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Denise H. Curtis, Clerk
U.S. Bankruptcy Court for D.C.

EXHIBIT 1

TAKE-OUT AND RESTRUCTURING IMPLEMENTATION AGREEMENT

among

DOCTORS COMMUNITY HEALTHCARE CORPORATION

GREATER SOUTHEAST COMMUNITY HOSPITAL CORPORATION I

PACIN HEALTHCARE-HADLEY MEMORIAL HOSPITAL CORPORATION

PACIFICA OF THE VALLEY CORPORATION

("Borrower")

and

THE DCHC LIQUIDATING TRUST
("Trust")

Dated as of December [1,2004

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INTRODUCTION

TAKE-OUT AND RESTRUCTURING IMPLEMENTATION AGREEMENT, dated as of December [1,2004, by and among Doctors Community Healthcare Corporation, a Delaware corporation ("DCHC"), Greater Southeast Community Hospital Corporation I, a Delaware corporation ("Greater Southeast"), PACIN Healthcare-Hadley Memorial Hospital Corporation of Washington, D.C., a Delaware corporation ("Hadley"), Michael Reese Medical Center Corporation of Chicago, Illinois, a Delaware corporation ("Michael Reese"), Pacifica of the Valley Corporation of Sun Valley, California, a Delaware corporation ("Pacifica" and collectively with DCHC, Greater Southeast, Hadley and Michael Reese, the "Borrower" and each a "Borrower Entity") and The DCHC Liquidating Trust (the "Trust"). Capitalized terms used herein shall be defined as provided in Section 1.01 herein.

WHEREAS,

(A) On November 20, 2002, DCHC, Greater Southeast, Hadley, Michael Reese, Pacifica and Pine Grove Hospital Corporation of Canoga Park, California (collectively, the "Debtors") filed separate Chapter 11 petitions in the United States Bankruptcy Court for the District of Columbia (the "Bankruptcy Court");

(B) On April 2, 2004 the Second Amended Joint Chapter 11 Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (the "Debtors' Plan") was confirmed by order of the Bankruptcy Court;

(C) The Debtors' Plan provided for the reorganization of Greater Southeast, Hadley, Michael Reese, and Pacifica pursuant to the terms of the Debtors' Plan and that certain Amended and Restated Management Proposal for Acquisition of Equity of Reorganized Debtors dated February 24,2004 (the "Recapitalization Proposal");

(D) Pursuant to the Recapitalization Proposal, the Borrower issued to the Trust an A Note (as defined below) and a B Note (as defined below);

(E) By the Loan and Security Agreement, dated April 3, 2004, as amended August 3, 2004 (the "Loan and Security Agreement"), between the Trust and the Borrower, the Trust agreed to payments from the Borrower on the A Note and B Note as well as certain covenants and obligations upon the terms and conditions set forth in the Loan and Security Agreement;

(F) On September 3, 2004, the Borrower and the Trust entered into a settlement agreement regarding certain post-effective date disputes (the "Settlement Agreement" as defined below);

(G) The Borrower desires to repay to the Trust the payment obligations under the A Note, at a discount, on or before December 31, 2004, and terminate the covenants and obligations related to the A Note under the Loan and Security Agreement (the "A Note Take-out");

(H) The Borrower desires to repay to the Trust the payment obligations under the B Note, at a discount, and terminate the covenants and obligations related to the B Note under the Loan and Security Agreement by means of the payment of (i) a lump sum of US$1,489,538.00 on or before December 31,2004, and (ii) consecutive equal monthly payments for twenty-four (24) months beginning on February 1, 2005, pursuant to a new note (the "New Note" as defined herein) issued by the Borrower to the Trust (the "B Note Take-out");

(I) The Trust is willing, upon the terms and conditions set forth in this Agreement, to accept the A Note Take-out, the B Note Take-out and the New Note;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and in the agreements referred to above, and such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. In this Agreement, the following terms shall have the following meanings:

"A Loan" has the meaning set forth in Section 2.1 (a) of the Loan and Security Agreement

"A Note" has the meaning set forth in Section 2.1 (b) of the Loan and Security Agreement.

"A Note Take-out" has the meaning set forth in Recital (G) to this Agreement.

"Affiliate" means, with respect to a specified person, any Person directly or indirectly controlling, controlled by, or under common control with the specified Person, including without limitation their stockholders and any Affiliates thereof. A Person shall be deemed to control a corporation or other entity if the Person possesses, directly or indirectly, ten percent or more of the voting securities of such Person on a fully-diluted basis, or the power to direct or cause the direction of the management and business of the corporation or other entity, whether through the ownership of voting securities, by contract, or otherwise.

