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25 *Debtors In Possession*

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

28 In re:

ASTRIA HEALTH, *et al.*,

Debtors and
Debtors in
Possession.¹

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

**NOTICE OF FILING REDLINE RE: PLAN
AND PROPOSED CONFIRMATION
ORDER**

[RELATED DOCUMENT NOS. 2196, 2198]

¹ 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), SHC 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).

NOTICE OF FILING



1 **PLEASE TAKE NOTICE** that, on November 11, 2020, Astria Health and
2 the affiliated debtors, the debtors and debtors in possession (collectively, the
3 “Debtors”) in the above-captioned chapter 11 bankruptcy cases (the “Chapter 11
4 Cases”), and Lapis Advisers, LP as lender under the Debtors’ debtor in possession
5 facility in the Chapter 11 Cases, agent under the Debtors’ prepetition credit
6 agreement, and as investment advisor and investment manager for certain funds
7 which are beneficial holders of those certain Washington Health Care Facilities
8 Authority Revenue Bonds (collectively the “Lapis Parties” and, together with the
9 Debtors, the “Plan Proponents”) filed the *Second Amended Joint Chapter 11 Plan of*
10 *Reorganization of Astria Health and its Debtor Affiliates* [Docket No. 1986] (the
11 “Plan”).

12 **PLEASE TAKE FURTHER NOTICE** that, on December 17, 2020, the Plan
13 Proponents filed the *Order Confirming Modified Second Amended Joint Chapter 11*
14 *Plan of Reorganization of Astria Health and its Debtor Affiliates* [Docket No. 2158]
15 (the “Confirmation Order”).

16 **PLEASE TAKE FURTHER NOTICE** that, on December 22, 2020, the Plan
17 Proponents filed the *Modified Second Amended Joint Chapter 11 Plan of*
18 *Reorganization of Astria Health and its Debtor Affiliates* [Docket No. 2196] (the
19 “Modified Plan”) and the modified *Order Confirming Modified Second Amended*
20 *Joint Chapter 11 Plan of Reorganization of Astria Health and its Debtor Affiliates*
21 [Docket No. 2198] (the “Modified Confirmation Order”).

NOTICE OF FILING

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1 **PLEASE TAKE FURTHER NOTICE** that, the Debtors hereby file the
2 attached “redlines”, i.e., marked text, of the Modified Plan and Modified
3 Confirmation Order, which show the changes that were made to the Plan and
4 Confirmation Order.
5

6
7
8 Dated: December 22, 2020

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SAMUEL R. MAIZEL
SAM J. ALBERTS

9
10
11 By /s/ Samuel R. Maizel
SAMUEL R. MAIZEL

12 *Attorneys for the Chapter 11 Debtors*
13 *and Debtors In Possession*
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Redline copy of:

**Modified Second Amended Joint Chapter 11 Plan
of Reorganization of Astria Health and its Debtor Affiliates**

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and Debtors In Possession

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

In re:

ASTRIA HEALTH, *et al.*,

Debtors and
Debtors in

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

**MODIFIED SECOND AMENDED JOINT
CHAPTER 11 PLAN OF
REORGANIZATION OF ASTRIA**

Possession.¹

HEALTH AND ITS DEBTOR AFFILIATES

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¹ 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).

Table of Contents

1		
2	INTRODUCTION	<u>43</u>
3		
4	SECTION I. DEFINITIONS AND RULES OF CONSTRUCTION	<u>43</u>
5	A. Definitions	<u>43</u>
6	B. Rules of Interpretation	21
7	C. Computation of Time	22
8	D. Governing Law	22
9	E. Reference to Monetary Figures	<u>2223</u>
10	F. Controlling Document	<u>2223</u>
11		
12	SECTION II. Classification and Treatment of Claims <u>CLASSIFICATION AND TREATMENT OF CLAIMS</u>	<u>23</u>
13	A. General Overview	<u>2223</u>
14	B. Limited Consolidation	23
15	C. Summary and Classification of Claims and Interests	<u>2324</u>
16	D. Unclassified Claims	<u>2425</u>
17	E. Classified Claims	<u>2627</u>
18		
19	SECTION III. MEANS OF IMPLEMENTING THE PLAN	<u>3032</u>
20	A. The Senior Debt 9019 Settlement	<u>3032</u>
21	B. The Committee Plan Settlement	<u>3133</u>
22	C. <u>Exit Loan</u>	<u>34</u>
23	D. Vendor Claims	<u>3234</u>
24	E. Corporate Actions	<u>3234</u>
25	F. The GUC Distribution Trust	<u>3335</u>
26	G. Termination of the GUC Distribution Trust	<u>3740</u>
27	H. Establishment of Liquidation Trust	<u>3740</u>
28	I. Prosecution of D&O Causes of Action	<u>3840</u>
29	J. Post-Confirmation Management	<u>3841</u>
30	K. Termination of the Committee and Appointment of POC	<u>3841</u>
31	L. Creation of Administrative and Priority Claims Reserve	<u>3942</u>
32	M. Objections to Claims	<u>3942</u>
33	N. Claims Paid or Payable by Third Parties	<u>4043</u>
34	1. Claims Paid by Third Parties	<u>4043</u>
35	2. Claims Payable by Third Parties	<u>4043</u>
36	O. Special Issues Regarding Insured Claims	<u>4043</u>
37	P. Distributions of Property Under the Plan	<u>4144</u>
38	Q. Manner of Cash Payments Under the Plan	<u>4144</u>
39	R. No Distributions With Respect to Disputed Claims	<u>4144</u>
40	S. Record Date for Distribution	<u>4244</u>
41	T. Delivery of Distributions	<u>4245</u>
42	U. Undeliverable and Unclaimed Distributions	<u>4245</u>
43	V. Estimation of Disputed Claims for Distribution Purposes	<u>4245</u>

1	V W.	Minimum Distributions	
2	4346		
3	W X.	Rounding	
4	4346		
5	X Y.	Full Satisfaction	4346
6	Y Z.	Distributions Free and Clear	4346
7	Z AA.	Conditions Precedent to Plan Confirmation	
8	4346		
9	A BB.	Conditions to Effectiveness	
10	4347		
11	B CC.	Authorization of Entity Action	
12	4448		
13	C DD.	Reservation of Fair and Equitable (Cram Down) Power	
14	4448		
15	SECTION IV. Treatment of Miscellaneous Items		45
16		MISCELLANEOUS ITEMS	48
17	A.	Assumption of Executory Contracts	4548
18	B.	Rejection of Executory Contracts	4649
19	C.	Indemnification Obligations	4750
20	D.	Lapis Parties Fees and Expenses	4750
21	E.	Changes in Rates Subject to Regulatory Commission Approval	4750
22	SECTION V. PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED, AND DISPUTED CLAIMS AND INTERESTS		4751
23	A.	Joint Pursuit of Reconciliation, Objections to, and/or Settlement of Asserted General Unsecured Claims	4751
24	B.	Resolution of Disputed Claims	4851
25	C.	Disallowance of Claims	4953
26	D.	Disallowance of Untimely Claims	5053
27	E.	Amendments to Claims	5053
28	F.	No Interest	5054
29	SECTION VI. Retention of Jurisdiction		50
30		RETENTION OF JURISDICTION	54
31	SECTION VII. EFFECT OF CONFIRMATION OF PLAN		5356
32	A.	Discharge	5356
33	B.	Compromise and Settlement of Claims, Interests, and Controversies	5457
34	C.	Release of Liens	5457
35	D.	Subordinated Claims	5458
36	E.	Exculpation	5558
37	F.	Releases	5558
38	G.	Injunction	5861
39	H.	Waiver of Statutory Limitations on Releases	5962
40	I.	Limitation on Liability of Liquidation Trustee and GUC Distribution Trustee	6063
41	J.	Setoffs	6064

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

K. Revesting of Property in Debtors	61 <u>64</u>
L. Preservation of Restricted Funds for Charitable Purposes	61 <u>64</u>
M. Modification of Plan	61 <u>65</u>
N. Termination of the Patient Care Ombudsman	61 <u>65</u>
O. Post-Confirmation Status Report	61 <u>65</u>
P. Quarterly Fees	62 <u>65</u>
Q. Post-Confirmation Conversion/Dismissal	62 <u>65</u>
R. Final Decree	62 <u>66</u>

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
7 financial information, and projections of future operations, as well as a summary and description
8 of the Plan. The Plan Proponents are the proponents of the Plan within the meaning of § 1129 of
9 the Bankruptcy Code.² The Plan shall apply as a joint Plan for all Debtors under which all assets
10 and liabilities shall be consolidated for the limited purposes of Claim treatment and Plan
11 distributions but otherwise, each Debtor, Reorganized Debtor or Liquidating Debtor, as the case
12 may be, shall remain a separate legal entity.

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

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

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

19 1.1 **503(b)(9) Claims** means Administrative Claims arising under § 503(b)(9).

20 1.2 **Administrative and Priority Claims Reserve** means the reserve to be established
21 and maintained by the Reorganized Debtors and Liquidating Debtors and funded, subject to the
22 Administrative, Professional and Priority Claims Cap, with the Administrative and Priority
23 Claims Reserve Amount pursuant to Section II.D.4 hereof.

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

1.4 **Administrative Claim** means a Claim for costs or expenses of administering the
Debtors’ Chapter 11 Cases under § 507(a)(2) or 503(b) but expressly excluding Professional Fee
Claims. Administrative Claims include (i) DIP Claims; (ii) 503(b)(9) Claims; (iii) Cure

² All references to “§” herein are to sections of the United States Bankruptcy Code, 11 U.S.C. §§1
01-1531, as amended, unless otherwise noted.

