followed by (B) the transfer by such holders to the Liquidating Trust of such Liquidating Trust Assets in exchange for beneficial interests in the Liquidating Trust (except to the extent that the transfer of an asset to the Liquidating Trust is treated for tax purposes as being made to another party rather than to the holders of the NCFE Claim, Allowed General Unsecured Claims and Allowed Patient Refund Claims). Accordingly, the holders of such Claims shall be treated for federal income tax purposes as the grantors and owners of their respective shares of the applicable Liquidating Trust Assets.

(ii) Tax Reporting.

(A) The Liquidating Trustee shall file returns for the Liquidating Trust as a grantor trust pursuant to Treasury Regulation section 1.671-4(a) and in accordance with this Section 6.6(m). The Liquidating Trustee also shall annually send to each record holder of a beneficial interest a separate statement setting forth the holder's share of items of income, gain, loss, deduction, or credit and will instruct all such holders to report such items on their federal income tax returns or to forward the appropriate information to the beneficial holders with instructions to report such items on their federal income tax returns. The Liquidating Trust's taxable income, gain, loss, deduction, or credit will be allocated (subject to Article VII hereof, relating to Disputed General Unsecured Claims and Disputed Patient Refund Claims) to the holders of the NCFE Claim, Allowed General Unsecured Claims and Allowed Patient Refund Claims in accordance with their relative beneficial interests in the Liquidating Trust.

(B) As soon as possible after the Effective Date, the Liquidating Trustee shall make a good faith valuation of the Liquidating Trust Assets. Such valuation shall be made available from time to time, to the extent relevant, and used consistently by all parties (including, without limitation, the Debtors, the Liquidating Trustee, and the holders of the NCFE Claim, Allowed General Unsecured Claims and Allowed Patient Refund Claims) for all federal income tax purposes. The Liquidating Trustee also shall file (or cause to be filed) any other statements, returns, or disclosures relating to the Liquidating Trust that are required by any governmental unit.

(C) The Liquidating Trustee shall be responsible for payments, out of the Liquidating Trust Assets, of any taxes imposed on the Liquidating Trust or the Liquidating Trust Assets. In the event, and to the extent, any Cash retained on account of Disputed General Unsecured Claims or Disputed Patient Refund Claims in the GUC Disputed Claims Reserve is insufficient to pay the portion of any such taxes attributable to the taxable income arising from the assets allocable to, or retained on account of, Disputed General Unsecured Claims or Disputed Patient Refund Claims, such taxes shall be (i) reimbursed from any subsequent Cash amounts retained on account of Disputed General Unsecured Claims or Disputed Patient Refund Claims, or (ii) to the extent such Disputed General Unsecured Claims or Disputed Patient Refund Claims have subsequently been resolved, deducted from any amounts distributable by the Liquidating

Trustee as a result of the resolutions of such Disputed General Unsecured Claims or Disputed Patient Refund Claims.

(D) The Liquidating Trustee may request an expedited determination of taxes of the Liquidating Trust and the GUC Disputed Claims Reserve, under section 505(b) of the Bankruptcy Code, for all returns filed for, or on behalf of, the Liquidating Trust for all taxable periods through the dissolution of the Liquidating Trust.

(o) Dissolution. The Liquidating Trustee and the Liquidating Trust shall be discharged or dissolved, as the case may be, at such time as (i) all Disputed General Unsecured Claims and Disputed Patient Refund Claims have been resolved, (ii) all Liquidating Trust Assets have been liquidated, and (iii) all distributions required to be made by the Liquidating Trustee under the Plan have been made, but in no event shall the Liquidating Trust be dissolved later than five (5) years from the Effective Date unless the Bankruptcy Court, upon motion within the six (6) month period prior to the fifth (5th) anniversary (and, in the case of any extension, within six (6) months prior to the end of such extension), determines that a fixed period extension (not to exceed three (3) years, together with any prior extensions, without a favorable letter ruling from the Internal Revenue Service that any further extension would not adversely affect the status of the Liquidating Trust as a liquidating trust for federal income tax purposes) is necessary to facilitate or complete the recovery and liquidation of the Liquidating Trust Assets or the dissolution of the Debtors.

6.7 Closing of the Chapter 11 Cases. When all Disputed Claims against the Debtors have become Allowed or have been disallowed by Final Order, and no controverted matter remains outstanding, the Liquidating Trustee shall seek authority from the Bankruptcy Court to close the Debtors' Chapter 11 Cases in accordance with the Bankruptcy Code and the Bankruptcy Rules.

Article VII.

