

Your claim can be filed electronically on KCC's website at <https://epoc.kccllc.net/neighbors>.

United States Bankruptcy Court for the Southern District of Texas

Indicate Debtor against which you assert a claim by checking the appropriate box below. **(Check only one Debtor per claim form.)**

- | | | |
|---|---|--|
| <input type="checkbox"/> Neighbors Legacy Holdings, Inc. (Case No. 18-33836) | <input type="checkbox"/> NEC Crosby Emergency Center, LP (Case No. 18-33853) | <input type="checkbox"/> NEC Lubbock Emergency Center, LP (Case No. 18-33876) |
| <input type="checkbox"/> EDMG, LLC (Case No. 18-33837) | <input type="checkbox"/> NEC Tyler Emergency Center, LP (Case No. 18-33854) | <input type="checkbox"/> Neighbors Physician Group – Colorado, LLC (Case No. 18-33877) |
| <input type="checkbox"/> NEC Amarillo Emergency Center, LP (Case No. 18-33838) | <input type="checkbox"/> NEC West Warwick Emergency Center, LP (Case No. 18-33855) | <input type="checkbox"/> NEC Lufkin Emergency Center, LP (Case No. 18-33878) |
| <input type="checkbox"/> NEC Pasadena Emergency Center, LP (Case No. 18-33839) | <input type="checkbox"/> NEC Greeley Emergency Center, LP (Case No. 18-33857) | <input type="checkbox"/> Neighbors Physician Group – Rhode Island, LLC (Case No. 18-33879) |
| <input type="checkbox"/> NEC Amarillo South Emergency Center, LP (Case No. 18-33840) | <input type="checkbox"/> NEC Harlingen Emergency Center, LP (Case No. 18-33859) | <input type="checkbox"/> NEC McAllen Emergency Center, LP (Case No. 18-33880) |
| <input type="checkbox"/> NEC Pearland Asset Holdings, LLC (Case No. 18-33841) | <input type="checkbox"/> NEC Wichita Falls Emergency Center, LP (Case No. 18-33860) | <input type="checkbox"/> Neighbors Physician Group, PLLC (Case No. 18-33881) |
| <input type="checkbox"/> NEC Pearland Emergency Center, LP (Case No. 18-33842) | <input type="checkbox"/> NEC Kerrville Emergency Center, LP (Case No. 18-33862) | <input type="checkbox"/> Neighbors Practice Management, LLC (Case No. 18-33883) |
| <input type="checkbox"/> NEC Baytown Asset Holdings, LLC (Case No. 18-33843) | <input type="checkbox"/> NEC Yorktown Emergency Center, LP (Case No. 18-33865) | <input type="checkbox"/> NEC Midland Emergency Center, LP (Case No. 18-33884) |
| <input type="checkbox"/> NEC Port Arthur Emergency Center, LP (Case No. 18-33844) | <input type="checkbox"/> NEC Kingwood Asset Holdings LLC (Case No. 18-33866) | <input type="checkbox"/> Next Door Urgent Care, LLC (Case No. 18-33885) |
| <input type="checkbox"/> NEC Baytown Emergency Center, LP (Case No. 18-33845) | <input type="checkbox"/> NEC Kingwood Emergency Center, LP (Case No. 18-33867) | <input type="checkbox"/> NEC Mueller Emergency Center, LP (Case No. 18-33886) |
| <input type="checkbox"/> NEC Porter Emergency Center, LP (Case No. 18-33846) | <input type="checkbox"/> NEC Zaragoza Emergency Center, LP (Case No. 18-33868) | <input type="checkbox"/> NHS Emergency Centers, LLC (Case No. 18-33887) |
| <input type="checkbox"/> NEC Bellaire Emergency Center, LP (Case No. 18-33847) | <input type="checkbox"/> Neighbors Emergency Center, LLC (Case No. 18-33869) | <input type="checkbox"/> NEC Odessa Emergency Center, LP (Case No. 18-33888) |
| <input type="checkbox"/> NEC San Angelo Emergency Center, LP (Case No. 18-33848) | <input type="checkbox"/> NEC Lakeline Emergency Center, LP (Case No. 18-33870) | <input type="checkbox"/> NEC Orange Emergency Center, LP (Case No. 18-33889) |
| <input type="checkbox"/> NEC Brownsville Emergency Center, LP (Case No. 18-33849) | <input type="checkbox"/> Neighbors Global Holdings, LLC (Case No. 18-33871) | <input type="checkbox"/> NEC Paris Emergency Center, LP (Case No. 18-33890) |
| <input type="checkbox"/> NEC Texarkana Emergency Center, LP (Case No. 18-33850) | <input type="checkbox"/> Neighbors GP, LLC (Case No. 18-33873) | <input type="checkbox"/> NEC Eastside Emergency Center, LP (Case No. 18-33891) |
| <input type="checkbox"/> NEC College Station Emergency Center, LP (Case No. 18-33851) | <input type="checkbox"/> NEC Longview Emergency Center, LP (Case No. 18-33874) | <input type="checkbox"/> NEC Beaumont Asset Holdings, LLC (Case No. 18-34030) |
| <input type="checkbox"/> NEC Texas City Emergency Center, LP (Case No. 18-33852) | <input type="checkbox"/> Neighbors Health, LLC (Case No. 18-33875) | <input type="checkbox"/> NEC Beaumont Emergency Center, LP (Case No. 18-34031) |