1 Payments; and (iv) fees payable to the clerk of the Bankruptcy Court and the Office of the U.S.
2 Trustee.

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

6 1.6 **Administrative Claims Bar Date Order** means the Order (I) Fixing the First
7 Interim Bar Date for Filing Certain Post-Petition Administrative Expense Claims and (II)
8 Approving the Form of Notice of the Administrative Expense Claims Bar Date [Docket No.
9 1416].

10 1.7 **Administrative, Professional and Priority Claims Cap** means \$4,624,674, which
11 shall be the maximum amount payable under the Plan for the payment of pre-Effective Date U.S.
12 Trustee Fees and Administrative, Priority Tax, Priority, and Professional Fee Claims on or after
13 the Effective Date. To be clear, DIP Claims and Ordinary Course Administrative Expenses are
14 not subject to this Cap.

15 1.8 **Affiliate** shall have the meaning set forth in § 101(2).

16 1.9 **Allowed** means with respect to (I) a Claim: (a) any Claim, a proof of Claim for
17 which was timely Filed by the applicable Claims Bar Date, Supplemental Bar Date or
18 Administrative Claims Bar Date (or a Claim for which a Proof of Claim is not required to be
19 Filed under the Plan, the Bankruptcy Code, or a Final Order of the Court); (b) any Claim that is
20 listed in the Schedules as not contingent, not unliquidated, and not disputed, and for which no
21 Proof of Claim has been timely Filed; (c) any Claim allowed pursuant to the Plan or Final Order
22 of the Court; provided, that with respect to any Claim described in clause (a) or (b) above, such
23 Claim shall be considered Allowed only if and to the extent that no objection to the allowance of
24 such Claim has been interposed within the applicable period of time fixed by the Plan, the
25 Bankruptcy Code, the Bankruptcy Rules or Court, or if such an objection is so interposed and the
26 Claim shall have been Allowed by a Final Order; provided, further, that the Reorganized Debtors
27 (and with respect to General Unsecured Claims, the GUC Distribution Trustee), as applicable,
28 may, subject to Section V.A., affirmatively determine to allow any Claim described in clause (a)
notwithstanding the fact that the period within which an objection may be interposed has not yet
expired; provided, 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; 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 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 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 released during the Chapter 11 Cases is not an Allowed Claim.

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

1 1.11 **Avoidance Actions** means any and all actual or potential claims and causes of
2 action to avoid a transfer of property or an obligation incurred by a Debtor pursuant to any
3 applicable section of the Bankruptcy Code, including §§ 502, 510, 542, 544, 547, 548, 549, 550,
4 551, 553 and 724(a) or under similar or related state or federal statutes and common law,
5 including 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
12 applicable to the Chapter 11 Cases, promulgated under section 2075 of the Judicial Code and the
13 general 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”
26 (as 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
7 asserted or unasserted as of the Effective Date, including, without limitation, (i) the right to
8 object to, challenge or otherwise contest any claims, whether or not any such claim is the subject
9 of a proof of claim; (ii) any right of setoff, counterclaim, or recoupment and any claim for breach
10 of contract or for breach of duties imposed by law or in equity; (iii) any claim pursuant to § 362;
11 (iv) any claim or defense including fraud, mistake, duress, and usury, and any other defenses set
12 forth in § 558; (v) all claims, causes of action (avoidance or otherwise), objections, rights, and
13 remedies arising under Chapter 5 of the Bankruptcy Code pursuant to, among others, §§ 502,
14 510, 542 through 545 and 547 through 553 or 558 thereof, or similar or equivalent claims, causes
15 of action, objections, rights, and remedies arising under state law, including all Avoidance
16 Actions, irrespective of whether or not the targets of such causes of action have been identified
17 by name, or any transfers subject to avoidance have been listed, in the Debtors' Schedules, the
18 Disclosure Statement, this Plan, or any other document Filed in the Chapter 11 Cases; (vi) the
19 Vendor Claims; (vii) claims under any Insurance Policies applicable to the Debtors; (viii) all
20 claims of any kind or nature arising under state or federal law against any of the Debtors' current
21 or former vendors relating to services rendered prior to the Petition Date; (ix) all claims, causes
22 of action, and other rights (including rights to challenge any asserted Lien) of any kind or nature
23 against any party asserting a claim in these cases, unless expressly and in writing released or
24 waived during the Chapter 11 Cases, including under this Plan; (x) all legal and equitable
25 defenses against any Claim or Cause of Action asserted against the Debtors; (xi) all claims and/or
26 Causes of Action of any kind or nature arising under state or federal law arising under a theory of
27 negligence, professional negligence, and/or malpractice; (xii) all claims and/or Causes of Action
28 of any kind or nature 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
2 claims, noticing, and solicitation agent retained by the Debtors pursuant to the Order Granting
3 Debtors' Amended Application and Motion for an Order Appointing Kurtzman Carson
4 Consultants LLC as 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
8 10, 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
12 date upon which all Claims have been Allowed or Disallowed or (ii) the date fixed by the Court
13 upon 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
27 to 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 1.39 **Consummation** means the occurrence of the Effective Date.

2 1.40 **Convenience Class** means the class of General Unsecured Claims that are either
3 (i) less than or equal to five thousand dollars (\$5,000), or (ii) if the Claim amount is greater than
4 five thousand dollars (\$5,000), a General Unsecured Claim with respect to which the claimant
has made a Convenience Class Election.

5 1.41 **Court** means the United States Bankruptcy Court for the Eastern District of
6 Washington having jurisdiction over the Chapter 11 Cases, or any other court of the United
7 States exercising competent jurisdiction over the Chapter 11 Cases or any proceeding any
proceeding therein.

8 1.42 **Credit Agreement** means that certain Credit Agreement dated as of January 18,
2019 between certain of the Debtors, Lapis Advisers, LP and others.

9 1.43 **Credit Agreement Documents** means the Credit Agreement and all other
10 documents executed in connection therewith.

11 1.44 **Cure Payment** means the payment of Cash or the distribution of other property (as
12 the parties may agree or the Court may order), as necessary to cure defaults under an Executory
Contract of Debtors pursuant to § 365(b).

13 1.45 **D&O Causes of Action** means all Causes of Action against the current and former
14 members, managers, and/or officers of the Debtors that are Preserved Claims, as the term may be
modified or enhanced under the terms of the Plan Supplement.

15 1.46 **D&O Policies** means all insurance policies for liability of members, managers,
16 and officers of the Debtors maintained by the Debtors as of the Effective Date.

17 1.47 **Debtor** means any of the Debtors.

18 1.48 **Debtors** means, collectively, (i) Astria Health; (ii) Glacier Canyon, LLC; (iii)
19 Kitchen and Bath Furnishings, LLC; (iv) Oxbow Summit, LLC; (v) SHS Holdco, LLC; (vi) SHC
20 Medical Center - Toppenish; (vii) SHC Medical Center - Yakima; (viii) Sunnyside Community
21 Hospital Association; (ix) Sunnyside Community Hospital Home Medical Supply, LLC; (x)
22 Sunnyside Home Health; (xi) Sunnyside Professional Services, LLC; (xii) Yakima Home Care
Holdings, LLC; and (xiii) Yakima HMA Home Health, LLC, the debtors and debtors in
possession in these Chapter 11 Cases.

23 1.49 **Debtors' Releases** means the releases given on behalf of the Debtors and their
Estates to the Released Parties as set forth in Section VII.F.1 herein.

24 1.50 **Definitive Documents** means the documents (including any related agreements,
25 instruments, schedules, or exhibits and Exchange Debt Documents) that are necessary or
26 desirable to implement, or otherwise relate to the Plan (including any plan supplements), the
27 Disclosure Statement, any order approving the Disclosure Statement, and any order confirming
the Plan, in each case on terms and conditions consistent with the Plan on terms acceptable to the
28 Plan Proponents.

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

3 1.52 **DIP Agent Professional Fees** means, collectively, to the extent not previously
4 paid in connection with the Chapter 11 Cases, all outstanding reasonable and documented fees
5 and 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
8 Debtor-In-Possession Loan and Security Agreement, dated as of December 26, 2019, by and
9 among Debtors, as borrowers, the other Loan Parties thereto (as defined in the DIP Loan and
10 Security Agreement), the DIP Agent, and the DIP Lenders, as approved by the Final DIP Order,
11 and as the same may be amended, modified, or amended and restated from time to time in
12 accordance with its terms, consisting of a post-petition term loan facility in the principal amount
13 of up to \$43,100,000.

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

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

21 1.56 **DIP Lenders** means, collectively, the DIP Agent and the Lenders (as defined in
22 the DIP Loan and Security Agreement).

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

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

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

7 1.62 **Docket** means, unless otherwise specified herein, the docket in the Lead Chapter
8 11 Case.

9 1.63 **Docket No.** means the docket number assigned in the Docket.

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

13 1.65 **Effective Date Distribution** means the following distributions required by the
14 Bankruptcy Code or the Plan to be made on the Effective Date, (a) subject to the Administrative,
15 Professional and Priority Claims Cap, on account of: (i) Allowed Administrative Claims, that are
16 not Allowed Professional Fee Claims, DIP Claims, or Ordinary Course Administrative Expenses
17 that have been paid by Debtors or will be paid by Reorganized Debtors in the ordinary course of
18 business, (ii) all Allowed Priority Claims, (iii) ~~20% of the amount of Allowed Convenience Class~~
~~Claims up to a maximum of \$1,000;~~ (iv) all Allowed Cure Payments, except those being paid by
19 agreement in installments over time; and ~~(v)~~ (v) the Administrative and Priority Claims Reserve,
including amounts for Disputed Cure Payments (in the full amounts claimed by objecting
20 contract counterparties), (b) the Multicare Transaction Payment, if any; and (c) 20% of the
amount of Allowed Convenience Class Claims up to a maximum of \$1,000 for each such claim;

21 1.66 **Entity** shall have the meaning set forth in § 101(15).