"Agreement" means this Take-out and Restructuring Implementation Agreement.

"Anti-kickback Law" means the Medicare and Medicaid Anti-Kickback Statute, Section 1128B(b) of the Social Security Act, as amended, and all regulations promulgated thereunder.

"B Loan" has the meaning set forth in Section 2.2 (a) of the Loan and Security Agreement.

"B Note" has the meaning set forth in Section 2.2 (b) of the Loan and Security Agreement.

"B Note Take-out" has the meaning set forth in Recital (H) to this Agreement.

"Bankruptcy Court" has the meaning set forth in Recital (A) to this Agreement.

"Borrower" has the meaning set forth in the Introduction to this Agreement.

"Borrower Entity" has the meaning set forth in the Introduction to this Agreement.

"Business Day" means any day on which financial institutions are open for business in the State of Arizona, excluding Saturdays and Sundays.

"Collateral" has the meaning set forth in Section **3.1** of the Loan and Security Agreement.

"Controlled Group" means all businesses that would be treated as a single employer under Section 40001(b) of ERISA.

"Debtors' Plan" has the meaning set forth in the Recital (B) to this Agreement.

"Default Rate" means a rate of interest equal to 5% per annum.

"Environmental Laws" means all applicable foreign, federal, state or local statutes, laws (including common law), ordinances, codes, rules, regulations and final orders of a Governmental Authority (including consent decrees and administrative orders) relating to public health and safety, occupational safety and health or protection of the environment.

"ERISA" has the meaning set forth in Section 6.10.

"Event of Default" has the meaning set forth in Section 8.01.

"GAAP" means generally accepted accounting principles applied in a consistent manner.

"Government Authority" means and includes any federal, state, District of Columbia, county, municipal, or other government and any department, commission, board, bureau, agency or instrumentality thereof, whether domestic or foreign.

"Hazardous Material" means any substances defined or designated as hazardous or toxic waste, hazardous or toxic material, hazardous or toxic substance, or similar term, by any environmental statute, rule or regulation or any Governmental Authority applicable to the Borrower or a Borrower Entity or their business, operations or assets.

"HCRI" means Health Care Reit, Inc., a Delaware corporation.

"Highest Lawful Rate" has the meaning set forth in Section 3.01 (e).

"Indemnitee" has the meaning set forth in Section 10.17.

"Insurer" means a Person, other than a patient, that insures a Patient against certain of the costs incurred in the receipt of such Patient of Medical Services, or that has an agreement with the Borrower or any of the entities of which the Borrower is comprised to compensate the Borrower or such entity for providing services to a Patient.

"JCAHO" means the Joint Commission for the Accreditation of Health Care Organizations.

"Loan and Security Agreement" has the meaning set forth in Recital (F) to this Agreement and is attached as Schedule1.

"Material Adverse Effect" shall mean any event or condition which, alone or when taken with other events or conditions occurring or existing concurrently with such event or condition (i) has or is reasonably expected to have a material adverse effect on the business, operations, condition (financial or otherwise), assets, liabilities, prospects, or properties of the Borrower or any Borrower Entity; (ii) has or is reasonably expected to have any material adverse effect on the validity or enforceability of this Agreement or any other Restructuring Document; (iii) materially impairs or is reasonably expected to materially impair the ability of the Borrower or any Borrower Entity to pay or perform the Obligations; or (iv) materially impairs or is reasonably expected to materially impair the ability of the Trust to enforce its rights and remedies under this Agreement or any other Restructuring Document.

"Medical Services" means medical and health care services provided to a Patient, including but not limited to, medical and health care services provided to a patient and performed by the Borrower which are covered by a policy of insurance issued by an Insurer, and includes physician services, nurse and therapist services, dental services, hospital services, skilled nursing facility services, comprehensive outpatient rehabilitation services, home health care services, residential and out-patient behavioral healthcare services, and medicine or health care equipment provided by the Borrower to a Patient for a necessary or specifically requested valid and proper medical or health purpose.

"New Note" has the meaning set forth in Section 3.01 (a).

"Notice of Take-out Effective Date" means a Notice of Take-out Effective Date substantially in the form of Annex 2.

