

DRAFT

El Paso Children's Hospital
LA - SUMMARY - LOW_HIGHStrictly Confidential - Do Not Copy/Distribute
Subject to Change**EPCH - Summary Low & High****El Paso Children's Hospital (EPCH)****Table I: Assets Available for Distribution**

| (\$ in 000's) | Notes | Hypothetical Liquidation Values | |
|---|-------|------------------------------------|-----------|
| | | Low | High |
| Total Assets and Net Proceeds Available for Distribution | a | \$ 17,628 | \$ 22,361 |
| % of Net Book Assets | | 66.6% | 84.5% |

Table II: Estimated Chapter 7 Expenses

| | | | |
|---|-------|-----------------|-----------------|
| Net Operational Winddown Costs | | \$ 11,848 | \$ 11,848 |
| Chapter 7 Trustee, Professional Fees & Costs | b & c | 1,399 | 1,551 |
| Total Chapter 7 Administrative Claims | | 13,247 | 13,399 |
| Net Proceeds after Chapter 7 Administrative Claims | | \$ 4,381 | \$ 8,962 |

Table III: Estimated Creditor Recoveries

| | Hypothetical Creditor Recovery Values | |
|--|--|------------------|
| | Low | High |
| Administrative Claims - Recovery | \$ - | \$ - |
| Administrative Claims | - | - |
| % Recovery | | |
| Priority Tax Claims - Recovery | - | - |
| Priority Tax Claims | - | - |
| % Recovery | | |
| <u>Classified Claims</u> | | |
| Class 1 (Allowed Priority Non-Tax Claims) - Recovery | 33 | 33 |
| Class 1 (Allowed Priority Non-Tax Claims) | 33 | 33 |
| % Recovery | 100% | 100% |
| Class 2 (Secured Claims) - Recovery | 237 | 237 |
| Class 2 (Secured Claims) | d 15,237 | 15,237 |
| % Recovery | 2% | 2% |
| Class 3 (Allowed Patient Claims and Admin Claims) - Recovery | 1,873 | 1,873 |
| Class 3 (Allowed Patient Claims and Admin Claims) | 1,873 | 1,873 |
| % Recovery | 100% | 100% |
| Class 4-7 (Unsecured Claims) - Recovery | 2,238 | 6,819 |
| Class 4-7 (Unsecured Claims) | e 49,070 | 49,070 |
| % Recovery | 5% | 14% |
| Total Claims - Recovery | \$ 4,381 | \$ 8,962 |
| Total Claims | \$ 66,213 | \$ 66,213 |
| % Recovery | 6.6% | 13.5% |

Notes:

- a Balances are as of 8/31/2015 (unaudited); Cash estimated as of 10/30/2015; Prepaid less UMC adequate protection of \$1.15 million
- b Chapter 7 Trustee Fees assume 3% on gross proceeds available for distribution.
- c Chapter 7 Professional Fees assumes 3-month wind down period to assist in winding down the estate and completing any necessary accountin
- d Includes amounts due to UMC Subordinated Secured Claim
- e Includes amounts due to El Paso Children's Physician Group Claim and UMC Subordinated General Unsecured Claim
- f Purchase service agreements and Lease rejection damage claims have not been estimated or calculated; fixed costs damage estimates exceed

El Paso Children's Hospital - Liquidation Analysis**Table I: Assets Available for Distribution**

| (\$ in 000's) | Notes | Unaudited | Estimated Asset | | Hypothetical | |
|---|-------|-----------------------|------------------------|------|--------------------|------------------|
| | | Balances ¹ | Realization Percentage | | Liquidation Values | |
| | | August 31, 2015 | Low | High | Low | High |
| Cash & Cash Equivalents | A | \$ 7,248 | 100% | 100% | \$ 7,248 | \$ 7,248 |
| Accounts Receivable - Net (Patient Rec and Other) | B | 13,132 | 70% | 100% | 9,193 | 13,132 |
| Inventory | C | 1,574 | 30% | 50% | 472 | 787 |
| Prepaid expenses and Other Current Assets | D | 1,334 | 5% | 10% | 67 | 133 |
| Capital Assets | | | | | | |
| Property & Equipment, net | E | 3,173 | 20% | 33% | 648 | 1,061 |
| Total Capital Assets, net | | 3,173 | | | 648 | 1,061 |
| Total Assets and Net Proceeds Available for Distribution | | \$ 26,462 | | | \$ 17,628 | \$ 22,361 |

