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**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF WASHINGTON**

In re:

ASTRIA HEALTH, *et al.*,

Debtors and  
Debtors in  
Possession.<sup>1</sup>

Chapter 11  
Lead Case No. 19-01189-11  
Jointly Administered

**MODIFIED SECOND AMENDED JOINT  
CHAPTER 11 PLAN OF  
REORGANIZATION OF ASTRIA  
HEALTH AND ITS DEBTOR  
AFFILIATES**

<sup>1</sup> The Debtors, along with their case numbers, are as follows: Astria Health (19-01189-11), Glacier Canyon, LLC (19-01193-11), Kitchen and Bath Furnishings, LLC (19-01194-11), Oxbow Summit, LLC (19-01195-11), SHS Holdco, LLC (19-01196-11), SHC Medical Center - Toppenish (19-01190-11), SHC Medical Center - Yakima (19-01192-11), Sunnyside Community Hospital Association (19-01191-11), Sunnyside Community Hospital Home Medical Supply, LLC (19-01197-11), Sunnyside Home Health (19-01198-11), Sunnyside Professional Services, LLC (19-01199-11), Yakima Home Care Holdings, LLC (19-01201-11), and Yakima HMA Home Health, LLC (19-01200-11).



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1 **INTRODUCTION**

2 The Debtors and the Lapis Parties (collectively, the “Plan Proponents”) propose this  
3 *Modified Second Amended Joint Plan of Reorganization of Astria Health and its Affiliates*.  
4 Capitalized terms used but not otherwise defined shall have the respective meanings ascribed to  
5 such terms in Section I.A. Holders of Claims and Interests may refer to the Disclosure Statement  
6 for a discussion of the Debtors’ history, businesses, assets, results of operations, historical financial  
7 information, and projections of future operations, as well as a summary and description of the Plan.  
8 The Plan Proponents are the proponents of the Plan within the meaning of § 1129 of the  
9 Bankruptcy Code.<sup>2</sup> The Plan shall apply as a joint Plan for all Debtors under which all assets and  
10 liabilities shall be consolidated for the limited purposes of Claim treatment and Plan distributions  
11 but otherwise, each Debtor, Reorganized Debtor or Liquidating Debtor, as the case may be, shall  
12 remain a separate legal entity.

9 ALL HOLDERS OF CLAIMS AND INTERESTS ENTITLED TO VOTE ON THE PLAN  
10 ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN  
11 THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

11 **SECTION I. DEFINITIONS AND RULES OF CONSTRUCTION**

12 **A. Definitions. The following terms used herein shall have the respective**  
13 **meanings defined below:**

14 1.1 **503(b)(9) Claims** means Administrative Claims arising under § 503(b)(9).

15 1.2 **Administrative and Priority Claims Reserve** means the reserve to be established  
16 and maintained by the Reorganized Debtors and Liquidating Debtors and funded, subject to the  
17 Administrative, Professional and Priority Claims Cap, with the Administrative and Priority Claims  
18 Reserve Amount pursuant to Section II.D.4 hereof.

19 1.3 **Administrative and Priority Claims Reserve Amount** means Cash in an amount to  
20 be determined by Plan Proponents on or before the Effective Date, subject to the Administrative,  
21 Professional and Priority Claims Cap, to be funded by the Debtors to the Reorganized Debtors in  
22 an amount sufficient to pay in full all accrued but unpaid U.S. Trustee Fees and Administrative,  
23 Priority Tax, Priority, and Professional Fee Claims other than Ordinary Course Administrative  
24 Expenses that are Allowed after the Effective Date to the extent that such Claims have not been  
25 paid in full on or before the Effective Date consistent with § 1129(a)(9).

26 1.4 **Administrative Claim** means a Claim for costs or expenses of administering the  
27 Debtors’ Chapter 11 Cases under § 507(a)(2) or 503(b) but expressly excluding Professional Fee

28 <sup>2</sup> All references to “§” herein are to sections of the United States Bankruptcy Code, 11 U.S.C.  
§§101-1531, as amended, unless otherwise noted.

1 Claims. Administrative Claims include (i) DIP Claims; (ii) 503(b)(9) Claims; (iii) Cure Payments;  
2 and (iv) fees payable to the clerk of the Bankruptcy Court and the Office of the U.S. Trustee.

3 1.5 **Administrative Claims Bar Date** means the date established by the Administrative  
4 Claims Bar Date Order by which requests for payment of Administrative Claims must be Filed,  
subject to any exceptions specifically set forth therein.

5 1.6 **Administrative Claims Bar Date Order** means the Order (I) Fixing the First Interim  
6 Bar Date for Filing Certain Post-Petition Administrative Expense Claims and (II) Approving the  
Form of Notice of the Administrative Expense Claims Bar Date [Docket No. 1416].

7 1.7 **Administrative, Professional and Priority Claims Cap** means \$4,624,674, which  
8 shall be the maximum amount payable under the Plan for the payment of pre-Effective Date U.S.  
9 Trustee Fees and Administrative, Priority Tax, Priority, and Professional Fee Claims on or after  
the Effective Date. To be clear, DIP Claims and Ordinary Course Administrative Expenses are  
not subject to this Cap.

10 1.8 **Affiliate** shall have the meaning set forth in § 101(2).

11 1.9 **Allowed** means with respect to (I) a Claim: (a) any Claim, a proof of Claim for  
12 which was timely Filed by the applicable Claims Bar Date, Supplemental Bar Date or  
13 Administrative Claims Bar Date (or a Claim for which a Proof of Claim is not required to be Filed  
14 under the Plan, the Bankruptcy Code, or a Final Order of the Court); (b) any Claim that is listed in  
the Schedules as not contingent, not unliquidated, and not disputed, and for which no Proof of  
15 Claim has been timely Filed; (c) any Claim allowed pursuant to the Plan or Final Order of the  
Court; provided, that with respect to any Claim described in clause (a) or (b) above, such Claim  
16 shall be considered Allowed only if and to the extent that no objection to the allowance of such  
Claim has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy  
17 Code, the Bankruptcy Rules or Court, or if such an objection is so interposed and the Claim shall  
have been Allowed by a Final Order; provided, further, that the Reorganized Debtors (and with  
18 respect to General Unsecured Claims, the GUC Distribution Trustee), as applicable, may, subject  
to Section V.A, affirmatively determine to allow any Claim described in clause (a) notwithstanding  
19 the fact that the period within which an objection may be interposed has not yet expired; provided,  
20 further, that any Claims allowed solely for the purpose of voting to accept or reject the Plan  
pursuant to an Order of the Court shall not be considered an Allowed Claim under this Plan;  
21 provided, further, that any Claim disallowed or expunged under the Plan, by Final Order of the  
Court, or otherwise shall not be an Allowed Claim; provided, further, that with respect to any  
22 Claim Allowed only in part, references to Allowed Claims in this Plan include, and are limited to,  
only the portion of the Claim that is Allowed; and (II) an Interest, to the extent Allowed under this  
23 Plan. Unless otherwise specified in the Plan, an Allowed Claim does not include interest on the  
Claim accruing after Petition Date. Moreover, all or any portion of a Claim that is satisfied or  
24 released during the Chapter 11 Cases is not an Allowed Claim.

25 1.10 **A/R Collections** means post-confirmation collections of receivables for SHC  
26 Medical Center - Yakima accounts.

1           1.11 **Avoidance Actions** means any and all actual or potential claims and causes of action  
2 to avoid a transfer of property or an obligation incurred by a Debtor pursuant to any applicable  
3 section of the Bankruptcy Code, including §§ 502, 510, 542, 544, 547, 548, 549, 550, 551, 553  
4 and 724(a) or under similar or related state or federal statutes and common law, including  
5 fraudulent transfer laws.

6           1.12 **Ballot** shall mean a ballot, e-ballot, or master ballot, as applicable, authorized by  
7 the Court pursuant to the Solicitation Procedures Order to indicate acceptance or rejection of the  
8 Plan and to opt out of the release provided by Section VII.F.2.

9           1.13 **Bankruptcy Code** means title 11 of the United States Code, 11 U.S.C. §§ 101, *et*  
10 *seq.*, as may be amended.

11           1.14 **Bankruptcy Rules** means the Federal Rules of Bankruptcy Procedure, as applicable  
12 to the Chapter 11 Cases, promulgated under section 2075 of the Judicial Code and the general  
13 rules, the Local Bankruptcy Rules, and chambers rules of the Court.

14           1.15 **Board Trustees** means those persons serving as members of the board of directors  
15 of any of the Debtors or Non-Debtor Affiliates.

16           1.16 **Bonds** means, collectively, those certain Washington Health Care Facilities  
17 Authority Revenue Bonds, Series 2017A Bonds and the Series 2017B Bonds issued pursuant to  
18 the Bond Indenture.

19           1.17 **Bond Documents** means the Bond Indenture and all other documents evidencing  
20 and otherwise securing the Bonds.

21           1.18 **Bond Indenture** means that certain Bond Indenture dated as of November 1, 2017  
22 between the Washington Health Care Facilities Authority and the Bond Trustee.

23           1.19 **Bond Trustee** means UMB Bank, N.A., as the trustee for bondholders under the  
24 Bond Indenture.

25           1.20 **Business Day** means any day, other than a Saturday, Sunday, or “legal holiday” (as  
26 defined in Bankruptcy Rule 9006(a)), or a day on which banking institutions in Yakima,  
27 Washington are authorized by law or other governmental action to close.

28           1.21 **Cash** means the legal tender of the United States of America and the equivalent  
thereof.

          1.22 **Causes of Actions** means any and all claims, actions, causes of action, choses in  
action, rights, demands, Liens, suits, liabilities, encumbrances, lawsuits, adverse consequences,  
debts, damages, dues, sums of money, obligations, accounts, reckonings, deficiencies, bonds, bills,  
disbursements, expenses, losses, specialties, covenants, guaranties, contracts, controversies,  
agreements, promises, variances, trespasses, powers, judgments, privileges, licenses, franchises,  
remedies, rights of setoff, rights of recoupment, third-party claims, subrogation claims, defenses,  
contribution claims, reimbursement claims, indemnity claims, counterclaims, and cross-claims  
(including those of the Debtors and/or the Estates), each of any kind or character whatsoever,

1 whether known or unknown, foreseen or unforeseen, suspected or unsuspected, liquidated or  
2 unliquidated, fixed or contingent, matured or unmatured, secured or unsecured, disputed or  
3 undisputed, and whether held or assertable in a personal or representative capacity, based in law  
4 or equity, including under the Bankruptcy Code or under any other federal or state statute or  
5 common law, whether in contract or tort or any other theory of law, whether direct, indirect,  
6 derivative, or otherwise, whether arising before, on, or after the Petition Date, and whether asserted  
7 or unasserted as of the Effective Date, including, without limitation, (i) the right to object to,  
8 challenge or otherwise contest any claims, whether or not any such claim is the subject of a proof  
9 of claim; (ii) any right of setoff, counterclaim, or recoupment and any claim for breach of contract  
10 or for breach of duties imposed by law or in equity; (iii) any claim pursuant to § 362; (iv) any  
11 claim or defense including fraud, mistake, duress, and usury, and any other defenses set forth in §  
12 558; (v) all claims, causes of action (avoidance or otherwise), objections, rights, and remedies  
13 arising under Chapter 5 of the Bankruptcy Code pursuant to, among others, §§ 502, 510, 542  
14 through 545 and 547 through 553 or 558 thereof, or similar or equivalent claims, causes of action,  
15 objections, rights, and remedies arising under state law, including all Avoidance Actions,  
16 irrespective of whether or not the targets of such causes of action have been identified by name, or  
17 any transfers subject to avoidance have been listed, in the Debtors' Schedules, the Disclosure  
18 Statement, this Plan, or any other document Filed in the Chapter 11 Cases; (vi) the Vendor Claims;  
19 (vii) claims under any Insurance Policies applicable to the Debtors; (viii) all claims of any kind or  
20 nature arising under state or federal law against any of the Debtors' current or former vendors  
21 relating to services rendered prior to the Petition Date; (ix) all claims, causes of action, and other  
22 rights (including rights to challenge any asserted Lien) of any kind or nature against any party  
23 asserting a claim in these cases, unless expressly and in writing released or waived during the  
24 Chapter 11 Cases, including under this Plan; (x) all legal and equitable defenses against any Claim  
25 or Cause of Action asserted against the Debtors; (xi) all claims and/or Causes of Action of any  
26 kind or nature arising under state or federal law arising under a theory of negligence, professional  
27 negligence, and/or malpractice; (xii) all claims and/or Causes of Action of any kind or nature  
28 arising under state law based fraudulent conveyance theories; (xiii) all claims and/or Causes of  
Action constituting, for, based upon, or relating to a breach of fiduciary duty, a tort, a contract,  
federal or state preference or fraudulent transfer laws, or any federal or state statutory rights or  
requirements, whether based in law or equity, against any of the current and former members,  
managers, and/or officers of the Debtors; (xiv) Preserved Claims; and (xv) all Avoidance Actions  
against AHM, Inc. The foregoing definition shall be construed in accordance with its broadest  
possible meaning, and any doubts or ambiguities shall be resolved in favor of inclusivity. **Except  
as otherwise expressly provided in the Plan, any and all Causes of Action are preserved  
under the Plan. For the avoidance of doubt, the Board Trustees are, on the terms of the Plan,  
Exculpated Parties and Released Parties and, thus, are not subject to any Causes of Action  
or Avoidance Actions.**

1.23 *Chapter 11 Case* means when used with reference to a particular Debtor, the case  
pending for that Debtor under chapter 11 of the Bankruptcy Code in the Court.

1.24 *Chapter 11 Cases* mean when used with reference to all of the Debtors, the  
procedurally consolidated and jointly administered chapter 11 cases pending for the Debtors in the  
Court under Chapter 11 Case Number 19-01189-11.

1.25 *Claim* shall have the meaning set forth in § 101(5) against a Debtor.

1           1.26 **Claims and Noticing Agent** means Kurtzman Carson Consultants LLC, the claims,  
2 noticing, and solicitation agent retained by the Debtors pursuant to the Order Granting Debtors'  
3 Amended Application and Motion for an Order Appointing Kurtzman Carson Consultants LLC as  
4 Noticing Agent Nunc Pro Tunc to May 6, 2019 [Docket No. 292].

5           1.27 **Claims Bar Date** means August 5, 2019, as established by the Claims Bar Date  
6 Notice.

7           1.28 **Claims Bar Date Notice** means that certain notice, entered by the Court on May 10,  
8 2019 [Docket No. 91], establishing the Claims Bar Date.

9           1.29 **Claims Objection Bar Date** means the first Business Day that is not less than 180  
10 days after the Effective Date. The time period for filing objections to Claims shall automatically  
11 renew for successive periods of one hundred eighty (180) days each until the earlier of (i) the date  
12 upon which all Claims have been Allowed or Disallowed or (ii) the date fixed by the Court upon  
13 motion of the Reorganized Debtors, the GUC Distribution Trustee, or a Holder or a Claim.

14           1.30 **Claims Register** means the official register of Claims maintained by the Court and  
15 mirrored by the Claims and Noticing Agent.

16           1.31 **Class** means a category of Holders of Claims or Interests as set forth in Section II  
17 pursuant to § 1122(a).

18           1.32 **Committee** means the statutory committee of unsecured creditors, appointed in the  
19 Chapter 11 Cases pursuant to § 1102 by the U.S. Trustee, pursuant to the Appointment of Official  
20 Committee of Unsecured Creditors [Docket No. 135] on May 24, 2019.

21           1.33 **Committee Members** mean, all current and former members of the Committee,  
22 including each of the following, solely in their capacity as a member of the Committee, (i)  
23 CHSPSC, LLC/Community Health Systems, Inc.; (ii) LocumTenens.com, LLC; (iii) Community  
24 Health of Central Washington; (iv) Medtronic USA, Inc.; (v) Morrison Management Specialists,  
25 Inc.; (vi) Apogee Physicians; and (vii) Boston Scientific Corporation.

26           1.34 **Committee Plan Settlement** means the settlement of the Committee's objections to  
27 the prior version of the Debtors' plan of reorganization as set forth in the Term Sheet.

28           1.35 **Confirmation** means the entry of the Confirmation Order on the docket of the  
Chapter 11 Cases.

          1.36 **Confirmation Date** means the date upon which the Court enters the Confirmation  
Order on the docket of the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and  
9021.

          1.37 **Confirmation Hearing** means the hearing held by the Court to consider  
Confirmation of the Plan pursuant to § 1129.

          1.38 **Confirmation Order** means the order of the Court confirming this Plan pursuant to  
§ 1129.



1           1.51 **DIP Agent** means Lapis, in its capacity as agent to DIP Lenders under the DIP Loan  
2 and Security Agreement, including any successor thereto.

3           1.52 **DIP Agent Professional Fees** means, collectively, to the extent not previously paid  
4 in connection with the Chapter 11 Cases, all outstanding reasonable and documented fees and  
5 expenses of any professionals retained by the DIP Agent, including, without limitation, Cole  
6 Schotz P.C., in its capacity as counsel to the DIP Agent.

7           1.53 **DIP Agreement** means that certain Senior Secured, Super-Priority Debtor-In-  
8 Possession Loan and Security Agreement, dated as of December 26, 2019, by and among Debtors,  
9 as borrowers, the other Loan Parties thereto (as defined in the DIP Loan and Security Agreement),  
10 the DIP Agent, and the DIP Lenders, as approved by the Final DIP Order, and as the same may be  
11 amended, modified, or amended and restated from time to time in accordance with its terms,  
12 consisting of a post-petition term loan facility in the principal amount of up to \$43,100,000.

13           1.54 **DIP Claims** means any Claim in respect of any DIP Obligations (as defined in the  
14 Final DIP Order) held by, or otherwise owing to, any or all of the DIP Agent and the DIP Lenders.

15           1.55 **DIP Claims Exchange Debt** means, unless the Multicare Transaction Payment is  
16 funded and irrevocably released to the Lapis Parties on or before the Effective Date, the Exchange  
17 Debt issued to satisfy DIP Claims as more specifically described in the Exchange Debt Documents.

18           1.56 **DIP Lenders** means, collectively, the DIP Agent and the Lenders (as defined in the  
19 DIP Loan and Security Agreement).

20           1.57 **Disallowed** means any Claim or Interest, or any portion thereof, that (i) has been  
21 disallowed by Final Order or settlement; (ii) is scheduled in the amount of zero dollars (\$0) or as  
22 contingent, disputed, or unliquidated on the Schedules and as to which a Claims Bar Date,  
23 Supplemental Bar Date or Administrative Claims Bar Date has been established but no Proof of  
24 Claim has been timely Filed or deemed timely Filed with the Court pursuant to either the  
25 Bankruptcy Code or any Final Order of the Court, including the Claims Bar Date Order,  
26 Supplemental Bar Date Order or Administrative Claims Bar Date Order or otherwise deemed  
27 timely Filed under applicable law; or (iii) is not scheduled on the Schedules and as to which a  
28 Claims Bar Date, Supplemental Bar Date or Administrative Claims Bar Date has been established  
but no Proof of Claim has been timely Filed or deemed timely Filed with the Court pursuant to  
either the Bankruptcy Code or any Final Order of the Court, including the Claims Bar Date Order,  
Claims Bar Date Order, Supplemental Bar Date Order or Administrative Claims Bar Date Order  
or otherwise deemed timely Filed under applicable law. “Disallow” and “Disallowance” shall have  
correlative meanings.

          1.58 **Disclosure Statement** means the disclosure statement filed or to be filed with the  
Court by the Plan Proponents, pursuant to § 1125, with respect to the Plan, including the Plan  
Supplement and all exhibits and schedules thereto, which was approved by the Court pursuant to  
§ 1125, as it may be amended, modified or supplemented from time to time.

          1.59 **Disputed** means, with respect to a Claim or Interest, a Claim that is not yet Allowed  
or Disallowed.

1           1.60 **Distribution Date** means a date or dates, as determined by the Reorganized Debtors  
2 which the Reorganized Debtors make a distribution, or causes a distribution to be made, of Cash  
3 to the Holders of Allowed Claims.

4           1.61 **Distribution Record Date** means the date that is thirty (30) Business Days prior to  
5 each Distribution Date.

6           1.62 **Docket** means, unless otherwise specified herein, the docket in the Lead Chapter  
7 11 Case.

8           1.63 **Docket No.** means the docket number assigned in the Docket.

9           1.64 **Effective Date** means the earlier of (a) the date, not later than the Multicare Funding  
10 Deadline, on which the Lapis Parties irrevocably receive the Multicare Transaction Payment; or  
11 (b) the date after the Multicare Funding Deadline upon which all of the conditions to the  
12 effectiveness of the Plan other than funding and release of the Multicare Transaction Payment to  
13 the Lapis Parties have been satisfied or waived in accordance with its terms.

14           1.65 **Effective Date Distribution** means the following distributions required by the  
15 Bankruptcy Code or the Plan to be made on the Effective Date, (a) subject to the Administrative,  
16 Professional and Priority Claims Cap, on account of: (i) Allowed Administrative Claims, that are  
17 not Allowed Professional Fee Claims, DIP Claims, or Ordinary Course Administrative Expenses  
18 that have been paid by Debtors or will be paid by Reorganized Debtors in the ordinary course of  
19 business, (ii) all Allowed Priority Claims, (iii) all Allowed Cure Payments, except those being paid  
20 by agreement in installments over time; and (iv) the Administrative and Priority Claims Reserve,  
21 including amounts for Disputed Cure Payments (in the full amounts claimed by objecting contract  
22 counterparties), (b) the Multicare Transaction Payment, if any; and (c) 20% of the amount of  
23 Allowed Convenience Class Claims up to a maximum of \$1,000 for each such claim;.

24           1.66 **Entity** shall have the meaning set forth in § 101(15).

25           1.67 **Estate** means, as to each Debtor, the estate created for the Debtor in its Chapter 11  
26 Case pursuant to § 541.