PROCEDURES FOR RESOLVING AND TREATING DISPUTED CLAIMS

7.1 No Distributions Pending Allowance.

(a) General. Notwithstanding any other provision herein, if any portion of a Claim is a Disputed Claim, no payment or distribution provided hereunder shall be made on any portion of such Claim that is Disputed unless and until and only to the extent such portion becomes Allowed.

(b) Resolution of Disputed Claims. Other than with respect to the Retained Liabilities, the Liquidating Trustee shall have the right to the exclusion of all others (except as to applications for allowances of compensation and reimbursement of expenses under sections 330 and 503 of the Bankruptcy Code) to make, file and prosecute objections to Claims. With respect to the Retained Liabilities, the applicable Reorganized Debtor(s) or other entit(ies) responsible for Retained Liabilities shall have

the right to the exclusion of all others (except as to applications for allowances of compensation and reimbursement of expenses under sections 330 and 503 of the Bankruptcy Code) to make, file and prosecute objections to Claims; provided, however, that the Reorganized Debtors or other entit(ies) shall not settle or withdraw any filed objection against a Claim held by a preference claim transferee with respect to a preference claim assigned to the Liquidating Trust without the consent of the Liquidating Trustee, which consent shall not be unreasonably withheld. The Liquidating Trustee and the Reorganized Debtors or other entit(ies) each shall bear their own costs in pursuing objections to Claims. The Liquidating Trustee, the Reorganized Debtor(s) or any other entit(ies) responsible for Retained Liabilities, as the case may be, shall serve a copy of each objection upon the holder of the Claim to which the objection is made as soon as practicable (unless such Claim was already the subject of a valid objection by the Debtors), but in no event shall the service of such an objection be later than 120 days after the Effective Date, unless such date is extended by order of the Bankruptcy Court. The Bankruptcy Court, for cause, may extend the deadline on the *ex parte* request of the Liquidating Trustee or a Reorganized Debtor or other entit(ies). All objections shall be litigated to a Final Order except to the extent that the Liquidating Trustee, the Reorganized Debtor(s) or other entit(ies) responsible for Retained Liabilities, whichever prosecuted the objection, elects to withdraw such objection, or the Liquidating Trustee, the Reorganized Debtor(s) or other entit(ies) responsible for Retained Liabilities, as the case may be, and the holder of the Disputed Claim compromise, settle or otherwise resolve any such objections, in which event they may settle, compromise or otherwise resolve any Disputed Claim without approval of the Bankruptcy Court.

(c) Reserve Accounts for Disputed General Unsecured Claims and Disputed Patient Refund Claims.

(i) On and after the Effective Date, the Liquidating Trustee shall hold in reserve (the "GUC Disputed Claims Reserve"), (i) solely from the 37.5% share of the Distributable Funds to be paid to holders of Allowed General Unsecured Claims and Allowed Patient Refund Claims, Cash in an aggregate amount sufficient to pay to each holder of a Disputed General Unsecured Claim or Disputed Patient Refund Claim the amount that such holder currently would be entitled to receive from the Liquidating Trust under this Plan if such Disputed General Unsecured Claim or Disputed Patient Refund Claim immediately becomes Allowed in full, and (ii) Liquidating Trust interests representing the interests that such holders would be entitled to receive under this Plan if such Disputed Claim becomes Allowed in full. All Cash and cash equivalents and earnings thereon contained in the GUC Disputed Claims Reserve shall be used to satisfy any expense incurred in connection with the maintenance of such reserve, including administrative expenses incurred in the operation of the applicable trust and taxes payable on such interest income. Net earnings from the GUC Disputed Claims Reserve shall be available generally for purposes of the Liquidating Trust, including the establishment of reserves and other applicable limitations. In no event

shall the GUC Disputed Claims Reserve reduce the amount of Distributable Funds to be paid to the holders of the NCFE Claim.

(ii) Subject to definitive guidance from the Internal Revenue Service or a court of competent jurisdiction to the contrary (including the issuance of applicable Treasury Regulations, the receipt by the Liquidating Trustee of a private letter ruling if the Liquidating Trustee requests one, or the receipt of an adverse determination by the Internal Revenue Service upon audit if not contested by the Liquidating Trustee), the Liquidating Trustee shall (A) treat the GUC Disputed Claims Reserve as a discreet trust for federal income tax purposes, consisting of separate and independent shares to be established in respect of each Disputed Claim, in accordance with the trust provisions of the Tax Code (sections 641 et seq.), and (B) to the extent permitted by applicable law, report consistently for state and local income tax purposes. In addition, pursuant to the Plan, all parties (including holders of Disputed General Unsecured Claims and Disputed Patient Refund Claims) shall report consistently with such treatment.

