

IN THE CHANCERY COURT OF LEWIS COUNTY
AT HOHENWALD, TENNESSEE

IN RE: SENTINEL TRUST COMPANY)
)
)
)

Case No. 4781

FILED _____
AT 10:02 O'CLOCK A.M.

MAY 23 2005

JANET WILLIAMS, CLERK & MASTER
BY Selena Wix

**ORDER APPROVING DISTRIBUTION OF FUNDS REALIZED UPON TARRANT
COUNTY, TEXAS BOND ISSUE AND DIRECTING ALL CLAIMS BY
BONDHOLDERS TO PROOF OF CLAIM PROCESS**

On February 17, 2005, the Sentinel Trust Receiver (“Receiver”) moved the Court to approve a distribution of funds realized upon the sale of collateral relating to the Tarrant County, Texas Health Facilities Development Corporation Hospital Revenue Bonds (Community Health Care Foundation, Inc. Project, Series 1991 Consolidated Bond Issue) (“Tarrant County Bond Issue”). Hearing on this matter was had on February 28, 2005 at which time the Court set the objections raised regarding the motion for an evidentiary hearing on June 9, 2005.¹ On March 14, 2005, the Receiver and the Commissioner-in-Possession filed a Motion to Alter or Amend or to Otherwise Reconsider the Court’s February 28, 2005 ruling (“Motion to Reconsider”).

Upon consideration of the Commissioner-in-Possession’s and Receiver’s Motion to Reconsider, the Court grants the Motion to Reconsider through separate order contemporaneously entered by the Court. Also, upon consideration of the Receiver’s February 17, 2005 motion seeking approval of distribution of funds regarding the Tarrant County Bond Issue, and upon the record as a whole, the Court finds and approves that \$5,999.42 to the Waller Lansden Firm and \$126.00 to the Heartfield & McGinnis Firm be paid from the collateral

¹ Subsequently, the Court reset that evidentiary hearing for August 4, 2005.

proceeds for services rendered pre- May 18, 2004 regarding the Tarrant County Bond Issue. The Court further finds and approves that \$390,806.52 be distributed from the collateral proceeds to the SunTrust Bank pooled fiduciary account for amounts that were taken from that account to pay for matters in relation to the Tarrant County Bond Issue default. The Court also finds and approves that the amount of \$214,506.31 be distributed to the Receiver from the Tarrant County Bond Issue collateral proceeds for payment of pre- May 18, 2004 fees, charges and expenses accrued and owing to Sentinel Trust relating to the Tarrant County Bond Issue default. The Court next finds and approves that the amount of \$212,988.00 be distributed to the Receiver from the Tarrant County Bond Issue collateral proceeds for the payment of the post- May 18, 2004 fees, charges and expenses due to the Sentinel Trust receivership relating to that bond issue default.

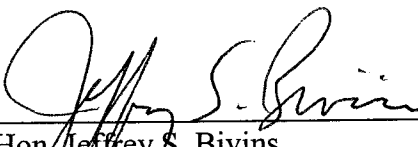
Further, the Court finds and approves that the bondholders of the Tarrant County Bond Issue be distributed the remainder of the collateral proceeds in the approximate amount of \$1,048,500.00.²

Additionally, the Court finds that in order to foster uniform treatment of claims by any Tarrant County Bond Issue bondholder and to foster the centralized treatment of matters relating to this receivership, any Tarrant County Bond Issue bondholder will be required to pursue all claims arising from Tarrant County Bond Issue in the Sentinel Trust receivership proof of claim process.

² The Court approves the retention by the Receiver of a residual amount (approximately \$10,000.00) to cover the expected residual expenses regarding the distribution of the funds directed herein and otherwise addressing residual matters arising from the Tarrant County Bond Issue.

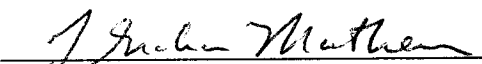
Finally, the Court finds that there is no just reason for delay in the entry of this Order as a final, appealable order regarding the matters covered herein and expressly directs that this Order be entered as such. Rule 54.02 Tenn.R.Civ.P.

It is so ORDERED, this the 19th day of May, 2005.



Hon. Jeffrey S. Bivins
Circuit Court Judge Sitting As Chancellor

Submitted for Approval



J. Graham Matherne, #11294
WYATT, TARRANT & COMBS, LLP
2525 West End Avenue, Suite 1500
Nashville, Tennessee 37203-1423
(615) 244-0020

*Counsel for Receivership Management, Inc.
Receiver of Sentinel Trust Company, in Liquidation*

CERTIFICATE OF SERVICE

This is to certify that on May 10th, 2005 a copy of the foregoing Order has been sent by First Class U.S. Mail, postage paid, to:

Janet M. Kleinfelter
Senior Counsel
Office of the Attorney General
Financial Division
425 5th Avenue North
P.O. Box 20207
Nashville, TN 37243

Carrol Kilgore
Branstetter, Kilgore, Stranch & Jennings
227 Second Avenue North
4th Floor
Nashville, TN 37201

Donald Schwendimann
306 W. Main Street
P.O. Box 366
Hohenwald, TN 38462

Larry Stewart
Stokes, Bartholomew, Evans & Petree
424 Church Street, Suite 2800
Nashville, TN 37219

David D. Peluso
106 East Main Street
Hohenwald, TN 38462

James S. Hereford, Jr.
310 W. College Street
P.O. Box 802
Fayetteville, TN 37334-0802

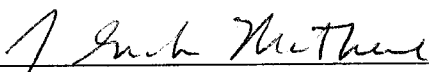
William B. Hubbard
Weed, Hubbard, Berry & Doughty
SunTrust Bank Bldg., Suite 1420
201 Fourth Avenue North
Nashville, TN 37219

Diana M. Thimmig
Roetzel & Andress
1375 East Ninth Street
One Cleveland Center, Ninth Floor
Cleveland, OH 44114

James S. Chase
John A. Decker
Hunton & Williams LLP
900 South Gay Street, Suite 2000
P.O. Box 951
Knoxville, TN 37901

David E. Lemke, Esq.
Waller, Landsen, Dortch & Davis PLLC
511 Union Street, Suite 2100
Nashville, TN 37219

Thad Heartfield
Heartfield & McGinnis, L.L.P.
2195 Dowlen Road
Beaumont, TX 77706



J. Graham Matherne