27           1.68 **Estates** means the Estate of all Debtors.

28           1.69 **Exchange Debt** shall have the meaning set forth in Section III.A.

          1.70 **Exchange Debt Documents** means the credit agreements, guaranties, security  
agreements, forbearance instruments and other documents evidencing or otherwise securing  
Exchange Debt on the terms and in the forms included in the Plan Supplement, in each case on  
terms and conditions consistent with the Plan on terms acceptable to the Plan Proponents.

          1.71 **Exculpated Parties** means, solely to the extent of the Exculpation, each of the (a)  
the Debtors, and any of their Related Parties; (b) the Lapis Parties, and any of their respective  
Related Parties, (c) the Committee, its members, and any of their respective Related Parties, (d)  
the Board Trustees; (e) the Patient Care Ombudsman, and any of its respective Related Parties; (f)  
the POC, its members, and any of their respective Related Parties; a (g) the GUC Distribution

1 Trustee and his or her Related Parties and (h) Multicare, solely in the event the Lapis Parties  
2 irrevocably receive the Multicare Transaction Payment on or prior to the Effective Date; provided,  
3 AHM, Inc., the officers of the Debtors, Non-Debtor Affiliates and AHM, Inc, and any Board  
4 Trustee acting in the capacity of an officer of any of the foregoing, shall not constitute Exculpated  
5 Parties for purposes of this Plan.

6 1.72 **Exculpation** means the exculpation provisions set forth in Section VII.E.

7 1.73 **Executory Contract** means a contract or lease to which one or more Debtors is a  
8 party that is subject to assumption or rejection under §§ 365 or 1123.

9 1.74 **Exit Loan** means the loan from Multicare in the amount of \$75,000,000.00 (seventy  
10 five million dollars) pursuant to the terms of the Multicare Credit Agreement.

11 1.75 **Exit Loan Escrow** means the escrow established pursuant to the terms of the Exit  
12 Loan Escrow Agreement.

13 1.76 **Exit Loan Escrow Agreement** means that certain escrow agreement between the  
14 Debtors, Multicare and U.S. Bank, National Association. as escrow agent holding \$75,000,000.00  
15 for release to the Lapis Parties pursuant to the terms of the Multicare Credit Agreement and the  
16 Confirmation Order.

17 1.77 **File, Filed, or Filing** means file, filed, or filing in the Chapter 11 Cases with the  
18 Court or, with respect to the filing of a Proof of Claim or proof of Interest, with the Claims and  
19 Noticing Agent.

20 1.78 **Final DIP Order** means the Final Order (I) Authorizing the Debtors to Obtain  
21 Replacement Financing; (II) Granting Security Interests and Superpriority Administrative Expense  
22 Status; (III) Granting Adequate Protection to Certain Prepetition Secured Credit Parties; (IV)  
23 Modifying the Automatic Stay; (V) Authorizing the Debtors to Enter Into Agreements with Lapis  
24 Advisers, L.P.; (VI) Authorizing Use of Cash Collateral; and (VII) Granting Related Relief  
25 [Docket No. 1201].

26 1.79 **Final GUC Distribution Date** means the date on which a distribution is made from  
27 the GUC Distribution Trust that finally and fully exhausts the distributable assets of the GUC  
28 Distribution Trust.

1.80 **Final Order** means, as applicable, an order or judgment of the Court or other court  
of competent jurisdiction with respect to the relevant subject matter, which has not been reversed,  
stayed, modified, or amended, including any order subject to appeal but for which no stay of such  
order has been entered, any order as to which the time to appeal or seek certiorari has expired and  
no appeal or petition for certiorari has been timely taken, or any order as to which any appeal that  
has been taken or any petition for certiorari that has been or may be Filed has been resolved by the  
highest court to which the order or judgment was appealed or from which certiorari was sought;  
provided, that, the possibility that a request for relief under Rule 60 of the Federal Rules of Civil  
Procedure, or any analogous rule under the Bankruptcy Rules, the local rules of the Court or  
applicable non-bankruptcy law, may be Filed relating to such order shall not prevent such order  
from being a Final Order.



1           1.92 **GUC Post-Effective Date Expenses** means, except as otherwise provided herein,  
2 all voluntary and involuntary costs, expenses, charges, obligations, or liabilities of any kind or  
3 nature, whether unmatured, contingent, or unliquidated incurred by the GUC Distribution Trust  
4 after the Effective Date until the GUC Distribution Trust is dissolved, including, but not limited  
5 to, those expenses described in Section III.F.5 of the Plan.

6           1.93 **GUC Vendor Cash Recovery** means fifty percent (50%) of any and all net Cash  
7 proceeds of the Vendor Claims, which shall be transferred by the Debtors to the GUC Distribution  
8 Trust within thirty (30) days after the Debtors' receipt of such net Cash proceeds.

9           1.94 **GUC Vendor Credit Recovery** means the Cash equivalent of fifty percent (50%) of  
10 any and all non-Cash value realized by the Debtors as a result of the Vendor Claims, which will  
11 be paid by the Debtors (or Reorganized Debtors, as applicable) to the GUC Distribution Trust  
12 quarterly as that value (in the form of cost savings or otherwise) is realized by the Debtors (or  
13 Reorganized Debtors, as applicable). For the purpose of calculating the Cash equivalent of any  
14 non-Cash value realized by the Debtors (or Reorganized Debtors, as applicable) as a result of any  
15 Vendor Claims, the amount shall be calculated as set forth in the Term Sheet.

16           1.95 **GUC Vendor Recovery** means the GUC Vendor Cash Recovery plus the GUC  
17 Vendor Credit Recovery. The aggregate total sum of the GUC Vendor Recovery, the Initial GUC  
18 Distribution Amount, and Second GUC Distribution Amount, shall not exceed the GUC Cap.

19           1.96 **Holder** means an Entity holding a Claim or an Interest, as applicable, each solely  
20 in its capacity as such.

21           1.97 **Hospitals** means SHC Medical Center-Yakima, SHC Medical Center - Toppenish,  
22 and Sunnyside Community Hospital Association and related facilities operated by the Debtors.

23           1.98 **Indemnification Provisions** means each of the Debtors' indemnification provisions  
24 currently in existence whether existing in a Debtor's bylaws, incorporation document, other  
25 formation documents, board or executive committee resolutions or employment contracts for  
26 current and former Board Trustees, managers, officers, employees, attorneys, individual  
27 consultants, other professionals and agents of the Debtors, and all of their respective Affiliates.

28           1.99 **Initial GUC Distribution Amount** means Cash in the amount of five million dollars  
(\$5,000,000), which will be funded by the Debtors to the GUC Distribution Trust on or before the  
Effective Date.

          1.100 **Insurance Policy** means any insurance policy maintained by or for the benefit of  
the Debtors (including the D&O Policies) set forth in a schedule to the Plan Supplement.

          1.101 **Insured Claims** means General Unsecured Claims arising prior to the Confirmation  
Date involving personal injury, medical malpractice, or wrongful death (including slip-and-fall  
and medical malpractice Claims) that are covered by the terms of Debtors' various insurance  
policies (including the Insurance Policies), or any other General Unsecured Claim against a Debtor  
for which the Debtor is entitled to indemnification, reimbursement, contribution or other payment  
under a policy of insurance (including the Insurance Policies) under which the Debtor is an insured  
or beneficiary of the coverage provided under the applicable policy. All Insured Claims are

1 Disputed Claims. Some of the Insured Claims are fully insured, and no deductible amount would  
2 be payable by Debtors under the terms of the applicable Insurance Policy. As to other Insured  
3 Claims, Debtors may owe deductible amounts. For the avoidance of doubt, the Reorganized  
4 Debtors shall not be responsible for any deductible or self-insured retention obligations, and all  
5 claims for such deductibles and self-insured retention obligations shall be treated as Class 4  
6 General Unsecured Claims to the extent Allowed. Further, no insurance carrier shall, or shall be  
7 entitled to, deny coverage under any insurance policy (including any Insurance Policy) based upon  
8 (i) any failure by the Debtors or Reorganized Debtors to pay any deductible or self-insured  
9 retention in full or (ii) the treatment of any claim for a deductible or self-insured retention  
10 obligation as a Class 4 General Unsecured Claim. Insured Claims are classified as a subclass (Class  
11 4A) of Class 4, General Unsecured Claims (not otherwise classified). See Section III.O below for  
12 further information about issues relating to Insured Claims.

1.102 **Interest** means any ownership interest in any of the Debtors, including but not  
13 limited to, membership interests or other entitlement to participate in the organizational affairs of  
14 a nonprofit Entity organized under the laws of the State of Washington.

1.103 **Lapis** means Lapis Advisers, LP.

1.104 **Lapis Parties** means the DIP Agent, DIP Lenders, UMB Bank, N.A. as indenture  
15 trustee for the Senior Secured Bond Debt Claims, and Holders of the Senior Secured Bond Debt  
16 Claims and the Senior Secured Credit Agreement Claims, and any fund managed by or affiliated  
17 with any of the foregoing.

1.105 **Law** means any statute, law, ordinance, ruling, consent decree, permit, policy, rule  
18 or regulation of, issued by or entered into by any Governmental Unit and all judicial or  
19 administrative interpretations thereof and any common law doctrine.

1.106 **Lead Chapter 11 Case** means Chapter 11 Case Number 19-01189-11, currently  
20 pending the Court.

1.107 **Lien** shall have the meaning set forth in § 101(37).

1.108 **Liquidating Debtors** means any Debtor not reorganizing, including SHC Medical  
21 Center - Yakima.

1.109 **Liquidation Trust** means the trust to be established on the Effective Date in  
22 accordance with Section III.H.

1.110 **Liquidation Trust Agreement** means the agreement governing, among other things,  
23 the retention and duties of the Liquidating Trustee as described in Section III.H hereof, which shall  
24 be in form and substance materially consistent with the Plan and included as an exhibit to the Plan  
25 Supplement.

1.111 **Liquidation Trust Assets** means all assets of the Debtors not necessary for the  
26 operation of the core health care businesses of the Debtors or constituting GUC Distribution Trust  
27 Assets under this Plan, including, but not be limited to the (i) if unsold as of the Effective Date,  
28 Yakima Medical Office Building (excluding the operations within); (ii) if unsold as of the

1 Effective Date, SHC Medical Center-Yakima; (iii) any other unused buildings or real property  
2 currently owned by the Debtors other than Sunnyside Community Hospital Association; (iv) A/R  
3 Collections of SHC Medical Center-Yakima; (v) all 180 day and older days aged accounts  
4 receivable of Sunnyside Community Hospital Association and SHC – Medical Center Toppenish;  
5 (vi) any Causes of Action held by the Debtors, including the Vendor Claims, not expressly  
6 assigned to the GUC Distribution Trust; and (vii) the Liquidation Trust Vendor Recovery. For the  
7 avoidance of doubt, in the event the Multicare Transaction Payment is made on or before the  
8 Multicare Funding Deadline, the Liquidation Trust shall not be funded and all Liquidation Trust  
9 Assets shall revert to the Reorganized Debtors on the Effective Date.

10 1.112 **Liquidation Trust Vendor Recovery** all portions of the Vendor Recovery other than  
11 the GUC Vendor Recovery.

12 1.113 **Liquidation Trustee** means the Person designated as the trustee of the Liquidation  
13 Trust by the Lapis Parties.

14 1.114 **Multicare** means Multicare Health System, a Washington State non-profit  
15 corporation.

16 1.115 **Multicare Credit Agreement** means that certain Credit Agreement by and among  
17 ASTRIA HEALTH, SUNNYSIDE COMMUNITY HOSPITAL ASSOCIATION d/b/a Astria  
18 Sunnyside Hospital, SHC HOLDCO, LLC, SHC MEDICAL CENTER—TOPPENISH d/b/a  
19 Astria Toppenish Hospital, SHC MEDICAL CENTER—YAKIMA d/b/a Astria Yakima Hospital,  
20 and THE OTHER PERSONS PARTY HERETO THAT ARE DESIGNATED AS BORROWERS  
21 OR GUARANTORS and MULTICARE HEALTH SYSTEM, a Washington State non-profit  
22 corporation, as Lender, dated as of December 17, 2020, as amended.

23 1.116 **Multicare Funding Deadline** means January 15, 2021 or such later date as the Plan  
24 Proponents and Multicare, in consultation with the Committee, may agree to in writing.

25 1.117 **Multicare Transaction Payment** means the irrevocable payment to the Lapis  
26 Parties in cash on or before the Multicare Funding Deadline of the proceeds of the Exit Loan in an  
27 amount not less than \$75 million together with such additional funds of the Debtors or Reorganized  
28 Debtors necessary to satisfy in full in cash the DIP Claims, Senior Secured Bond Claims, Senior  
29 Secured Credit Agreement Claims, the liquidated amount specified in each other proof of claim  
30 filed by the Lapis Parties in the Chapter 11 Cases that is not a DIP Claim, Senior Secured Bond  
31 Claim or Senior Secured Credit Agreement Claim, and fees and expenses of the Lapis Parties as  
32 specified in Section IV.D, including funds advanced by the Lapis Parties to AH System.

33 1.118 **Net GUC Distribution Trust Assets** means the GUC Distribution Trust Assets and  
34 all proceeds thereof minus the costs of administering the GUC Distribution Trust (including, but  
35 not limited to, all fees and expenses of the GUC Distribution Trustee and any professionals retained  
36 by the GUC Distribution Trustee in the GUC Distribution Trustee's capacity as such that are not  
37 payable by the Reorganized Debtors pursuant to Section III.F.6).

38 1.119 **Next Payment Date** means, with respect to any particular Disputed Claim, the first  
39 Business Day of the calendar quarter after such Claim has been Allowed by Final Order.



- 1 (h) Any updated Financial Projections and/or Liquidation Analysis;
- 2 (i) Any amendments to the treatment of Intercompany Claims under the Plan;
- 3 and
- 4 (j) the D&O Cause of Action Agreement (as defined in Section III.D).

5 which items shall be filed at least ten (10) days prior to the Voting Deadline.

6 1.129 **POC** means the committee of Persons or Entities appointed as of the Effective Date  
7 to advise the GUC Distribution Trustee in the performance of the GUC Distribution Trustee's  
8 duties and obligations under the Plan with respect to the administration of the GUC Distribution  
Trust for the benefit of the Holders of Allowed General Unsecured Claims.

9 1.130 **Preserved Claims** mean the following type and categories of Claims and Causes of  
Action, without limitation:

- 10 a. the right to object to, challenge or otherwise contest any claims, whether or not any
- 11 such claim is the subject of a proof of claim;
- 12 b. any right of setoff, counterclaim, or recoupment and any claim for breach of
- 13 contract or for breach of duties imposed by law or in equity;
- 14 c. any claim pursuant to § 362;
- 15 d. any claim or defense including fraud, mistake, duress, and usury, and any other
- 16 defenses set forth in § 558;
- 17 e. all claims, causes of action (avoidance or otherwise), objections, rights, and
- 18 remedies arising under Chapter 5 of the Bankruptcy Code pursuant to, among others,
- 19 §§ 502, 510, 542 through 545 and 547 through 553 or 558 thereof, or similar or
- 20 equivalent claims, causes of action, objections, rights, and remedies arising under
- 21 state law, including all Avoidance Actions, irrespective of whether or not the targets
- 22 of such causes of action have been identified by name, or any transfers subject to
- 23 avoidance have been listed, in the Debtors' Schedules, the Disclosure Statement,
- 24 this Plan, or any other document Filed in the Chapter 11 Cases;
- 25 f. the Vendor Claims;
- 26 g. claims under any Insurance Policies applicable to the Debtors;
- 27 h. all claims of any kind or nature arising under state or federal law against any of the
- 28 Debtors' current or former vendors relating to services rendered prior to the Petition  
Date;
- i. all claims, causes of action, and other rights (including rights to challenge any  
asserted Lien) of any kind or nature against any party asserting a claim in these

1 cases, unless expressly and in writing released or waived during the Chapter 11  
2 Cases, including under this Plan;

- 3 j. all legal and equitable defenses against any Claim or Cause of Action asserted  
4 against the Debtors;
- 5 k. all claims and/or Causes of Action of any kind or nature arising under state or  
6 federal law arising under a theory of negligence, professional negligence, and/or  
7 malpractice;
- 8 l. all claims and/or Causes of Action of any kind or nature arising under state law  
9 based fraudulent conveyance theories;
- 10 m. all claims and/or Causes of Action constituting, for, based upon, or relating to a  
11 breach of fiduciary duty, a tort, a contract, an Avoidance Action, federal or state  
12 preference or fraudulent transfer laws, or any federal or state statutory rights or  
13 requirements, whether based in law or equity, against any of the current and former  
14 members, managers, and/or officers of the Debtors; and
- 15 n. all Avoidance Actions against AHM, Inc.

16 1.131 **Priority Claim** means a Claim entitled to priority against the Estates under §§  
17 507(a)(4), 507(a)(5), 507(a)(6) or 507(a)(7). Priority Claims do not include any Claims incurred  
18 after Petition Date.

19 1.132 **Priority Tax Claim** means a Claim entitled to priority against the Estate under §  
20 507(a)(8). Priority Tax Claims do not include any Claims incurred after Petition Date.

21 1.133 **Pro Rata** means the proportion that an Allowed Claim in a particular Class bears  
22 to the aggregate amount of Allowed Claims in that respective Class, or the proportion that Allowed  
23 Claims in a particular Class bear to the aggregate amount of Allowed Claims in a particular Class  
24 and other Classes entitled to share in the same recovery as such Allowed Claim under the Plan, as  
25 applicable.

26 1.134 **Professional** means any Entity retained in the Chapter 11 Cases in accordance with  
27 §§ 327, 328 or 1103.

28 1.135 **Professional Fee Claim** means a Claim for accrued fees and expenses (including  
success fees) for services rendered and expenses incurred by a Professional for the Petition Date  
through and including the Effective Date to the extent such fees and expenses have not been paid  
or not Disallowed pursuant to Order of the Court under §§ 327, 328, 330, 331, 363, 503, or 1103  
for compensation for professional services rendered or expenses incurred for which the Estate is  
liable for payment Code regardless of whether a fee application has been filed for such fees and  
expenses.

1.136 **Proof of Claim** means a proof of Claim Filed against any of the Debtors in the  
Chapter 11 Cases.

1 1.137 **PTO Claims** mean Claims asserted by Debtors' employees that are based upon  
2 accrued hours arising under Debtors' nonworking day and paid time off policies.

3 1.138 **Related Parties** means, with respect to any person or entity, except as otherwise set  
4 forth below or in this Plan, any past or present representative, controlling persons, officer, director,  
5 agent, attorney, advisor, Professional, employee, subsidiary or Affiliate, shareholder, partner  
6 (general or limited), executive committee member, member, managers, equity holder, trustee  
7 executor, predecessor in interest, successor or assign of any such person, provided, AHM, Inc., the  
8 officers of the Debtors, Non-Debtor Affiliates and AHM, Inc, and any Board Trustee acting in the  
9 capacity of an officer of any of the foregoing, shall not constitute Related Parties for purposes of  
10 this Plan.

11 1.139 **Released Parties** means (a) the Debtors, (b) the Lapis Parties, (c) the Committee  
12 and the Committee Members, (d) the PCO, (e) the Board Trustees, and (f) except as otherwise set  
13 forth below or in the this Plan, each of the foregoing Entities' respective predecessors, successors  
14 and assigns, subsidiaries, Affiliates and their subsidiaries, beneficial owners, managed accounts or  
15 funds, current and former officers, directors, principals, shareholders, direct and indirect equity  
16 holders, members partners (general and limited), employees, agents, advisory board members,  
17 financial advisors, attorneys accountants, investment bankers, consultants, representatives,  
18 management companies, fund advisors, Professionals, and other professionals; provided, AHM,  
19 Inc., the officers of the Debtors, Non-Debtor Affiliates and AHM, Inc, and any Board Trustee  
20 acting in the capacity of an officer of any of the foregoing, shall not constitute Released Parties for  
21 purposes of this Plan and provided further, that as a condition to receiving or enforcing any release  
22 granted pursuant to Section VII.F.2 hereof, each Released Party and its Affiliates shall be deemed  
23 to have released each other Released Party and its Affiliates from any and all Claims or Causes of  
24 Action arising from or related to their relationship with the Debtors or the Chapter 11 Cases. For  
25 the avoidance of doubt, and notwithstanding anything herein to the contrary, a member of the  
26 Committee shall be a Released Party only in his or her capacity as a member of the Committee.  
27 For the further avoidance of doubt, all Professional Fee Claims and rights to enforce this Plan are  
28 expressly preserved notwithstanding anything to the contrary in this Section I.A.1.132, Section  
29 VII.F.2, or any other provision of this Plan.

30 1.140 **Releasing Party** means (a) the Released Parties; and (b) all Holders of Claims that  
31 (i) vote to accept the Plan, and (ii) do not affirmatively opt out of the third party release provided  
32 by Section VII.F.2 hereof pursuant to a duly executed Ballot; provided, that, notwithstanding  
33 anything contained herein to the contrary, in no event shall an Entity that (x) does not vote to  
34 accept or reject the Plan, (y) votes to reject the Plan, or (z) appropriately marks the Ballot to opt  
35 out of the third party release provided in Section VII.F.2 hereof and returns such Ballot in  
36 accordance with the Solicitation Procedures Order, be a Releasing Party.

37 1.141 **Reorganized Debtor** means a Debtor that is reorganizing and will continue in  
38 operation after the Effective Date, as controlled by sole member, AH System.

39 1.142 **Reorganized Debtor Insurance Policies** means any insurance policies of the  
40 Debtor (including, without limitation, the D&O Policies).

1 1.143 **Schedules** means, collectively, the schedules of assets and liabilities, schedules of  
2 Executory Contracts, and statements of financial affairs Filed by the Debtors, pursuant to § 521  
3 and in substantial accordance with the Official Bankruptcy Forms, as the same may have been  
amended, modified, or supplemented from time to time.