(d) Reserve Accounts for Other Disputed Claims. On and after the Effective Date, the Liquidating Trustee shall hold in a separate reserve Cash in an aggregate amount sufficient to pay to each holder of a Disputed Claim (other than a General Unsecured Claim, Patient Refund Claim, WC Claim or Claim assumed by a Reorganized Debtor) the amount that such holder currently would be entitled to receive under this Plan from the Liquidating Trust if such Disputed Claim immediately becomes Allowed in full. All net earnings on such Cash shall be transferred to the Liquidating Trust for the benefit of the holders of the NCFE Claim, Allowed General Unsecured Claims and Allowed Patient Refund Claims. This reserve for other Disputed Claims will not be treated as a separate taxable entity for federal income tax purposes.

(e) Tort Claims and Medical Malpractice Claims. All Tort Claims and Medical Malpractice Claims are Disputed Claims. Any Tort Claim or Medical Malpractice Claim as to which a proof of claim was timely filed in these Chapter 11 Cases shall be determined and liquidated in the administrative or judicial tribunal in which it is pending on the Confirmation Date or, if no such action was pending on the Confirmation Date, in any administrative or judicial tribunal of appropriate jurisdiction.[9] The Bankruptcy Court shall not retain jurisdiction over the Medical Malpractice Claims

[9] All Medical Malpractice Claims and all Tort Claims, except any Tort Claim arising out of the Debtors' relationship and transactions with Boston Regional Medical Center, are Retained Liabilities under the Recapitalization Proposal that will be, subject to all applicable defenses, the obligations of the Reorganized Debtors if the Recapitalization Proposal is approved by the Bankruptcy Court pursuant to the Bidding Procedures. In such an event, the Liquidating Trust shall have no liability or obligation with respect to such Claims or any other Retained Liabilities.

and Tort Claims that constitute Retained Liabilities. Nothing contained in this Section 7.1(e) shall constitute or be deemed a waiver of any claim, right or cause of action that the Debtors may have against any person in connection with or arising out of any Tort Claim or Medical Malpractice Claim, including, without limitation, any rights under section 157(b) of title 28 of the United States Code.

7.2 Estimation of Claims. The Liquidating Trustee (or, prior to the Effective Date, the Debtors) or the appropriate Reorganized Debtor(s) or other entit(ies) responsible for Retained Liabilities, as applicable, may, at any time, request the Bankruptcy Court to estimate any Claim pursuant to section 502(c) of the Bankruptcy Code, regardless of whether the Debtors previously have objected to such Claim, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time, including during litigation concerning any objection to such Claim. In the event the Bankruptcy Court estimates any Disputed Claim, that estimated amount may constitute either the Allowed amount of such Claim or a maximum limitation on the Allowed amount of such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the Allowed amount of such Claim, the Liquidating Trustee, the Debtors or the Reorganized Debtor(s) or other entit(ies) responsible for Retained Liabilities may elect to pursue any supplemental proceedings to object to any ultimate payment of such Claim. All of the aforementioned Claims objection, estimation and resolution procedures are cumulative and not necessarily exclusive of one another.

7.3 Allowance of Disputed Claims. If, on or after the Effective Date, any Disputed Claim, or portion thereof, becomes an Allowed Claim, the Liquidating Trustee or the Reorganized Debtors or other entit(ies) responsible for Retained Liabilities, as applicable, shall, as soon as practicable following the date on which the Disputed Claim, or portion thereof, becomes an Allowed Claim, distribute to the holder of such Allowed Claim the amount, without any interest thereon, that such holder would have received pursuant to Article IV of the Plan had the Disputed Claim, or portion thereof, always been an Allowed Claim, which amount shall not exceed the amount of Cash reserved on account of such Claim.

7.4 No Distribution in Respect of Disallowed Claims. To the extent that all or a portion of a Disputed Claim is disallowed, the holder of such Claim shall not receive any distribution on account of the portion of such Claim that is disallowed, and any Cash or Liquidating Trust interests reserved on account of the disallowed portion of such Claim shall be available for the Liquidating Trustee to distribute to holders of Allowed Claims, as appropriate, pursuant to the terms of the Plan.

Article VIII.

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

8.1 Executory Contracts and Unexpired Leases.

(a) Transfer to Liquidating Trust. On the Effective Date, any executory contracts or unexpired leases not rejected or assumed and assigned in accordance with the Recapitalization Proposal or Alternative Court-Approved Proposal shall be transferred to the Liquidating Trustee as part of the Liquidating Trust Assets.