"Obligations" means all liabilities and obligations of the Borrower arising out of this Agreement, the New Note and each of the other Restructuring Documents, including without limitation: (i) indebtedness evidenced under the New Note, all, interest, fees and charges owing by the Borrower and all other liabilities and obligations of very kind or nature whatsoever of the Borrower to the Trust arising out of this Agreement, the New Note and each of the other Restructuring Documents, whether now existing or hereafter incurred, joint or several, matured or unmatured, direct or indirect, primary or secondary, related or unrelated, due or to become due, including but not limited to any extensions, modifications, substitutions, increases and renewals thereof, (ii) the payment of all expenses incurred by the Trust in connection therewith,

(iv) the payment of any amounts due under Section 10.19, and (v) any amounts due to the Trust pursuant to the Borrower's indemnity obligations set forth in 10.17.

"Order of Confirmation" means the order of confirmation entered by the Bankruptcy court with the respect to the Debtors' Plan.

"Patient" means any Person receiving Medical Services from the Borrower or entity of which the Borrower is comprised and all Persons legally liable to pay the Borrower or such entity for such Medical Services other than Insurers.

"Person" means an individual, partnership, company, corporation, trust, joint venture, joint stock company, limited liability company, association, unincorporated organization, Governmental Authority, or any other entity or agency.

"Pledge Agreements" means those certain pledge agreements executed in favor of the Trust by Paul Tuft, Erich Mounce and the Borrower, dated as of April 3,2004.

"Recapitalization Proposal" has the meaning set forth in Recital (C) to this Agreement.

"Restructuring Documents" means, collectively, this Agreement, the Settlement Agreement other than Sections 5, 10, 17 and 19 therein, and the New Note and each and every other document now or hereafter delivered in connection with this Agreement, the Settlement Agreement other than Sections 5, 10, 17 and 19 therein or the New Note, as any of them may be amended, modified, novated or supplemented from time to time.

"Settlement Agreement" means that certain agreement entitled "Doctors Community Healthcare Corporation, et al. Settlement between Reorganized Debtors and Liquidating Trust of Certain Post Effective-Date Disputes" dated September 3, 2004, between the Borrower and the Trust as provided in Schedule 2 of this Agreement.

"Stark Law" means the Ethics in Patient Referral Act of 1989, as amended, and all regulations promulgated thereunder.

"Subject Documents" means, collectively, each of the Loan and Security Agreement, the A Note, the B Note and the Restructuring Documents and each and every other document now or hereafter delivered in connection with this Agreement, as any of them may be amended, modified, novated or supplemented from time to time.

"Take-out Effective Date" shall have the meaning specified in Section 4.02 hereof.

"Trust" has the meaning set forth in the Introduction to this Agreement.

"Trust's Environmental Liability" means any and all losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages (including consequential damages), reasonable disbursements or expenses of any kind or nature whatsoever, whether or not based on strict liability (including reasonable attorneys'

fees at trial and appellate levels; reasonable experts' fees and disbursements and expenses incurred in investigating, defending against or prosecuting any litigation, matter, claim or proceeding; and reasonable consultant fees, disbursements and expenses) which may at any time be imposed upon, incurred by or asserted or awarded against the Trust or any of the Trust's Affiliates, shareholders, directors, officers, employees, and agents in connection with or arising from:

(a) the actual or alleged presence or release of any Hazardous Material at, from, on, in, under or affecting all or any portion of any property of the Borrower or any Borrower Entity, the groundwater thereunder, or to the extent resulting from activities of the Borrower or any Borrower Entity or any of its predecessors, any surrounding areas thereof;

(b) any Event of Default described in Section 8.01;

(c) any actual or alleged material violation by the Borrower or any Borrower Entity of any Environmental Laws; or

(d) the imposition of any lien for damages caused by or for the recovery of any costs for the cleanup, release or threatened release of Hazardous Material by the Borrower or any Borrower Entity, or in connection with any property owned or operated at any time by the Borrower or any Borrower Entity.

Section 1.02. Interpretation. In this Agreement, unless the context otherwise requires:

(a) headings are for convenience only and do not affect the interpretation of this Agreement;

(b) words importing the singular include the plural and vice versa;

(c) a reference to a Section, Article, party, Exhibit, Annex or Schedule is a reference to that Section or Article of, or that party, Exhibit, Annex, or Schedule to, this Agreement;

(d) a reference to a document includes an amendment or supplement to, or replacement or novation of, that document but disregarding any amendment, supplement, replacement or novation made in breach of the Loan and Security Agreement or this Agreement; and

(e) a reference to a party to any document includes that party's successors and permitted assigns.