debts (as defined in the Bankruptcy Code) of the District and Claims
22 against the District other than: (1) any debt specifically and expressly excepted from discharge by
23 this Plan or the Confirmation Order; or (2) any debt owed to an entity that, before the
24 Confirmation of this Plan, had neither notice nor actual knowledge of the Chapter 9 Case.

25 The rights afforded in this Plan and the treatment of holders of Claims shall be in
26 exchange for and in complete satisfaction, discharge, and release of all Claims of any nature
27 whatsoever arising on or before the Effective Date, known or unknown, whether against the
28 District or any of its properties, assets, or interests in property. Except as otherwise explicitly

1 provided herein, upon the Effective Date, all Claims against the District shall be and shall be
2 deemed to be satisfied, discharged, and released in full, whether or not such Claim is an Allowed
3 Claim, and whether or not such holder has voted to accept the Plan.

4 **7.2 Injunction.**

5 **EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS PLAN, ALL**
6 **ENTITIES WHO HAVE HELD, HOLD, OR MAY HOLD PRE-EFFECTIVE DATE**
7 **CLAIMS SHALL BE PERMANENTLY ENJOINED FROM AND AFTER THE**
8 **EFFECTIVE DATE FROM: (1) COMMENCING OR CONTINUING IN ANY MANNER**
9 **ANY ACTION OR OTHER PROCEEDING OF ANY KIND WITH RESPECT TO ANY**
10 **SUCH PRE-EFFECTIVE DATE CLAIM AGAINST THE DISTRICT OR ITS**
11 **PROPERTY, INCLUDING, WITHOUT LIMITATION, THE HOSPITAL;**
12 **(B) ENFORCING, ATTACHING, COLLECTING, OR RECOVERING BY ANY**
13 **MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE, OR ORDER AGAINST**
14 **THE DISTRICT OR ITS PROPERTY WITH RESPECT TO SUCH PRE-EFFECTIVE**
15 **DATE CLAIMS; (C) CREATING, PERFECTING, OR ENFORCING ANY LIEN OR**
16 **ENCUMBRANCE OF ANY KIND AGAINST THE DISTRICT OR ITS PROPERTY,**
17 **INCLUDING, WITHOUT LIMITATION, THE HOSPITAL; AND (D) ASSERTING ANY**
18 **RIGHT OF SETOFF, SUBROGATION, OR RECOUPMENT OF ANY KIND AGAINST**
19 **ANY OBLIGATION DUE TO THE REORGANIZED DISTRICT WITH RESPECT TO**
20 **SUCH PRE-EFFECTIVE DATE CLAIM.**

21 **IN ADDITION, AND WITHOUT IN ANY WAY LIMITING THE GENERALITY**
22 **OF THE FOREGOING, ALL CREDITORS OF THE DISTRICT, INCLUDING,**
23 **WITHOUT LIMITATION, THE CELLULAR RIGHTS PARTIES, SHALL BE**
24 **PERMANENTLY ENJOINED FROM AND AFTER THE EFFECTIVE DATE FROM:**
25 **(I) ASSERTING ANY CLAIM OR INSTITUTING ANY ACTION AGAINST LRC**
26 **RELATING TO THE SALE OF HOSPITAL; (II) ASSERTING ANY CLAIM OR LIEN**
27 **AGAINST OR INTEREST IN THE HOSPITAL ARISING PRIOR TO THE EFFECTIVE**
28 **DATE OF THE PLAN; OR (III) FROM INTERFERING IN ANY WAY WHATSOEVER**

1 WITH THE RIGHTS OF LRC WITH RESPECT TO ITS OWNERSHIP OF THE
2 HOSPITAL.

3 **7.3 Term of Existing Injunctions or Stays.**

4 Unless otherwise provided in the Confirmation Order, all injunctions or stays provided for
5 in the Chapter 9 Case pursuant to Sections 105, 362, or 922 of the Bankruptcy Code, or
6 otherwise, and in existence on the Confirmation Date shall remain in full force and effect until the
7 Effective Date.