(b) Assumption. The proponents of the Recapitalization Proposal shall identify by sixteen (16) days prior to the Confirmation Hearing those executory contracts or unexpired leases they do not wish to be assumed and retained for the benefit of the Reorganized Debtors, and the identity of such executory contracts and unexpired leases shall be included in the Plan Supplement. The proponents of an Alternative Court-Approved Proposal shall identify by the Confirmation Hearing those executory contracts or unexpired leases they do not wish to assume. Any executory contract or unexpired lease not so identified will be deemed assumed and retained by the appropriate Reorganized Debtor(s) or other entit(ies). Notwithstanding the foregoing, the proponents of the Recapitalization Proposal or Alternative Court-Approved Proposal shall retain the right to decline to assume any executory contract or unexpired lease for which the cure amount is not fixed in an amount acceptable to the proponents, either by agreement or a determination of the Bankruptcy Court. The Debtors understand that the proponents of the Recapitalization Proposal intend to assume provider agreements with Medicare, Medicaid and any similar state or federal programs and to assume third-party payor agreements.

(c) Pine Grove Remaining Assets and other Liquidating Trust Assets. As part of its authority to liquidate the Pine Grove Remaining Assets and other Liquidating Trust Assets, the Liquidating Trustee shall have sole discretion whether to assume and assign or reject any remaining executory contracts or unexpired leases of Pine Grove or any executory contracts or unexpired leases that have not been assumed or rejected pursuant to Section 8.1(b) or otherwise. Notwithstanding the foregoing, any such executory contracts or unexpired leases that have not been assumed by the close of ninety (90) days after the Effective Date shall be deemed rejected.

8.2 Cure of Defaults. The Reorganized Debtors or the applicable entit(ies) pursuant to an Alternative Court-Approved Proposal shall pay within the later of (i) 90 days after the Effective Date and (ii) the date of entry of a Final Order resolving any disputed cure amount, any costs to cure defaults on executory contracts and unexpired leases to be assumed in accordance with Section 8.1(b) above. The Liquidating Trustee only shall cure (i) any undisputed cure amounts under any executory contract or unexpired lease assumed in accordance with Section 8.1(c) above within thirty (30) days of such assumption, and (ii) any disputed cure amounts arising out of such an assumption within thirty (30) days after the entry of a Final Order determining the cure amount, if any.

8.3 Bar Date for Filing Proofs of Claim Relating to Executory Contracts and Unexpired Leases Rejected Pursuant to the Plan. Claims arising out of the rejection of an executory contract or unexpired lease pursuant to the Plan must be filed with the Bankruptcy Court and served upon the Debtors or, on and after the Effective Date, the

Reorganized Debtors and the Liquidating Trustee, by no later than thirty (30) days after the effective date of rejection. Any Claims not filed within such applicable time periods forever will be barred from assertion against the Debtors and their estates, the Liquidating Trust, any Reorganized Debtor or any other entity responsible for Retained Liabilities and their property.

8.4 Compensation and Benefit Programs. Unless previously terminated or otherwise provided for in this Plan, all savings, retirement, healthcare, severance, performance-based cash incentive, retention, employee welfare benefit, life insurance, disability and similar plans or agreements, all directors and officers liability and other insurance and all workers compensation programs are treated as executory contracts under the Plan and, as executory contracts, shall be subject to this Article VIII.

8.5 Retiree Benefits. The Debtors have never funded nor maintained any retiree benefit plans, funds or programs, as defined in section 1114 of the Bankruptcy Code, for the purpose of providing or reimbursing payments for retired employees and their spouses and dependents for medical, surgical, or hospital care benefits, or benefits in the event of sickness, accident, disability, or death under any plan, fund, or program (through the purchase of insurance or otherwise). Any such retiree benefit plans established by the Debtors prior to the Commencement Date were discretionary and never funded, and, accordingly, no such payments will be, or are required to be, made pursuant to section 1129(a)(13) of the Bankruptcy Code or any other provision of law.

Article IX.

EFFECT OF CONFIRMATION OF PLAN

9.1 Term of Injunctions or Stays. Unless otherwise provided, all injunctions or stays provided for in these Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the close of these Chapter 11 Cases.

9.2 Injunction. On and after the Confirmation Date, unless otherwise provided in this Plan, all Persons, other than the Liquidating Trustee, are enjoined permanently from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively or otherwise) on account of or respecting any claim, debt, right or cause of action of the Debtors.

Article X.