22 1.67 **Estate** means, as to each Debtor, the estate created for the Debtor in its Chapter 11
23 Case pursuant to § 541.

24 1.68 **Estates** means the Estate of all Debtors.

25 1.69 **Exchange Debt** shall have the meaning set forth in Section III.A.

26 1.70 **Exchange Debt Documents** means the credit agreements, guaranties, security
27 agreements, forbearance instruments and other documents evidencing or otherwise securing
28 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 1.71 **Exculpated Parties** means, solely to the extent of the Exculpation, each of the (a)
2 the Debtors, and any of their Related Parties; (b) the Lapis Parties, and any of their respective
3 Related Parties, (c) the Committee, its members, and any of their respective Related Parties, (d)
4 the Board Trustees; (e) the Patient Care Ombudsman, and any of its respective Related Parties;
5 (f) the POC, its members, and any of their respective Related Parties; ~~and~~ (g) the GUC
6 Distribution Trustee and his or her Related Parties and (h) Multicare, solely in the event the Lapis
Parties irrevocably receive the Multicare Transaction Payment on or prior to the Effective Date;
provided, AHM, Inc., the officers of the Debtors, Non-Debtor Affiliates and AHM, Inc, and any
Board Trustee acting in the capacity of an officer of any of the foregoing, shall not constitute
Exculpated Parties for purposes of this Plan.

7 1.72 **Exculpation** means the exculpation provisions set forth in Section VII.E.

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

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

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

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

18 1.77 ~~1.74~~ **File, Filed, or Filing** means file, filed, or filing in the Chapter 11 Cases with
19 the Court or, with respect to the filing of a Proof of Claim or proof of Interest, with the Claims
20 and Noticing Agent.

21 1.78 ~~1.75~~ **Final DIP Order** means the Final Order (I) Authorizing the Debtors to
22 Obtain Replacement Financing; (II) Granting Security Interests and Superpriority Administrative
23 Expense Status; (III) Granting Adequate Protection to Certain Prepetition Secured Credit Parties;
24 (IV) Modifying the Automatic Stay; (V) Authorizing the Debtors to Enter Into Agreements with
25 Lapis Advisers, L.P.; (VI) Authorizing Use of Cash Collateral; and (VII) Granting Related Relief
26 [Docket No. 1201].

27 1.79 ~~1.76~~ **Final GUC Distribution Date** means the date on which a distribution is
28 made from the GUC Distribution Trust that finally and fully exhausts the distributable assets of
the GUC Distribution Trust.

1.80 ~~1.77~~ **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

1 been resolved by the highest court to which the order or judgment was appealed or from which
2 certiorari was sought; provided, that, the possibility that a request for relief under Rule 60 of the
3 Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, the local
4 rules of the Court or applicable non-bankruptcy law, may be Filed relating to such order shall not
5 prevent such order from being a Final Order.

6 1.81 ~~1.78~~ **General Unsecured Claim** means a Claim against one or more of the
7 Debtors that is not a (i) Senior Secured Bond Debt Claim, (ii) Senior Secured Credit Agreement
8 Claim, (iii) DIP Claim, (iv) Administrative Claim, (v) Professional Fee Claim, (vi) Priority
9 Claim; (vii) Priority Tax Claim, (viii) Other Secured Claim, (ix) Convenience Class Claim, (x)
10 Insured Claim, or (xi) Intercompany Claim, and shall include, without limitation, Claims arising
11 as a result of the rejection of any Executory Contracts.

12 1.82 ~~1.79~~ **Governmental Bar Date** means November 4, 2019, as established by the
13 Claims Bar Date Notice.

14 1.83 ~~1.80~~ **Governmental Unit** shall have the meaning set forth in § 101(27).

15 1.84 ~~1.81~~ **GUC Avoidance Actions** means all Avoidance Actions other than the
16 Vendor Avoidance Actions.

17 1.85 ~~1.82~~ **GUC Cap** means twenty five million dollars (\$25,000,000).

18 1.86 ~~1.83~~ **GUC Distribution Date** means (i) initially, the first Business Day that is
19 thirty (30) days after the Effective Date or as soon thereafter as practicable; (ii) thereafter, any
20 interim date(s) that the GUC Distribution Trustee deems appropriate based upon, among other
21 things, the amount of Cash or Cash proceeds on hand in the GUC Distribution Trust, whether
22 there remain any other unpaid obligations of the GUC Distribution Trust under the Plan, the time
23 and status of pending or potential litigation or contested matters involving or affecting the GUC
24 Distribution Trust, the amount of any necessary reserves, and any other factors that are relevant
25 to the ability to make further distributions from the GUC Distribution Trust Assets; and (iii) the
26 Final GUC Distribution Date.

27 1.87 ~~1.84~~ **GUC Distribution Trust** means the trust to be established on the Effective
28 Date in accordance with Section III.EF.1 of this Plan for the purposes of reconciling General
Unsecured Claims, pursuing the GUC Avoidance Actions, and making distributions to Holders
of Allowed General Unsecured Claims consistent with the terms of this Plan.

1.88 ~~1.85~~ **GUC Distribution Trust Agreement** means the agreement governing, among
other things, the retention and duties of the GUC Distribution Trustee as described in Section
III.EF.1 of this Plan, which shall be in form and substance materially consistent with the Plan and
included as an exhibit to the Plan Supplement.

1.89 ~~1.86~~ **GUC Distribution Trust Assets** means (i) the Initial GUC Distribution
Amount, (ii) the Second GUC Distribution Amount, (iii) GUC Avoidance Actions, ~~and~~ (iv) the
GUC Vendor Recovery, and (v), in the event the Multicare Transaction Payment is funded and
irrevocably released to the Lapis Parties by the Effective Date, the Supplemental GUC
Distribution Amount.

1 1.90 ~~1.87~~ **GUC Distribution Trust Beneficiaries** means Holders of Allowed General
2 Unsecured Claims in Class 4.

3 1.91 ~~1.88~~ **GUC Distribution Trustee** means the Person designated as the trustee of the
4 GUC Distribution Trust by the Committee after consultation with the Plan Proponents.

5 1.92 ~~1.89~~ **GUC Post-Effective Date Expenses** means, except as otherwise provided
6 herein, all voluntary and involuntary costs, expenses, charges, obligations, or liabilities of any
7 kind or nature, whether unmatured, contingent, or unliquidated incurred by the GUC Distribution
8 Trust after the Effective Date until the GUC Distribution Trust is dissolved, including, but not
9 limited to, those expenses described in Section III.EF.5 of the Plan.

10 1.93 ~~1.90~~ **GUC Vendor Cash Recovery** means fifty percent (50%) of any and all net
11 Cash proceeds of the Vendor Claims, which shall be transferred by the Debtors to the GUC
12 Distribution Trust within thirty (30) days after the Debtors' receipt of such net Cash proceeds.

13 1.94 ~~1.91~~ **GUC Vendor Credit Recovery** means the Cash equivalent of fifty percent
14 (50%) of any and all non-Cash value realized by the Debtors as a result of the Vendor Claims,
15 which will be paid by the Debtors (or Reorganized Debtors, as applicable) to the GUC
16 Distribution Trust quarterly as that value (in the form of cost savings or otherwise) is realized by
17 the Debtors (or Reorganized Debtors, as applicable). For the purpose of calculating the Cash
18 equivalent of any non-Cash value realized by the Debtors (or Reorganized Debtors, as
19 applicable) as a result of any Vendor Claims, the amount shall be calculated as set forth in the
20 Term Sheet.

21 1.95 ~~1.92~~ **GUC Vendor Recovery** means the GUC Vendor Cash Recovery plus the
22 GUC Vendor Credit Recovery. The aggregate total sum of the GUC Vendor Recovery, the
23 Initial GUC Distribution Amount, and Second GUC Distribution Amount, shall not exceed the
24 GUC Cap.

25 1.96 ~~1.93~~ **Holder** means an Entity holding a Claim or an Interest, as applicable, each
26 solely in its capacity as such.

27 1.97 ~~1.94~~ **Hospitals** means SHC Medical Center-Yakima, SHC Medical Center -
28 Toppenish, and Sunnyside Community Hospital Association and related facilities operated by the
Debtors.

1.98 ~~1.95~~ **Indemnification Provisions** means each of the Debtors' indemnification
provisions currently in existence whether existing in a Debtor's bylaws, incorporation document,
other formation documents, board or executive committee resolutions or employment contracts
for current and former Board Trustees, managers, officers, employees, attorneys, individual
consultants, other professionals and agents of the Debtors, and all of their respective Affiliates.

1.99 ~~1.96~~ **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 1.100 ~~1.97~~ **Insurance Policy** means any insurance policy maintained by or for the
2 benefit of the Debtors (including the D&O Policies) set forth in a schedule to the Plan
Supplement.