8 **7.4 Release and Indemnification of the Board of Directors and Officers of the District.**

9 UPON THE EFFECTIVE DATE, EACH OF THE DESIGNATED RESPONSIBLE
10 INDIVIDUALS AND ALL PROFESSIONALS EMPLOYED BY THE DISTRICT SHALL
11 BE FOREVER RELEASED AND DISCHARGED FROM ALL CLAIMS HELD ALL
12 ENTITIES WHO HAVE HELD, HOLD, OR MAY HOLD PRE-EFFECTIVE DATE
13 CLAIMS AGAINST THE DISTRICT, WHETHER OR NOT SUCH CLAIM IS AN
14 ALLOWED CLAIM, AND WHETHER OR NOT SUCH HOLDER HAS VOTED TO
15 ACCEPT THE PLAN.

16 THE REORGANIZED DISTRICT WILL INDEMNIFY AND DEFEND THE
17 DESIGNATED RESPONSIBLE INDIVIDUALS FOR ANY CLAIMS ASSERTED
18 AGAINST THEM IN THEIR CAPACITIES AS DESIGNATED RESPONSIBLE
19 INDIVIDUALS OF THE DISTRICT AND REORGANIZED DISTRICT, UNTIL THE
20 ENTRY OF A FINAL DECREE AND ORDER CLOSING THE CHAPTER 9 CASE
21 OTHER THAN WITH RESPECT TO CLAIMS BASED ON GROSS NEGLIGENCE OR
22 WILLFUL MISCONDUCT. THE REORGANIZED DISTRICT MAY ENTER INTO
23 SUCH AGREEMENTS AS ARE REASONABLY NECESSARY TO IMPLEMENT THIS
24 PROVISION.

25 **7.5 Exculpation.**

26 UPON CONFIRMATION OF THE PLAN, THE DESIGNATED RESPONSIBLE
27 INDIVIDUALS, DENTONS US LLP, ARCHER NORRIS, AND OPTIMUM FINANCIAL
28 ADVISORS SHALL BE EXCULPATED FROM ANY LIABILITY OF ANY KIND OR

1 NATURE WHATSOEVER, EXCEPT FOR GROSS NEGLIGENCE OR WILLFUL
2 MISCONDUCT, IN CONNECTION WITH ANY ACTIONS TAKEN OR NOT TAKEN
3 FROM THE PETITION DATE TO THE EFFECTIVE DATE, INCLUDING WITHOUT
4 LIMITATION, ANY ACTIONS OR INACTIONS IN CONNECTION WITH THE
5 DISCLOSURE STATEMENT AND PLAN.

6 **7.6 Plan Binding.**

7 Except as provided in this Plan or in the Confirmation Order, on the Effective Date, the
8 Plan shall be binding on all holders of Claims existing as of the date of Confirmation whether or
9 not such holder has filed a Claim in the Chapter 9 Case, whether or not such Claim is an Allowed
10 Claim, and whether or not such holder has voted to accept the Plan. No holder of a Claim will
11 have any rights of action on account of such Claim except as set forth in the Plan.

12 **ARTICLE VIII.**

13 **REVESTING OF TITLE**

14 Except as provided in this Plan or in the Confirmation Order, on the Effective Date the
15 Reorganized District shall be vested with all of the property of the District, free and clear of all
16 Claims or liens arising prior to Confirmation. After Confirmation, the Reorganized District shall
17 operate free of any restrictions of the Bankruptcy Code based on the pendency of the Chapter 9
18 Case.

19 **ARTICLE IX.**

20 **RETENTION AND ENFORCEMENT OF CLAIMS**

21 Pursuant to section 1123(b)(3) of the Bankruptcy Code, the Reorganized District will
22 succeed to, and may enforce, any and all claims held by the District. This Plan expressly reserves
23 all claims, defenses, powers, and interests of the District for the Reorganized District for the
24 purposes of objecting to the allowance of Claims, the subordination of Claims, bringing
25 Avoidance Actions, and for the purpose of seeking recovery of property, damages, or equitable
26 relief. Only the Reorganized District may object to Claims or bring actions on behalf of the
27 District.

28

1 (b) otherwise described in Section 10.1, above, all other executory contracts and unexpired leases
2 to which the District was a party as of the Filing Date shall be, and hereby are rejected, effective
3 as of the Effective Date. While the District does not believe it is a party to any executory contract
4 or unexpired lease with any of the Cellular Rights Parties other than Crown Castle, to the extent
5 such an executory contract or unexpired lease is deemed to exist, such executory contract or
6 unexpired lease shall be deemed rejected as of the Effective Date.