EFFECTIVENESS OF THE PLAN

10.1 Conditions Precedent to the Effective Date. The following are conditions precedent to the Effective Date of the Plan:

(a) The Bankruptcy Court shall have entered the Confirmation Order, which shall be in form and substance satisfactory to the Debtors, the proponents of the

Recapitalization Proposal or Alternative Court-Approved Proposal, as applicable, the Committee and the NCFE Entities;

(b) No stay of the Confirmation Order shall then be in effect at the time the other conditions set forth in this Section 10.1 are satisfied or waived;

(c) All authorizations, consents, and regulatory approvals, if any, required in connection with the effectiveness of the Plan shall have been obtained;

(d) All documents, instruments and agreements, in form and substance satisfactory to the Debtors, provided for under or necessary to implement the Plan shall have been executed and delivered by the parties thereto, unless such execution or delivery has been waived by the parties benefited thereby;

(e) The Reorganized Articles of Incorporation and Reorganized By-laws shall have been adopted by each of the Reorganized Debtors other than Pine Grove, if applicable;

(f) All conditions to the closing of the Recapitalization Proposal or Alternative Court-Approved Proposal, as applicable, shall have occurred or been waived by the party benefiting therefrom; and

(g) The Debtors shall have filed a Notice of Effectiveness with the Bankruptcy Court and served a copy of the same on the counsel for the Committee by electronic mail or facsimile.

10.2 Waiver of Conditions. The Debtors may waive, with the written consent of the NCFE Entities, the Committee and the proponents of the Recapitalization Proposal or the proponents of an Alternative Court-Approved Proposal, as applicable, by a writing signed by an authorized representative of the Debtors and filed with the Bankruptcy Court, one or more of the conditions precedent to effectiveness of the Plan set forth in Section 10.1 of the Plan.

10.3 Effect of Failure of Conditions. In the event that one or more of the conditions specified in Section 10.1 of the Plan have not occurred, or been waived pursuant to Section 10.2, on or before the date that is 180 days after the Confirmation Date, (a) the Confirmation Order shall be vacated, (b) no distributions under the Plan shall be made, (c) the Debtors and all holders of Claims and Equity Interests shall be restored to the *status quo ante* as of the day immediately preceding the Confirmation Date as though the Confirmation Date never occurred and (d) the Debtors' obligations with respect to Claims and Equity Interests shall remain unchanged and nothing contained in the Plan shall constitute or be deemed a waiver or release of any Claims or Equity Interests by or against the Debtors or any other Person or Entity or to prejudice in any manner the rights of the Debtors or any Person or Entity in any further proceedings involving the Debtors.

Article XI.

RETENTION OF JURISDICTION

The Bankruptcy Court shall retain jurisdiction of all matters arising under, arising out of, or related to, the Chapter 11 Cases and the Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

(a) To hear and determine any motions for the assumption, assumption and assignment or rejection of executory contracts or unexpired leases, and the allowance of any Claims resulting therefrom;

(b) To determine any and all adversary proceedings, applications, and contested matters that have been or may be commenced;

(c) To hear and determine any objections to or requests to estimate any Claims;

(d) To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, or vacated;

(e) To issue such orders in aid of execution of the Plan to the extent authorized by section 1142 of the Bankruptcy Code;

(f) To consider any modifications of the Plan, to cure any defect or omission, or reconcile any inconsistency in the Plan or any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(g) To hear and determine all applications for compensation and reimbursement of expenses of professionals under sections 330, 331 and 503(b) of the Bankruptcy Code;

(h) To hear and determine disputes arising in connection with the interpretation, implementation or enforcement of the Plan;

(i) To recover all assets of the Debtors and property of the Debtors' estates, wherever located;

(j) To hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code (including 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 Commencement Date through the closing of the Chapter 11 Cases);

(k) To hear any other matter consistent with the provisions of the Bankruptcy Code;

(l) To resolve all issues concerning Litigation Claims and Disputed Claims; and

(m) To enter a final decree closing these Chapter 11 Cases.

Article XII.