4 1.144 **Second GUC Distribution Amount** means Cash in the amount of two million three  
5 hundred thousand dollars (\$2,300,000) minus the amount of any GUC Vendor Recovery, which  
6 shall be paid by the Debtors (or Reorganized Debtors, as applicable) to the GUC Distribution Trust  
7 within thirty (30) days after the determination of the total value of the GUC Vendor Recovery.  
For the avoidance of doubt, the Second GUC Distribution Amount will be an unconditional  
obligation of the Debtors (or Reorganized Debtors, as applicable) to the GUC Distribution Trust.

8 1.145 **Secured** means, when referring to a Claim, a Claim secured by a Lien on property  
9 in which the applicable Estate has an interest, which Lien is valid, perfected, and enforceable  
10 pursuant to applicable law or by a Final Order, or that is subject to setoff pursuant to § 553, to the  
11 extent of the value of the applicable creditor's interest in such Estate's interest in such property or  
to the extent of the amount subject to setoff, as applicable, in each case, as determined pursuant to  
§ 506(a).

12 1.146 **Senior Debt 9019 Settlement** shall have the meaning ascribed to such term in  
13 Section III.A hereof.

14 1.147 **Senior Secured Bond Debt Claims** means all amounts due under the Bond  
15 Documents, including principal, interest including interest at any applicable default rate,  
prepayment penalties, make wholes and similar amounts, and expenses including but not limited  
to attorneys and other professional fees.

16 1.148 **Senior Secured Credit Agreement Claims** means all amounts due under the Credit  
17 Agreement, including principal, interest including interest at any applicable default rate,  
prepayment penalties, make wholes and similar amounts, and expenses including but not limited  
18 to attorneys and other professional fees.

19 1.149 **Senior Secured Credit Agreement Exchange Debt** means, unless the Multicare  
20 Transaction Payment is funded and irrevocably released to the Lapis Parties on or before the  
Effective Date, the Exchange Debt issued to satisfy the Senior Secured Credit Agreement Claims  
21 as more specifically described in the Exchange Debt Documents.

22 1.150 **Solicitation Procedures** means the form of solicitation procedures approved by and  
attached as an exhibits to the Solicitation Procedures Order.

23 1.151 **Solicitation Procedures Order** means the Order Granting Joint Motion for an Order  
24 Approving: (I) Proposed Disclosure Statement; (II) Solicitation and Voting Procedures; (III)  
Notice Procedures; (III) Notice and Objections Procedures for Confirmation of Joint Plan of  
25 Reorganization; and (IV) Granting Related Relief [Docket No. 1991].

26 1.152 **Supplemental Bar Date** means the date established by the Supplemental Bar Date  
27 Order by which requests for payment of certain Prepetition Claims (as defined in the Supplemental  
Bar Date Order) must be Filed, subject to any exceptions specifically set forth therein.  
28

1           1.153 *Supplemental Bar Date Order* means the Order (I) Fixing a Bar Date for Filing  
2 Certain Prepetition Claimants' Claims and (II) Approving the Form of Notice of Those Prepetition  
3 Claimants' Claims Bar Date [Docket No. 1417].

4           1.154 *Supplemental GUC Distribution Amount* means Cash in the amount of six  
5 hundred thousand dollars (\$600,000), which shall be paid by the Reorganized Debtors to the GUC  
6 Distribution Trust through three (3) equal installment payments of two hundred thousand dollars  
7 (\$200,000) on each of the first, second, and third anniversaries of the Effective Date of the Plan.  
8 The Reorganized Debtors are only obligated to pay the Supplemental GUC Distribution Amount  
9 to the GUC Distribution Trust if the Multicare Transaction Payment is funded and irrevocably  
10 released to the Lapis Parties by the Effective Date.

11           1.155 *Term Sheet* means that certain Plan Settlement Term Sheet between the Debtors  
12 and the Committee setting forth the Committee Plan Settlement, the terms of which are  
13 incorporated herein. A copy of the Term Sheet, updated as necessary by the Plan Proponents and  
14 the Committee to provide definitional clarity with respect to Term Sheet provisions incorporated  
15 herein by reference, shall be Filed under seal as part of the Plan Supplement.

16           1.156 *U.S. Trustee* means the Office of the United States Trustee for the Eastern District  
17 of Washington.

18           1.157 *U.S. Trustee Fees* means fees or charges assessed against the Estate pursuant to 28  
19 U.S.C. § 1930.

20           1.158 *Vendor* means Cerner Corporation and all of its subsidiaries and affiliates.

21           1.159 *Vendor Avoidance Actions* means any Avoidance Actions against the Vendor.

22           1.160 *Vendor Claims* means any and all actual or potential claims and causes of action  
23 of the Debtors against the Vendor, including any and all Vendor Avoidance Actions.

24           1.161 *Vendor Recovery* means any Cash and non-Cash value realized by the Debtors as  
25 a result of the Vendor Claims, which shall be allocated between the Reorganized Debtors and the  
26 GUC Distribution Trust solely in the event the Multicare Transaction Payment is funded and  
27 irrevocably released to the Lapis Parties by the Multicare Funding Deadline and otherwise between  
28 the Liquidation Trust and the GUC Distribution Trust, as provided in this Plan.

          1.162 *Voting Deadline* means 4:00 p.m. (prevailing Eastern Time) on December 4, 2020,  
as specifically set forth in the Disclosure Statement Order, which is the deadline for submitting  
Ballots to accept or reject the Plan in accordance with § 1126.

## **B. Rules of Interpretation.**

For purposes herein: (i) in the appropriate context, each term, whether stated in the singular  
or the plural, shall include both the singular and the plural, and pronouns stated in the masculine,  
feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (ii) except  
as otherwise provided herein, any reference herein to a contract, lease, instrument, release,  
indenture, or other agreement or document being in a particular form or on particular terms and

1 conditions means that the referenced document shall be substantially in that form or substantially  
2 on those terms and conditions; (iii) except as otherwise provided, any reference herein to an  
3 existing document or exhibit having been Filed or to be Filed shall mean that document or exhibit,  
4 as it may thereafter be amended, restated, supplemented, or otherwise modified in accordance with  
5 the Plan; (iv) unless otherwise specified herein, all references herein to “Sections” are references  
6 to Sections of the Plan or hereto; (v) unless otherwise stated herein, the words “herein,” “hereof,”  
7 and “hereto” refer to the Plan in its entirety rather than to a particular portion of the Plan; (vi)  
8 captions and headings to Sections are inserted for convenience of reference only and are not  
9 intended to be a part of or to affect the interpretation hereof; (vii) the words “include” and  
10 “including,” and variations thereof, shall not be deemed to be terms of limitation, and shall be  
11 deemed to be followed by the words “without limitation”; (viii) unless otherwise specified, the  
12 rules of construction set forth in § 102 shall apply to the Plan; (ix) any term used in capitalized  
13 form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy  
14 Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy  
15 Rules, as the case may be; (x) any docket number references in the Plan shall refer to the docket  
16 number of any document Filed with the Court in the Chapter 11 Cases; (xi) any immaterial  
17 effectuating provisions may be interpreted in such a manner that is consistent with the overall  
18 purpose and intent of the Plan all without further notice to or action, order, or approval of the Court  
19 or any other Entity; (xii) except as otherwise provided, any references to the Effective Date shall  
20 mean the Effective Date or as soon as reasonably practicable thereafter; and (xiii) all exhibits and  
21 supplements to the Plan are incorporated herein, regardless of when those exhibits and  
22 supplements are filed.

### 14 C. Computation of Time

15 Unless otherwise specifically stated herein, the provisions of Bankruptcy Rule 9006(a)  
16 shall apply in computing any period of time prescribed or allowed herein. If the date on which a  
17 transaction may occur pursuant to the Plan shall occur on a day that is not a Business Day, then  
18 such transaction shall instead occur on the next Business Day. Whenever a distribution of property  
19 is required to be made on a particular date, the distribution shall be made on such date or as soon  
20 as practicable thereafter.

### 19 D. Governing Law

20 Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy  
21 Code and Bankruptcy Rules) or unless otherwise specifically stated herein, the laws of the State  
22 of Washington, without giving effect to the principles of conflict of laws, shall govern the rights,  
23 obligations, construction, and implementation of the Plan, any agreements, documents,  
24 instruments, or contracts executed or entered into in connection with the Plan (except as otherwise  
25 set forth in those agreements, in which case the governing law of such agreement shall control);  
26 provided that corporate or limited liability company governance matters relating to the Debtors or  
27 the Reorganized Debtors, as applicable, not incorporated or formed (as applicable) in the State of  
28 Washington shall be governed by the laws of the state of incorporation or formation (as applicable)  
of the applicable Debtor or Reorganized Debtor.

1                   **E.      Reference to Monetary Figures**

2                   All references in the Plan to monetary figures shall refer to currency of the United States  
3 of America, unless otherwise expressly provided herein.

4                   **F.      Controlling Document**

5                   In the event of an inconsistency between the Plan and the Disclosure Statement, the terms  
6 of the Plan shall control in all respects. In the event of an inconsistency between the Plan and the  
7 Plan Supplement, the terms of the relevant document in the Plan Supplement shall control (unless  
8 stated otherwise in such Plan Supplement document or in the Confirmation Order). In the event of  
9 an inconsistency between the Confirmation Order and the Plan, the Disclosure Statement or the  
10 Plan Supplement, the Confirmation Order shall control.

11 **SECTION II.    CLASSIFICATION AND TREATMENT OF CLAIMS**

12                   **A.      General Overview**

13                   As required by the Bankruptcy Code, the Plan classifies claims and interests in various  
14 classes according to their right to priority of payments as provided in the Bankruptcy Code. The  
15 Plan states whether each Class of Claims or Interests is impaired or unimpaired. The Plan provides  
16 the treatment each Class will receive under the Plan.

17                   **B.      Limited Consolidation**

18                   Except as expressly provided in this Plan, each Debtor shall continue to maintain its  
19 separate corporate existence for all purposes other than the treatment of Claims and distributions  
20 under this Plan. Except as expressly provided in this Plan, the Exchange Debt Documents, the  
21 other Definitive Documents, or as otherwise ordered by the Court, on the Effective Date: (a) all  
22 assets and all liabilities of each of the Debtors shall be deemed merged or treated as though they  
23 were merged into and with the assets and liabilities of each other, (b) no distributions shall be made  
24 under this Plan on account of Intercompany Claims among the Debtors, and all such Claims shall  
25 be eliminated and extinguished, (c) all guaranties of the Debtors of the obligations of any other  
26 Debtor shall be deemed eliminated and extinguished so that any Claim against any Debtor and any  
27 guarantee thereof executed by any Debtor and any joint or several liability of any of the Debtors  
28 shall be deemed to be one obligation of the consolidated Debtors, (d) each and every Claim filed  
or to be filed in any of the Chapter 11 Cases shall be treated as if filed against the consolidated  
Debtors and shall be treated one Claim against and obligation of the consolidated Debtors, and (e)  
for purposes of determining the availability of the right of setoff under § 553, the Debtors shall be  
treated as one entity so that, subject to the other provisions of § 553, debts due to any of the Debtors  
may be set off against the debts of any of the other Debtors. Such consolidation shall not (other  
than for purposes relating to this Plan) affect the legal and corporate structures of the Reorganized  
Debtors. Notwithstanding anything in this Section to the contrary, all U.S. Trustee Fees, if any,  
shall be calculated on a separate legal entity basis for each Reorganized Debtor.

**C. Summary and Classification of Claims and Interests**

This Section classifies Claims and Interests – except for Administrative Claims, Priority Tax Claims, Professional Fee Claims, and DIP Claims, which are not classified – for all purposes, including voting, Confirmation, and distribution under the Plan. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest falls within the Class description. To the extent that part of the Claim or Interest falls within a different Class description, the Claim or Interest is classified in that different Class. The classification of Senior Secured Bond Debt Claims and Senior Secured Credit Agreement Claims is an integral component of the Senior Debt 9019 Settlement.

The following table summarizes the Classes of Claims and Interests under the Plan that are Allowed Claims:

<b>CLASS</b>	<b>DESCRIPTION</b>	<b>IMPAIRED/ UNIMPAIRED</b>	<b>VOTING STATUS</b>
1	Priority Claims	Unimpaired	Not Entitled to Vote / Deemed to Accept
2A	Senior Secured Bond Debt Claims	Impaired	Entitled to Vote
2B	Senior Secured Credit Agreement Claims	Impaired	Entitled to Vote
2C	Other Secured Claims	Impaired	Entitled to Vote
3	Convenience Class Claims	Impaired	Entitled to Vote
4	General Unsecured Claims	Impaired	Entitled to Vote
4A	Insured Claims	Impaired	Entitled to Vote
5	Intercompany Claims	Eliminated Through Consolidation of Debtors	N/A

**NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE PLAN, NO DISTRIBUTIONS WILL BE MADE AND NO RIGHTS WILL BE RETAINED ON ACCOUNT OF ANY CLAIM OR INTEREST THAT IS NOT AN ALLOWED CLAIM OR INTEREST.**

1 The treatment in this Plan is in full and complete satisfaction of the legal, contractual, and  
2 equitable rights (including any Liens) that each individual or Entity holding an Allowed Claim  
3 may have in or against Debtors, the Estates, or their respective property. This treatment supersedes  
4 and replaces any agreements or rights those individuals or Entities may have in or against Debtors,  
5 the Estates, or their respective property. Except as otherwise provided in this Plan, all distributions  
6 in respect of Allowed Claims will be allocated first to the principal amount of such Allowed Claim,  
7 as determined for federal income tax purposes, and thereafter, to the remaining portion of such  
8 Allowed Claim, if any.

6 **D. Unclassified Claims**

7 Certain types of Claims are not placed into voting classes; instead they are unclassified.  
8 They do not vote on the Plan because they are automatically entitled to specific treatment provided  
9 for them in the Bankruptcy Code. As such, Debtors have not placed the following Claims in a class.  
10 The treatment of these Claims is provided below.

10 **1. Administrative Claims**

11 **a. Types of Claims Entitled to Administrative Priority**

12 The following types of Claims are entitled to administrative priority under this Plan:  
13 Administrative Claims (including Ordinary Course Administrative Expense Claims), DIP Claims,  
14 Professional Fee Claims, U.S. Trustee Fees, 503(b)(9) Claims and Cure Payments. The foregoing  
15 claims, other than Ordinary Course Administrative Expense Claims and DIP Claims, are estimated  
16 to be Allowed in the approximate aggregate amount of \$4,624,674.

16 **b. Administrative Claims Bar Date**

17 Holders of Administrative Claims incurred during the period from and after the Petition  
18 Date until the date of entry of the Administrative Claims Bar Date Order were required to File and  
19 serve a request for payment of such Administrative Claims and those that did not File and serve  
20 such a request by the Administrative Claims Bar Date are forever barred, estopped, and enjoined  
21 from asserting such Administrative Claims against the Debtors or their Estates, and such  
22 Administrative Claims shall be deemed discharged as of the Effective Date, except as provided in  
23 the Plan.

21 **c. Supplemental Administrative Claims Bar Date**

22 Holders of Administrative Claims based upon liabilities incurred by the Debtors in the  
23 ordinary course of their business on or after the date the Administrative Claims Bar Date Order  
24 was entered but prior to the Effective Date must File and serve such Claims on the Reorganized  
25 Debtors within thirty (30) days after the Effective Date or such claims shall be forever barred  
26 against the Debtors or their Estates. Objections to the requests for payment of such Administrative  
27 Claims must be Filed and served on the Reorganized Debtors and the requesting party within  
28 twenty (20) days after the Filing of the applicable request for payment of such Administrative  
Claims.

1 Notwithstanding the foregoing, the following entities that hold Administrative Expense  
2 Claims do not need to assert an Administrative Expense Claim (collectively, the “Excluded  
3 Claims”):

4 a) Administrative Expense Claims based upon liabilities that the Debtors (other than  
5 SHC Medical Center - Yakima) incurred in the ordinary course of their business to providers of  
6 goods and services. To be clear, Administrative Expense Claims held by vendors of goods and  
7 services to ARMC are not Excluded Claims and such vendors must file an Administrative Expense  
8 Claim;

9 b) Administrative Expense Claims arising out of the employment by one or more of  
10 the Debtors (other than SHC Medical Center - Yakima) of an individual after the Petition Date. To  
11 be clear, Administrative Expense Claims held by former employees of SHC Medical Center -  
12 Yakima who are no longer employed by a Debtor are not Excluded Claims and such former  
13 employees must file an Administrative Expense Claim;

14 c) Any entity that has already properly filed a motion requesting allowance of an  
15 administrative expense claim pursuant to § 503(b);

16 d) A holder of an Administrative Expense Claim that previously has been allowed by  
17 order of the Court;

18 e) A holder of an Administrative Expense Claim that has been paid in full by any of  
19 the Debtors pursuant to the Bankruptcy Code or in accordance with an Order of the Court; and

20 f) Any claims held by the Lapis Parties.

21 **d. Treatment of Administrative Claims**

22 **(i) Treatment of DIP Claims**

23 In accordance with the Senior Debt 9019 Settlement, all DIP Claims shall be Allowed and  
24 satisfied, without setoff, reduction or subordination, through (a) payment in full in cash on the  
25 Effective Date through the Multicare Transaction Payment or (b) in the event the Multicare  
26 Transaction Payment has not been funded on or before the Effective Date, by the exchange of DIP  
27 Claims for DIP Claims Exchange Debt with the attributes described in the schedule attached hereto  
28 in **Exhibit A** in the amount of all DIP Claims as of the Effective Date. This treatment of DIP  
Claims is an integral component of the Senior Debt 9019 Settlement.

**(ii) Treatment of Other Administrative Claims**

Except for Ordinary Course Administrative Expenses (which will be paid in the ordinary  
course of business) and DIP Claims, all Administrative Claims, including Cure Payments, 503(b)(9)  
Claims, and U.S. Trustee Fees, will be paid in full in Cash (a) on the later of the Effective Date or  
the date such Claims are Allowed under § 503, or (b) upon such other terms as may be mutually  
agreed upon between the Holder of such Claim and the Plan Proponents, and consistent with the  
terms of the Definitive Documents.

1                   **2. Treatment of Professional Fee Claims**

2           All persons and entities seeking an award by the Court of professional fees on behalf of the  
3 Debtors (a) shall file their respective final applications for allowance of compensation for services  
4 rendered and reimbursement of expenses no later than forty-five (45) days after the Effective Date,  
5 and, (b) upon Court approval of such final application, shall receive, in full satisfaction, settlement,  
6 and release of, and in exchange for such Claim, from the Administrative and Priority Claims  
7 Reserve, Cash in such amounts as allowed by the Court (i) on the later of (A) the Effective Date  
8 (or as soon thereafter as reasonably practicable) and (B) the date that is ten (10) days after the  
9 allowance date, or (ii) upon such other terms as may be mutually agreed upon between the holder  
10 of such Claim and the Plan Proponents, and consistent with the terms of the Definitive Documents.  
11 For the avoidance of doubt, estate Professionals may still receive interim compensation prior to  
12 the Effective Date if otherwise able to under existing court orders.

9                   **3. Priority Tax Claims**

10           Priority Tax Claims are certain unsecured income, employment and other taxes described  
11 by § 507(a)(8).

12           During the Chapter 11 Cases, Debtors obtained Court authority to bring wages, benefits  
13 and payroll taxes current for the prepetition period, so no prepetition employment related taxes  
14 remain due. The Debtors have otherwise kept current on taxes.

15           Priority Tax Claims shall be paid in full in Cash from the Administrative and Priority  
16 Claims Reserve (a) on the later of the Effective Date or the date such Claim is allowed, (b) after  
17 the Effective Date, over a period not to exceed five years from the date of assessment of the subject  
18 tax, together with interest thereon at a rate satisfactory to the Debtors or such other rate as may be  
19 required by the Bankruptcy Code, or (c) upon such other terms as may be mutually agreed upon  
20 between the holder of such Claim and the Plan Proponents, and consistent with the terms of the  
21 Definitive Documents.

18                   **4. Administrative and Priority Claims Reserve**

19           On the Effective Date or as soon as practicable thereafter, the Debtors or the Reorganized  
20 Debtors, as applicable, shall fund the Administrative and Priority Claims Reserve in Cash in the  
21 Administrative and Priority Claims Reserve Amount. Any amounts remaining in the  
22 Administrative and Priority Claims Reserve after payment of all Allowed Administrative, Priority,  
23 and Professional Fee Claims and the U.S. Trustee Fees shall be transferred to the Reorganized  
24 Debtors.

23                   **E. Classified Claims**

24                   **1. Class 1 - Priority Claims (Other than Priority Tax Claims)**

25           Class 1 consists of Priority Claims against Debtors, other than Priority Tax Claims. These  
26 Priority Claims are entitled to priority treatment in that each Holder of such a Claim is entitled to  
27 receive Cash from the Administrative and Priority Claims Reserve on the Effective Date (or as  
28 soon as practicable thereafter) equal to the allowed amount of such Claim, unless the Class votes

to accept deferred Cash payments of a value, as of the Effective Date, equal to the allowed amount of such Claims.