3 1.101 ~~1.98~~ **Insured Claims** means General Unsecured Claims arising prior to the
4 Confirmation Date involving personal injury, medical malpractice, or wrongful death (including
5 slip-and-fall and medical malpractice Claims) that are covered by the terms of Debtors' various
6 insurance policies (including the Insurance Policies), or any other General Unsecured Claim
7 against a Debtor for which the Debtor is entitled to indemnification, reimbursement, contribution
8 or other payment under a policy of insurance (including the Insurance Policies) under which the
9 Debtor is an insured or beneficiary of the coverage provided under the applicable policy. All
10 Insured Claims are Disputed Claims. Some of the Insured Claims are fully insured, and no
11 deductible amount would be payable by Debtors under the terms of the applicable Insurance
12 Policy. As to other Insured Claims, Debtors may owe deductible amounts. For the avoidance of
13 doubt, the Reorganized Debtors shall not be responsible for any deductible or self-insured
14 retention obligations, and all claims for such deductibles and self-insured retention obligations
shall be treated as Class 4 General Unsecured Claims to the extent Allowed. Further, no
insurance carrier shall, or shall be entitled to, deny coverage under any insurance policy
(including any Insurance Policy) based upon (i) any failure by the Debtors or Reorganized
Debtors to pay any deductible or self-insured retention in full or (ii) the treatment of any claim
for a deductible or self-insured retention obligation as a Class 4 General Unsecured Claim.
Insured Claims are classified as a subclass (Class 4A) of Class 4, General Unsecured Claims (not
otherwise classified). See Section III.NO below for further information about issues relating to
Insured Claims.

15 1.102 ~~1.99~~ **Interest** means any ownership interest in any of the Debtors, including but
16 not limited to, membership interests or other entitlement to participate in the organizational
17 affairs of a nonprofit Entity organized under the laws of the State of Washington.

18 1.103 ~~1.100~~ **Lapis** means Lapis Advisers, LP.

19 1.104 ~~1.101~~ **Lapis Parties** means the DIP Agent, DIP Lenders, UMB Bank, N.A. as
20 indenture trustee for the Senior Secured Bond Debt Claims, and Holders of the Senior Secured
Bond Debt Claims and the Senior Secured Credit Agreement Claims, and any fund managed by
or affiliated with any of the foregoing.

21 1.105 ~~1.102~~ **Law** means any statute, law, ordinance, ruling, consent decree, permit,
22 policy, rule or regulation of, issued by or entered into by any Governmental Unit and all judicial
or administrative interpretations thereof and any common law doctrine.

23 1.106 ~~1.103~~ **Lead Chapter 11 Case** means Chapter 11 Case Number 19-01189-11,
24 currently pending the Court.

25 1.107 ~~1.104~~ **Lien** shall have the meaning set forth in § 101(37).

26 1.108 ~~1.105~~ **Liquidating Debtors** means any Debtor not reorganizing, including SHC
27 Medical Center - Yakima.

1 1.109 ~~1.106~~ **Liquidation Trust** means the trust to be established on the Effective Date in
2 accordance with Section III.GH.

3 1.110 ~~1.107~~ **Liquidation Trust Agreement** means the agreement governing, among
4 other things, the retention and duties of the Liquidating Trustee as described in Section III.GH
5 hereof, which shall be in form and substance materially consistent with the Plan and included as
6 an exhibit to the Plan Supplement.

7 1.111 ~~1.108~~ **Liquidation Trust Assets** means all assets of the Debtors not necessary for
8 the operation of the core health care businesses of the Debtors or constituting GUC Distribution
9 Trust Assets under this Plan, including, but not be limited to the (i) if unsold as of the Effective
10 Date, Yakima Medical Office Building (excluding the operations within); (ii) if unsold as of the
11 Effective Date, SHC Medical Center-Yakima; (iii) any other unused buildings or real property
12 currently owned by the Debtors other than Sunnyside Community Hospital Association; (iv) A/R
13 Collections of SHC Medical Center-Yakima; (v) all 180 day and older days aged accounts
14 receivable of Sunnyside Community Hospital Association and SHC – Medical Center Toppenish;
15 (vi) any Causes of Action held by the Debtors, including the Vendor Claims, not expressly
16 assigned to the GUC Distribution Trust; and (vii) the Liquidation Trust Vendor Recovery. For
17 the avoidance of doubt, in the event the Multicare Transaction Payment is made on or before the
18 Multicare Funding Deadline, the Liquidation Trust shall not be funded and all Liquidation Trust
19 Assets shall revert to the Reorganized Debtors on the Effective Date.

20 1.112 ~~1.109~~ **Liquidation Trust Vendor Recovery** all portions of the Vendor Recovery
21 other than the GUC Vendor Recovery.

22 1.113 ~~1.110~~ **Liquidation Trustee** means the Person designated as the trustee of the
23 Liquidation Trust by the Lapis Parties.

24 1.114 **Multicare** means Multicare Health System, a Washington State non-profit
25 corporation.

26 1.115 **Multicare Credit Agreement** means that certain Credit Agreement by and among
27 ASTRIA HEALTH, SUNNYSIDE COMMUNITY HOSPITAL ASSOCIATION d/b/a Astria
28 Sunnyside Hospital, SHC HOLDCO, LLC, SHC MEDICAL CENTER—TOPPENISH d/b/a
Astria Toppenish Hospital, SHC MEDICAL CENTER—YAKIMA d/b/a Astria Yakima
Hospital, and THE OTHER PERSONS PARTY HERETO THAT ARE DESIGNATED AS
BORROWERS OR GUARANTORS and MULTICARE HEALTH SYSTEM, a Washington
State non-profit corporation, as Lender, dated as of December 17, 2020, as amended.

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

1.117 **Multicare Transaction Payment** means the irrevocable payment to the Lapis
Parties in cash on or before the Multicare Funding Deadline of the proceeds of the Exit Loan in
an amount not less than \$75 million together with such additional funds of the Debtors or
Reorganized Debtors necessary to satisfy in full in cash the DIP Claims, Senior Secured Bond
Claims, Senior Secured Credit Agreement Claims, the liquidated amount specified in each other

1 [proof of claim filed by the Lapis Parties in the Chapter 11 Cases that is not a DIP Claim, Senior](#)
2 [Secured Bond Claim or Senior Secured Credit Agreement Claim, and fees and expenses of the](#)
3 [Lapis Parties as specified in Section IV.D, including funds advanced by the Lapis Parties to AH](#)
4 [System.](#)

4 [1.118](#) ~~1.111~~ **Net GUC Distribution Trust Assets** means the GUC Distribution Trust
5 Assets and all proceeds thereof minus the costs of administering the GUC Distribution Trust
6 (including, but not limited to, all fees and expenses of the GUC Distribution Trustee and any
7 professionals retained by the GUC Distribution Trustee in the GUC Distribution Trustee's
8 capacity as such that are not payable by the Reorganized Debtors pursuant to [Section III.EF.6](#)).

7 [1.119](#) ~~1.112~~ **Next Payment Date** means, with respect to any particular Disputed Claim,
8 the first Business Day of the calendar quarter after such Claim has been Allowed by Final Order.

9 [1.120](#) ~~1.113~~ **Non-Debtor Affiliates** means, individually or collectively, Astria Health
10 Clinically Integrated Network, LLC, Bridal Dreams, LLC, Depot Plus, LLC, Home Supply, LLC,
11 Kitchen Appliance, LLC, Northwest Health, LLC, Pacific Northwest ASC Management, LLC,
12 Sunnyside Hospital Service Corp., Sunnyside Medical Center, LC, and Wedded Bliss, LLC.

12 [1.121](#) ~~1.114~~ **Order** means any judgment, order, injunction, decree, writ or license issue
13 or entered by or with any Governmental Unit or any arbitrator, whether preliminary, interlocutory
14 or final, including any order entered by the Court in the Chapter 11 Cases.

14 [1.122](#) ~~1.115~~ **Ordinary Course Administrative Expense** means Administrative Claims
15 for goods and services of types consistent with the Debtors' ordinary course business operations
16 as of the Petition Date that will be paid as they come due after the Effective Date in the ordinary
17 course of Reorganized Debtors' business. For the avoidance of doubt, the DIP Claims do not
18 constitute Ordinary Course Administrative Expenses.

17 [1.123](#) ~~1.116~~ **Other Secured Claim** means any Secured Claim against any of the Debtors
18 that is not (a) a DIP Claim; (b) a Senior Secured Bond Debt Claim; or (c) a Senior Secured Credit
19 Agreement Claim.

19 [1.124](#) ~~1.117~~ **Person** shall have the meaning set forth in § 101(41).

20 [1.125](#) ~~1.118~~ **Petition Date** means May 6, 2019, which is the date that each Debtor filed a
21 voluntary chapter 11 petition and commenced its respective Chapter 11 Case.

22 [1.126](#) ~~1.119~~ **Plan** means this [Modified](#) *Second Amended Joint Chapter 11 Plan of*
23 *Reorganization of Astria Health and its Debtor Affiliates*, as further amended, supplemented or
24 otherwise modified from time to time, including all exhibits attached hereto or with the Plan
25 Supplement, which is incorporated in the Plan by reference and made part of the Plan as if set
26 forth in the Plan.

26 [1.127](#) ~~1.120~~ **Plan Proponents** shall have the meaning set forth in the preamble to this
27 Plan.

1 1.128 ~~1.121~~ **Plan Supplement** means a supplemental appendix to this Plan, as may be
2 amended from time to time on or prior to the Voting Deadline, which will contain the following
3 items:

- 4 (a) the Schedule of Assumed Agreements;
5 (b) the schedule of Insurance Policies;
6 (c) the list of directors for Reorganized Debtors;
7 (d) the Exchange Debt Documents
8 (e) GUC Distribution Trust Agreement;
9 (f) Liquidation Trust Agreement;
10 (g) The Term Sheet (under seal);
11 (h) Any updated Financial Projections and/or Liquidation Analysis;
12 (i) Any amendments to the treatment of Intercompany Claims under the Plan;
13 and
14 (j) the D&O Cause of Action Agreement (as defined in Section III.H).