MISCELLANEOUS PROVISIONS

12.1 Releases and Exculpations. Except as provided below, the Debtors shall release certain officers, directors, employees and shareholders (the "Partially Released Parties"), the NCFE Entities and the creditors of the NCFE Entities solely in their capacity as creditors of the NCFE Entities (collectively, the "NCFE Released Parties") from any and all Claims, debts, obligations, rights, suits, damages, actions, causes of action, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing as of the Effective Date or thereafter arising, at law, in equity, or otherwise, that any of the Debtors would have been legally entitled to assert in its own right (whether individually or collectively) or that any holder of a claim or equity interest or other person or entity would have been legally entitled to assert on behalf of any of the Debtors or any of their estates, based in whole or in part upon any act or omission, transaction, agreement, event, or other occurrence taking place before or on the Effective Date (the "Released Claims"), and, without limiting the generality of the foregoing, to the extent permitted by law, waive all rights under any statutory provision purporting to limit the scope or effect of a general release, whether due to lack of knowledge or otherwise, including, but not limited to, any rights under section 1542 of the California Civil Code. The Partially Released Parties consist of the following persons only: Paul Tuft, Erich Mounce, Steven Dietlin, Donna Talbot, Brittany Mora, David Denslaw, Kevin Crandall, Michael Wagner, Jennifer Miller, Cindy Sehr, Susan Engelhard, Mark Engelhard, Sharon Kirsch, Sandy Dorsey, Alan Tuft, Nancy Tuft, Dave Stenerson, Mark Jones, Tad Erickson, Tom Wallace, Maggie Moon, M.D., Tom Kirsch, M.D., Bill Thoms, Kathy Thoms, Larry McFarland, K Sing Taneja, Robert Jones, James Morrow, Rajiv Kapur, Jonathan Silver, Ermanno Mariani, S.K. Durairaj, M.D., Casey Fatch, Steve Bass, M.D., John Wilker, Lori Patton, Julietta Mayoral, Enrique Beckmann, M.D., John Cookinham, Cheryl LaCost, Kathy Neely, Jill Crowell, Tim Anderson, Denny Levinson, M.D., Janine Fink Boyle, Karen Dale, Ron Davis, Natalie Cleckley, Russell Manns, Diana Poulsen, Errol Newport, Christopher Ackerman, M.D. and all Critical Physicians, as such term is defined in the motion, dated May 8, 2003, of the Debtors pursuant to section 105(a) of the Bankruptcy Code authorizing Debtors' payment of prepetition amounts owed to critical physicians and certain current employees.[10] This release shall include a release of any and all Claims for loans made to the Partially Released Parties, provided that this release shall not include a release of Claims against Mel Redman or other individuals

[10] The list of Partially Released Parties has not been finalized and is the subject of ongoing discussions among the proponents of the Recapitalization Proposal, the Committee and the NCFE Entities.

who were officers or directors of the Debtors prior to, but at no point after, the commencement of the Debtors' Chapter 11 Cases.

Holders of Claims who vote in favor of the Plan and accept distributions under the Plan (the "Releasing Creditors") shall be deemed to have (i) assigned any direct Claims related to the Debtors that they might have against the Partially Released Parties to the Liquidating Trust ("Assigned Direct Claims") and (ii) released any direct Claims that they might have against the NCFE Released Parties relating to or arising from the relationship of the Debtors and the NCFE Entities; provided that the NCFE Entities shall be deemed Releasing Creditors whether or not they vote in favor of the Plan; provided further that any release of Messrs. Tuft, Dietlin and Mounce is subject to an asset affidavit that such party must execute being true and correct; provided further that any release of the NCFE Entities by a Releasing Creditor shall not include a release of any Claim unrelated to the relationship of the Debtors and the NCFE Entities, any trade Claim or any Claim arising under any debt instrument or contract. Assigned Direct Claims may be pursued by the Liquidating Trust against the Partially Released Parties, but only if they arise out of the Partially Released Parties' management and governance of the Debtors and give rise to insurable claims under the Debtors' directors and officers insurance policy. Such Assigned Direct Claims shall constitute Unreleased Claims (as defined below) and shall not increase the $10 million limit of liability or collection in respect thereof.

The release by the Debtors and the Releasing Creditors of the Partially Released Parties and the NCFE Released Parties also shall effectuate a release by the Debtors and Releasing Creditors of Claims against third parties but only to the extent that (x) any such third party has a liquidated Claim for indemnification and/or contribution against a Partially Released Party or NCFE Released Party, (x) the liquidated amount of such indem and (y) any Claim for indemnification and/or contribution against an NCFE Released Party does not arise or derive from any Claim unrelated to the relationship of the Debtors and the NCFE Entities, any trade Claim or any Claim arising under any debt instrument or contract. Thus, by way of example only, if the Debtors have a Claim against a third party for $100, but that third party has an indemnification or contribution claim against any or all of the Partially Released Parties and/or the NCFE Released Parties for $50, the Debtors' claims against the third party shall be deemed released to the extent of $50.

Holders of Claims who vote to reject the Plan or do not vote shall preserve all direct Claims that such holders may have against the Partially Released Parties or the NCFE Released Parties. Whether a holder of a Claim votes in favor of the Plan, votes against the Plan or does not vote shall not affect the distribution such holder is entitled to receive under the Plan.

Notwithstanding anything to the contrary provided herein, the foregoing release by the Debtors and Releasing Creditors of the Partially Released Parties shall not release the Partially Released Parties from liability or collection in an amount up to $10 million (the "Unreleased Claims") arising out of their management and governance of the

Debtors, to the extent such Unreleased Claims give rise to insurable claims under the Debtors' directors and officers insurance policy. Further, nothing herein shall release any third party, including, but not limited to, any insurance provider, from liability respecting any released Claim. Finally, nothing herein shall relieve a Partially Released Party from any obligation to make any deductible or retention payment on account of an Unreleased Claim, subject to any right of indemnity such Partially Released Party may have against the Reorganized Debtors; provided, however, in the event the liquidated amount of the Unreleased Claim does not exceed the deductible or retention amount, then such Unreleased Claim shall be deemed released and the Partially Released Party shall have no liability with respect thereto.