Excluded from this Class are (a) wage claims (including severance pay) in excess of the statutory limit of \$13,650, and (b) PTO Claims in excess of the statutory limit of \$13,650 for benefits. Such Claims will be treated as General Unsecured Claims in Class 4.<sup>3</sup>

CLASS #	DESCRIPTION	INSIDER (Y/N)	IMPAIRED (Y/N)	TREATMENT
1	Priority unsecured claims alleged pursuant to Code §§ 507(a)(4) and (5)  Total Amount = Unknown	No	No	Paid in cash in full on later of Effective Date or when Allowed

**2. Classes 2A, 2B and 2C - Secured Claims**

Classes 2A, 2B and 2C consist of Secured Claims against Debtors. Secured Claims are claims secured by liens on property of the Estate. The treatment of Senior Secured Bond Debt Claims and Senior Secured Credit Agreement Claims is an integral component of the Senior Debt 9019 Settlement. The Secured Claims shall be treated as follows:

CLASS #	DESCRIPTION	INSIDER (Y/N)	IMPAIRED (Y/N)	TREATMENT
2A	Senior Secured Bond Debt Claims  Total Estimated Amount =	No	Yes	In accordance with the Senior Debt 9019 Settlement, unless the Multicare Transaction Payment has been funded and irrevocably released to the Lapis Parties by the Multicare Funding Deadline

<sup>3</sup> Employees may have accumulated paid time off (“PTO”) that the employees were able to roll forward from year to year, or cash out at retirement or departure. With limited exception regarding certain employees who were employed by SHC Medical Center - Yakima, separated after January 1, 2020 and then rehired by another Debtor and who were paid on account of unused PTO earned while at SHC Medical Center - Yakima or provided with an allowed claim, the Reorganized Debtors will assume the PTO Claims for retained employees of the Hospital, and PTO will be allowed to be used on the same terms and conditions as before Petition Date.

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	<p>\$43,571,500.00, less any amount(s) paid down prior to the Effective Date pursuant to pending asset sale pleadings.</p> <p>Actual amount subject to per diem adjustment.</p>			<p>all Senior Secured Bond Debt Claims shall be Allowed and reinstated without setoff, reduction or subordination on the terms of the Exchange Debt Documents in the amount of all such Senior Secured Bond Debt Claims as of the Effective Date. In the event the Multicare Transaction Payment is funded and irrevocably released to the Lapis Parties by the Multicare Funding Deadline all Senior Secured Bond Debt Claims shall be Allowed and paid in full in cash on the Effective Date.</p>
2B	<p>Senior Secured Credit Agreement Claims</p> <p>Total Estimated Amount = \$13,162,397.26</p> <p>Actual amount subject to per diem adjustment.</p>	No	Yes	<p>In accordance with the Senior Debt 9019 Settlement, unless the Multicare Transaction Payment has been funded and irrevocably released to the Lapis Parties by the Multicare Funding Deadline all Senior Secured Credit Agreement Claims shall be Allowed and satisfied, without setoff, reduction, subordination or challenge, by the exchange of all Senior Secured Credit Agreement Claims for Senior Secured Credit Agreement Exchange Debt with the attributes described in the schedule attached hereto in <b>Exhibit A</b> in the amount of all Senior Secured Credit Agreement Claims as of the Effective Date. In the event the Multicare Transaction Payment is funded, and irrevocably released to the Lapis Parties by the Multicare Funding Deadline all Senior Secured Credit Agreement Claims shall be Allowed and paid in full in cash on the Effective Date.</p>

2C	Other Secured Claims	No	Yes	On or as soon as practicable after the Effective Date, each Holder of an allowed Other Secured Claim against the Debtors will receive from the assets of the Debtors, at the discretion of the Plan Proponents (i) cash equal to the full amount of its Claim, (ii) a reinstated note on the same payment and collateral terms as its prior Claim, (iii) a return of collateral securing the Claim against the Debtor, with any deficiency to result in a General Unsecured Claim, or (iv) such less favorable treatment to which the Holder otherwise agrees.
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**3. Class 3 - Convenience Class Claims**

Class 3 consists of Convenience Class Claims, meaning those General Unsecured Claims that are either (i) less than or equal to five thousand dollars (\$5,000), or (ii) if the Claim amount is greater than five thousand dollars (\$5,000), a General Unsecured Claim with respect to which the Holder has made a Convenience Class Election and thus accepted a maximum of one thousand dollars (\$1,000) as payment of such Holder's Claim in full. As used herein, "Convenience Class Election" means the timely election by a Holder of a General Unsecured Claim in the amount of five thousand dollars (\$5,000) or greater to have such entire General Unsecured Claim be treated as a claim in the Convenience Class (Class 3), in which case the portion of such General Unsecured Claim in excess of \$5,000 shall be discharged in full on the Effective Date.

The Convenience Class Claims shall be treated as follows:

CLASS #	DESCRIPTION	INSIDER (Y/N)	IMPAIRED (Y/N)	TREATMENT
3	Convenience Class Claims  Total Amount = Est. Allowed amount of	No	Yes	To be paid 20% of allowed amount of claim up to a maximum of \$1,000, on the Effective Date or as soon as practicable thereafter.

	\$1,611,501, <sup>4</sup> assuming all claimants with Claims between \$5,000 and \$10,000 elect Class 3 treatment			There shall be no limitation on the number of Convenience Class members.
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**4. Classes 4 and 4A – General Unsecured Claims Not Otherwise Classified and Insured General Unsecured Claims**

Class 4 consists of General Unsecured Claims. Class 4A is a subclass consisting of General Unsecured Claims that are also Insured Claims. Class 4 and 4A Claims do not include claims arising under any assumed contracts and leases, which shall be treated as Administrative Claims and paid or otherwise satisfied according to the terms of the assumed contract or lease and any order of the Court authorizing its assumption. To the extent any Class 4 or 4A Claim is paid in the ordinary course of business by any party that has reached a prior agreement with Debtors, such Claim will be deemed satisfied and shall not receive a distribution under the Plan. Otherwise, the Class 4 and 4A Claims shall be treated as follows:

<b>CLASS #</b>	<b>DESCRIPTION</b>	<b>INSIDER (Y/N)</b>	<b>IMPAIRED (Y/N)</b>	<b>TREATMENT</b>
4	General Unsecured Claims (Not Otherwise Classified)  Total Amount = Approximately \$101,950,399.80 <sup>5</sup>	No	Yes	Holders of Allowed General Unsecured Claims shall receive, on one or more GUC Distribution Dates, a <i>Pro Rata</i> share of the Net GUC Distribution Trust Assets.
4A	Insured Claims	No	Yes	Subject to the terms and conditions set forth in <u>Section III.O</u> below, Holders of Allowed Insured Claims in Class 4A shall recover only from the available

<sup>4</sup>This amount is based on General Unsecured Claims filed. The Debtors believe that this amount will materially reduce following the claims adjudication process.

<sup>5</sup>This amount of is based on General Unsecured Claims filed. The Debtors believe that this amount will materially reduce following the claims adjudication process.

				insurance and Debtors shall be discharged to the extent of any such excess.
				As of the Effective Date, all Insured Claims are Disputed.

**5. Class 5 - Intercompany Claims**

All intercompany claims shall be expunged and eliminated through the limited consolidation of the Debtors unless otherwise indicated in the Plan Supplement.

**SECTION III. MEANS OF IMPLEMENTING THE PLAN**

The Debtors and Multicare have executed the Multicare Credit Agreement and the Exit Loan Escrow Agreement. The Debtors shall expeditiously perform the Multicare Credit Agreement, such that the Exit Loan will be prepared to close on or prior to the Multicare Funding Deadline. The Exit Loan Escrow has been funded by Multicare with \$75 million. Those funds shall be combined with such additional funds of the Debtors or Reorganized Debtors as may be necessary to fully fund the Multicare Transaction Payment as described in paragraph 1.117 above. Upon closing of the Exit Loan, the Multicare Transaction Payment will be made to the Lapis Parties, and the Lapis Parties' Claims will have been paid in full.

**A. The Senior Debt 9019 Settlement**

The Plan is centered around the settlement of all rights and claims associated with the DIP Claims, Senior Secured Bond Debt Claims and Senior Secured Credit Agreement Claims (the "Senior Debt 9019 Settlement"). The Senior Debt 9019 Settlement is comprised of (i) the classification and treatment of the DIP Claims, Senior Secured Bond Debt Claims and Senior Secured Credit Agreement Claims and Lapis Parties' other prepetition Claims as specified in this Plan, (ii) (x) in the event the Multicare Transaction Payment is irrevocably released to the Lapis Parties on or before the Multicare Funding Deadline, payment in full in cash on the Effective Date or (y) in the event the Multicare Transaction Payment is not irrevocably released to the Lapis Parties on or before the Multicare Funding Deadline, the issuance (or reinstatement, as applicable) of the debt instruments (the "Exchange Debt") described in the schedule attached hereto as **Exhibit A** and more specifically in the Exchange Debt Documents, and (iii) the release and exculpation terms for the Lapis Parties as specified in this Plan.

FOR THE AVOIDANCE OF DOUBT, THE ENTRY OF THE CONFIRMATION ORDER CONSTITUTES AUTHORIZATION OF THE DEBTORS AND DEBTORS IN POSSESSION TO ENTER INTO, EXECUTE AND PERFORM THE EXIT LOAN AND ALL DOCUMENTS RELATED THERETO; PROVIDED FURTHER THAT IF THE CONDITIONS OF THE EXIT LOAN ARE NOT MET AND THE MULTICARE TRANSACTION PAYMENT IS NOT FUNDED AND IRREVOCABLY RELEASED TO THE LAPIS PARTIES ON OR BEFORE THE MULTICARE FUNDING DEADLINE, THEN SUCH COURT AUTHORIZATION AND OBLIGATIONS ON THE DEBTORS AND DEBTORS IN POSSESSION (AND ON ANY REORGANIZED DEBTORS) WITH RESPECT TO THE EXIT

1 LOAN AND TO MULTICARE SHALL BE NULL, VOID AND OF NO EFFECT, EXCEPT AS  
2 OTHERWISE AGREED IN WRITING BETWEEN THE PLAN PROPONENTS AND  
3 MULTICARE; PROVIDED FURTHER, IF THE MULTICARE TRANSACTION PAYMENT  
4 IS FUNDED AND IRREVOCABLY RELEASED TO THE LAPIS PARTIES ON OR BEFORE  
5 THE EFFECTIVE DATE, THE DIP CLAIMS, SENIOR SECURED BOND DEBT CLAIMS,  
6 SENIOR SECURED CREDIT AGREEMENT CLAIMS AND THE LAPIS PARTIES' OTHER  
7 PREPETITION CLAIMS ARE DEEMED TO HAVE BEEN SATISFIED IN FULL AND THE  
8 LAPIS PARTIES SHALL RETAIN NO FURTHER DISTRIBUTION RIGHTS UNDER THE  
9 PLAN.

10 The treatment and distributions provided for herein with respect to the DIP Claims, Senior  
11 Secured Bond Debt Claims, Senior Secured Credit Agreement Claims and Lapis Parties' other  
12 prepetition Claims under the Senior Debt 9019 Settlement reflect a compromise and settlement of  
13 numerous complex issues including the Debtors' obligation to satisfy the DIP Claim on the  
14 Effective Date, the scope, extent and value of the collateral associated with the Senior Secured  
15 Bond Debt Claims and Senior Secured Credit Agreement Claims and related matters. The  
16 settlement provides final resolution of all issues relating to the DIP Claims and the rights and  
17 benefits of Lapis Parties, and the validity, enforceability and priority of the Senior Secured Bond  
18 Debt Claims and Senior Secured Credit Agreement Claims. Pursuant to the Senior Debt 9019  
19 Settlement, subject to the occurrence of the Effective Date, each prepetition Claim reflected in a  
20 proof of claim filed by the Lapis Parties in the Chapter 11 Cases that is not a Senior Secured Bond  
21 Debt Claim or Senior Secured Credit Agreement Claim shall be Allowed in the liquidated amount  
22 specified therein. If the Multicare Transaction Payment is made, such Claims shall be paid in full  
23 in Cash on the Effective Date as party of the Multicare Transaction Payment. Such Claims shall  
24 otherwise be treated as Allowed General Unsecured Claims under the Plan.

25 The Plan shall constitute a motion to approve the Senior Debt 9019 Settlement. Subject to  
26 the occurrence of the Effective Date, entry of the Confirmation Order shall constitute approval of  
27 the Senior Debt 9019 Settlement pursuant to Bankruptcy Rule 9019 (which is inclusive of the  
28 releases by the Debtors and their Estates against the Lapis Parties) and a finding by the Bankruptcy  
Court that the Senior Debt 9019 Settlement is in the best interest of the Debtors and their Estates.  
If the Effective Date does not occur the Senior Debt 9019 Settlement shall be deemed to have been  
withdrawn without prejudice to the respective positions of the parties.

#### **B. The Committee Plan Settlement**

21 The Plan also embodies the Committee Plan Settlement set forth in the Term Sheet. The  
22 treatment of General Unsecured Claims provided for herein consistent with the Term Sheet reflects  
23 a compromise and settlement of numerous complex issues including, but not limited to, those set  
24 forth in the *Limited Objection of Official Committee of Unsecured Creditors to Motion for an  
25 Order Approving: (i) Proposed Disclosure Statement; (ii) Solicitation and Voting Procedures; (iii)  
26 Notice and Objection Procedure for Confirmation of Joint Plan of Reorganization; and (iv)  
27 Granting Related Relief* filed at docket number 1624. The Committee Plan Settlement provides  
28 final resolution of all issues relating to the treatment of General Unsecured Claims under this Plan.  
The Plan shall constitute a motion to approve the Committee Plan Settlement pursuant to  
Bankruptcy Rule 9019 and a finding by the Bankruptcy Court that the Committee Plan Settlement  
is in the best interest of the Debtors and their Estates. If the Effective Date does not occur, the

1 Committee Plan Settlement shall be deemed to have been withdrawn without prejudice to the  
2 respective positions of the parties.

3 **C. Exit Loan**

4 The Debtors shall execute the Multicare Credit Agreement, the Exit Loan Escrow  
5 Agreement and any other related documents to implement their terms as agreements binding upon  
6 the Debtors and Debtors in Possession and the Reorganized Debtors.

6 **D. Vendor Claims**

7 The Debtors (or the Reorganized Debtors, if after the Effective Date) and, unless the  
8 Multicare Transaction Payment is irrevocably released to the Lapis Parties on or before the  
9 Effective Date, the Lapis Parties, in consultation with the Committee (or the GUC Distribution  
10 Trustee, if after the Effective Date), will jointly use their best efforts to settle or otherwise resolve  
11 each of the Debtors' Vendor Claims subject to the following principles:

11 Prior to the Effective Date, the Debtors (with the prior consent of the Lapis Parties) shall  
12 have the right to settle any and all Vendor Claims in their sole and absolute discretion after  
13 consultation with the Committee, and the Committee shall not have the right to object to any such  
14 settlement.

14 After the Effective Date, unless the Multicare Transaction Payment is irrevocably received  
15 by the Lapis Parties by the Multicare Funding Deadline, the Liquidation Trustee shall have the  
16 right of the Liquidation Trust (including any consent terms by the primary beneficiaries) to settle  
17 any and all Vendor Claims after consultation with the Debtors and the Committee, and the Debtors,  
18 Committee, and GUC Distribution Trustee shall not have the right to object to such settlement.  
19 Solely in the event the Multicare Transaction Payment is funded and irrevocably released to the  
20 Lapis Parties on or before the Effective Date, the Reorganized Debtors shall have the right to settle  
21 any and all Vendor Claims after consultation with the Committee, and the Committee and GUC  
22 Distribution Trustee shall not have the right to object to such settlement.

19 Prior to or after the Effective Date, the Debtors (with the prior consent of the Lapis Parties)  
20 or the Liquidation Trustee (subject to the terms of the Liquidation Trust, including any consent  
21 terms by the primary beneficiaries) may commence and prosecute litigation to resolve the Vendor  
22 Claims. Consent shall be conditioned on, *inter alia*, the retention of counsel and retention terms  
23 acceptable to the Lapis Parties, *provided however*, in the event the Exit Loan has been funded,  
24 retention of counsel and retention terms shall be acceptable to Multicare.

23 **E. Corporate Actions**

24 AH NP 2 is currently a wholly owned non-debtor subsidiary of Astria Health. AH NP2 is  
25 a 501(c)(3) Washington non-profit corporation. Unless the Multicare Transaction Payment is  
26 irrevocably released to the Lapis Parties on or before the Effective Date:

26 (1) On the Effective Date of the Plan, AH NP2 will amend its articles and bylaws to  
27 become the sole member of Astria Health on terms acceptable to the Lapis Parties. Astria Health  
28

1 will also amend its articles and bylaws to change Astria Health from a no-member non-profit  
2 corporation to a single member non-profit corporation on terms acceptable to the Lapis Parties.

3 (2) On the Effective Date, simultaneously with the matters reflected in this Section  
4 immediately above, AH System, a newly created non-debtor entity, will assume the non-  
5 discharged debt of the Debtors in exchange for AH NP2's transfer of its sole membership interest  
6 in Astria Health to AH System. AH System is a freestanding Washington non-profit corporation.  
7 There is no overlap of directors between AH System and Astria Health or any of the Astria Health  
8 subsidiaries (including AH NP2). The AH System bylaws shall be on terms acceptable to the Lapis  
9 Parties.

10 (3) The Lapis Parties have agreed to reinstatement of the Senior Secured Bond Debt Claims  
11 which will be paid by the Reorganized Debtors over time.

12 (4) Also on the Effective Date, AH System will issue (or reinstate, as applicable) the  
13 Exchange Debt and otherwise execute and deliver the Exchange Debt Documents.

14 From the filing of this Plan in the Chapter 11 Cases through the Effective Date (the  
15 "Performance Period"), each Board Trustee of the Debtors shall direct the Debtors' officers and  
16 others to (a) afford to AH System and the Lapis Parties reasonably full and complete access during  
17 normal business hours to and the right to inspect the plants, properties, books, accounts, records  
18 and all other relevant documents and information with respect to the assets, liabilities and business  
19 of the Debtors, (b) furnish AH System and the Lapis Parties with such additional financial and  
20 operating data and other information as to businesses and properties of the Debtors as AH System  
21 or the Lapis Parties may from time to time reasonably request, and (c) cause the Debtors to (i) use  
22 commercially reasonable efforts to maintain and preserve each Debtor's respective business  
23 organizations and its respective relationships with physicians, suppliers, customers and others  
24 having business relationships with the Debtors, provided that this provision does not prevent the  
25 Debtors from assuming or rejecting executory contracts or unexpired leases or otherwise  
26 terminating such relationships in the ordinary course of business pursuant to such applicable  
27 provisions as are set forth in the Plan; and (ii) satisfy the conditions precedent to the occurrence of  
28 the Effective Date. Each Board Trustee shall otherwise direct the Debtors' officers and employees  
to reasonably and promptly cooperate with AH System and its authorized representatives and  
attorneys in AH System's efforts to satisfy the conditions precedent to the occurrence of the  
Effective Date.

## 21 **F. The GUC Distribution Trust**

### 22 **1. Establishment of GUC Distribution Trust**

23 On the Effective Date, all GUC Distribution Trust Assets (other than the Supplemental  
24 GUC Distribution Amount) shall be contributed and transferred to the GUC Distribution Trust for  
25 the benefit of the GUC Distribution Trust Beneficiaries. In the event the Multicare Transaction  
26 Payment is funded and irrevocably released to the Lapis Parties by the Effective Date, the  
27 Supplemental GUC Distribution Amount shall be paid by the Reorganized Debtors to the GUC  
28 Distribution Trust through three (3) equal installment payments of two hundred thousand dollars  
(\$200,000) on each of the first, second, and third anniversaries of the Effective Date of the Plan.

1 The GUC Distribution Trust Assets shall pass to the GUC Distribution Trust free and clear of all  
2 Claims and interests in accordance with § 1141. The Confirmation Order shall constitute a  
3 determination that the transfer of the GUC Distribution Trust Assets to the GUC Distribution Trust  
4 is legal, valid, and consistent with the laws of the State of Washington. The transfer of the GUC  
5 Distribution Trust Assets to the GUC Distribution Trust on the Effective Date shall include the  
6 transfer and assignment of any and all GUC Distribution Trust Avoidance Actions. The GUC  
7 Distribution Trustee shall have exclusive standing to waive, commence, prosecute, or settle any  
8 GUC Distribution Trust Avoidance Actions in the GUC Distribution Trustee's discretion.

9 For federal and applicable state income tax purposes, all parties (including, without  
10 limitation, the Debtors, the GUC Distribution Trustee, and the beneficiaries of the GUC  
11 Distribution Trust) shall treat the transfer of the GUC Distribution Trust Assets to the GUC  
12 Distribution Trust in accordance with the terms of this Plan as a sale by the Debtors of such Assets  
13 to the GUC Distribution Trust at a selling price equal to the fair market value of such Assets on  
14 the Effective Date. The GUC Distribution Trust shall be treated as the owner of all the Assets it  
15 holds.

16 The GUC Distribution Trust will be governed in accordance with the terms of a GUC  
17 Distribution Trust Agreement prepared by the Committee in consultation with the Debtors and the  
18 Lapis Parties, which shall contain provisions customary to trust agreements utilized in comparable  
19 circumstances, including, but not limited to, any and all provisions necessary to ensure the  
20 treatment of the GUC Distribution Trust as a grantor trust. The GUC Distribution Trustee will be  
21 selected by the Committee after consultation with the Debtors and the Lapis Parties and will have  
22 the rights, powers, privileges, immunities, and obligations set forth in the GUC Distribution Trust  
23 Agreement, *provided, however*, in the event the Multicare Transaction Payment is funded and  
24 irrevocably released to the Lapis Parties on or before the Effective Date, the Lapis Parties shall  
25 have no rights of consultation or powers of selection or replacement under the GUC Distribution  
26 Trust Agreement.

27 All parties shall execute any documents or other instruments as necessary to cause title to  
28 the applicable GUC Distribution Trust Assets to be transferred to the GUC Distribution Trust. The  
GUC Distribution Trust Assets will be held in trust for the benefit of Holders of Allowed General  
Unsecured Claims pursuant to the terms of the Plan and the GUC Distribution Trust Agreement.