**Official Form 410
Proof of Claim**

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Files must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

Part 1: Identify the Claim

1. **Who is the current creditor?** Affiliates of Read King, Inc., see attached.
 Name of the current creditor (the person or entity to be paid for this claim) _____
 Other names the creditor used with the debtor _____

2. **Has this claim been acquired from someone else?** No
 Yes. From whom? _____

3. **Where should notices and payments to the creditor be sent?** **Where should notices to the creditor be sent?** **Where should payments to the creditor be sent? (if different)**

Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	<u>Gray Reed & McGraw LLP attn: Jason S. Brookner</u>	<u>Read King, Inc. - Kim Nelson</u>
	Name _____	Name _____
	<u>1601 Elm Street, Ste. 4600</u>	<u>5850 San Felipe, Ste 490</u>
	Number _____ Street _____	Number _____ Street _____
	<u>Dallas Texas 75201</u>	<u>Houston Texas 77057</u>
City _____ State _____ ZIP Code _____	City _____ State _____ ZIP Code _____	City _____ State _____ ZIP Code _____
<u>United States</u>	<u>United States</u>	<u>United States</u>
Country _____	Country _____	Country _____
Contact phone <u>469-320-6132</u>	Contact phone <u>713-782-9000</u>	Contact phone _____
Contact email <u>jbrookner@grayreed.com</u>	Contact email <u>kim@read-king.com</u>	Contact email _____

Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____

4. **Does this claim amend one already filed?** No
 Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY

5. **Do you know if anyone else has filed a proof of claim for this claim?** No
 Yes. Who made the earlier filing? _____



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Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor? No
 Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: ____ _

7. How much is the claim? \$_____. Does this amount include interest or other charges?
 No
 Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.
 Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
 Limit disclosing information that is entitled to privacy, such as health care information.

9. Is all or part of the claim secured? No
 Yes. The claim is secured by a lien on property.

Nature of property:
 Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.
 Motor vehicle
 Other. Describe: _____

Basis for perfection: _____
 Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

Value of property: \$ _____
Amount of the claim that is secured: \$ _____
Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amounts should match the amount in line 7.)

Amount necessary to cure any default as of the date of the petition: \$ _____

Annual Interest Rate (when case was filed) _____ %
 Fixed
 Variable

10. Is this claim based on a lease? No
 Yes. Amount necessary to cure any default as of the date of the petition. \$ see attached

11. Is this claim subject to a right of setoff? No
 Yes. Identify the property: _____

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

No

Yes. Check all that apply:

Amount entitled to priority

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). \$ _____

Up to \$2,850* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7). \$ _____

Wages, salaries, or commissions (up to \$12,850*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4). \$ _____

Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8). \$ _____

Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5). \$ _____

Other. Specify subsection of 11 U.S.C. § 507(a)(__) that applies. \$ _____

* Amounts are subject to adjustment on 4/01/19 and every 3 years after that for cases begun on or after the date of adjustment.

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

- I am the creditor.
- I am the creditor's attorney or authorized agent.
- I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
- I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 04/08/2019
mm/dd/yyyy

/s/ C. Ewing King
Signature

Print the name of the person who is completing and signing this claim:

Name C. Ewing King
First name Middle name Last name

Title Manager

Company Multiple - see attached
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address 5850 San Felipe, Suite 490
Number Street
Houston, Texas 77057
City State ZIP Code Country

Contact phone 713-782-9000 Email kim@read-king.com

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

**NEIGHBORS LEGACY HOLDINGS,
INC., *et al.*,**

Debtors.

§
§ **Chapter 11**
§
§ **Case No. 18-33836 (MI)**
§
§ **(Jointly Administered)**
§
§
§

ATTACHMENT TO AMENDED AND SUPPLEMENTAL PROOF OF CLAIM

Prior to the filing of the Debtors’ respective bankruptcy petitions, multiple Debtors and non-Debtors entered into lease agreements with Read King, Inc. and/or its affiliated entities (collectively, “Read King”).¹ Additionally, each of these entities (along with Neighbors Global Holdings, LLC, a non-lessee) guaranteed the obligations owing under each lease through a Master Guaranty.