The Debtors' officers and directors who were officers and directors both prior to and after the Commencement Date, shall be deemed to waive and release any and all prepetition and postpetition Claims against the Debtors, other than indemnity Claims for Claims asserted against them as officers and directors of the Debtors. Further, (i) the Debtors' officers, directors, Independent Director, employees, advisors, professionals, lawyers, investment bankers, financial advisors, representatives, agents and shareholders; (ii) the professionals for the Recapitalization Proposal proponents; and (iii) the members of the Committee and the Committee's advisors, lawyers and other professionals shall have no liability for any act or omission in connection with these Chapter 11 Cases, the commencement of these Chapter 11 Cases, the pursuit of confirmation of the Plan, the consummation of the Plan or the administration of the Plan or the property to be distributed under the Plan, except for willful misconduct or gross negligence.

12.2 Discharge. The rights afforded in the Plan and the treatment of all Claims and Equity Interests herein shall be in exchange for and in complete satisfaction, discharge and release of all Claims and Equity Interests of any nature whatsoever, including any interest accrued thereon from and after the Commencement Date, against any of the Debtors or their estates, assets, properties or interests in property. Any Reorganized Debtor shall not be responsible for any obligations of the Debtors or their estates except those expressly assumed by such Reorganized Debtor in accordance with the terms of this Plan and the Recapitalization Proposal or Alternative Court-Approved Proposal, as applicable.

12.3 Effectuating Documents and Further Transactions. Upon entry of the Confirmation Order, each of the Debtors, Reorganized Debtors, if any, Liquidating Trustee and the proponents of the Recapitalization Proposal or the proponents of an Alternative Court-Approved Proposal, as applicable, shall be authorized and are instructed to execute, deliver, file or record such contracts, instruments, releases, indentures and other agreements or documents and take such actions as may be reasonably necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

12.4 Corporate Action. On the Effective Date, all matters provided for under or contemplated by the Plan that would otherwise require approval of the directors or shareholders of the Debtors shall be deemed to have occurred (without having to have

obtained such approval) and shall be in effect from and after the Effective Date pursuant to the applicable general corporation law of the states in which the Debtors are incorporated, without any requirement of action by the stockholders or by the directors of the Debtors.

12.5 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 the Plan, including any deeds, bills of sale, assignments, mortgages, deeds of trust or similar documents executed in connection with any disposition of assets contemplated by the Plan shall not be subject to any stamp, real estate transfer, mortgage recording, sales, use or other similar tax.

12.6 Post-Confirmation Date Fees and Expenses. From and after the Effective Date, the Liquidating Trustee shall, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, pay the reasonable fees and expenses of professional persons thereafter employed in connection with the implementation and consummation of the Plan, the Liquidating Trust, the reconciliation of Claims, the prosecution of avoidance actions, or any other matters as to which such professionals are employed.

12.7 Payment of Statutory Fees. All fees payable pursuant to chapter 123 of title 28 of the United States Code ("Statutory Fees"), as determined by the Bankruptcy Court on the Confirmation Date, shall be paid on the Effective Date by the Liquidating Trustee. Any Statutory Fees accruing after the Confirmation Date also shall be paid by the Liquidating Trustee.

12.8 Modification of Plan. The Debtors reserve the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify the Plan at any time prior to the entry of the Confirmation Order. After the entry of the Confirmation Order, the Debtors may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan. A holder of an Allowed Claim that has accepted the Plan shall be deemed to have accepted the Plan as modified if the proposed modification does not materially and adversely change the treatment of the Claim of such holder.

12.9 Withdrawal or Revocation. The Debtors may withdraw or revoke the Plan at any time prior to the Confirmation Date. If the Debtors revoke or withdraw the Plan prior to the Confirmation Date, or if the Confirmation Date does not occur, then the 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 Debtors or any other person or to prejudice in any manner the rights of the Debtors or any other person in any further proceedings involving the Debtors.

12.10 Binding Effect. Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code, on and after the Confirmation Date, the provisions of the Plan shall bind any holder of a Claim against or Equity Interest in the Debtors and their respective successors and assigns, whether or not the Claim of such holder is impaired under the Plan and whether or not such holder has accepted the Plan. The rights, benefits and obligations of any entity named or referred to in the Plan whose actions may be required to effectuate the term of the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such entity (including, but not limited to, any trustee appointed for the Debtors under chapters 7 or 11 of the Bankruptcy Code).