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

16 1.129 ~~1.122~~ **POC** means the committee of Persons or Entities appointed as of the
17 Effective Date to advise the GUC Distribution Trustee in the performance of the GUC
18 Distribution Trustee's duties and obligations under the Plan with respect to the administration of
19 the GUC Distribution Trust for the benefit of the Holders of Allowed General Unsecured Claims.

20 1.130 ~~1.123~~ **Preserved Claims** mean the following type and categories of Claims and
21 Causes of Action, without limitation:

- 22 a. the right to object to, challenge or otherwise contest any claims, whether or not
23 any such claim is the subject of a proof of claim;
24 b. any right of setoff, counterclaim, or recoupment and any claim for breach of
25 contract or for breach of duties imposed by law or in equity;
26 c. any claim pursuant to § 362;
27 d. any claim or defense including fraud, mistake, duress, and usury, and any other
28 defenses set forth in § 558;
e. all claims, causes of action (avoidance or otherwise), objections, rights, and
remedies arising under Chapter 5 of the Bankruptcy Code pursuant to, among
others, §§ 502, 510, 542 through 545 and 547 through 553 or 558 thereof, or

1 similar or equivalent claims, causes of action, objections, rights, and remedies
2 arising under state law, including all Avoidance Actions, irrespective of whether or
3 not the targets of such causes of action have been identified by name, or any
4 transfers subject to avoidance have been listed, in the Debtors' Schedules, the
Disclosure Statement, this Plan, or any other document Filed in the Chapter 11
Cases;

- 5 f. the Vendor Claims;
- 6 g. claims under any Insurance Policies applicable to the Debtors;
- 7 h. all claims of any kind or nature arising under state or federal law against any of
8 the Debtors' current or former vendors relating to services rendered prior to the
Petition Date;
- 9 i. all claims, causes of action, and other rights (including rights to challenge any
10 asserted Lien) of any kind or nature against any party asserting a claim in these
11 cases, unless expressly and in writing released or waived during the Chapter 11
Cases, including under this Plan;
- 12 j. all legal and equitable defenses against any Claim or Cause of Action asserted
13 against the Debtors;
- 14 k. all claims and/or Causes of Action of any kind or nature arising under state or
15 federal law arising under a theory of negligence, professional negligence, and/or
malpractice;
- 16 l. all claims and/or Causes of Action of any kind or nature arising under state law
17 based fraudulent conveyance theories;
- 18 m. all claims and/or Causes of Action constituting, for, based upon, or relating to a
19 breach of fiduciary duty, a tort, a contract, an Avoidance Action, federal or state
20 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; and
- 21 n. all Avoidance Actions against AHM, Inc.

22 1.131 ~~1.124~~ **Priority Claim** means a Claim entitled to priority against the Estates under
23 §§ 507(a)(4), 507(a)(5), 507(a)(6) or 507(a)(7). Priority Claims do not include any Claims
incurred after Petition Date.

24 1.132 ~~1.125~~ **Priority Tax Claim** means a Claim entitled to priority against the Estate
25 under § 507(a)(8). Priority Tax Claims do not include any Claims incurred after Petition Date.

26 1.133 ~~1.126~~ **Pro Rata** means the proportion that an Allowed Claim in a particular Class
27 bears to the aggregate amount of Allowed Claims in that respective Class, or the proportion that
Allowed Claims in a particular Class bear to the aggregate amount of Allowed Claims in a
28

1 particular Class and other Classes entitled to share in the same recovery as such Allowed Claim
2 under the Plan, as applicable.

3 1.134 ~~1.127~~ **Professional** means any Entity retained in the Chapter 11 Cases in
4 accordance with §§ 327, 328 or 1103.

5 1.135 ~~1.128~~ **Professional Fee Claim** means a Claim for accrued fees and expenses
6 (including success fees) for services rendered and expenses incurred by a Professional for the
7 Petition Date through and including the Effective Date to the extent such fees and expenses have
8 not been paid or not Disallowed pursuant to Order of the Court under §§ 327, 328, 330, 331, 363,
9 503, or 1103 for compensation for professional services rendered or expenses incurred for which
10 the Estate is liable for payment Code regardless of whether a fee application has been filed for
11 such fees and expenses.

12 1.136 ~~1.129~~ **Proof of Claim** means a proof of Claim Filed against any of the Debtors in
13 the Chapter 11 Cases.

14 1.137 ~~1.130~~ **PTO Claims** mean Claims asserted by Debtors' employees that are based
15 upon accrued hours arising under Debtors' nonworking day and paid time off policies.

16 1.138 ~~1.131~~ **Related Parties** means, with respect to any person or entity, except as
17 otherwise set forth below or in this Plan, any past or present representative, controlling persons,
18 officer, director, agent, attorney, advisor, Professional, employee, subsidiary or Affiliate,
19 shareholder, partner (general or limited), executive committee member, member, managers,
20 equity holder, trustee executor, predecessor in interest, successor or assign of any such person,
21 provided, AHM, Inc., the officers of the Debtors, Non-Debtor Affiliates and AHM, Inc, and any
22 Board Trustee acting in the capacity of an officer of any of the foregoing, shall not constitute
23 Related Parties for purposes of this Plan.

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

1 preserved notwithstanding anything to the contrary in this Section I.A.1.132, Section VII.F.2, or
2 any other provision of this Plan.

3 1.140 ~~1.133~~ **Releasing Party** means (a) the Released Parties; and (b) all Holders of
4 Claims that (i) vote to accept the Plan, and (ii) do not affirmatively opt out of the third party
5 release provided by Section VII.F.2 hereof pursuant to a duly executed Ballot; provided, that,
6 notwithstanding anything contained herein to the contrary, in no event shall an Entity that (x)
7 does not vote to accept or reject the Plan, (y) votes to reject the Plan, or (z) appropriately marks
8 the Ballot to opt out of the third party release provided in Section VII.F.2 hereof and returns such
9 Ballot in accordance with the Solicitation Procedures Order, be a Releasing Party.

10 1.141 ~~1.134~~ **Reorganized Debtor** means a Debtor that is reorganizing and will continue
11 in operation after the Effective Date, as controlled by sole member, AH System.

12 1.142 ~~1.135~~ **Reorganized Debtor Insurance Policies** means any insurance policies of
13 the Debtor (including, without limitation, the D&O Policies).

14 1.143 ~~1.136~~ **Schedules** means, collectively, the schedules of assets and liabilities,
15 schedules of Executory Contracts, and statements of financial affairs Filed by the Debtors,
16 pursuant to § 521 and in substantial accordance with the Official Bankruptcy Forms, as the same
17 may have been amended, modified, or supplemented from time to time.

18 1.144 ~~1.137~~ **Second GUC Distribution Amount** means Cash in the amount of two
19 million three hundred thousand dollars (\$2,300,000) minus the amount of any GUC Vendor
20 Recovery, which shall be paid by the Debtors (or Reorganized Debtors, as applicable) to the
21 GUC Distribution Trust within thirty (30) days after the determination of the total value of the
22 GUC Vendor Recovery. For the avoidance of doubt, the Second GUC Distribution Amount will
23 be an unconditional obligation of the Debtors (or Reorganized Debtors, as applicable) to the
24 GUC Distribution Trust.

25 1.145 ~~1.138~~ **Secured** means, when referring to a Claim, a Claim secured by a Lien on
26 property in which the applicable Estate has an interest, which Lien is valid, perfected, and
27 enforceable pursuant to applicable law or by a Final Order, or that is subject to setoff pursuant to
28 § 553, to the 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).

1.146 ~~1.139~~ **Senior Debt 9019 Settlement** shall have the meaning ascribed to such term
in Section III.A hereof.

1.147 ~~1.140~~ **Senior Secured Bond Debt Claims** means all amounts due under the Bond
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.

1.148 ~~1.141~~ **Senior Secured Credit Agreement Claims** means all amounts due under the
Credit Agreement, including principal, interest including interest at any applicable default rate,

1 prepayment penalties, make wholes and similar amounts, and expenses including but not limited
2 to attorneys and other professional fees.

3 1.149 ~~1.142~~ **Senior Secured Credit Agreement Exchange Debt** means, unless the
4 Multicare Transaction Payment is funded and irrevocably released to the Lapis Parties on or
5 before the Effective Date, the Exchange Debt issued to satisfy the Senior Secured Credit
6 Agreement Claims as more specifically described in the Exchange Debt Documents.

7 1.150 ~~1.143~~ **Solicitation Procedures** means the form of solicitation procedures approved
8 by and attached as an exhibits to the Solicitation Procedures Order.

9 1.151 ~~1.144~~ **Solicitation Procedures Order** means the Order Granting Joint Motion for
10 an Order Approving: (I) Proposed Disclosure Statement; (II) Solicitation and Voting Procedures;
11 (III) Notice Procedures; (III) Notice and Objections Procedures for Confirmation of Joint Plan of
12 Reorganization; and (IV) Granting Related Relief [Docket No. 1991].

13 1.152 ~~1.145~~ **Supplemental Bar Date** means the date established by the Supplemental
14 Bar Date Order by which requests for payment of certain Prepetition Claims (as defined in the
15 Supplemental Bar Date Order) must be Filed, subject to any exceptions specifically set forth
16 therein.