Prepetition, Debtor Neighbors Health, LLC (“NH”) contracted with Gerald H. Phipps, Inc. d/b/a GH Phipps Construction Company (“Phipps”) pursuant to written contracts dated as of August 3, 2016 and May 18, 2017, respectively. NH intended to operate freestanding emergency room facilities in Grand Prairie, Texas and Amarillo, Texas on land owned by Read King

¹ The Debtors that entered into leases and the Master Guaranty with Read King are: NEC Amarillo Emergency Center, LP; NEC Amarillo South Emergency Center, LP; NEC Baytown Emergency Center, LP; NEC Beaumont Emergency Center, LP; NEC Bellaire Emergency Center, LP; NEC Brownsville Emergency Center, LP; NEC College Station Emergency Center, LP; NEC Crosby Emergency Center, LP; NEC Eastside Emergency Center, LP; NEC Greeley Emergency Center, LP; NEC Harlingen Emergency Center, LP; NEC Kerrville Emergency Center, LP; NEC Kingwood Emergency Center, LP; NEC Lakeline Emergency Center, LP; NEC Longview Emergency Center, LP; NEC Lubbock Emergency Center, LP; NEC Lufkin Emergency Center, LP; NEC McAllen Emergency Center, LP; NEC Midland Emergency Center, LP; NEC Mueller Emergency Center, LP; NEC Odessa Emergency Center, LP; NEC Orange Emergency Center, LP; NEC Paris Emergency Center, LP; NEC Pasadena Emergency Center, LP; NEC Pearland Emergency Center, LP; NEC Port Arthur Emergency Center, LP; NEC Porter Emergency Center, LP; NEC San Angelo Emergency Center, LP; NEC Texarkana Emergency Center, LP; NEC Texas City Emergency Center, LP; NEC Tyler Emergency Center, LP; NEC West Warwick Emergency Center, LP; NEC Wichita Falls Emergency Center, LP; NEC Yorktown Emergency Center, LP; NEC Zaragoza Emergency Center, LP (collectively, and together with Neighbors Global Holdings, LLC, the “Guarantor Debtors”).

(the “Property”) and leased to Debtor NEC Amarillo South Emergency Center, LP and non-Debtor NEC Grand Prairie Emergency Center LP, respectively. NH engaged Phipps to perform the tenant finish out work at those two locations.

NH failed to pay Phipps all amounts owed for the work Phipps completed at the Property. As a consequence, Phipps filed Affidavits for Mechanic’s and Materialman’s Liens, claiming liens against the Property, including against Read King’s fee interests. Certain of Phipps’ subcontractors also filed claims of lien against the interests of Read King and/or NH.

After the Debtors filed for bankruptcy, in order to resolve these claims of liens, the parties entered into a Mediated Settlement Agreement pursuant to which Read King agreed to pay Phipps \$450,000 and allow Phipps to remove \$80,000 in equipment from the Property, in full settlement of all claims asserted by Phipps or its subcontractors (the “Settlement”). Read King paid the entire amount due under the Settlement through three payments to Phipps, the last of which was made on March 5, 2019. The Mediated Settlement Agreement with Phipps is confidential, but will be provided to the Debtors, the Unsecured Creditor Trustee, and/or the Liquidating Trustee upon request.

Pursuant to Read King’s leases with NEC Amarillo South Emergency Center, LP and NEC Grand Prairie Emergency Center LP (collectively, the “NEC Phipps Entities”), the NEC Phipps Entities are obligated to (i) reimburse Read King for any moneys paid by Read King to Phipps and (ii) pay all of Read King’s costs and expenses, including attorney’s fees and expenses of litigation, related to the NEC Phipps Entities’ failure to discharge the liens, together with interest. Furthermore, pursuant to the Master Guaranty, each of the Guarantor Debtors is similarly liable for these amounts. The \$450,000 payable under the Settlement was included in the spreadsheet attached to the original proof of claim filed in this matter by Read King, under the line item

“Liens.” The additional \$80,000 of equipment was not capable of reasonable estimation by Read King at the time the original proof of claim was filed.

Pursuant to order of the Bankruptcy Court, Read King’s respective leases with NEC Longview Emergency Center, LP; NEC Kerrville Emergency Center, LP; NEC Texas City Emergency Center, LP; NEC Lufkin Emergency Center, LP; NEC Greeley Emergency Center, LP; and NEC Amarillo South Emergency Center, LP were rejected as of the Petition Date. [Docket No. 201].

A calculation of the amounts owing to Read King under its respective leases with the Guarantor Debtors and the Master Guaranty, including the Settlement, is as follows:

Total Amounts Due by all Guarantor Debtors

Total Claims (per original Proof of Claim):	\$13,316,066.21 ²
Supplemental equipment claim related to the Phipps Settlement:	\$80,000.00
Additional post petition attorneys’ fees and expenses on Phipps and creditor representation matters (not included in original POC and incurred thereafter):	\$42,405.57
Total Amount Due:	\$13,438,471.78

The following documents are attached to Read King’s original proof of claim and are incorporated into this Amended and Supplemental Proof of Claim by reference:

1. A detailed calculation of the amounts owing to Read King under each of its multiple leases with various NEC entities,
2. the Master Guaranty, and
3. the appropriate lease applying to the specific Debtor against which this claim is filed (if any).

Additional applicable documentation will be provided upon request. Read King reserves the right to further amend and supplement this Amended and Supplemental Proof of Claim.

² A breakdown of amounts owing in this category is attached as Exhibit A to the original proof of claim filed for this claim.