

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

Caption in Compliance with D.N.J. LBR 9004-2(c)

Adam C. Rogoff (AR-0820)
COOLEY GODWARD KRONISH LLP
1114 Avenue of the Americas
New York, NY 10036
Telephone: (212) 479-6000
Telecopy: (212) 479-6275

-and-

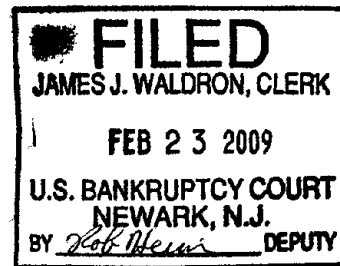
Stephen V. Falanga (SF-6414)
CONNELL FOLEY LLP
85 Livingston Avenue
Roseland, NJ 07068
Telephone: (973) 535-0500
Telecopy: (973) 535-9217

Co-Counsel for Debtor

In Re:

BAYONNE MEDICAL CENTER,

Debtor.



Chapter 11

Case No. 07-15195

Judge: Hon. Morris Stern

**ORDER APPROVING DISCLOSURE STATEMENT AND FIXING TIME FOR FILING
ACCEPTANCES OR REJECTIONS OF FIRST AMENDED JOINT PLAN OF
LIQUIDATION PROPOSED BY THE DEBTOR AND THE OFFICIAL COMMITTEE
OF UNSECURED CREDITORS COMBINED WITH NOTICE THEREOF**

The relief set forth on the following pages, numbered two (2) through six (6), is hereby
ORDERED.

Dated: Feb. 23, 2009


UNITED STATES BANKRUPTCY JUDGE
M. STERN



Debtor: Bayonne Medical Center
Case No.: Case No. 07-15195 (MS)
Caption of Order: Order Approving Disclosure Statement and Fixing Time for Filing
Acceptances and Rejections of Joint Plan Proposed by Debtor and
Committee Combined With Notice Thereof

THIS MATTER having been brought before the Court upon the joint motion ("Motion") of Bayonne Medical Center, the debtor and debtor-in-possession herein (the "Debtor"), and the Official Committee of Unsecured Creditors (the "Committee," and collectively with the Debtor, the "Plan Proponents"), for approval of the Disclosure Statement filed on January 9, 2009 pursuant to Section 1125 of the Bankruptcy Code relating to the Joint Plan of Liquidation dated January 9, 2009; and on February 23, 2009, the Plan Proponents having filed a First Amended Joint Plan of Liquidation (as it may be amended, the "Joint Plan") and Disclosure Statement related thereto (the "Disclosure Statement") consistent with the modifications approved by the Court at the Hearing on the Adequacy of the Disclosure Statement held on February 20, 2009; and the Court having considered the Disclosure Statement, the objections thereto, and the arguments of counsel, if any; and all objections to the Disclosure Statement having been resolved; and the Court having determined that the Disclosure Statement contains adequate information as required by Section 1125(b) of the Bankruptcy Code; and good cause appearing for the entry of this Order,

IT IS ORDERED as follows:

1. The Disclosure Statement is hereby approved.
2. Within two (2) days after the entry of this Order, a copy of this Order, the Disclosure Statement, Joint Plan, Solicitation Letter and appropriate Ballot (the "Solicitation Package") shall be mailed to the Office of the United States Trustee, all known creditors listed on the Debtor's schedules or otherwise on the claims register as having timely filed a proof of claim, as provided in Fed. R. Bankr. P. 3017(d).

Debtor: Bayonne Medical Center
Case No.: Case No. 07-15195 (MS)
Caption of Order: Order Approving Disclosure Statement and Fixing Time for Filing
Acceptances and Rejections of Joint Plan Proposed by Debtor and
Committee Combined With Notice Thereof

3. February 20, 2009 at 4:00 P.M. Pacific Time shall be the Voting Record Date for determining: (a) the creditors that are entitled to receive the Solicitation Package; (b) the creditors entitled to vote to accept or reject the Joint Plan; and (c) whether claims have been transferred properly to an assignee pursuant to Fed. R. Bankr. P. 3001(e) such that the assignee can vote as the holder of the claim.

4. The following categories of claims shall be allowed in the amount of \$0.00, for voting purposes only, unless the affected creditor files a motion pursuant to Fed. R. Bankr. P. 3018:

- a. Claims scheduled by the Debtor as contingent, unliquidated or disputed and such creditor failed to file a proof of claim; or
- b. Claims filed by creditors which indicated that the claim is contingent, unliquidated or disputed.

5. To the extent that a creditor has filed a claim in an amount which exceeds the amount scheduled by the Debtor, such claim is allowed, for voting purposes only, in the amount scheduled by the Debtor rather than the amount set forth in the proof of claim unless such creditor files a motion pursuant to Fed. R. Bankr. P. 3018.

6. Persons who filed proofs of claim for claims which are not listed on the Debtor's schedules shall not be entitled to vote on the Joint Plan and shall not be counted in determining whether the requirements of section 1126(c) of the Bankruptcy Code have been met with respect to the Joint Plan unless the affected person files a motion pursuant to Fed. R. Bankr. P. 3018.