17 1.153 ~~1.146~~ **Supplemental Bar Date Order** means the Order (I) Fixing a Bar Date for
18 Filing Certain Prepetition Claimants' Claims and (II) Approving the Form of Notice of Those
19 Prepetition Claimants' Claims Bar Date [Docket No. 1417].

20 1.154 **Supplemental GUC Distribution Amount** means Cash in the amount of six
21 hundred thousand dollars (\$600,000), which shall be paid by the Reorganized Debtors to the
22 GUC Distribution Trust through three (3) equal installment payments of two hundred thousand
23 dollars (\$200,000) on each of the first, second, and third anniversaries of the Effective Date of
24 the Plan. The Reorganized Debtors are only obligated to pay the Supplemental GUC
25 Distribution Amount to the GUC Distribution Trust if the Multicare Transaction Payment is
26 funded and irrevocably released to the Lapis Parties by the Effective Date.

27 1.155 ~~1.147~~ **Term Sheet** means that certain Plan Settlement Term Sheet between the
28 Debtors and the Committee setting forth the Committee Plan Settlement, the terms of which are
incorporated herein. A copy of the Term Sheet, updated as necessary by the Plan Proponents and
the Committee to provide definitional clarity with respect to Term Sheet provisions incorporated
herein by reference, shall be Filed under seal as part of the Plan Supplement.

1.156 ~~1.148~~ **U.S. Trustee** means the Office of the United States Trustee for the Eastern
District of Washington.

1.157 ~~1.149~~ **U.S. Trustee Fees** means fees or charges assessed against the Estate
pursuant to 28 U.S.C. § 1930.

1.158 ~~1.150~~ **Vendor** means Cerner Corporation and all of its subsidiaries and affiliates.

1 1.159 ~~1.151~~ *Vendor Avoidance Actions* means any Avoidance Actions against the
2 Vendor.

3 1.160 ~~1.152~~ *Vendor Claims* means any and all actual or potential claims and causes of
4 action of the Debtors against the Vendor, including any and all Vendor Avoidance Actions.

5 1.161 ~~1.153~~ *Vendor Recovery* means any Cash and non-Cash value realized by the
6 Debtors as a result of the Vendor Claims, which shall be allocated between the Reorganized
7 Debtors and the GUC Distribution Trust solely in the event the Multicare Transaction Payment is
8 funded and irrevocably released to the Lapis Parties by the Multicare Funding Deadline and
9 otherwise between the Liquidation Trust and the GUC Distribution Trust, as provided in this
10 Plan.

11 1.162 ~~1.154~~ *Voting Deadline* means 4:00 p.m. (prevailing Eastern Time) on December
12 4, 2020, as specifically set forth in the Disclosure Statement Order, which is the deadline for
13 submitting Ballots to accept or reject the Plan in accordance with § 1126.

14 **B. Rules of Interpretation.**

15 For purposes herein: (i) in the appropriate context, each term, whether stated in the
16 singular or the plural, shall include both the singular and the plural, and pronouns stated in the
17 masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter
18 gender; (ii) except as otherwise provided herein, any reference herein to a contract, lease,
19 instrument, release, indenture, or other agreement or document being in a particular form or on
20 particular terms and conditions means that the referenced document shall be substantially in that
21 form or substantially on those terms and conditions; (iii) except as otherwise provided, any
22 reference herein to an existing document or exhibit having been Filed or to be Filed shall mean
23 that document or exhibit, as it may thereafter be amended, restated, supplemented, or otherwise
24 modified in accordance with the Plan; (iv) unless otherwise specified herein, all references herein
25 to “Sections” are references to Sections of the Plan or hereto; (v) unless otherwise stated herein,
26 the words “herein,” “hereof,” and “hereto” refer to the Plan in its entirety rather than to a
27 particular portion of the Plan; (vi) captions and headings to Sections are inserted for convenience
28 of reference only and are not intended to be a part of or to affect the interpretation hereof; (vii)
the words “include” and “including,” and variations thereof, shall not be deemed to be terms of
limitation, and shall be deemed to be followed by the words “without limitation”; (viii) unless
otherwise specified, the rules of construction set forth in § 102 shall apply to the Plan; (ix) any
term used in capitalized form herein that is not otherwise defined but that is used in the
Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the
Bankruptcy Code or the Bankruptcy Rules, as the case may be; (x) any docket number references
in the Plan shall refer to the docket number of any document Filed with the Court in the Chapter
11 Cases; (xi) any immaterial effectuating provisions may be interpreted in such a manner that is
consistent with the overall purpose and intent of the Plan all without further notice to or action,
order, or approval of the Court or any other Entity; (xii) except as otherwise provided, any
references to the Effective Date shall mean the Effective Date or as soon as reasonably
practicable thereafter; and (xiii) all exhibits and supplements to the Plan are incorporated herein,
regardless of when those exhibits and supplements are filed.

1 **C. Computation of Time**

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

6 **D. Governing Law**

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

13 **E. Reference to Monetary Figures**

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

16 **F. Controlling Document**

17 In the event of an inconsistency between the Plan and the Disclosure Statement, the terms
18 of the Plan shall control in all respects. In the event of an inconsistency between the Plan and the
Plan Supplement, the terms of the relevant document in the Plan Supplement shall control
19 (unless stated otherwise in such Plan Supplement document or in the Confirmation Order). In the
event of an inconsistency between the Confirmation Order and the Plan, the Disclosure
20 Statement or the Plan Supplement, the Confirmation Order shall control.

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

22 **A. General Overview**

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



B. Limited Consolidation

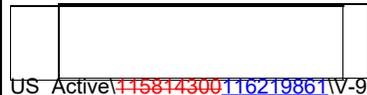
Except as expressly provided in this Plan, each Debtor shall continue to maintain its separate corporate existence for all purposes other than the treatment of Claims and distributions under this Plan. Except as expressly provided in this Plan, the Exchange Debt Documents, the other Definitive Documents, or as otherwise ordered by the Court, on the Effective Date: (a) all assets and all liabilities of each of the Debtors shall be deemed merged or treated as though they were merged into and with the assets and liabilities of each other, (b) no distributions shall be made under this Plan on account of Intercompany Claims among the Debtors, and all such Claims shall be eliminated and extinguished, (c) all guaranties of the Debtors of the obligations of any other Debtor shall be deemed eliminated and extinguished so that any Claim against any Debtor and any guarantee thereof executed by any Debtor and any joint or several liability of any of the Debtors 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.

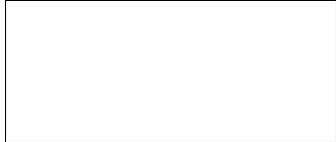
C. Summary and Classification of Claims and Interests

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:

CLASS	DESCRIPTION	IMPAIRED/ UNIMPAIRED	VOTING STATUS
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	Impaired	Entitled to Vote





1			Agreement Claims		
2	2C		Other Secured Claims	Impaired	Entitled to Vote
3	3		Convenience Class Claims	Impaired	Entitled to Vote
4					
5	4		General Unsecured Claims	Impaired	Entitled to Vote
6					
7	4A		Insured Claims	Impaired	Entitled to Vote
8					
9	5		Intercompany Claims	Eliminated Through Consolidation of Debtors	N/A
10					

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.

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

D. Unclassified Claims

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

1. Administrative Claims

a. Types of Claims Entitled to Administrative Priority

The following types of Claims are entitled to administrative priority under this Plan: Administrative Claims (including Ordinary Course Administrative Expense Claims), DIP Claims, Professional Fee Claims, U.S. Trustee Fees, 503(b)(9) Claims and Cure Payments. The

1 foregoing claims, other than Ordinary Course Administrative Expense Claims and DIP Claims,
2 are estimated to be Allowed in the approximate aggregate amount of \$4,624,674.

3 **b. Administrative Claims Bar Date**

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

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

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

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

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

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

34 c) Any entity that has already
35 properly filed a motion requesting allowance of an administrative expense claim pursuant to §
36 503(b);

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

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

4 f) Any claims held by the Lapis
5 Parties.

6 d. Treatment of Administrative Claims

7 (i) Treatment of DIP Claims

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

15 (ii) Treatment of Other Administrative Claims

16 Except for Ordinary Course Administrative Expenses (which will be paid in the ordinary
17 course of business) and DIP Claims, all Administrative Claims, including Cure Payments,
18 503(b)(9) Claims, and U.S. Trustee Fees, will be paid in full in Cash (a) on the later of the
19 Effective Date or the date such Claims are Allowed under § 503, or (b) upon such other terms as
20 may be mutually agreed upon between the Holder of such Claim and the Plan Proponents, and
21 consistent with the terms of the Definitive Documents.

22 2. Treatment of Professional Fee Claims

23 All persons and entities seeking an award by the Court of professional fees on behalf of
24 the Debtors (a) shall file their respective final applications for allowance of compensation for
25 services rendered and reimbursement of expenses no later than forty-five (45) days after the
26 Effective Date, and, (b) upon Court approval of such final application, shall receive, in full
27 satisfaction, settlement, and release of, and in exchange for such Claim, from the Administrative
28 and Priority Claims Reserve, Cash in such amounts as allowed by the Court (i) on the later of (A)
the Effective Date (or as soon thereafter as reasonably practicable) and (B) the date that is ten
(10) days after the allowance date, or (ii) 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. For the avoidance of doubt, estate Professionals may still receive interim
compensation prior to the Effective Date if otherwise able to under existing court orders.