12.11 Notices. Any notices or requests by parties in interest under or in connection with the Plan shall be in writing and served either by (a) certified mail, return receipt requested, postage prepaid, (b) hand delivery, or (c) reputable overnight delivery service, all charges prepaid, and shall be deemed to have been given when received by the following parties:

DOCTORS COMMUNITY HOSPITAL CORPORATION
6730 N. Scottsdale Road, Suite 290
Scottsdale, Arizona 85253
Attn: President

Liquidating Trustee
(Name and Address
to be included in
Notice of Effective Date)

Reorganized Debtors (if applicable)
(Name and Address
to be included in
Notice of Effective Date)

Other Entit(ies) pursuant to Alternative Court-Approved Proposal (if applicable)
(Name and Address
to be included in
Notice of Effective Date)

NATIONAL CENTURY FINANCIAL ENTERPRISES, INC.
6135 Memorial Drive
Dublin, Ohio 43017
Attn: David J. Coles

with copies to the Debtors' bankruptcy counsel:

WEIL, GOTSHAL & MANGES LLP
Attorneys for the Debtors and
Debtors in Possession
767 Fifth Avenue
New York, New York 10153
(212) 310-8000
Attn: Deryck A. Palmer, Esq.

100 Federal Street, 34th Floor
Boston, Massachusetts 02110
(617) 772-8300
Attn: Andrew M. Troop, Esq.

with copies to the Committee's bankruptcy counsel:

AKIN GUMP STRAUSS HAUER & FELD LLP
Robert S. Strauss Building, 1333 New Hampshire Avenue, N.W.
Washington, District of Columbia 20036-1564
Attn: Sam J. Alberts, Esq.

with copies to the NCFE Entities' bankruptcy counsel:

JONES DAY
77 West Wacker
Chicago, Illinois 60601
(312) 782-3939
Attn: Paul E. Harner, Esq.

12.12 Severability. In the event that the Bankruptcy Court determines, prior to the Confirmation Date, that any provision of the Plan is invalid, void or unenforceable, the Bankruptcy Court shall, with the consent of the Debtors, the NCFE Entities, the proponents of the Recapitalization Proposal or the proponents of an Alternative Court-Approved Proposal, as applicable, 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, consistent 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 the 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 the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms. Notwithstanding the foregoing, the provisions in the Plan relating to releases and exculpations are not severable from the remainder of the Plan.

12.13 Governing Law. Except to the extent the Bankruptcy Code or Bankruptcy Rules are applicable, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the federal laws of the United States and, to the extent there is no applicable federal law, the domestic laws of the District of Columbia, without giving effect to the principles of conflicts of law thereof.

12.14 Plan Supplement. The documents comprising the Plan Supplement shall be filed with the clerk of the Bankruptcy Court at least fifteen (15) days prior to the Confirmation Hearing. Upon its filing with the Bankruptcy Court, the Plan Supplement may be inspected in the office of the clerk of the Bankruptcy Court during normal court hours. Holders of Claims or Equity Interests may obtain a copy of the Plan Supplement upon written request to the Debtors' bankruptcy counsel in accordance with Section 12.11 of the Plan.

12.15 Headings. Headings are used in the Plan for convenience and reference only, and shall not constitute a part of the Plan for any other purpose.

12.16 Exhibits/Schedules. All Exhibits and Schedules to the Plan, including the Plan Supplement, are incorporated into and are a part of the Plan as if set forth in full herein.

12.17 Plan Controls Disclosure Statement; Recapitalization Proposal or Alternative Court-Approved Proposal Controls Plan; Confirmation Order Controls Plan, Recapitalization Proposal or Alternative Court-Approved Proposal. To the extent the Plan is inconsistent with the Disclosure Statement, the provisions of the Plan shall be controlling. To the extent the Recapitalization Proposal or Alternative Court-Approved Proposal, as applicable, is inconsistent with the Plan, the provisions of the Recapitalization Proposal or Alternative Court-Approved Proposal shall be controlling. To the extent the Confirmation Order is inconsistent with the Plan or the Recapitalization Proposal or an Alternative Court-Approved Proposal, the provisions of the Confirmation Order shall be controlling.

12.18 Filing of Additional Documents. On or before substantial consummation of the Plan, the Debtors shall file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

12.19 Section 506(c) Reservation. The Debtors reserve all rights under section 506(c) of the Bankruptcy Code with respect to any and all Secured Claims. To the extent

not pursued by the Debtors, and only to the extent permitted by applicable law, rights under section 506(c) shall be transferred to the Liquidating Trust.

Dated: Washington, D.C.
_____, 2004

DOCTORS COMMUNITY HEALTHCARE CORPORATION
a Delaware Corporation
(for itself and on behalf of each of the Debtors)

By: _____
Name: Thomas M. Reardon
Title: Independent Director