7. If a creditor has filed a proof of claim asserting secured or priority status when the Debtor's schedules list such creditor as an unsecured creditor, such creditor's vote shall

Debtor: Bayonne Medical Center
Case No.: Case No. 07-15195 (MS)
Caption of Order: Order Approving Disclosure Statement and Fixing Time for Filing
Acceptances and Rejections of Joint Plan Proposed by Debtor and
Committee Combined With Notice Thereof

constitute a vote in Class 4A (general unsecured creditors) unless such creditor files a motion pursuant to Fed. R. Bankr. P. 3018.

8. March 16, 2009 (the "Rule 3018 Motion Deadline") is fixed as the deadline for the filing and serving motions for temporary allowance of claims pursuant to Fed. R. Bankr. P. 3018. Such motions shall be filed with the Clerk of the Court and served on (i) the Office of the United States Trustee for Region Three, (ii) counsel for the Debtor, and (iii) counsel for the Committee, so as to be received not later than 4:00 p.m. (Eastern Standard Time) on the Rule 3018 Motion Deadline. The Court shall have a hearing on Rule 3018 Motions, if any, on the same date and time as the Confirmation Hearing.

9. Notwithstanding the foregoing, if a creditor's claim has been allowed by a Final Order entered prior to the Voting Deadline fixed in Paragraph 10 of this Order, such claim will be allowed, for voting purposes, in the amount of the allowed claim set forth in such Final Order, and the creditor is not required to file a motion pursuant to Fed. R. Bankr. P. 3018.

10. March 26, 2009, at 4:00 p.m., Pacific Time (the "Voting Deadline") is fixed as the last day for submitting written acceptances or rejections of the Joint Plan. Ballots accepting or rejecting the Joint Plan shall be submitted to Bayonne Medical Center Plan Solicitation, c/o Kurtzman Carson Consultants LLC, 2335 Alaska Ave., El Segundo, CA 90245, by (i) first-class mail, in the return envelope provided with each Ballot, (ii) overnight courier, or (iii) personal delivery, so that they are actually received no later than the Voting Deadline.

11. The following rules shall apply for tabulating the votes to accept or reject the Joint Plan:

Debtor: Bayonne Medical Center
Case No.: Case No. 07-15195 (MS)
Caption of Order: Order Approving Disclosure Statement and Fixing Time for Filing
Acceptances and Rejections of Joint Plan Proposed by Debtor and
Committee Combined With Notice Thereof

- A. Votes Counted. Any signed ballot timely received that contains sufficient information to permit the identification of the claimant and is cast as an acceptance or rejection of the Joint Plan will be counted and will be deemed to be cast as an acceptance or rejection, as the case may be, of the Joint Plan. Ballots timely received that are cast in a manner that neither indicate an acceptance or rejection of the Joint Plan or which indicate both an acceptance and rejection of the Joint Plan shall be counted as an acceptance.
- B. Votes Not Counted. The following ballots shall not be counted or considered for any purpose in determining whether the Joint Plan has been accepted or rejected:
- (i) Any ballot received after the Voting Deadline unless the Plan Proponents shall have granted an extension of the Voting Deadline with respect to such ballot;
 - (ii) Any ballot that is illegible or contains insufficient information to permit the identification of the claimant;
 - (iii) Any ballot cast by a person or entity that does not hold a claim in a class that is entitled to vote to accept or to reject the Joint Plan;
 - (iv) Any ballot cast for a claim identified as unliquidated, contingent or disputed and for which no Rule 3018(a) Motion has been filed by the Rule 3018(a) Motion Deadline; or
 - (v) Any unsigned ballot.
- C. Changing Votes. Notwithstanding Fed. R. Bankr. P. 3018(a), whenever two or more ballots are cast voting the same claim prior to the Voting Deadline, the last ballot received prior to the Voting Deadline will be deemed to reflect the voter's intent and thus to supersede any prior ballots, without prejudice to the Plan Proponents' right to object to the validity of the second ballot on any basis

Debtor: Bayonne Medical Center
Case No.: Case No. 07-15195 (MS)
Caption of Order: Order Approving Disclosure Statement and Fixing Time for Filing
Acceptances and Rejections of Joint Plan Proposed by Debtor and
Committee Combined With Notice Thereof

permitted by law, including under Fed R. Bankr. P. 3018(a), and, if the objection is sustained, to count the first ballot for all purposes.

D. No Vote Splitting: Effect. Claim splitting shall not be permitted and those creditors who are entitled to vote must vote all of their claims within a particular class to either accept or reject the Joint Plan.

E. Provisional Counting. Any party who timely files and serves a Rule 3018 motion shall be provided a ballot and be permitted to cast a provisional vote to accept or reject the plan. At the Confirmation Hearing, the Court shall determine whether the provisional ballot will be counted as a vote on the Plan.