3. Priority Tax Claims

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

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

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

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

12 On the Effective Date or as soon as practicable thereafter, the Debtors or the Reorganized
13 Debtors, as applicable, shall fund the Administrative and Priority Claims Reserve in Cash in the
14 Administrative and Priority Claims Reserve Amount. Any amounts remaining in the
15 Administrative and Priority Claims Reserve after payment of all Allowed Administrative,
16 Priority, and Professional Fee Claims and the U.S. Trustee Fees shall be transferred to the
17 Reorganized Debtors.

18 **E. Classified Claims**

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

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

26 Excluded from this Class are (a) wage claims (including severance pay) in excess of the
27 statutory limit of \$13,650, and (b) PTO Claims in excess of the statutory limit of \$13,650 for
28 benefits. Such Claims will be treated as General Unsecured Claims in Class 4.³

CLASS #	DESCRIPTION	INSIDER (Y/N)	IMPAIRED (Y/N)	TREATMENT
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³ 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.

1	1		Priority unsecured claims alleged pursuant to Code §§ 507(a)(4) and (5)	No	No	Paid in cash in full on later of Effective Date or when Allowed
2			Total Amount = Unknown			

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	No	Yes	<p>In accordance with the Senior Debt 9019 Settlement, <u>unless the Multicare Transaction Payment has been funded and irrevocably released to the Lapis Parties by the Multicare Funding Deadline</u> 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. <u>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.</u></p>
	Total Estimated Amount = \$43,571,500.00, less any amount(s) paid down prior to the Effective Date pursuant to pending asset sale pleadings.			
	Actual amount subject to per diem adjustment.			

1	2B	Senior Secured Credit Agreement Claims	No	Yes	<p>In accordance with the Senior Debt 9019 Settlement, <u>unless the Multicare Transaction Payment has been funded and irrevocably released to the Lapis Parties by the Multicare Funding Deadline</u> 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 Exhibit A in the amount of all Senior Secured Credit Agreement Claims as of the Effective Date. <u>In the event the Multicare Transaction Payment is funded, and irrevocably released to the Lapis Parties by the Multicare Funding Deadline</u> all Senior Secured Credit Agreement Claims shall be Allowed and paid in full in cash on the Effective Date.</p>
2		Total Estimated Amount =			
3		\$13,162,397.26			
4		Actual amount subject to per diem adjustment.			
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11	2C	Other Secured Claims	No	Yes	<p>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</p>
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deficiency to result in a General Unsecured Claim, or (iv) such less favorable treatment to which the Holder otherwise agrees.

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 \$1,611,501, ⁴ assuming all claimants with Claims between \$5,000 and \$10,000 elect Class 3 treatment	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. There shall be no limitation on the number of Convenience Class members.

4. Classes 4 and 4A – General Unsecured Claims Not Otherwise Classified and Insured General Unsecured Claims

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

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:

CLASS #	DESCRIPTION	INSIDER (Y/N)	IMPAIRED (Y/N)	TREATMENT
4	General Unsecured Claims (Not Otherwise Classified) Total Amount = Approximately \$101,950,399.80 ⁵	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 Section III. NO below, Holders of Allowed Insured Claims in Class 4A shall recover only from the available 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.

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

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

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

10 **A. The Senior Debt 9019 Settlement**

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

23 FOR THE AVOIDANCE OF DOUBT, THE ENTRY OF THE CONFIRMATION
24 ORDER CONSTITUTES AUTHORIZATION OF THE DEBTORS AND DEBTORS IN
25 POSSESSION TO ENTER INTO, EXECUTE AND PERFORM THE EXIT LOAN AND ALL
26 DOCUMENTS RELATED THERETO; PROVIDED FURTHER THAT IF THE CONDITIONS
27 OF THE EXIT LOAN ARE NOT MET AND THE MULTICARE TRANSACTION PAYMENT
28 IS NOT FUNDED AND IRREVOCABLY RELEASED TO THE LAPIS PARTIES ON OR
29 BEFORE THE MULTICARE FUNDING DEADLINE, THEN SUCH COURT
30 AUTHORIZATION AND OBLIGATIONS ON THE DEBTORS AND DEBTORS IN
31 POSSESSION (AND ON ANY REORGANIZED DEBTORS) WITH RESPECT TO THE EXIT
32 LOAN AND TO MULTICARE SHALL BE NULL, VOID AND OF NO EFFECT, EXCEPT AS
33 OTHERWISE AGREED IN WRITING BETWEEN THE PLAN PROPONENTS AND
34 MULTICARE; PROVIDED FURTHER, IF THE MULTICARE TRANSACTION PAYMENT
35 IS FUNDED AND IRREVOCABLY RELEASED TO THE LAPIS PARTIES ON OR BEFORE
36 THE EFFECTIVE DATE, THE DIP CLAIMS, SENIOR SECURED BOND DEBT CLAIMS,
37 SENIOR SECURED CREDIT AGREEMENT CLAIMS AND THE LAPIS PARTIES' OTHER
38 PREPETITION CLAIMS ARE DEEMED TO HAVE BEEN SATISFIED IN FULL AND THE
39 LAPIS PARTIES SHALL RETAIN NO FURTHER DISTRIBUTION RIGHTS UNDER THE
40 PLAN.

41 The treatment and distributions provided for herein with respect to the DIP Claims,
42 Senior Secured Bond Debt Claims, Senior Secured Credit Agreement Claims and ~~other~~-Lapis

1 Parties' other prepetition Claims under the Senior Debt 9019 Settlement reflect a compromise
2 and settlement of numerous complex issues including the Debtors' obligation to satisfy the DIP
3 Claim on the Effective Date, the scope, extent and value of the collateral associated with the
4 Senior Secured Bond Debt Claims and Senior Secured Credit Agreement Claims and related
5 matters. The settlement provides final resolution of all issues relating to the DIP Claims and the
6 rights and benefits of Lapis Parties, and the validity, enforceability and priority of the Senior
7 Secured Bond Debt Claims and Senior Secured Credit Agreement Claims. Pursuant to the
8 Senior Debt 9019 Settlement, subject to the occurrence of the Effective Date, each prepetition
9 Claim reflected in a proof of claim filed by the Lapis Parties in the Chapter 11 Cases that is not a
10 Senior Secured Bond Debt Claim or Senior Secured Credit Agreement Claim shall be Allowed ~~as~~
11 ~~a General Unsecured Claim~~ in the liquidated amount specified therein. If the Multicare
12 Transaction Payment is made, such Claims shall be paid in full in Cash on the Effective Date as
13 party of the Multicare Transaction Payment. Such Claims shall otherwise be treated as Allowed
14 General Unsecured Claims under the Plan.

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

22 **B. The Committee Plan Settlement**

23 The Plan also embodies the Committee Plan Settlement set forth in the Term Sheet. The
24 treatment of General Unsecured Claims provided for herein consistent with the Term Sheet
25 reflects a compromise and settlement of numerous complex issues including, but not limited to,
26 those set forth in the *Limited Objection of Official Committee of Unsecured Creditors to Motion*
27 *for an Order Approving: (i) Proposed Disclosure Statement; (ii) Solicitation and Voting*
28 *Procedures; (iii) Notice and Objection Procedure for Confirmation of Joint Plan of*
Reorganization; and (iv) Granting Related Relief filed at docket number 1624. The Committee
Plan Settlement provides 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 Committee Plan Settlement shall be deemed to have been
withdrawn without prejudice to the respective positions of the parties.

1 **C. Exit Loan**

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

5 **D. ~~C~~-Vendor Claims**

6 The Debtors (or the Reorganized Debtors, if after the Effective Date) and, unless the
7 Multicare Transaction Payment is irrevocably released to the Lapis Parties on or before the
8 Effective Date, the Lapis Parties, in consultation with the Committee (or the GUC Distribution
9 Trustee, if after the Effective Date), will jointly use their best efforts to settle or otherwise resolve
10 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
14 such settlement.

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

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

29 **E. ~~D~~-Corporate Actions**

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

33 (1) On the Effective Date of the Plan, AH NP2 will amend its articles and bylaws to
34 become the sole member of Astria Health on terms acceptable to the Lapis Parties. Astria Health
35 will also amend its articles and bylaws to change Astria Health from a no-member non-profit
36 corporation to a single member non-profit corporation on terms acceptable to the Lapis Parties.

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

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

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

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

E. ~~E.~~ The GUC Distribution Trust

1. Establishment of GUC Distribution Trust

On the Effective Date, all GUC Distribution Trust Assets (other than the Supplemental
GUC Distribution Amount) shall be contributed and transferred to the GUC Distribution Trust
for the benefit of the GUC Distribution Trust Beneficiaries. In the event the Multicare
Transaction Payment is funded and irrevocably released to the Lapis Parties by the Effective
Date, the Supplemental GUC Distribution Amount shall be paid by the Reorganized Debtors to
the GUC 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. The GUC Distribution Trust Assets shall pass to the GUC Distribution Trust
free and clear of all Claims and interests in accordance with § 1141. The Confirmation Order
shall constitute a determination that the transfer of the GUC Distribution Trust Assets to the GUC

1 Distribution Trust is legal, valid, and consistent with the laws of the State of Washington. The
2 transfer of the GUC Distribution Trust Assets to the GUC Distribution Trust on the Effective
3 Date shall include the transfer and assignment of any and all GUC Distribution Trust Avoidance
4 Actions. The GUC Distribution Trustee shall have exclusive standing to waive, commence,
5 prosecute, or settle any GUC Distribution Trust Avoidance Actions in the GUC Distribution
6 Trustee's discretion.

