

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

| | | |
|-------------------------------|---|-------------------|
| IN RE: | § | |
| | § | |
| GAINESVILLE HOSPITAL DISTRICT | § | Case No. 17-40101 |
| D/B/A NORTH TEXAS MEDICAL | § | |
| CENTER, ¹ | § | |
| DEBTOR. | § | Chapter 9 |

EX PARTE

ADVERSARY NO. 17-04072

GAINESVILLE HOSPITAL DISTRICT
D/B/A NORTH TEXAS MEDICAL
CENTER

ORDER GRANTING FORM OF NOTICE OF HEARING

Upon consideration of the Gainesville Hospital District d/b/a North Texas Medical Center’s proposed notice of hearing (the “Notice”) filed on July 28, 2017 as Exhibit 1 to the *Original Complaint/Petition for Expedited Declaratory Judgment* [Adv. Dkt. No. 1], the Court, having jurisdiction to consider the Notice in accordance with 28 U.S.C. §§ 157; and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; the Court hereby approves the form of notice affixed as Attachment A hereto.

IT IS SO ORDERED.

Signed on 7/31/2017

 SR

 HONORABLE BRENDA T. RHOADES,
 UNITED STATES BANKRUPTCY JUDGE

¹ The last four digits of the District’s federal tax identification number are: 1664. The location of the District’s principal place of business and the service address is: 1900 Hospital Blvd., Gainesville, TX 76240.

Attachment A

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EX PARTE

ADVERSARY NO. 17-04072

GAINESVILLE HOSPITAL DISTRICT
D/B/A NORTH TEXAS MEDICAL
CENTER

NOTICE OF HEARING

ATTENTION: THIS NOTICE IS DIRECTED TO ALL PERSONS WHO RESIDE WITHIN THE TERRITORY OF GAINESVILLE HOSPITAL DISTRICT; WHO OWN PROPERTY LOCATED WITHIN THE BOUNDARIES OF GAINESVILLE HOSPITAL DISTRICT; WHO ARE TAXPAYERS OF GAINESVILLE HOSPITAL DISTRICT; WHO HAVE OR CLAIM A RIGHT, TITLE, OR INTEREST IN ANY PROPERTY OR MONEY TO BE AFFECTED BY A PUBLIC SECURITIES AUTHORIZATION, THE ISSUANCE OF PUBLIC SECURITIES BY GAINESVILLE HOSPITAL DISTRICT SECURED BY AD VALOREM TAXES WITHIN THE LIMITS PRESCRIBED BY LAW, OR GAINESVILLE HOSPITAL DISTRICT’S USE OF PROCEEDS FROM SUCH PUBLIC SECURITIES FOR REFUNDING VARIOUS EXPENSES AND LIABILITIES AND ANTICIPATED EXPENSES AND LIABILITIES INCURRED AND TO BE INCURRED BY GAINESVILLE HOSPITAL DISTRICT, INCLUDING THE CREDITORS IN THE CAPTIONED BANKRUPTCY PROCEEDING; ADVISING THEM OF THEIR RIGHT TO APPEAR FOR TRIAL AND SHOW CAUSE WHY THE PETITIONERS’ ORIGINAL PETITION FOR EXPEDITED DECLARATORY JUDGMENT SHOULD NOT BE GRANTED.

Please take notice that on July 28, 2017, Gainesville Hospital District d/b/a North Texas Medical Center (the “**District**”), filed an Original Complaint/Petition for Expedited Declaratory Judgment (the “**Original Petition**”) as styled above pursuant to Chapter 1205 of the Texas

¹ The last four digits of the District’s federal tax identification number are: 1664. The location of the District’s principal place of business and the service address is: 1900 Hospital Blvd., Gainesville, TX 76240.

Government Code. This *in rem* and class action proceeding is brought by the District in connection with the restructuring and refunding of various expenses and liabilities and anticipated expenses and liabilities to be incurred by the District in an amount not to exceed \$34,750,000. The proceeding was instituted in the United States Bankruptcy Court for the Eastern District of Texas, Sherman Division, which the District concluded has jurisdiction and is a proper venue. The District seeks to obtain a declaratory judgment to conclusively establish: (a) the District's authority to issue its limited tax general obligation refunding bonds (the "**Bonds**"), from time to time in one or more series as may be necessary, pursuant to Chapter 1207 of the Texas Government Code ("**Chapter 1207**") to restructure and refinance each of the District's general or special obligations established in the Original Petition (collectively, the "**Obligations**") without an election in connection with the issuance thereof; (b) the District's authority to levy ad valorem taxes in an amount not to exceed 75 cents on the \$100 valuation of all taxable property within the physical boundaries of the District, in order to provide indigent medical care to residents within the District and to pay the Bonds (of which not more than 65 cents on the \$100 valuation may be imposed to pay principal of and interest on the Bonds in any given year); (c) the District's authority to incur the Obligations in order to operate and maintain the North Texas Medical Center (the "**Hospital**") and provide indigent care prior to and during its bankruptcy proceeding; (d) the validity and legality of the District's liabilities for the payment of the Obligations, associated with the continued operation and maintenance of the Hospital and the provision of indigent care by the District; (e) the classification of each such liability and each such related Obligation, in not-to-exceed amounts provided in the Original Petition, as "other general or special obligations" pursuant to Chapter 1207; and (f) the validity and legality of the proposed orders, elections, judgments, agreements, certificates and contracts described in the Original Petition, including the statutory authority of the District to adopt, execute or enter into such orders, elections, judgments, agreements, certificates and contracts, all of which relate to the issuance of the Bonds and the expenditure of Bond proceeds for the payment in full of the Obligations, for the continued operation and maintenance of the Hospital and the provision of indigent care by the District.

The Original Petition, which more fully describes the Obligations, the Bonds, and the related agreements, is on file with the court and is available for review² by all persons, including those who (1) reside in the territory of the District, (2) own property located within the boundaries of the District, (3) are taxpayers of the District; (4) have or claim a right, title, or interest in any property or money to be affected by a public security authorization or the issuance of the public securities by the District, including those who are creditors in the captioned bankruptcy proceeding (such persons constitute "**Interested Parties**").

All Interested Parties and the Honorable Ken Paxton, in his official capacity as Attorney General of the State of Texas, are hereby notified of their right to appear at **10:00 a.m. on Monday, August 21, 2017** in the courtroom of the United States Bankruptcy Court for the Eastern District of Texas, Sherman Division, at **660 N. Central Expressway, Suite 300-B, Plano, Texas 75074**, for hearing and trial of the claims made in the Original Petition and to show cause why the Original Petition should not be granted by the Court's signing of a

² The Original Petition is available online for review via PACER (Public Access to Court Electronic Records at www.pacer.gov) or on the District's notice site for its bankruptcy proceeding at <http://www.jndla.com/cases/GainesvilleHD>.

Declaratory Judgment ordering the public securities or the public security authorizations be validated and confirmed.

Please take further notice that Interested Parties may become a named party to this bond validation action by filing an answer with the Court at or before the time set for trial, or by intervening, but only with leave of court, after the trial date. The Court has ordered this deadline notwithstanding other deadlines under the Federal Rules of Civil Procedure or the Federal Rule of Bankruptcy Procedure.

For responses to frequently asked questions related to the matters described in this notice, please visit <http://www.ntmconline.net/>