## 2. Powers and Authority of the GUC Distribution Trustee

The powers of the GUC Distribution Trustee shall be set forth in full in the GUC  
Distribution Trust Agreement and shall include, among other things, subject to the limitations set  
forth in this Plan and the requirements set forth in a Plan Supplement: (a) the power to use,  
distribute, abandon, or otherwise dispose of all GUC Distribution Trust Assets; (b) the power to  
effect distributions under this Plan to the Holders of Allowed General Unsecured Claims; (c) the  
authority to pay all costs and expenses of administering the GUC Distribution Trust after the  
Effective Date (including the GUC Post-Effective Date Expenses), including the power to employ  
and compensate professionals and other Entities to assist the GUC Distribution Trustee in carrying  
out the duties hereunder (subject to the Reorganized Debtors' approval of professional fees as  
described in Section E.6. below), and to obtain and pay premiums for insurance and any other  
powers necessary or incidental thereto; (d) the power to implement all aspects of this Plan relating

1 to the GUC Distribution Trust, including any other powers necessary or incidental thereto; (e) the  
2 authority to settle Claims, applicable Causes of Action, including GUC Avoidance Actions, or  
3 disputes as to amounts owing to or from the by Holders of General Unsecured Claims consistent  
4 with the terms of this Plan; (f) the authority to participate in any post-Effective Date motions to  
5 amend or modify this Plan or the GUC Distribution Trust Agreement, or appeals from the  
6 Confirmation Order; (g) the authority to participate in actions to enforce or interpret this Plan; (h)  
7 the power to bind the GUC Distribution Trust; and (i) the power to establish accounts in the name  
8 of the GUC Distribution Trust for the purpose of effectuating the Plan and administering the GUC  
9 Distribution Trust. Each of the foregoing powers may be exercised by the GUC Distribution  
10 Trustee without further order of the Court.

11 The GUC Distribution Trustee, in his or her sole discretion, shall have the authority to  
12 allocate and reallocate GUC Distribution Trust Assets (including Cash, and including any reserves  
13 necessary to effectuate the terms of this Plan) as necessary to effectuate the Plan without further  
14 application to, or approval of, the Court, to the extent such allocation or reallocation would not be  
15 inconsistent with the terms of this Plan. In the event that the GUC Distribution Trustee determines  
16 that the effectuation of the Plan or an equitable distribution to Holders of Allowed General  
17 Unsecured Claims requires allocation or reallocation of GUC Distribution Trust Assets in a manner  
18 that would otherwise be inconsistent with any term of this Plan (including for the purposes of  
19 distribution under the Plan), the GUC Distribution Trustee shall have the authority to make such  
20 allocation or reallocation with approval of the Court upon application to the Court.

### 13 **3. Employment and Compensation of the GUC Distribution Trustee**

14 The GUC Distribution Trustee shall serve without bond and shall receive compensation for  
15 serving as GUC Distribution Trustee as set forth in the GUC Distribution Trust Agreement. At  
16 any time after the Effective Date and without further application to or Order of the Court, the GUC  
17 Distribution Trustee may employ and compensate Persons or Entities, including professionals  
18 (which may, but need not, include Professionals previously or currently employed in the Chapter  
19 11 Cases) reasonably necessary to assist the GUC Distribution Trustee in the performance of his  
20 or her duties under the GUC Distribution Trust Agreement and this Plan. Such Persons or Entities  
21 shall be compensated and reimbursed by the GUC Distribution Trustee for their reasonable and  
22 necessary fees and out of pocket expenses on a monthly basis in arrears, subject to the Reorganized  
23 Debtors' approval of professional fees as described in Section E.6. below.

### 24 **4. GUC Distribution Trustee as Successor in Interest to the Committee**

25 The GUC Distribution Trustee is the successor in interest to the Committee, and thus, after  
26 the Effective Date, to the extent this Plan requires or authorizes an action by the Committee, the  
27 action shall be taken by the GUC Distribution Trustee on behalf of the Committee.

28 For the avoidance of doubt, any obligation of the Debtors under this Plan with respect to  
the Committee or the GUC Distribution Trust that remains unperformed as of the Effective Date,  
or that is required to be performed on or after the Effective Date, shall become an obligation of the  
Reorganized Debtors as of the Effective Date, and shall be satisfied in full and performed by the  
Reorganized Debtors consistent with the provisions of the Plan.

1                   **5.       GUC Distribution Trust’s Post-Effective Date Expenses**

2           Subject to Section III.F.6 below, all expenses related to the GUC Distribution Trustee’s  
3 implementation of the Plan and administration of the GUC Distribution Trust incurred from and  
4 after the Effective Date through the date on which the GUC Distribution Trust is dissolved will be  
5 expenses of the GUC Distribution Trust, and the GUC Distribution Trustee will disburse funds  
6 from the GUC Distribution Trust Assets as appropriate for purposes of paying the GUC Post-  
7 Effective Date Expenses of the GUC Distribution Trust without the need for any further  
8 application to or Order of the Court. The GUC Post-Effective Date Expenses shall include, but  
9 are not limited to, the fees and expenses of the GUC Distribution Trustee; the fees and expenses  
10 of the professionals employed by the GUC Distribution Trustee (subject to the Reorganized  
11 Debtors’ approval of professional fees as described in Section E.6. below); and other costs,  
12 expenses, and obligations of the GUC Distribution Trust until the date the GUC Distribution Trust  
13 is terminated in accordance with Section III.G and the GUC Distribution Trust Agreement. The  
14 GUC Distribution Trustee, in his or her sole discretion, on and after the Effective Date, shall have  
15 authority to establish, increase, and/or decrease any reserves as reasonably necessary and  
16 appropriate to account for and pay the GUC Post-Effective Date Expenses.

11                   **6.       Post-Effective Date Expenses Relating to Claims Reconciliation and  
12 Vendor Claims**

13           Consistent with Section V.A below, reasonable attorneys’ fees and expenses and other  
14 professional fees and expenses incurred by the GUC Distribution Trust (including the GUC  
15 Distribution Trustee’s fees and expenses) attributable to services rendered in connection with the  
16 General Unsecured Claim reconciliation process will be paid by the Reorganized Debtors. Further,  
17 reasonable attorneys’ fees and expenses incurred by the GUC Distribution Trust (including the  
18 GUC Distribution Trustee’s fees and expenses), not to exceed one hundred thousand dollars  
19 (subject to increase by agreement of the GUC Distribution Trustee, the Reorganized Debtors, and  
20 (unless the Multicare Transaction Payment is irrevocably released to the Lapis Parties on or prior  
21 to the Effective Date) the Lapis Parties), attributable to services rendered in connection with the  
22 Vendor Claims (including consultation with the Debtors, Reorganized Debtors, Liquidation  
23 Trustee, and/or Lapis Parties regarding the Vendor Claims) will be paid by the Reorganized  
24 Debtors.

25           All fees and expenses payable by the Reorganized Debtors pursuant to this Section III.F.6  
26 shall be subject to the following payment provisions:

27           The applicable professionals (including the GUC Distribution Trustee) will submit  
28 invoices, redacted as necessary to preserve any applicable privileges or protections, for the services  
described in this Section III.F.6 on a monthly basis to the Reorganized Debtors for review and  
approval. Upon receipt of an invoice, the Reorganized Debtors shall have ten (10) Business Days  
to communicate any dispute or objection to the requested fees and expenses to the applicable  
professional. In the event that no dispute or objection is communicated to the applicable  
professional within the ten (10) Business Day objection period, the Reorganized Debtors shall pay  
the requested fees and expense within twenty (20) days after the expiration of the objection period.  
To the extent that the Reorganized Debtors communicate any dispute or objection to the applicable  
professional within the ten (10) Business Day objection period, (i) the Reorganized Debtors shall

1 pay any undisputed portion of the requested fees and expenses within twenty (20) days after the  
2 expiration of the objection period and (iii) the Reorganized Debtors and the applicable professional  
3 shall use reasonable efforts to resolve the dispute or objection during the twenty (20) days  
4 following the expiration of the objection period. If the Reorganized Debtors and the applicable  
5 professional are not able to resolve the dispute or objection during the twenty (20) days following  
6 the expiration of the objection period, the Reorganized Debtors and the applicable professional  
7 may seek resolution of the dispute or objection by the Court through the filing of a formal objection  
8 or motion to compel payment consistent with the terms of the Plan, as applicable.

## 6 **7. GUC Distribution Reserve**

7 Prior to making a distribution to any Holders of Allowed General Unsecured Claims under  
8 the Plan, the GUC Distribution Trustee may place in reserve and/or in a separate account any funds  
9 that may be needed to pay General Unsecured Claims that are Disputed and General Unsecured  
10 Claims that have otherwise not been Allowed in the event that all or a portion of such Claims  
11 become Allowed. When a General Unsecured Claim is Allowed or Disallowed (and thus becomes  
12 an Allowed Claim or a Disallowed Claim, in whole or in part), the funds set aside on account of  
13 such Claim may be released from the reserve and shall be available for distribution in accordance  
14 with the terms of this Plan to either (i) the Holder of the General Unsecured Claim that has become  
15 an Allowed Claim, or (ii) if Disallowed, the Holders of Allowed General Unsecured Claims. The  
16 GUC Distribution Trustee, in his or her sole discretion, on and after the Effective Date, shall have  
17 authority to increase or decrease such as reasonably necessary and appropriate, and upon  
18 satisfaction of all Allowed General Unsecured Claims required to be paid from the reserve, to  
19 transfer amounts held therein for distribution pursuant to the Plan.

## 15 **8. GUC Distribution Trust Income Tax Status**

16 For federal income tax purposes, all parties (including, without limitation, the Debtors, the  
17 GUC Distribution Trustee, and the beneficiaries of the GUC Distribution Trust) shall treat the  
18 GUC Distribution Trust as a liquidating trust within the meaning of Treasury Income Tax  
19 Regulation section 301.7701-4(d) and IRS Revenue Procedure 94-45, 1994-2 C.B. 124. For  
20 federal income tax purposes, the transfer of Assets to the GUC Distribution Trust under the Plan  
21 shall be treated as a deemed transfer to the beneficiaries of the GUC Distribution Trust in  
22 satisfaction of their Claims followed by a deemed transfer of the Assets by the beneficiaries to the  
23 GUC Distribution Trust. For federal income tax purposes, the beneficiaries will be deemed to be  
24 the grantors and owners of the GUC Distribution Trust and its assets. For federal income tax  
25 purposes, the GUC Distribution Trust will be taxed as a grantor trust within the meaning of IRC  
26 sections 671-677 (a non-taxable pass-through tax entity) owned by the beneficiaries. The GUC  
27 Distribution Trust will file federal income tax returns as a grantor trust under IRC section 671 and  
28 Treasury Income Tax Regulation section 1.671-4 and report, but not pay tax on, the GUC  
Distribution Trust's tax items of income, gain, loss deductions, and credits ("Tax Items"). The  
beneficiaries will report such Tax Items on their federal income tax returns and pay any resulting  
federal income tax liability. All parties will use consistent valuations of the assets transferred to  
the GUC Distribution Trust for all federal income tax purposes. The assets shall be valued based  
on the GUC Distribution Trustee's good faith determination of their fair market value.

1                   **G. Termination of the GUC Distribution Trust**

2           The existence of the GUC Distribution Trust and the authority of the GUC Distribution  
3 Trustee will commence as of the Effective Date and will remain and continue in full force and  
4 effect until the earlier of (a) the date on which all of the GUC Distribution Trust Assets are  
5 liquidated in accordance with the Plan, the funds in the GUC Distribution Trust have been  
6 completely distributed in accordance with the Plan, all tax returns and any other filings or reports  
7 have been filed with the appropriate state or federal regulatory authorities, and the Order closing  
8 the Chapter 11 Cases is a Final Order or (b) five (5) years after the date of creation of the GUC  
9 Distribution Trust, unless extended by the Court as provided in the GUC Distribution Trust  
10 Agreement.

11           At such time as the GUC Distribution Trust has been fully administered (*i.e.*, when all  
12 things requiring action by the GUC Distribution Trustee have been done and the Plan has been  
13 substantially consummated) and in all events within sixty (60) days after the Final GUC  
14 Distribution Date, the GUC Distribution Trustee will file a notice of the final distribution from the  
15 GUC Distribution Trust with the Court.

16                   **H. Establishment of Liquidation Trust**

17           On the Effective Date, unless the Multicare Transaction Payment has been funded and  
18 irrevocably released to the Lapis Parties on or prior to the Effective Date, except as otherwise  
19 provided in the D&O Cause of Action Agreement consistent with Section III.I below, all  
20 Liquidation Trust Assets shall be contributed to the Liquidation Trust subject to a Liquidation  
21 Trust Agreement acceptable to the Debtors and the Lapis Parties and the appointment of a  
22 Liquidation Trustee acceptable to the Lapis Parties in their sole discretion.

23           In the event any Liquidation Trust Assets are liquidated, the proceeds of such liquidation  
24 shall be used to fund AH System’s operating cash account up to an amount equal to the lesser of  
25 \$10 million or 30 days cash on hand and then to pay the Exchange Debt in accordance with the  
26 Exchange Debt Documents, provided however, in the event the Multicare Transaction Payment  
27 has been funded and irrevocably released to the Lapis Parties no other portion of the AH System  
28 cash shall be used to pay Exchange Debt or any other Lapis Party Claims.

**I. Prosecution of D&O Causes of Action**

          The D&O Causes of Action shall be preserved for the benefit of the Debtors’ Estates and  
their creditors. The mechanism for (a) the vesting, revesting, and/or transfer of the D&O Causes  
of Action and any related insurance policies (including the D&O Insurance Policies), (b) the  
prosecution and/or settlement or other resolution of the D&O Causes of Action (including the  
funding of the fees and costs attendant to such prosecution and/or settlement or other resolution),  
and (c) unless the Multicare Transaction Payment has been funded and irrevocably released to the  
Lapis Parties on or prior to the Effective Date, the sharing of any proceeds of the D&O Causes of  
Action shall be subject to the “D&O Cause of Action Agreement” filed as part of the Plan  
Supplement. In the event the Multicare Transaction Payment has been funded and irrevocably  
released to the Lapis Parties on or prior to the Effective Date, D&O Cause of Action Agreement

1 shall remain in effect but the Reorganized Debtors shall be substituted for all references to the  
2 Lapis Parties under said instrument.

3 **J. Post-Confirmation Management**

4 Unless the Multicare Transaction Payment has been funded and irrevocably released to the  
5 Lapis Parties on or before the Effective Date, Reorganized Debtors, shall be controlled by AH  
6 System as the sole member and will provide the management for the Hospitals after the Effective  
7 Date.

8 The Debtors' Executive Services Agreement with AHM, Inc. ("AHM") will be rejected as  
9 of the earlier of the date ordered by the Court on a motion to reject the agreement, the Effective  
10 Date, or such other date as may be specified in the Confirmation Order. It is currently expected  
11 that all AHM employees currently serving as officers or employees of the Debtors will be offered  
12 employment by the Reorganized Debtors, effective on the Effective Date.

13 To the extent necessary to implement the Plan in the absence of funding and release of the  
14 Multicare Transaction Payment, AH System, will govern pursuant to amended and restated bylaws  
15 and other corporate documents. The new directors for the Reorganized Debtors will be set forth  
16 in the Plan Supplement and whose composition is subject to (a) applicable law and (b) the consent  
17 of the Lapis Parties. The new directors will also obtain management on terms acceptable to AH  
18 System.

19 **K. Termination of the Committee and Appointment of POC**

20 On the Effective Date, the Committee shall be deemed dissolved, the retention and  
21 employment of the Committee's Professionals shall be deemed terminated, and the members of  
22 the Committee shall be deemed released and discharged of and from all further authority, duties,  
23 responsibilities, and obligations related to and arising from and in connection with the Chapter 11  
24 Cases, other than for purposes of filing and/or objecting to final fee applications filed in the  
25 Chapter 11 Cases. The Professionals retained by the Committee shall not be entitled to  
26 compensation or reimbursement of expenses for any services rendered or expenses incurred after  
27 the Effective Date in their capacities as Professionals of the Committee, except for services  
28 rendered and expenses incurred in connection with (i) any applications by such Professionals for  
allowance of compensation and reimbursement of expenses pending on the Effective Date or  
timely Filed after the Effective Date as provided in the Plan, as approved by the Court, and (ii) any  
services necessary to effectuate the provisions of the Plan.

On the Effective Date, a POC consisting of not less than three (3) Persons or Entities that  
are beneficiaries of the GUC Distribution Trust. The identities of the Persons and/or Entities that  
will serve on the POC as of the Effective Date will be filed as part of the Plan Supplement. The  
POC's sole function and responsibility shall be to advise the GUC Distribution Trustee in the  
performance of the GUC Distribution Trustee's duties and obligations under the Plan with respect  
to the administration of the GUC Distribution Trust for the benefit of Holders of Allowed General  
Unsecured Claims. The members of the POC shall serve without compensation but may be  
reimbursed for reasonable expenses incurred in the performance of their duties as members of the  
POC.

1                   **L.       Creation of Administrative and Priority Claims Reserve**

2           On the Effective Date or as soon as reasonably practicable thereafter, the Debtors shall  
3 fund, and the Reorganized Debtors shall establish and thereafter maintain, the Administrative and  
4 Priority Claims Reserve with the Administrative and Priority Claims Reserve Amount, subject to  
5 the Administrative, Professional and Priority Claims Cap, in an authorized depository in the state  
6 of Washington, which funds shall vest in the Reorganized Debtors free and clear of all Liens,  
7 Claims, encumbrances, charges, and other interests, except as otherwise specifically provided in  
8 the Plan or in the Confirmation Order. Funds in the Administrative and Priority Claims Reserve  
9 shall be used by the Reorganized Debtors only for the payment of U.S. Trustee Fees and  
10 Administrative Claims, Priority Claims, and Professional Fee Claims Allowed after the Effective  
11 Date to the extent that such Allowed Claims have not been paid in full on or prior to the Effective  
12 Date. To the extent not otherwise provided herein or ordered by the Court, the Reorganized  
13 Debtors shall estimate appropriate reserves of Cash to be set aside in order to pay or reserve for  
14 Disputed Administrative Claims, Priority Claims, and Professional Fee Claims. Any amounts set  
15 aside to pay or reserve for Disputed Administrative Claims, Priority Claims, and Professional Fee  
16 Claims shall include the amounts needed to fund the ongoing costs and expenses of such reserve,  
17 including, without limitation, taxes in respect of Disputed Administrative Claims, Priority Claims,  
18 and Professional Fee Claims, if any. Any amounts remaining in the Administrative and Priority  
19 Claims Reserve after payment of all Allowed Administrative Claims, Priority Claims, and  
20 Professional Fee Claims and the U.S. Trustee Fees shall be transferred to the Reorganized Debtors.  
21 *Provided however*, that unless the Multicare Transaction Payment is irrevocably received by the  
22 Lapis Parties on or before the Effective Date, any such excess amounts remaining in the  
23 Administrative and Priority Claims Reserve shall be subject to the terms of the Exchange Debt  
24 Documents.

16                   **M.       Objections to Claims**

17           After the Effective Date, the Reorganized Debtors (and with respect to General Unsecured  
18 Claims, the GUC Distribution Trustee) will have the authority and obligation to review,  
19 compromise, and object to any Claims other than Allowed Claims consistent with Section V hereof.  
20 The Reorganized Debtors (and with respect to General Unsecured Claims, the GUC Distribution  
21 Trustee) will: (i) have the authority, without Court approval or approval by the GUC Distribution  
22 Trustee or any other person or entity, to compromise, release or settle any Claim where the Claim  
23 has an asserted face value of \$25,000 or less and (ii) be required to seek an order of the Court  
24 approving the compromise, release or settlement of any Claim that has an asserted value of greater  
25 than \$500,000, with notice and opportunity for hearing required with respect to such compromise,  
26 release or settlement. If the Reorganized Debtors (and with respect to General Unsecured Claims,  
27 the GUC Distribution Trustee) seek to compromise, release or settle any Claim where the Claim  
28 has an asserted face value of between \$25,000 and \$500,000, the Reorganized Debtors (and with  
respect to General Unsecured Claims, the GUC Distribution Trustee) will provide at least five (5)  
Business Days' advance notice of the same to the Lapis Parties, the GUC Distribution Trustee, and  
the Reorganized Debtors, as applicable, and the opportunity to object within such notice period.  
If the Lapis Parties, the GUC Distribution Trustee, or the Reorganized Debtors, as applicable,  
object and the objection is not resolved consensually, the Reorganized Debtors (and with respect  
to General Unsecured Claims, the GUC Distribution Trustee) may seek approval of the  
compromise, release or settlement by the Court on an expedited basis. Provided however, that

1 unless the Multicare Transaction Payment has been funded and irrevocably released to the Lapis  
2 Parties on or prior to the Effective Date, the Lapis Parties shall be entitled to any notice of, or right  
3 to object to any General Unsecured Claim settlements.

4 **N. Claims Paid or Payable by Third Parties**

5 Subject to the terms of Section III.O below regarding Class 4A Insured Claims, Claims  
6 paid and/or payable by third parties, irrespective of classification, shall be treated as follows:

7 **1. Claims Paid by Third Parties**

8 A Claim shall be reduced in full, and such Claim shall be Disallowed without a Claim  
9 objection having to be filed and without any further notice to or action, order, or approval of the  
10 Court, to the extent that the Holder of such Claim receives payment in full on account of such  
11 Claim from a party that is not a Debtor or a Distributing Party. To the extent a Holder of a Claim  
12 receives a distribution under the Plan on account of such Claim and receives payment from a party  
13 that is not a Debtor or a Distributing Party on account of such Claim, such Holder shall, within  
14 two weeks of receipt thereof, repay or return the distribution to the applicable Debtor or  
15 Distributing Party to the extent the holder's total recovery on account of such Claim from the third  
16 party and under the Plan exceeds the Allowed amount of such Claim.

17 **2. Claims Payable by Third Parties**

18 No distribution under the Plan shall be made on account of an Allowed Claim that is  
19 payable by a party that is not a Debtor or a Distributing Party, including pursuant to any insurance  
20 policy under which any Debtor is a covered party or beneficiary (including the Insurance Policies),  
21 until the Holder of such Allowed Claim has exhausted all remedies with respect to such third party  
22 or insurance policy. To the extent that one or more of the Debtors' insurers or another third party  
23 agrees to satisfy in full or in part an Allowed Claim, then immediately upon such agreement, the  
24 applicable portion of such Claim may be Disallowed and expunged without a Claim objection  
25 having to be filed and without any further notice to or action, order, or approval of the Court.