7 **10.5 Claims Arising from the Rejection of Executory Contracts and Unexpired Leases**

8 **PROOFS OF CLAIM FOR CLAIMS ARISING FROM THE REJECTION OF**
9 **EXECUTORY CONTRACTS OR UNEXPIRED LEASES MUST BE FILED WITH THE**
10 **BANKRUPTCY COURT AND SERVED ON THE REORGANIZED DISTRICT WITHIN**
11 **THIRTY (30) CALENDAR DAYS OF THE EFFECTIVE DATE UNLESS THE HOLDER**
12 **HAS PREVIOUSLY FILED SUCH PROOF OF CLAIM OR SUCH CLAIMS SHALL BE**
13 **FOREVER BARRED AND THE HOLDERS THEREOF SHALL NOT PARTICIPATE IN**
14 **ANY DISTRIBUTIONS UNDER THE PLAN.** The foregoing provision does not extend any
15 deadline for filing proofs of Claim arising from the rejection of executory contracts or unexpired
16 leases that was established by prior Bankruptcy Court order. Any Allowed Claims of parties to
17 rejected executory contracts or unexpired leases shall be treated as Class 5 Claims under this
18 Plan.

19 **ARTICLE XI.**

20 **MODIFICATION OF PLAN**

21 The District, as Plan proponent, may modify the Plan prior to Confirmation if the Plan, as
22 modified, meets the requirements of the Bankruptcy Code. Such modification shall be deemed
23 accepted or rejected by a holder of a Claim that has previously accepted or rejected the Plan
24 unless, within the time fixed by the Bankruptcy Court, such holder changes such holder's
25 previous acceptance or rejection. In the event that the Plan requires modification after
26 Confirmation, the Reorganized District will be deemed to be the Plan proponent.

1 **ARTICLE XII.**

2 **USE OF BANKRUPTCY CODE SECTION 1129(b)**

3 If any class of Claims fails to accept this Plan by the requisite majorities in number and
4 amount, as required by section 1126 of the Bankruptcy Code, the District may, at any time,
5 invoke the provisions of section 1129(b) of the Bankruptcy Code.

6 **ARTICLE XIII.**

7 **RETENTION OF JURISDICTION**

8 Notwithstanding Confirmation of this Plan or the Effective Date having occurred, the
9 Bankruptcy Court shall retain full and exclusive jurisdiction as provided in 28 U.S.C. § 1334 as to
10 the provisions, purposes, and intent of this Plan including, without limitation:

- 11 • Determination of the allowability and classification of Claims upon requests for payment
12 of Claims or upon the objection by the Reorganized District to such Claims;
 - 13 • Resolution of controversies and disputes regarding interpretation of this Plan or the
14 Confirmation Order;
 - 15 • Implementation of the provisions of this Plan or the Confirmation Order, and entry of
16 orders in aid of Confirmation including orders to protect the Reorganized District or
17 persons included in Subsections 7.2, 7.4, and 7.5 of the Plan from creditor action enjoined
18 pursuant to Confirmation;
 - 19 • Enforcement of the terms of the Plan against the Trustee and Cellular Rights parties;
 - 20 • Modification of the Plan pursuant to section 1127 of the Bankruptcy Code;
 - 21 • Adjudication of any Claims or causes of action, including Avoidance Actions, brought by
22 the Reorganized District, or any claims or causes of action brought against the
23 Reorganized District; and
 - 24 • Entry of an order closing the Chapter 9 Case.
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Dated: June 9, 2017

WEST CONTRA COSTA HEALTHCARE
DISTRICT

By: /s/ Kathy D. White

Chief Executive Officer and
Designated Responsible Individual

EXHIBIT 1

Executory Contracts and Unexpired Leases to be Assumed & Associated Cure Payments¹

| Name of Contract | Date of Contract | Counterparty | Cure Amount |
|-----------------------------|-------------------|--|-------------|
| Purchase and Sale Agreement | November 15, 2016 | Lytton Rancheria of California | \$0 |
| Trust Agreement | | MG Trust Company, LLC d/b/a Matrix Trust Company | \$0 |

¹ The District reserves the right to modify this Exhibit prior to Plan confirmation.