F. Class 2 and Class 4B Claims Voting. The Class 2 and Class 4B Claims shall be voted by the holders-in-interest of the obligations (the "Obligations") issued by the Debtor in connection with that certain Master Trust Indenture, dated as of December 1, 1994, as supplemented, and in a manner consistent with the Secured Creditor Settlement Agreement. Each such ballot shall be in an amount, for voting purposes only, equal the amount of Obligations held by the respective holder-in-interest as of the Voting Record Date. In accordance with Series Resolutions governing the Obligations held by the Bond Trustee and issued on or about December 1, 1994, and January 1, 1998, Financial Security Assurance, Inc., in its capacity as Bond Insurer, shall be the voting party with respect to such Obligations. This paragraph shall apply for voting and tabulation purposes only, and shall not otherwise affect the rights or duties of the Bond Trustee under the Series Resolutions or the amount, treatment, or rights of all parties with respect to the Class 2 and Class 4B claims.

Debtor: Bayonne Medical Center
Case No.: Case No. 07-15195 (MS)
Caption of Order: Order Approving Disclosure Statement and Fixing Time for Filing Acceptances and Rejections of Joint Plan Proposed by Debtor and Committee Combined With Notice Thereof

12. A hearing to consider confirmation of the Joint Plan will be held on April 7, 2009 at 11:30 a.m. before the Honorable Morris Stern at the United States Bankruptcy Court, Martin Luther King Federal Building, 50 Walnut Street, 3rd Floor, Newark, New Jersey.

13. March 31, 2009 at 4:00 p.m. Eastern Time (the "Confirmation Objection Deadline") is the deadline by which objections to confirmation of the Plan must be filed with the Court. In order to be considered, objections if any, must (a) be in writing, (b) comply with the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules; (c) state the grounds for the objection and the legal and factual bases therefore; (d) reference with specificity the text of the Plan to which objection is made; and (e) be filed with the Court, together with proof of service, and served so as to be RECEIVED no later than the Confirmation Objection Deadline by the following parties:

| | |
|---|--|
| <p>Cooley Godward Kronish, LLP Attn: Adam C. Rogoff, Esq. 1114 Avenue of the Americas New York, NY 10036 Co-Counsel for the Debtor</p> | <p>Connell Foley, LLP Attn: Stephen V. Falanga, Esq. 85 Livingston Avenue Roseland, New Jersey 07068 Co-Counsel for the Debtor</p> |
| <p>Sills Cummis & Gross, P.C. Attn: Andrew H. Sherman, Esq. One Riverfront Plaza Newark, New Jersey 07102 Counsel for the Creditors Committee</p> | <p>Office of the United States Trustee Attn: Mitchell Hausman, Esq. One Newark Center Suite 2100 Newark, New Jersey 07102</p> |

UNITED STATES BANKRUPTCY COURT

District of New Jersey
MLK Jr Federal Building
50 Walnut Street
Newark, NJ 07102

Case No.: 07–15195–MS
Chapter: 11
Judge: Morris Stern

In Re: Debtor(s) (name(s) used by the debtor(s) in the last 8 years, including married, maiden, trade, and address):

Bayonne Medical Center
29th Street & Avenue E
Bayonne, NJ 07002

Social Security No.:

Employer's Tax I.D. No.:
22–1487124

NOTICE OF JUDGMENT OR ORDER
Pursuant to Fed. R. Bankr. P. 9022

Please be advised that on February 23, 2009, the court entered the following judgment or order on the court's docket in the above-captioned case:

Document Number: 1789 – 1787, 1788
Order Approving Disclosure Statement and Fixing Time for Filing Acceptance or Rejections of First Amended Joint Plan of Liquidation Proposed by the Debtor and the Official Committee of Unsecured Creditors Combined with Notice Thereof (related document:[1787] Chapter 11 Plan filed by Creditor Committee Official Committee Of Unsecured Creditors, Debtor Bayonne Medical Center, [1788] Disclosure Statement filed by Creditor Committee Official Committee Of Unsecured Creditors, Debtor Bayonne Medical Center). The following parties were served: Debtor, Debtor's Attorney, Trustee and US Trustee., Order (related document:[1787] Chapter 11 Plan filed by Creditor Committee Official Committee Of Unsecured Creditors, Debtor Bayonne Medical Center, [1788] Disclosure Statement filed by Creditor Committee Official Committee Of Unsecured Creditors, Debtor Bayonne Medical Center). The following parties were served: Debtor, Debtor's Attorney, Trustee, US Trustee and Movant's Attorney. Signed on 2/23/2009. Confirmation hearing to be held on 4/7/2009 at 11:30 AM at MS – Courtroom 3A, Newark. Last day to Object to Confirmation 3/31/2009.Last day to file ballots is 3/26/2009. (djb)

Parties may review the order by accessing it through PACER or the court's electronic case filing system (CM/ECF). Public terminals for viewing are also available at the courthouse in each vicinage.

Dated: February 23, 2009
JJW: djv

James J. Waldron
Clerk