26 **O. Special Issues Regarding Insured Claims**

27 Under the terms of Debtors' various insurance policies, Debtors may owe deductible  
28 amounts on account of Insured Claims for personal injury and medical malpractice. After the  
Effective Date of the Plan (unless an order modifying the automatic stay has been entered at an  
earlier date), Holders of Insured Claims shall be enjoined by the injunction established by the  
Confirmation Order from commencing or continuing any enforcement action to collect such Claim  
against the Estate.

Consistent with the foregoing, distributions under the Plan to each Holder of an Allowed  
Insured Claim shall be recoverable only from the available insurance and Debtors shall be  
discharged to the extent of any such excess. Further, the Plan shall not expand the scope of, or alter  
in any other way, the rights and obligations of Debtors' insurers under their policies, and Debtors'  
insurers shall retain any and all defenses to coverage that such insurers may have, including the  
right to contest and/or litigate with any party, including Debtors, the existence, primacy and/or  
scope of available coverage under any alleged applicable policy. The Plan shall not operate as a

1 waiver of any other Claims that Debtors' insurers have asserted or may assert in any proof of Claim  
2 or Debtors' rights and defenses to such proofs of Claim.

3 **P. Distributions of Property Under the Plan**

4 The following procedures set forth in the Plan apply to distributions made pursuant to the  
5 Plan whether by (i) Debtors as to the Effective Date Distributions, or (ii) the Reorganized Debtors  
6 or GUC Distribution Trustee as to all post-Effective Date Distributions (each of Reorganized  
7 Debtors, the GUC Distribution Trustee, or the Debtors, a "Distributing Party"). In connection with  
8 the Plan, to the extent applicable, the applicable Distributing Party shall comply with all tax  
9 withholding and reporting requirements imposed on it by any Governmental Unit, and all  
10 distributions pursuant to the Plan shall be subject to such withholding and reporting requirements.

11 **Notwithstanding any other provision of this Plan (i) each Holder of an Allowed**  
12 **Unsecured Claim that is to receive a distribution pursuant to this Plan shall have sole and**  
13 **exclusive responsibility for the satisfaction and payment of any tax obligations imposed by**  
14 **any Governmental Unit, including income, withholding, and other tax obligations, on**  
15 **account of such distribution, and (b) no distribution shall be made to or on behalf of such**  
16 **Holder pursuant to the Plan unless and until such Holder has made arrangements**  
17 **satisfactory to the Distributing Party for the payment and satisfaction of such income,**  
18 **withholding, and other tax obligations or such tax obligation that would be imposed upon**  
19 **any disbursing agent in connection with such distribution. Any property distributed**  
20 **pursuant to the Plan shall, pending the implementation of such arrangements, be treated as**  
21 **an undeliverable distribution under the Plan.**

22 **Q. Manner of Cash Payments Under the Plan**

23 Cash payments to domestic Entities holding Allowed Claims will be tendered in U.S.  
24 Dollars and will be made by checks drawn on a domestic bank or by wire transfer from a domestic  
25 bank. Payments made to any foreign creditors holding Allowed Claims may be paid, at the option  
26 of the Distributing Party in such funds and by such means as are necessary or customary in a  
27 particular foreign jurisdiction.

28 **R. No Distributions With Respect to Disputed Claims**

No payments of Cash or distributions of other property or other consideration of any kind  
shall be made on account of any Disputed Claim unless and until such Claim becomes an Allowed  
Claim or is deemed to be such for purposes of distribution, and then only to the extent that the  
Claim becomes, or is deemed to be for distribution purposes, an Allowed Claim. Unless otherwise  
provided herein, any Holder of a Claim that becomes an Allowed Claim after the Effective Date  
will receive any unpaid distribution that otherwise would have been payable under the Plan on the  
Next Payment Date after the date that such Claim becomes an Allowed Claim or as soon thereafter  
as practicable.

**S. Record Date for Distribution**

On the Distribution Record Date, the Distributing Party shall be authorized and entitled to  
recognize only those record Holders listed on the Claims Register as of the close of business on

1 the Distribution Record Date. The foregoing terms shall not apply to distributions to the Lapis  
2 Parties, their successors and assigns with respect to DIP Claims as well as under Class 2A and  
3 Class 2B of this Plan.

#### 4 **T. Delivery of Distributions**

5 The Distributing Party shall make distributions to each Holder of an Allowed Claim by  
6 mail as applicable as follows: (a) at the address set forth on the proof of Claim filed by such Holder  
7 of an Allowed Claim; (b) at the address set forth in any written notice of address change Filed with  
8 the Court, delivered to the Distributing Party, and reflected on the Claims Register after the date  
9 of any related proof of Claim; (c) at the address reflected in the Schedules if no proof of Claim is  
10 filed and no written notice of address change has been Filed with the Court, delivered to the  
11 Distributing Party, and reflected on the Claims Register; and (d) with respect to the Lapis Parties,  
12 as directed by the Lapis Parties.

#### 13 **U. Undeliverable and Unclaimed Distributions**

14 Subject to the terms of any settlement agreement, if the distribution to the Holder of any  
15 Allowed Claim is returned as undeliverable, no further distribution shall be made to such Holder  
16 unless and until the Distributing Party is notified in writing of such Holder's then current address.  
17 Subject to the other provisions of the Plan, undeliverable distributions shall remain in the  
18 possession of the Distributing Party pursuant to this Section until such time as a distribution  
19 becomes deliverable. Undeliverable Cash distributions shall not be entitled to any interest,  
20 dividends, or other accruals of any kind. Any check that is not cashed or otherwise deposited  
21 within three months after the check's date shall be deemed an undeliverable distribution under this  
22 Plan.

23 Any Holder of an Allowed Claim who does not assert a Claim in writing for an  
24 undeliverable distribution within one year after the date such distribution was due shall no longer  
25 have any Claim to or interest in such undeliverable distribution, and shall be forever barred from  
26 receiving any distributions under this Plan, or from asserting a Claim against the Debtors or their  
27 property, or the GUC Distribution Trust and its assets, and the Claim giving rise to the  
28 undeliverable distribution will be discharged.

Nothing contained in the Plan shall require the Distributing Party to attempt to locate any  
Holder of an Allowed Claim.

#### **V. Estimation of Disputed Claims for Distribution Purposes**

On and after the Effective Date, the Reorganized Debtors (and with respect to General  
Unsecured Claims, the GUC Distribution Trustee), may move for a Court order estimating any  
Disputed Claim. The estimated amount of any Disputed Claim so determined by the Court shall  
constitute the maximum recovery that the Holder thereof may recover after the ultimate liquidation  
of its Disputed Claim, irrespective of the actual amount ultimately Allowed

1                   **W. Minimum Distributions**

2                   If the amount of Cash to be distributed to the Holder of an Allowed Claim is less than fifty  
3 dollars (\$50) on a particular distribution date, the Distributing Party may hold the Cash  
4 distributions to be made to such Holders until the aggregate amount of Cash to be distributed to  
5 each applicable Holder is in an amount equal to or greater than fifty dollars (\$50). Notwithstanding  
6 the preceding sentence, if the aggregate amount of Cash distributions owed to any Holder of an  
7 Allowed Claim under the Plan never equals or exceeds fifty dollars (\$50), then the Distributing  
8 Party shall not be required to distribute Cash to any such Holder.

9                   **X. Rounding**

10                  Whenever any payment of a fraction of a cent would otherwise be called for under the Plan,  
11 the actual payment shall reflect a rounding of such fraction to the nearest whole cent, with one-  
12 half cent being rounded up to the nearest whole cent.

13                  **Y. Full Satisfaction**

14                  The Distributing Party shall make, and each Holder of a Claim shall receive, the  
15 distributions provided for in the Plan for full satisfaction and discharge of such Claim.

16                  **Z. Distributions Free and Clear**

17                  Except as otherwise provided in this Plan, any distributions under the Plan shall be free  
18 and clear of any Liens, Claims, and encumbrances, and no Entity other than the Entity receiving  
19 the distribution, including any Debtor, shall have any interest (legal, beneficial, or otherwise) in  
20 any property distributed.

21                  **AA. Conditions Precedent to Plan Confirmation**

22                  The conditions precedent to confirmation of the Plan shall include: (a) a final order, finding  
23 that the Disclosure Statement contains adequate information pursuant to § 1125, shall have been  
24 entered by the Court; (b) the proposed Confirmation Order will be in form and substance  
25 satisfactory to the Lapis Parties, the Committee and Multicare; (c) the Plan, including any  
26 amendments, modifications or supplements thereto, and all documentation contemplated by the  
27 Plan and the terms set forth in any Plan Supplement and the Definitive Documentation, shall be in  
28 form and substance satisfactory to the Lapis Parties (and, with respect to any portion of the Plan  
Supplement relating to the Committee Plan Settlement, including, *inter alia*, the GUC Distribution  
Trust, the Committee); (e) and any order authorizing the DIP Agreement shall be in full force and  
effect and shall not have been terminated, provided however that in the event (x) the Multicare  
Credit Agreement has been executed by Multicare as the Lender thereunder and (y) the Multicare  
Funding Deadline has not expired, then (z) the DIP Lender shall not be entitled to exercise  
remedies under the DIP Agreement without authorization of the Bankruptcy Court prior to January  
16, 2021; and (f) the Exchange Debt Documents shall be in a form acceptable to the Plan  
Proponents, provided, that if the Multicare Transaction Payment has been funded and irrevocably  
released to the Lapis Parties on or before the Effective Date, then the Exchange Debt Documents  
shall not be executed.

1                   **BB. Conditions to Effectiveness**

2           The Plan shall not become binding unless and until the Effective Date occurs. The Effective  
3 Date is the first Business Day (a) that is at least fourteen days after the Confirmation Date; (b) on  
4 which no stay of the Confirmation Order is in effect; and (c) on which all of the following  
5 conditions have been satisfied as set forth below or waived:

6                   **1. Conditions**

7                   (a) The Confirmation Order shall be entered no later than December 31,  
8 2020 and shall have become a Final Order;

9                   (b) Either (i) execution of the Definitive Documents, including the  
10 Exchange Debt Documents or (ii) the funding and irrevocable release of the Multicare Transaction  
11 Payment to the Lapis Parties has occurred;

12                   (c) The actual and anticipated Allowed Administrative, Professional  
13 and Priority Claims do not exceed the Allowed Administrative, Professional and Priority Claims  
14 Cap;

15                   (d) There has been compliance with the terms specified in Section III.E  
16 of this Plan;

17                   (e) Unless the funding and irrevocable release of the Multicare  
18 Transaction Payment to the Lapis Parties has occurred, the bylaws of AH System, AH NP2, the  
19 Debtors and their affiliates shall be acceptable to the Lapis Parties; and

20                   (f) All such other actions, documents, and agreements the Debtors,  
21 Lapis Parties, and the Committee determine are necessary to implement the Plan shall have been  
22 effected or executed.

23           The Debtors shall file and serve a “Notice of Occurrence of Effective Date” to all Holders  
24 of record of Claims and Interests as of the date of entry of the Confirmation Order.

25                   **2. Waiver of Conditions**

26           Except as otherwise specified herein, the requirement that the conditions to the occurrence  
27 of the Effective Date be satisfied may be waived in whole or in part, and the time within which  
28 any such conditions must be satisfied may be extended, by the Debtors with the prior written  
consent of the Lapis Parties and the Committee. The failure to timely satisfy or waive any of such  
conditions may be asserted regardless of the circumstances giving rise to the failure of such  
condition to be satisfied, including any action or inaction by the Debtors. The failure of the Debtors  
to exercise any of the foregoing rights shall not be deemed a waiver of any other rights and each  
such right shall be deemed ongoing and subject to assertion at any time.

1                   **CC. Authorization of Entity Action**

2           Each of the matters provided for under this Plan involving the Entity structure of Debtors  
3 or Entity action to be taken by or required of Debtors shall, as of the Effective Date, be deemed to  
4 have occurred and be effective as provided herein, and shall be authorized, approved and, to the  
5 extent taken prior to the Effective Date, ratified in all respects without any requirement of further  
6 action by creditors or Board Trustees of the Debtors.

7                   **DD. Reservation of Fair and Equitable (Cram Down) Power**

8           Debtors reserve the right to confirm this Plan as to any impaired Class that does not accept  
9 the Plan by the requisite number of votes pursuant to the fair and equitable power of § 1129(b).

10 **SECTION IV. TREATMENT OF MISCELLANEOUS ITEMS**

11                   **A. Assumption of Executory Contracts**

12                   **1. Assumptions**

13           On or before the Voting Deadline, AH System will File the “Schedule of Assumed  
14 Agreements” and serve it on the parties to agreements listed on the schedule. AH System reserves  
15 the right to amend the Schedule of Assumed Agreements at any time prior to the Voting Deadline  
16 to: (a) delete any Executory Contract from the Schedule of Assumed Agreements and provide for  
17 its rejection under the Plan or (b) add any Executory Contract and provide for its assumption under  
18 the Plan or otherwise, subject to the right of the counterparty to object to such transfer within ten  
19 (10) Business Days after notice with a right to a hearing thereon, and subject to the requirement  
20 that Debtor must reserve amounts for Disputed Cure Payments in the full amounts claimed by  
21 objecting contract counterparties. On the Effective Date, Debtors will assume all Executory  
22 Contracts set forth on the Schedule of Assumed Agreements. The Confirmation Order will  
23 constitute a Court order approving the assumption, as of the Effective Date, of the Executory  
24 Contracts not rejected under the Plan, subject to the requirement that Debtors must reserve amounts  
25 for Disputed Cure Payments in the full amounts claimed by objecting contract counterparties to  
26 contracts to be assumed.

27                   **2. Cure Payments**

28           Any monetary amounts by which each Executory Contract to be assumed is in default shall  
be satisfied, pursuant to § 365(b)(1), by payment from the Administrative and Priority Claims  
Reserve, of the default amount (as set forth in the Debtors’ books and records), a schedule of which  
will be Filed and served by the Voting Deadline, in full in Cash on the later of the Effective Date  
or when such Cure Claim is Allowed, or on such other terms as the parties to each such Executory  
Contract may otherwise agree. In these Chapter 11 Cases, prior to Confirmation of the Plan, some  
known Cure Payments will have already been paid or resolved by stipulation or agreement. In the  
event of a dispute regarding (a) the amount of any Cure Payments, (b) the ability of Reorganized  
Debtors to provide “adequate assurance of future performance” (within the meaning of § 365)  
under the contract or lease to be assumed, or (c) any other matter pertaining to assumption, the  
cure payments required by § 365(b)(1) shall be made following the entry of a Final Order resolving  
the dispute and approving the assumption. Pending the Court’s ruling on such motion, the

1 Executory Contract at issue shall be deemed assumed by Reorganized Debtors as of the Effective  
2 Date, unless otherwise ordered by the Court on a motion to reject the agreement, and the Debtors  
3 will reserve amounts for Disputed Cure Payments in the full amounts claimed by objecting  
4 counterparties. In no event shall the GUC Distribution Trust be liable or otherwise responsible for  
any Cure Payment. Further, the GUC Distribution Trustee shall have no authority to direct or  
otherwise oppose any assumption or rejection of an Executory Contract.

### 5 **3. Objections to Assumption**

6 Any Entity who is a party to an Executory Contract that will be assumed under the Plan  
7 must File with the Court and serve upon interested parties a written statement and supporting  
8 declaration stating the basis for any objection to assumption by no later than seven (7) days after  
9 the filing of the Schedule of Assumed Agreements (“Assumption Objections”). Any Entity that  
10 fails to timely File and serve such a statement and declaration will be deemed to waive any and all  
11 objections to the proposed assumption of its contract or lease. Debtors must file and serve its reply  
with respect to any Assumption Objections by no later than five (5) days after the filing of an  
Assumption Objection. A hearing on the Assumption Objections will take place at the  
Confirmation Hearing, or as soon thereafter as the Court is available.

12 In the absence of a timely objection by an Entity who is a party to an Executory Contract,  
13 the Confirmation Order shall constitute a conclusive determination as to the amount of any cure  
14 and compensation due under the Executory Contract, and that Reorganized Debtors have  
demonstrated adequate assurance of future performance with respect to such Executory Contract.

### 15 **4. Resolution of Claims Relating to Assumed Agreements**

16 In accordance with the procedures set forth in Section IV.A relating to the Cure Payments  
17 and objections to assumption, payment of the Cure Payments with respect to Executory Contracts  
18 that will be assumed under the Plan shall be deemed to satisfy, in full, any prepetition or post-  
19 petition arrearage or other Claim asserted in a Filed proof of Claim or listed in the Schedules,  
irrespective of whether the Cure Payment is less than the amount set forth in such proof of Claim  
or the Schedules. Upon the tendering of the Cure Payment, such Claim shall be Disallowed,  
without further order of the Court or action by any party.

### 20 **B. Rejection of Executory Contracts**

#### 21 **1. Rejected Agreements**

22 Immediately prior to the Effective Date, all Executory Contracts of the Debtors will be  
23 deemed rejected in accordance with the provisions and requirements of §§ 365 and 1123 except  
24 those Executory Contracts that (i) have been assumed by order of the Court, (ii) are subject to a  
25 motion to assume pending on the Effective Date, or (iii) have been identified on a list of assumed  
26 contracts to be filed with the Court prior to the Voting Deadline, which shall be a date prior to the  
Effective Date of the Plan. The Confirmation Order will constitute a Court order approving such  
rejections of Executory Contracts as of the Effective Date pursuant to §§ 365 and 1123.

1                                   **2.       Bar Date for Rejection Damage Claims**

2           Any Claim for damages arising from the rejection under the Plan of an Executory Contract  
3 must be Filed and served upon counsel to the Debtors within 30 days after the entry of an order  
4 (including the Confirmation Order) approving such rejection. Any such Claims that are not timely  
5 Filed and served will be forever barred and unenforceable against Debtors, the Estate, Reorganized  
6 Debtors, the GUC Distribution Trust, and their respective property, and Entities holding these  
7 Claims will be barred from receiving any distribution under the Plan on account of such untimely  
8 claims.

9                                   **3.       Post-Petition Contracts and Leases**

10           Except as set forth in the Schedule of Assumed Agreements or as otherwise expressly  
11 provided in the Plan or the Confirmation Order, all contracts, leases, and other agreements that  
12 Debtors entered into after Petition Date will be rejected by Reorganized Debtors.

13                                   **C.       Indemnification Obligations**

14           Subject to the occurrence of the Effective Date, the obligations of the Debtors as of the  
15 Effective Date to indemnify, defend, reimburse, or limit the liability of employees, attorneys, other  
16 professionals and agents of the Debtors, and such current and former employees', attorneys', other  
17 professionals' and agents' of the Debtors, and such current respective Affiliates, respectively,  
18 against any Claims or Causes of Action under the Indemnification Provisions or applicable law,  
19 shall survive Confirmation, shall be assumed by the Debtors and assigned to the Reorganized  
20 Debtors and will remain in effect after the Effective Date if such indemnification, defense,  
21 reimbursement, or limitation is owed in connection with an event occurring before the Effective  
22 Date; provided, however, that, notwithstanding anything herein to the contrary, the obligation of  
23 the Reorganized Debtors to fund such Indemnification Provisions shall be limited to the extent of  
24 coverage available under any Reorganized Debtor Insurance Policies.

25                                   **D.       Lapis Parties Fees and Expenses**

26           As an integral component of the Senior Debt 9019 Settlement, to the extent not previously  
27 paid prior to the Effective Date or in connection with this Plan, the fees and expenses of each of  
28 the Lapis Parties shall be deemed Allowed Administrative Claims and shall be paid in Cash on the  
Effective Date.

**E.       Changes in Rates Subject to Regulatory Commission Approval**

Debtors are not subject to governmental regulatory commission approval of their rates.

1 **SECTION V. PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED,**  
2 **AND DISPUTED CLAIMS AND INTERESTS**

3 **A. Joint Pursuit of Reconciliation, Objections to, and/or Settlement of**  
4 **Asserted General Unsecured Claims**

5 The GUC Distribution Trustee and the Debtors will jointly pursue the reconciliation,  
6 objections to, and/or settlement of asserted General Unsecured Claims consistent with the terms  
7 of this Section V. To the extent a dispute arises between the GUC Distribution Trustee and the  
8 Debtors as to the proposed treatment of an asserted General Unsecured Claim, either party shall  
9 have standing and the right to submit the matter to the Court for a determination, subject to the  
10 other party's right to oppose the requested relief.

11 Reasonable attorneys' fees and expenses and other professional fees and expenses  
12 (including the GUC Distribution Trustee's fees and expenses) incurred by the GUC Distribution  
13 Trust attributable to services rendered in connection with the General Unsecured Claim  
14 reconciliation process will be paid by the Reorganized Debtors.

15 The Debtors and Reorganized Debtors, as applicable, will cooperate with and provide  
16 reasonable assistance the GUC Distribution Trustee, as applicable, including reasonable access to  
17 information and personnel, in connection with the General Unsecured Claim reconciliation process.

18 **B. Resolution of Disputed Claims**

19 **1. Allowance of Claims and Interests**

20 On and after the Effective Date, the Reorganized Debtors (and with respect to General  
21 Unsecured Claims, the GUC Distribution Trustee), shall have and shall retain any and all rights  
22 and defenses that the Debtors had with respect to any Claim or Interest, except with respect to any  
23 Claim or Interest deemed Allowed as of the Effective Date. Except as expressly provided in the  
24 Plan or in any order entered in the Chapter 11 Cases prior to the Effective Date (including the  
25 Confirmation Order), no Claim or Interest shall become an Allowed Claim or Interest unless and  
26 until such Claim or Interest is deemed Allowed under the Plan or the Bankruptcy Code or the Court  
27 has entered a Final Order, including the Confirmation Order, in the Chapter 11 Cases allowing  
28 such Claim.