El Paso Children's Hospital - Liquidation Analysis

Table II: Estimated Chapter 7 Expenses

| (\$ in 000's) | Notes | Estimated Balance / Allowed Claim | Estimated Creditor Recovery Percentage | | Hypothetical Creditor Recovery Values | |
|---|-------|---|---|------|--|-----------------|
| | | | Low | High | Low | High |
| Net Operational Wind-down Costs | F | 11,848 | | | \$ 11,848 | \$ 11,848 |
| Chapter 7 Trustee Fees ² | F | | | | 529 | 671 |
| Chapter 7 Professional Fees & Costs ³ | F | | | | 870 | 880 |
| Total Chapter 7 Administrative Claims | | | | | 13,247 | 13,399 |
| Net Proceeds after Chapter 7 Administrative Claims | | | | | \$ 4,381 | \$ 8,962 |

El Paso Children's Hospital - Liquidation Analysis**Table III: Estimated Creditor Recoveries**

| (\$ in 000's) | Notes | Estimated EPCH Claims | | Estimated Creditor Recovery Percentage | | Hypothetical Creditor Recovery Values | |
|--|-------|-----------------------|--------|--|------|---------------------------------------|-------------|
| | | Low | High | Low | High | Low | High |
| Administrative Claims | G | - | - | | | \$ - | \$ - |
| Priority Tax Claims | G | - | - | | | - | - |
| Classified Claims | | | | | | | |
| Class 1 (Allowed Priority Non-Tax Claims) | | 33 | 33 | 100% | 100% | 33 | 33 |
| Class 2A - Allowed Amerisource Claim | | 35 | 35 | 100% | 100% | 35 | 35 |
| Class 2B - Allowed ASD Claim | | 1 | 1 | 100% | 100% | 1 | 1 |
| Class 2C - Allowed Cardinal Health Claim | | 201 | 201 | 100% | 100% | 201 | 201 |
| Class 2D - Allowed HHSC Secured Claims | | - | - | | | - | - |
| Class 2E - Allowed UMC Secured Claims ⁴ | H | 15,000 | 15,000 | 0% | 0% | - | - |
| Class 2 (Secured Claims) | | 15,237 | 15,237 | | | | |
| Other Priority Claims | | - | - | | | | |
| Paid Time Off (PTO Accrued)/Other Accrued Payroll | | 838 | 838 | | | | |
| 503(b)9 | | 457 | 457 | | | | |
| Patient Claims | | 578 | 578 | | | | |
| Class 3 (Allowed Patient Claims and Admin Claims) | I | 1,873 | 1,873 | 100% | 100% | 1,873 | 1,873 |
| Class 4 (Allowed Texas Tech Unsecured Claim) | | 9,861 | 9,861 | 23% | 69% | 2,238 | 6,819 |
| Class 5 (Allowed General Unsecured Claims) | J | 4,143 | 4,143 | 0% | 0% | - | - |
| Class 6 (Disallowed EPCPG General Claims) ⁵ | | 2,066 | 2,066 | 0% | 0% | - | - |
| Class 7 (Allowed UMC Unsecured Claim) | H | 33,000 | 33,000 | 0% | 0% | - | - |
| Total Classified Claims | | 66,213 | 66,213 | | | 4,381 | 8,962 |
| Net Proceeds Available after Classified Claims | | | | | | \$ - | \$ - |

Notes:

- (1) Balances are as of 8/31/2015 (unaudited); Cash balance estimated as of 10/30/2015; Prepaid less UMC adequate protection of \$1.15 million
- (2) Chapter 7 Trustee Fees assume 3% on gross proceeds available for distribution.
- (3) Chapter 7 Professional Fees assumes 3-month wind down period to assist in winding down the estate and completing any necessary accounting work.
- (4) The Allowed UMC Secured Claim is subordinated to payments of all other Claims
- (5) Includes amounts due to El Paso Children's Physician Group
- (6) Purchase service agreements and Lease rejection damage claims have not been estimated or calculated; fixed costs damage estimates exceed \$36.0m