**2. Prosecution of Objections to Claims**

On or after the Effective Date, the Reorganized Debtors (and with respect to General  
Unsecured Claims, the GUC Distribution Trustee), shall have the authority to File objections to  
Claims, and the exclusive authority, subject to Section V.A of this Plan, to settle, compromise,  
withdraw, or litigate to judgment objections on behalf of the Debtors' Estates to any and all Claims,  
except with respect to any Claim or Interest deemed Allowed as of the Effective Date. From and  
after the Effective Date, the Reorganized Debtors (and with respect to General Unsecured Claims,  
the GUC Distribution Trustee) shall have the sole authority, subject to Section V.A of this Plan, to  
administer and adjust the Claims Register with respect to Claims to reflect any such settlements or  
compromises and no further notice to or action, order, or approval of the Court with respect to  
such settlements or compromises shall be required.

1                                   **3.       Claims Estimation**

2           On and after the Effective Date, the Reorganized Debtors (and with respect to General  
3 Unsecured Claims, the GUC Distribution Trustee) may, at any time, request that the Court estimate  
4 (a) any Disputed Claim pursuant to applicable law and (b) any contingent or unliquidated Claim  
5 pursuant to applicable law, in each case regardless of whether the Debtors, the Reorganized  
6 Debtors, or any other party have previously objected to such Claim or whether the Court has ruled  
7 against the objecting party on any such objection, and the Court shall retain jurisdiction under 28  
8 U.S.C. §§ 157 and 1334 to the maximum extent permitted by law as determined by the Court to  
9 estimate any such Disputed Claim, contingent Claim, or unliquidated Claim, including during the  
10 litigation concerning any objection to any Claim or during the pendency of any appeal relating to  
11 any such objection.

12           Notwithstanding any provision otherwise in the Plan to the contrary, a Claim that has been  
13 expunged from the Claims Register but that is subject to appeal or has not been the subject of a  
14 Final Order, shall be deemed to be estimated at zero dollars, unless otherwise ordered by the Court.  
15 In the event that the Court estimates any Disputed Claim, contingent Claim, or unliquidated Claim,  
16 that estimated amount shall constitute either the Allowed amount of such Claim or a maximum  
17 limitation on such Claim for all purposes under the Plan, including for purposes of distributions,  
18 and the Reorganized Debtors (or the GUC Distribution Trustee, as applicable) may elect to pursue  
19 additional objections to the ultimate distribution on such Claim. If the estimated amount constitutes  
20 a maximum limitation on such Claim, the Reorganized Debtors (or the GUC Distribution Trustee,  
21 as applicable) may elect to pursue any supplemental proceedings to object to any ultimate  
22 distribution on account of such Claim. Notwithstanding § 502(j), in no event shall any Holder of  
23 a Claim that has been estimated pursuant to § 502(c) or otherwise be entitled to seek  
24 reconsideration of such estimation unless such Holder has Filed a motion requesting the right to  
25 seek such reconsideration on or before 21 days after the date on which such Claim is estimated.  
26 All of the aforementioned Claims and objection, estimation, and resolution procedures are  
27 cumulative and not exclusive of one another. Claims may be estimated and subsequently  
28 compromised, settled, withdrawn, or resolved by any mechanism approved by the Court.

19                                   **4.       Expungement or Adjustment to Claims Without Objection**

20           Any Claim that has been paid, satisfied, or superseded may be expunged on the Claims  
21 Register by the Reorganized Debtors (and with respect to General Unsecured Claims, the GUC  
22 Distribution Trustee) or the Claims and Noticing Agent at the Reorganized Debtors' (and with  
23 respect to General Unsecured Claims, the GUC Distribution Trustee's) direction, and any Claim  
24 that has been amended may be adjusted thereon by the Reorganized Debtors (and with respect to  
25 General Unsecured Claims, by the GUC Distribution Trustee) without a Claims objection having  
26 to be Filed and without any further notice to or action, order, or approval of the Court.

24                                   **5.       Deadline to File Objections to Claims or Interests**

25           Any objections to Claims or Interests shall be Filed no later than the Claims Objection Bar  
26 Date.



1 increase, the amount, number, or priority of such Claim or Interest, unless otherwise provided by  
2 the Court.

3 **F. No Interest**

4 Unless otherwise specifically provided for in the Plan, by applicable law (including,  
5 without limitation, § 506(b)), or agreed to by, as applicable, the Debtors, the Committee, the  
6 Reorganized Debtors, or the GUC Distribution Trustee, interest shall not accrue or be paid on any  
7 Claim, and no Holder of any Claim shall be entitled to interest accruing on and after the Petition  
8 Date on account of any Claim. Without limiting the foregoing, interest shall not accrue or be paid  
9 on any Claim after the Effective Date to the extent the final distribution paid on account of such  
10 Claim occurs after the Effective Date.

11 **SECTION VI. RETENTION OF JURISDICTION**

12 Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective  
13 Date, on and after the Effective Date, the Court shall retain jurisdiction over the Chapter 11 Cases  
14 and all matters arising out of, or related to, the Chapter 11 Cases and the Plan, including jurisdiction  
15 to:

16 1. Allow, Disallow, determine, liquidate, classify, estimate, or establish the priority,  
17 Secured or unsecured status, or amount of any Claim, including the resolution of any request for  
18 payment of any Administrative Claim and the resolution of any and all objections to the Secured  
19 or unsecured status, priority, amount, or Allowance of Claims; provided that, for the avoidance of  
20 doubt, the Court's retention of jurisdiction with respect to such matters shall not preclude the  
21 Debtors or the Reorganized Debtors, as applicable, from seeking relief from any other court,  
22 tribunal, or other legal forum of competent jurisdiction with respect to such matters;

23 2. decide and resolve all matters related to the granting and denying, in whole or in  
24 part, any applications for allowance of compensation or reimbursement of expenses to  
25 professionals authorized pursuant to the Bankruptcy Code or the Plan;

26 3. resolve any matters related to (i) the assumption or assumption and assignment of  
27 any Executory Contract to which a Debtor is a party or with respect to which a Debtor may be  
28 liable in any manner and to hear, determine, and, if necessary, liquidate, any Claims arising  
therefrom, including Claims related to the rejection of an Executory Contract, cure costs pursuant  
to § 365, or any other matter related to such Executory Contract; and (ii) any dispute regarding  
whether a contract or lease is or was executory or unexpired;

4. adjudicate, decide, or resolve any controversies, if any, with respect to distributions  
to Holders of Allowed Claims;

5. adjudicate, decide, or resolve any motions, adversary proceedings, contested, or  
litigated matters, and any other matters, and grant or deny any applications involving a Debtor that  
may be pending on the Effective Date;

6. adjudicate, decide, or resolve any and all matters related to Causes of Action;

- 1           7.     adjudicate, decide, or resolve any and all matters related to § 1141;
- 2           8.     enter and implement such orders as may be necessary or appropriate to execute,  
3 implement, or consummate the provisions of the Plan and all contracts, instruments, releases,  
4 indentures, and other agreements or documents created in connection with the Plan or the  
Disclosure Statement;
- 5           9.     enforce any order for the sale of property pursuant to §§ 363, 1123, or 1146(a);
- 6           10.    resolve any cases, controversies, suits, disputes, or Causes of Action that may arise  
7 in connection with the Consummation, interpretation, or enforcement of the Plan or any Entity's  
obligations incurred in connection with the Plan;
- 8           11.    issue injunctions, enter and implement other orders, or take such other actions as  
9 may be necessary or appropriate to restrain interference by any Entity with Consummation or  
enforcement of the Plan;
- 10          12.    resolve any cases, controversies, suits, disputes, or Causes of Action with respect  
11 to the settlements, compromises, discharges, releases, injunctions, exculpations, and other  
12 provisions contained in Section VII and enter such orders as may be necessary or appropriate to  
implement such releases, injunctions, and other provisions;
- 13          13.    enter and implement such orders as are necessary or appropriate if the Confirmation  
14 Order is for any reason modified, stayed, reversed, revoked, or vacated;
- 15          14.    determine any other matters that may arise in connection with or relate to the Plan,  
16 the Disclosure Statement, the Confirmation Order, or the Plan Supplement, including any matter  
arising in connection with or otherwise relating to the Liquidation Trust or GUC Distribution Trust;
- 17          15.    adjudicate any and all disputes arising from or relating to distributions under the  
18 Plan or any transactions contemplated therein;
- 19          16.    adjudicate, decide, or resolve any motions, adversary proceedings, contested or  
20 litigated matters, and any other matters, and grant or deny any applications involving a Debtor that  
may be pending on the Effective date, including *Washington State Nurses Association v. SHC*  
21 *Medical Center - Yakima and Astria Health*, Adv. Pro. No. 20-80005 (Bankr. E.D. Wa.); *Astria*  
*Health, et al. v. United States Small Business Administration and Jovita Carranza*, Adv. Pro. No.  
22 20-80016 (Bankr. E.D. Wa.); and *Yakima HMA, LLC and Yakima HMA Physician Management,*  
*LLC v. SHC Medical Center - Yakima and SHC Medical Center - Toppenish*, Adv. Pro. No. 20-  
23 80018 (Bankr. E.D. Wa.);
- 24          17.    consider any modifications of the Plan, to cure any defect or omission, or to  
25 reconcile any inconsistency in any Court order, including the Confirmation Order;
- 26          18.    determine requests for the payment of Claims entitled to priority pursuant to § 507;
- 27          19.    hear and determine matters concerning state, local, and federal taxes in accordance  
28 with §§ 346, 505, and 1146 (including the expedited determination of taxes under § 505(b));

1           20.   hear and determine matters concerning exemptions from state and federal  
2 registration requirements in accordance with § 1145;

3           21.   hear and determine all disputes involving the existence, nature, or scope of the  
4 release provisions set forth in the Plan, including any dispute relating to any liability arising out of  
5 the termination of employment or the termination of any employee or retiree benefit program,  
6 regardless of whether such termination occurred prior to or after the Effective Date;

7           22.   enforce all orders previously entered by the Court;

8           23.   hear any other matter not inconsistent with the Bankruptcy Code;

9           24.   enter an order concluding or closing the Chapter 11 Cases; and

10          25.   enforce the compromise, settlement, injunction, release, and exculpation provisions  
11 set forth in Section VII.

## 12 **SECTION VII. EFFECT OF CONFIRMATION OF PLAN**

### 13 **A. Discharge**

14           This is a reorganization plan. The rights afforded in the Plan and the treatment of all Claims  
15 shall be in exchange for and in complete satisfaction, discharge, and release of all Claims of any  
16 nature whatsoever arising prior to the Effective Date, including any interest accrued on such  
17 Claims from and after the Petition Date (except as otherwise ordered by the Court), against the  
18 Debtors, the Estates and their property.

19           Except as otherwise provided in the Plan or the Confirmation Order or in any Executory  
20 Contract assumed by Debtors during the Chapter 11 Cases (including, without limitation, the  
21 Debtors' indemnification obligations thereunder), the Plan and Confirmation Order shall: (a) on  
22 the Effective Date, discharge and release the Debtors, the Estate, the Reorganized Debtors, and  
23 their property to the fullest extent permitted by §§ 524 and 1141 from all Claims, including all  
24 debts, obligations, demands, liabilities, and Claims that arose before the Effective Date, and all  
25 debts of the kind specified in §§ 502(g), 502(h), or 502(i), regardless of whether or not (i) a proof  
26 of Claim based on such debt is Filed or deemed Filed, (ii) a Claim based on such debt is allowed  
27 pursuant to § 502, or (iii) the Holder of a Claim based on such debt or Interest has or has not  
28 accepted the Plan; (b) void any judgment underlying a Claim discharged hereunder; and (c)  
preclude all Entities from asserting against the Debtors, the Estate, the Reorganized Debtors, or  
their respective property any Claims based upon any act or omission, transaction, or other activity  
of any kind or nature that occurred prior to the Effective Date. To the extent any Claim is paid  
other than under the Plan, Debtors will be deemed discharged and released with respect to such  
Claim and such Claim and shall not receive a distribution under the Plan.

          Except as otherwise provided in the Plan or the Confirmation Order, or as provided in  
contracts assumed during the Case and Debtor's indemnification obligations thereunder, on and  
after the Effective Date, all Entities who have held, currently hold, or may hold a debt or Claim  
against the Debtors, the Estate, the Reorganized Debtors, or their respective property that is based  
upon any act or omission, transaction, or other activity of any kind or nature that occurred prior to

1 the Effective Date, that otherwise arose or accrued prior to the Effective Date (other than any act  
2 or omission, transaction, or other activity of any kind or nature related to or arising from the Exit  
3 Loan), or that is otherwise discharged pursuant to the Plan, shall be permanently enjoined from  
4 taking any of the following actions on account of any such discharged debt, Claim, or Interest (the  
5 “Permanent Injunction”): (a) commencing or continuing in any manner any action or other  
6 proceeding against the Debtors, the Estates, the Reorganized Debtors, or their respective property  
7 that is inconsistent with the Plan or the Confirmation Order; (b) enforcing, attaching, collecting,  
8 or recovering in any manner any judgment, award, decree, or order against the Debtors, the Estate,  
9 the Reorganized Debtors, or their respective property other than as specifically permitted under  
10 the Plan, as approved by the Confirmation Order; (c) creating, perfecting, or enforcing any lien or  
11 encumbrance against the Debtors, the Estate, the Reorganized Debtors, or their respective property;  
12 and (d) commencing or continuing any action, in any manner, in any place that does not comply  
13 with or is inconsistent with the provisions of the Plan, the Confirmation Order, or the discharge  
14 provisions of § 1141. Any Entity injured by any willful violation of such Permanent Injunction  
15 shall recover actual damages, including costs and attorneys’ fees, and, in appropriate  
16 circumstances, may recover punitive damages, from the willful violator.

### 11 **B. Compromise and Settlement of Claims, Interests, and Controversies**

12 Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other  
13 benefits provided pursuant to the Plan, and except as otherwise specifically provided in the Plan  
14 or in any contract, instrument, or other agreement or document created pursuant to the Plan, the  
15 distributions, rights, and treatment that are provided in the Plan shall be in complete settlement,  
16 compromise, and release, effective as of the Effective Date, of Claims, Interests, and Causes of  
17 Action of any nature whatsoever, including any interest accrued on Claims or Interests from and  
18 after the Petition Date, including, but not limited to, all known or unknown liabilities of, Liens on,  
19 obligations of, rights against, and Interests in, the Debtor or any of its assets or properties,  
20 regardless of whether any property shall have been distributed or retained pursuant to the Plan on  
21 account of such Claims and Interests, including demands, liabilities, and Causes of Action that  
22 arose before the Effective Date, any liability to the extent such Claims or Interests relate to services  
23 performed by employees of the Debtor before the Effective Date and that arise from a termination  
24 of employment, any contingent or non-contingent liability on account of representations or  
25 warranties issued on or before the Effective Date, and all debts of the kind specified in §§ 502(g),  
26 502(h), or 502(i), in each case whether or not: (a) a Proof of Claim or proof of Interest based upon  
27 such debt, right, or Interest is Filed or deemed Filed pursuant to § 501; (b) a Claim or Interest  
28 based upon such debt, right, or Interest is Allowed pursuant to § 502; or (c) the Holder of such a  
Claim or Interest has accepted the Plan. Any default by the Debtor or its Affiliates with respect to  
any Claim or Interest that existed immediately before or on account of the filing of the Chapter 11  
Case shall be deemed cured on the Effective Date. The Confirmation Order shall be a judicial  
determination of the settlement, compromise, and release of all Claims and Interests, subject to the  
Effective Date occurring.

### 25 **C. Release of Liens**

26 Except as otherwise provided in the Plan or in any contract, instrument, release, or other  
27 agreement or document created pursuant to the Plan, on the Effective Date and concurrently with  
28 the applicable distributions made pursuant to the Plan and, in the case of a Secured Claim,

1 satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, all  
2 mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the  
3 Estate shall be fully released, settled, and compromised. For the avoidance of doubt, this Section  
4 shall not apply to DIP Claims, Senior Secured Bond Claims or Senior Secured Credit Agreement  
Claims unless the Multicare Transaction Payment is funded and irrevocably released to Lapis  
Parties by the Multicare Funding Deadline.

#### 5 **D. Subordinated Claims**

6 The allowance, classification, and treatment of all Allowed Claims and Interests and the  
7 respective distributions and treatments under the Plan take into account and conform to the relative  
8 priority and rights of the Claims and Interests in each Class in connection with any contractual,  
9 legal, and equitable subordination rights relating thereto, whether arising under general principles  
10 of equitable subordination, § 510(b), or otherwise. Except with respect to Allowed Claims,  
pursuant to § 510, the Court shall retain jurisdiction to re-classify, upon proper application, any  
Claim or Interest in accordance with any contractual, legal, or equitable subordination relating  
thereto.

#### 11 **E. Exculpation**

12 The Exculpated Parties shall neither have, nor incur any liability to any Entity for any  
13 postpetition act taken or omitted to be taken in connection with the Chapter 11 Cases, or related to  
14 formulating, negotiating, soliciting, preparing, disseminating, confirming, or implementing the  
15 Plan or consummating the Plan, the Disclosure Statement, or any contract, instrument, release, or  
16 other agreement or document created or entered into in connection with the Plan, or any other  
17 postpetition act taken or omitted to be taken in connection with or in contemplation of the  
18 restructuring of the Reorganized Debtors, liquidation of the Liquidating Debtors, or administration  
19 of the GUC Distribution Trust. Without limiting the foregoing “Exculpation” provided under this  
20 Section, the rights of any Holder of a Claim or Interest to enforce rights arising under the Plan  
21 shall be preserved, including the right to compel payment of distributions in accordance with the  
22 Plan; provided, that the foregoing “Exculpation” shall have no effect on the liability of any Entity  
for liability solely to the extent resulting from any such act or omission taken after the Effective  
Date or of any Entity solely to the extent resulting from any act or omission that is determined in  
a final order to have constituted gross negligence or willful misconduct; provided, further, that,  
subject to the foregoing exclusions, each Exculpated Party shall be entitled to rely upon the advice  
of counsel concerning his, her, or its duties pursuant to, or in connection with, the Plan or any other  
related document, instrument, or agreement. The exculpation of the Lapis Parties is an integral  
component of the Senior Debt 9019 Settlement.

#### 23 **F. Releases**

##### 24 **1. Debtors’ Releases**

25 ON THE EFFECTIVE DATE OF THE PLAN AND TO THE FULLEST EXTENT  
26 AUTHORIZED BY APPLICABLE LAW, THE RELEASED PARTIES AND THEIR  
27 RESPECTIVE PROPERTY WILL BE EXPRESSLY, UNCONDITIONALLY, GENERALLY  
AND INDIVIDUALLY AND COLLECTIVELY RELEASED, ACQUITTED AND

1 DISCHARGED BY THE DEBTORS ON BEHALF OF THEMSELVES, THEIR ESTATES, THE  
2 REORGANIZED DEBTORS, THE GUC DISTRIBUTION TRUST AND THE LIQUIDATION  
3 TRUST (SUCH THAT THE REORGANIZED DEBTORS, THE GUC DISTRIBUTION TRUST  
4 AND THE LIQUIDATION TRUST WILL NOT HOLD ANY CLAIMS OR CAUSES OF  
5 ACTION RELEASED PURSUANT TO THIS PLAN), FOR THE GOOD AND VALUABLE  
6 CONSIDERATION PROVIDED BY EACH OF THE RELEASED PARTIES, FROM ANY AND  
7 ALL ACTIONS, CLAIMS, DEBTS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES  
8 OF ACTION, REMEDIES AND LIABILITIES WHATSOEVER, INCLUDING ANY  
9 DERIVATIVE CLAIMS ASSERTED ON BEHALF OF THE DEBTOR, WHETHER KNOWN  
10 OR UNKNOWN, FORESEEN OR UNFORESEEN, MATURED OR UNMATURED,  
11 EXISTING OR HEREINAFTER ARISING, IN LAW, EQUITY, CONTRACT, TORT OR  
12 OTHERWISE, BY STATUTE, VIOLATIONS OF FEDERAL OR STATE SECURITIES LAWS  
13 OR OTHERWISE, BASED IN WHOLE OR IN PART UPON ANY ACT OR OMISSION,  
14 TRANSACTION, OR OTHER OCCURRENCE OR CIRCUMSTANCES EXISTING OR  
15 TAKING PLACE PRIOR TO OR ON THE EFFECTIVE DATE ARISING FROM OR  
16 RELATED IN ANY WAY TO THE DEBTORS, ANY OF THE DEBTORS' PRESENT OR  
17 FORMER ASSETS, THE RELEASED PARTIES' INTERESTS IN OR MANAGEMENT OF  
18 THE DEBTORS, THE PLAN, THE DISCLOSURE STATEMENT, THIS CHAPTER 11 CASE,  
19 OR ANY RESTRUCTURING OF CLAIMS OR INTERESTS UNDERTAKEN PRIOR TO THE  
EFFECTIVE DATE, INCLUDING THOSE THAT THE DEBTORS, THE REORGANIZED  
DEBTORS, THE GUC DISTRIBUTION TRUST, OR THE LIQUIDATION TRUST WOULD  
HAVE BEEN LEGALLY ENTITLED TO ASSERT OR THAT ANY HOLDER OF A CLAIM  
AGAINST OR INTEREST IN THE DEBTOR OR ANY OTHER ENTITY COULD HAVE  
BEEN LEGALLY ENTITLED TO ASSERT DERIVATIVELY OR ON BEHALF OF THE  
DEBTORS OR THEIR ESTATES INCLUDING WITH RESPECT TO THE LAPIS PARTIES  
ANY CHALLENGE TO CLAIMS AND RIGHTS OF THE LAPIS PARTIES UNDER THE  
BOND DOCUMENTS AND CREDIT AGREEMENT DOCUMENTS; *PROVIDED, HOWEVER,*  
THAT THE FOREGOING "DEBTORS' RELEASES" SHALL NOT OPERATE TO WAIVE OR  
RELEASE ANY CLAIMS OR CAUSES OF ACTION OF THE DEBTORS OR THEIR  
ESTATES AGAINST A RELEASED PARTY ARISING UNDER ANY CONTRACTUAL  
OBLIGATION OWED TO THE DEBTORS THAT IS ENTERED INTO OR ASSUMED  
PURSUANT TO THE PLAN.

20 ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE COURT'S  
21 APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE DEBTORS' RELEASES,  
22 WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS AND  
23 DEFINITIONS CONTAINED IN THE PLAN, AND, FURTHER, SHALL CONSTITUTE THE  
24 COURT'S FINDING THAT THE DEBTORS' RELEASES ARE: (1) IN EXCHANGE FOR THE  
25 GOOD AND VALUABLE CONSIDERATION PROVIDED BY THE RELEASED PARTIES;  
26 (2) A GOOD-FAITH SETTLEMENT AND COMPROMISE OF THE CLAIMS RELEASED BY  
27 THE DEBTORS' RELEASES; (3) IN THE BEST INTERESTS OF THE DEBTORS' ESTATES  
28 AND ALL HOLDERS OF CLAIMS AND INTERESTS; (4) FAIR, EQUITABLE, AND  
REASONABLE; (5) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY FOR  
HEARING; AND (6) A BAR AGAINST ANY OF THE DEBTORS' ESTATES, THE  
REORGANIZED DEBTORS, THE GUC DISTRIBUTION TRUST, OR THE LIQUIDATION  
TRUST, ASSERTING ANY CLAIM OR CAUSE OF ACTION RELEASED PURSUANT TO  
THE DEBTORS' RELEASES.

1 THE FOREGOING RELEASE AS TO THE LAPIS PARTIES IS AN INTEGRAL  
2 COMPONENT OF THE SENIOR DEBT 9019 SETTLEMENT.

3 **2. Third Party Releases**

4 ON THE EFFECTIVE DATE OF THE PLAN AND TO THE FULLEST EXTENT  
5 AUTHORIZED BY APPLICABLE LAW, THE RELEASING PARTIES SHALL BE DEEMED  
6 TO HAVE EXPRESSLY, UNCONDITIONALLY, GENERALLY AND INDIVIDUALLY AND  
7 COLLECTIVELY, RELEASED AND ACQUITTED THE RELEASED PARTIES AND THEIR  
8 RESPECTIVE PROPERTY FROM ANY AND ALL ACTIONS, CLAIMS, INTERESTS,  
9 OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES AND  
10 LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS ASSERTED ON  
11 BEHALF OF THE DEBTOR, WHETHER KNOWN OR UNKNOWN, FORESEEN OR  
12 UNFORESEEN, MATURED OR UNMATURED, EXISTING OR HEREAFTER ARISING, IN  
13 LAW, EQUITY, CONTRACT, TORT OR OTHERWISE, THAT SUCH HOLDER (WHETHER  
14 INDIVIDUALLY OR COLLECTIVELY) EVER HAD, NOW HAS OR HEREAFTER CAN,  
15 SHALL OR MAY HAVE, BASED ON OR RELATING TO, OR IN ANY MANNER ARISING  
16 FROM OR RELATED IN ANY WAY TO THE DEBTORS, ANY OF THE DEBTORS'  
17 PRESENT OR FORMER ASSETS, THE RELEASED PARTIES' INTERESTS IN OR  
18 MANAGEMENT OF THE DEBTORS, THE BUSINESS OR CONTRACTUAL  
19 ARRANGEMENTS BETWEEN THE DEBTORS AND ANY RELEASED PARTY, THE PLAN,  
20 THE DISCLOSURE STATEMENT, THESE CHAPTER 11 CASES, OR ANY  
21 RESTRUCTURING OF CLAIMS OR INTERESTS UNDERTAKEN PRIOR TO THE  
22 EFFECTIVE DATE, INCLUDING THOSE THAT THE DEBTORS, THE REORGANIZED  
23 DEBTORS, THE GUC DISTRIBUTION TRUST, OR THE LIQUIDATION TRUST WOULD  
24 HAVE BEEN LEGALLY ENTITLED TO ASSERT OR THAT ANY HOLDER OF A CLAIM  
25 AGAINST OR INTEREST IN THE DEBTORS OR ANY OTHER ENTITY COULD HAVE  
26 BEEN LEGALLY ENTITLED TO ASSERT DERIVATIVELY OR ON BEHALF OF THE  
27 DEBTORS OR THEIR ESTATES, EXCEPT FOR (I) ANY CLAIMS AND CAUSES OF  
28 ACTION FOR ACTUAL FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT  
AND (II) THE RIGHT TO RECEIVE DISTRIBUTIONS FROM THE DEBTORS, THE  
REORGANIZED DEBTORS, THE GUC DISTRIBUTION TRUST, OR THE LIQUIDATION  
TRUST ON ACCOUNT OF AN ALLOWED CLAIM AGAINST THE DEBTORS PURSUANT  
TO THE PLAN. FOR THE AVOIDANCE OF DOUBT, THE RELEASING PARTIES SHALL  
INCLUDE (A) THE RELEASED PARTIES, AND (B) ALL HOLDERS OF CLAIMS THAT (I)  
VOTE TO ACCEPT THE PLAN, AND (II) DO NOT AFFIRMATIVELY OPT OUT OF THE  
THIRD PARTY RELEASE PROVIDED BY THIS SECTION PURSUANT TO A DULY  
EXECUTED BALLOT. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN,  
IN NO EVENT SHALL AN ENTITY THAT (X) DOES NOT VOTE TO ACCEPT OR REJECT  
THE PLAN, (Y) VOTES TO REJECT THE PLAN, OR (Z) APPROPRIATELY MARKS THE  
BALLOT TO OPT OUT OF THE THIRD PARTY RELEASE PROVIDED IN THIS SECTION  
AND RETURNS SUCH BALLOT IN ACCORDANCE WITH THE SOLICITATION  
PROCEDURES ORDER, BE A RELEASING PARTY.

ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE COURT'S  
APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE THIRD PARTY  
RELEASE, WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS

1 AND DEFINITIONS CONTAINED IN THE PLAN, AND, FURTHER, SHALL CONSTITUTE  
2 THE COURT'S FINDING THAT THE THIRD PARTY RELEASE IS: (1) IN EXCHANGE FOR  
3 THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY THE RELEASED  
4 PARTIES; (2) A GOOD-FAITH SETTLEMENT AND COMPROMISE OF THE CLAIMS  
5 RELEASED BY THE THIRD PARTY RELEASE; (3) IN THE BEST INTERESTS OF THE  
6 DEBTORS AND ALL HOLDERS OF CLAIMS AND INTERESTS; (4) FAIR, EQUITABLE,  
AND REASONABLE; (5) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY  
FOR HEARING; AND (6) A BAR TO ANY OF THE RELEASING PARTIES ASSERTING  
ANY CLAIM RELEASED PURSUANT TO THE THIRD PARTY RELEASE.

7 NOTWITHSTANDING ANY PROVISION HEREIN, THERE SHALL BE NO  
8 RELEASE OR EXCULPATION BY OR INJUNCTION AGAINST ANY COMMITTEE  
9 MEMBER HOLDING A CLAIM OR REPRESENTING A CLAIMANT THAT HAS OPTED  
OUT OF THE THIRD PARTY RELEASE OR HAS NOT VOTED ON THE PLAN, EXCEPT  
SOLELY IN SUCH COMMITTEE MEMBER'S CAPACITY AS SUCH.

10 THE FOREGOING RELEASE AS TO THE LAPIS PARTIES IS AN INTEGRAL  
11 COMPONENT OF THE SENIOR DEBT 9019 SETTLEMENT. PURSUANT TO §  
12 1123(B)(3)(A) AND THE SENIOR DEBT 9019 SETTLEMENT, AS OF THE EFFECTIVE  
13 DATE, FOR GOOD AND VALUABLE CONSIDERATION, THE ADEQUACY OF WHICH IS  
14 HEREBY CONFIRMED, TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH  
15 HOLDER OF ANY CLAIM SHALL BE DEEMED TO FOREVER RELEASE, WAIVE, AND  
16 DISCHARGE ALL CLAIMS, OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES,  
17 DEMANDS, DEBTS, RIGHTS, CAUSES OF ACTION, AND LIABILITIES WHATSOEVER,  
18 AGAINST THE LAPIS PARTIES ARISING FROM OR RELATED TO THE LAPIS PARTIES'  
19 PRE- AND/OR POST-PETITION ACTIONS, OMISSIONS OR LIABILITIES, TRANSACTION,  
20 OCCURRENCE, OR OTHER ACTIVITY OF ANY NATURE EXCEPT FOR AS PROVIDED  
21 IN THIS PLAN OR THE CONFIRMATION ORDER.

### 22 **G. Injunction**

23 EXCEPT AS OTHERWISE PROVIDED IN THE PLAN OR THE CONFIRMATION  
24 ORDER, ALL ENTITIES WHO HAVE HELD, HOLD, OR MAY HOLD CLAIMS, INTERESTS,  
25 CAUSES OF ACTION, OR LIABILITIES THAT: (1) ARE SUBJECT TO COMPROMISE AND  
26 SETTLEMENT PURSUANT TO THE TERMS OF THE PLAN; (2) HAVE BEEN RELEASED  
27 PURSUANT TO SECTION VII.F.1 HEREOF; (3) HAVE BEEN RELEASED PURSUANT TO  
28 SECTION VII.F.2 HEREOF; (4) ARE SUBJECT TO EXCULPATION PURSUANT TO  
SECTION VII.E HEREOF; OR (5) ARE OTHERWISE STAYED OR TERMINATED  
PURSUANT TO THE TERMS OF THE PLAN, ARE PERMANENTLY ENJOINED AND  
PRECLUDED, FROM AND AFTER THE EFFECTIVE DATE, FROM: (A) COMMENCING  
OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY  
KIND, INCLUDING ON ACCOUNT OF ANY CLAIMS, INTERESTS, CAUSES OF ACTIONS,  
OR LIABILITIES THAT HAVE BEEN COMPROMISED OR SETTLED AGAINST THE  
DEBTORS, THE REORGANIZED DEBTORS, THE GUC DISTRIBUTION TRUST, THE  
LIQUIDATION TRUST, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE  
PROPERTY OR ESTATE OF ANY ENTITY, DIRECTLY OR INDIRECTLY, SO RELEASED  
OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT

1 TO ANY RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, CAUSES  
2 OF ACTION, OR LIABILITIES; (B) ENFORCING, ATTACHING, COLLECTING, OR  
3 RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE, OR  
4 ORDER AGAINST THE DEBTORS, THE REORGANIZED DEBTORS, THE GUC  
5 DISTRIBUTION TRUST, THE LIQUIDATION TRUST, OR ANY ENTITY SO RELEASED  
6 OR EXCULPATED (OR THE PROPERTY OR ESTATE OF THE DEBTOR OR ANY ENTITY  
7 SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR  
8 WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR  
9 EXCULPATED CLAIMS, CAUSES OF ACTION, OR LIABILITIES; (C) CREATING,  
10 PERFECTING, OR ENFORCING ANY LIEN, CLAIM, OR ENCUMBRANCE OF ANY KIND  
11 AGAINST THE DEBTORS, THE REORGANIZED DEBTORS, THE GUC DISTRIBUTION  
12 TRUST, THE LIQUIDATION TRUST, OR ANY ENTITY SO RELEASED OR EXCULPATED  
13 (OR THE PROPERTY OR ESTATE OF THE DEBTOR OR ANY ENTITY SO RELEASED OR  
14 EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO  
15 ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS,  
16 CAUSES OF ACTION, OR LIABILITIES; (D) ASSERTING ANY RIGHT OF SETOFF OR  
17 SUBROGATION OF ANY KIND AGAINST ANY OBLIGATION DUE FROM THE  
18 DEBTORS OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR  
19 ESTATES OF THE DEBTORS OR ANY ENTITY SO RELEASED OR EXCULPATED) ON  
20 ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH  
21 RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, CAUSES OF  
22 ACTION, OR LIABILITIES UNLESS SUCH ENTITY HAS TIMELY ASSERTED SUCH  
23 SETOFF OR SUBROGATION RIGHT PRIOR TO CONFIRMATION IN A DOCUMENT  
24 FILED WITH THE COURT EXPLICITLY PRESERVING SUCH SETOFF OR  
25 SUBROGATION; AND (E) COMMENCING OR CONTINUING IN ANY MANNER ANY  
26 ACTION OR OTHER PROCEEDING OF ANY KIND AGAINST THE DEBTORS, THE  
27 REORGANIZED DEBTORS, THE GUC DISTRIBUTION TRUST, THE LIQUIDATION  
28 TRUST, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR  
ESTATE OF THE DEBTOR OR ANY ENTITY SO RELEASED OR EXCULPATED) ON  
ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH  
RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, CAUSES OF  
ACTION, OR LIABILITIES RELEASED, SETTLED, OR COMPROMISED PURSUANT TO  
THE PLAN; *PROVIDED THAT* NOTHING CONTAINED IN THE PLAN SHALL PRECLUDE  
AN ENTITY FROM OBTAINING BENEFITS DIRECTLY AND EXPRESSLY PROVIDED TO  
SUCH ENTITY PURSUANT TO THE TERMS OF THE PLAN; *PROVIDED, FURTHER, THAT*  
NOTHING CONTAINED IN THE PLAN SHALL BE CONSTRUED TO PREVENT ANY  
ENTITY FROM DEFENDING AGAINST CLAIMS OBJECTIONS OR COLLECTION  
ACTIONS WHETHER BY ASSERTING A RIGHT OF SETOFF OR OTHERWISE TO THE  
EXTENT PERMITTED BY LAW.

#### H. Waiver of Statutory Limitations on Releases

EACH RELEASING PARTY IN EACH OF THE RELEASES CONTAINED IN THE  
PLAN (INCLUDING UNDER THIS SECTION) EXPRESSLY ACKNOWLEDGES THAT  
ALTHOUGH ORDINARILY A GENERAL RELEASE MAY NOT EXTEND TO CLAIMS  
WHICH THE RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN ITS  
FAVOR, WHICH IF KNOWN BY IT MAY HAVE MATERIALLY AFFECTED ITS

1 SETTLEMENT WITH THE PARTY RELEASED, IT HAVING CAREFULLY CONSIDERED  
2 AND TAKEN INTO ACCOUNT IN DETERMINING TO ENTER INTO THE ABOVE  
3 RELEASES THE POSSIBLE EXISTENCE OF SUCH UNKNOWN LOSSES OR CLAIMS.  
4 WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EACH RELEASING  
5 PARTY EXPRESSLY WAIVES ANY AND ALL RIGHTS CONFERRED UPON IT BY ANY  
6 STATUTE OR RULE OF LAW WHICH PROVIDES THAT A RELEASE DOES NOT EXTEND  
7 TO CLAIMS WHICH THE CLAIMANT DOES NOT KNOW OR SUSPECT TO EXIST IN ITS  
8 FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY IT MAY  
9 HAVE MATERIALLY AFFECTED ITS SETTLEMENT WITH THE RELEASED PARTY.  
10 THE RELEASES CONTAINED IN THIS SECTION ARE EFFECTIVE REGARDLESS OF  
11 WHETHER THOSE RELEASED MATTERS ARE PRESENTLY KNOWN, UNKNOWN,  
12 SUSPECTED OR UNSUSPECTED, FORESEEN OR UNFORESEEN.

8  
9 **I. Limitation on Liability of Liquidation Trustee and GUC Distribution Trustee**

10 The GUC Distribution Trustee will not be liable for any act it may do or omit to do as GUC  
11 Distribution Trustee under the Plan and GUC Distribution Trust Agreement, as applicable, while  
12 acting in good faith and in the exercise of his or her reasonable business judgment; nor will the  
13 GUC Distribution Trustee be liable in any event except for gross negligence, fraud, or willful  
14 misconduct. The foregoing limitation on liability will also apply to any Person or Entity (including  
15 any attorney or other professional) employed by the GUC Distribution Trustee and acting on behalf  
16 of the GUC Distribution Trustee in the fulfillment of the GUC Distribution Trustee's duties under  
17 the Plan or the GUC Distribution Trust Agreement. Also, the GUC Distribution Trustee and any  
18 Person or Entity (including any attorney or other professional) employed by the GUC Distribution  
19 Trustee and acting on behalf of the GUC Distribution Trustee shall be entitled to indemnification  
20 out of the assets of the GUC Distribution Trust against any losses, liabilities, expenses (including  
21 attorneys' fees and disbursements), damages, taxes, suits, or claims that they may incur or sustain  
22 by reason of being, having been, or being or having been employed by, the GUC Distribution  
23 Trustee, or for performing any function incidental to such service.

19 The Liquidation Trustee will not be liable for any act it may do or omit to do as Liquidation  
20 Trustee under the Plan and Liquidation Trust Agreement, as applicable, while acting in good faith  
21 and in the exercise of its reasonable business judgment; nor will the Liquidation Trustee be liable  
22 in any event except for gross negligence, fraud, or willful misconduct. The foregoing limitation on  
23 liability will also apply to any Person or Entity (including any attorney or other professional)  
24 employed by the Liquidation Trustee and acting on behalf of the Liquidation Trustee in the  
25 fulfillment of the Liquidation Trustee's duties under the Plan or the Liquidation Trust Agreement.  
26 Also, the Liquidation Trustee and any Person or Entity (including any attorney or other  
27 professional) employed by the Liquidation Trustee and acting on behalf of the Liquidation Trustee  
28 shall be entitled to indemnification out of the assets of the Liquidation Trust against any losses,  
liabilities, expenses (including attorneys' fees and disbursements), damages, taxes, suits, or claims  
that they may incur or sustain by reason of being, having been, or being or having been employed  
by, the Liquidation Trustee, or for performing any function incidental to such service.



1                   **M.     Modification of Plan**

2           Subject to such notice as the Court may require, the Debtors may, with the prior written  
3 consent of the Lapis Parties and the Committee, or as otherwise approved by the Court, modify  
4 the Plan at any time before Confirmation, if circumstances develop that warrant modification or  
5 amendment to the Plan. For the avoidance of doubt, the Debtors will not modify any term of the  
6 Plan constituting the Committee Plan Settlement without the prior consent of the Committee

7           However, the Court may require a new disclosure statement and/or re-voting on the Plan if  
8 the Debtors materially modify the Plan before Confirmation. The Debtors may also seek to modify  
9 the Plan at any time after Confirmation so long as (1) the Plan has not been substantially  
10 consummated and (2) if the Court authorizes the proposed modifications after notice and a hearing.

11                   **N.     Termination of the Patient Care Ombudsman**

12           Upon the Effective Date, the responsibilities of the PCO will be terminated and she may  
13 dispose of any documents provided to her in the course of her reporting.

14                   **O.     Post-Confirmation Status Report**

15           Within 120 days of the entry of the order confirming the Plan, Debtors (if the Effective  
16 Date has not occurred) or Reorganized Debtors (if it has) shall file a status report with the Court  
17 explaining what progress has been made toward Consummation of the confirmed Plan. The status  
18 report shall be served on the U.S. Trustee, the twenty largest unsecured creditors, and those parties  
19 who have requested special notice. Further status reports shall be filed every 120 days and served  
20 on the same Entities.

21                   **P.     Quarterly Fees**

22           Quarterly fees accruing under 28 U.S.C. § 1930(a)(6) to date of Confirmation shall be paid  
23 to the U.S. Trustee on or before the Effective Date of the Plan. Quarterly fees accruing under 28  
24 U.S.C. § 1930(a)(6) after Confirmation shall be paid by the Liquidation Trust to the U.S. Trustee  
25 in accordance with 28 U.S.C. § 1930(a)(6) and the Liquidation Trust Agreement until entry of a  
26 final decree, or entry of an order of dismissal or conversion to chapter 7. If the Liquidation Trust  
27 fails to timely pay the quarterly fees that come due after Confirmation, the Reorganized Debtors  
28 shall remain obligated to pay the fees and may seek indemnification from the Liquidation Trust.

**Q.     Post-Confirmation Conversion/Dismissal**

          A creditor or party in interest may bring a motion to convert or dismiss the Chapter 11  
Cases under § 1112(b), after the Plan is confirmed, if there is a default in performing the Plan. If  
the Court orders the Chapter 11 Cases converted to Chapter 7 after the Plan is confirmed, then all  
property that had been property of the Chapter 11 Estate, and that has not been disbursed pursuant  
to the Plan, will revert in the Chapter 7 Estate, and the automatic stay will be reimposed upon the  
revested property only to the extent that relief from stay was not previously granted by the Court  
during these Chapter 11 Cases.

1 The Confirmation Order may also be revoked under very limited circumstances. The Court  
2 may revoke the order if the Confirmation Order was procured by fraud and if the party in interest  
3 brings an adversary proceeding to revoke Confirmation within 180 days after the entry of the  
Confirmation Order.

4 **R. Final Decree**

5 Once the Estates have been fully administered as referred to in Bankruptcy Rule 3022,  
6 Reorganized Debtors, or such other party as the Court shall designate in the Confirmation Order,  
shall file a motion with the Court to obtain a final decree to close the Chapter 11 Cases.

7  
8  
9 Dated: December 22, 2020

DENTONS US LLP

10 By: /s/ Samuel R. Maizel

11 Samuel R. Maizel  
12 Sam J. Alberts  
Geoffrey M. Miller

13 Counsel to the *Debtors and Debtors In*  
14 *Possession*

15 Dated: December 22, 2020

MINTZ, LEVIN, COHN, FERRIS, GLOVSKY  
AND POPEO, P.C.

16  
17 By: /s/ William Kannel

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