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

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

25 All parties shall execute any documents or other instruments as necessary to cause title to
26 the applicable GUC Distribution Trust Assets to be transferred to the GUC Distribution Trust.
27 The GUC Distribution Trust Assets will be held in trust for the benefit of Holders of Allowed
28 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 to the GUC Distribution Trust, including any other powers necessary

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

7 The GUC Distribution Trustee, in his or her sole discretion, shall have the authority to
8 allocate and reallocate GUC Distribution Trust Assets (including Cash, and including any
9 reserves necessary to effectuate the terms of this Plan) as necessary to effectuate the Plan without
10 further application to, or approval of, the Court, to the extent such allocation or reallocation
11 would not be inconsistent with the terms of this Plan. In the event that the GUC Distribution
12 Trustee determines that the effectuation of the Plan or an equitable distribution to Holders of
13 Allowed General Unsecured Claims requires allocation or reallocation of GUC Distribution
14 Trust Assets in a manner that would otherwise be inconsistent with any term of this Plan
15 (including for the purposes of distribution under the Plan), the GUC Distribution Trustee shall
16 have the authority to make such allocation or reallocation with approval of the Court upon
17 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
15 for serving as GUC Distribution Trustee as set forth in the GUC Distribution Trust Agreement.
16 At any time after the Effective Date and without further application to or Order of the Court, the
17 GUC Distribution Trustee may employ and compensate Persons or Entities, including
18 professionals (which may, but need not, include Professionals previously or currently employed
19 in the Chapter 11 Cases) reasonably necessary to assist the GUC Distribution Trustee in the
20 performance of his or her duties under the GUC Distribution Trust Agreement and this Plan.
21 Such Persons or Entities shall be compensated and reimbursed by the GUC Distribution Trustee
22 for their reasonable and necessary fees and out of pocket expenses on a monthly basis in arrears,
23 subject to the Reorganized Debtors' approval of professional fees as described in Section E.6.
24 below.

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

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

25 For the avoidance of doubt, any obligation of the Debtors under this Plan with respect to
26 the Committee or the GUC Distribution Trust that remains unperformed as of the Effective Date,
27 or that is required to be performed on or after the Effective Date, shall become an obligation of
28 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.EF.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
5 be expenses of the GUC Distribution Trust, and the GUC Distribution Trustee will disburse
6 funds from the GUC Distribution Trust Assets as appropriate for purposes of paying the GUC
7 Post-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
13 Trust is terminated in accordance with [Section III.FG](#) and the GUC Distribution Trust
14 Agreement. The GUC Distribution Trustee, in his or her sole discretion, on and after the
15 Effective Date, shall have authority to establish, increase, and/or decrease any reserves as
16 reasonably necessary and appropriate to account for and pay the GUC Post-Effective Date
17 Expenses.

18 **6. Post-Effective Date Expenses Relating to Claims Reconciliation and
19 Vendor Claims**

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

 All fees and expenses payable by the Reorganized Debtors pursuant to this [Section
III.EF.6](#) shall be subject to the following payment provisions:

 The applicable professionals (including the GUC Distribution Trustee) will submit
invoices, redacted as necessary to preserve any applicable privileges or protections, for the
services described in this [Section III.EF.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

1 objection to the applicable professional within the ten (10) Business Day objection period, (i) the
2 Reorganized Debtors shall pay any undisputed portion of the requested fees and expenses within
3 twenty (20) days after the expiration of the objection period and (iii) the Reorganized Debtors
4 and the applicable professional shall use reasonable efforts to resolve the dispute or objection
5 during the twenty (20) days following the expiration of the objection period. If the Reorganized
6 Debtors and the applicable professional are not able to resolve the dispute or objection during the
7 twenty (20) days following the expiration of the objection period, the Reorganized Debtors and
8 the applicable professional may seek resolution of the dispute or objection by the Court through
9 the filing of a formal objection or motion to compel payment consistent with the terms of the
10 Plan, as applicable.

7. GUC Distribution Reserve

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

8. GUC Distribution Trust Income Tax Status

24 For federal income tax purposes, all parties (including, without limitation, the Debtors,
25 the GUC Distribution Trustee, and the beneficiaries of the GUC Distribution Trust) shall treat the
26 GUC Distribution Trust as a liquidating trust within the meaning of Treasury Income Tax
27 Regulation section 301.7701-4(d) and IRS Revenue Procedure 94-45, 1994-2 C.B. 124. For
28 federal income tax purposes, the transfer of Assets to the GUC Distribution Trust under the Plan
shall be treated as a deemed transfer to the beneficiaries of the GUC Distribution Trust in
satisfaction of their Claims followed by a deemed transfer of the Assets by the beneficiaries to
the GUC Distribution Trust. For federal income tax purposes, the beneficiaries will be deemed
to be the grantors and owners of the GUC Distribution Trust and its assets. For federal income
tax purposes, the GUC Distribution Trust will be taxed as a grantor trust within the meaning of
IRC sections 671-677 (a non-taxable pass-through tax entity) owned by the beneficiaries. The
GUC Distribution Trust will file federal income tax returns as a grantor trust under IRC section
671 and 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

1 valued based on the GUC Distribution Trustee's good faith determination of their fair market
2 value.

3 **G. ~~F.~~ Termination of the GUC Distribution Trust**

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

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

18 **H. ~~G.~~ Establishment of Liquidation Trust**

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

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

I. ~~H.~~ 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, reversion, 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 ~~further agreement between the Lapis Parties and the~~

1 ~~Committee~~ (the “D&O Cause of Action Agreement”), ~~which shall be~~ filed as part of the Plan
2 Supplement. In the event the Multicare Transaction Payment has been funded and irrevocably
3 released to the Lapis Parties on or prior to the Effective Date, D&O Cause of Action Agreement
4 shall remain in effect but the Reorganized Debtors shall be substituted for all references to the
5 Lapis Parties under said instrument.

6 **J. ~~I.~~ Post-Confirmation Management**

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

11 The Debtors’ Executive Services Agreement with AHM, Inc. (“AHM”) will be rejected
12 as of the earlier of the date ordered by the Court on a motion to reject the agreement, the
13 Effective Date, or such other date as may be specified in the Confirmation Order. It is currently
14 expected that all AHM employees currently serving as officers or employees of the Debtors will
15 be offered employment by ~~AH System~~ the Reorganized Debtors, effective on the Effective Date.

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

22 **K. ~~J.~~ Termination of the Committee and Appointment of POC**

23 On the Effective Date, the Committee shall be deemed dissolved, the retention and
24 employment of the Committee’s Professionals shall be deemed terminated, and the members of
25 the Committee shall be deemed released and discharged of and from all further authority, duties,
26 responsibilities, and obligations related to and arising from and in connection with the Chapter
27 11 Cases, other than for purposes of filing and/or objecting to final fee applications filed in the
28 Chapter 11 Cases. The Professionals retained by the Committee shall not be entitled to
compensation or reimbursement of expenses for any services rendered or expenses incurred after
the Effective Date in their capacities as Professionals of the Committee, except for services
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

1 General Unsecured Claims. The members of the POC shall serve without compensation but may
2 be reimbursed for reasonable expenses incurred in the performance of their duties as members of
3 the POC.

4 **L. ~~K.~~ Creation of Administrative and Priority Claims Reserve**

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

28 **M. ~~L.~~ Objections to Claims**

19 After the Effective Date, the Reorganized Debtors (and with respect to General
20 Unsecured Claims, the GUC Distribution Trustee) will have the authority and obligation to
21 review, compromise, and object to any Claims other than Allowed Claims consistent with
22 Section V hereof. The Reorganized Debtors (and with respect to General Unsecured Claims, the
23 GUC Distribution Trustee) will: (i) have the authority, without Court approval or approval by the
24 GUC Distribution Trustee or any other person or entity, to compromise, release or settle any
25 Claim where the Claim has an asserted face value of \$25,000 or less and (ii) be required to seek
26 an order of the Court approving the compromise, release or settlement of any Claim that has an
27 asserted value of greater than \$500,000, with notice and opportunity for hearing required with
28 respect to such compromise, release or settlement. If the Reorganized Debtors (and with respect
to General Unsecured Claims, the GUC Distribution Trustee) seek to compromise, release or
settle any Claim where the Claim 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

1 opportunity to object within such notice period. If the Lapis Parties, the GUC Distribution
2 Trustee, or the Reorganized Debtors, as applicable, object and the objection is not resolved
3 consensually, the Reorganized Debtors (and with respect to General Unsecured Claims, the GUC
4 Distribution Trustee) may seek approval of the compromise, release or settlement by the Court
5 on an expedited basis. Provided however, that unless the Multicare Transaction Payment has
6 been funded and irrevocably released to the Lapis Parties on or prior to the Effective Date, the
7 Lapis Parties shall be entitled to any notice of, or right to object to any General Unsecured Claim
8 settlements.

9 **N. ~~M.~~ Claims Paid or Payable by Third Parties**

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

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

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

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

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

O. ~~N.~~ Special Issues Regarding Insured Claims

Under the terms of Debtors' various insurance policies, Debtors may owe deductible
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.

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

10 **P. ~~Q.~~ Distributions of Property Under the Plan**

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

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

Q. ~~P.~~ Manner of Cash Payments Under the Plan

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

R. ~~Q.~~ 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

1 otherwise provided herein, any Holder of a Claim that becomes an Allowed Claim after the
2 Effective Date will receive any unpaid distribution that otherwise would have been payable under
3 the Plan on the Next Payment Date after the date that such Claim becomes an Allowed Claim or
as soon thereafter as practicable.

4 **S. ~~R.~~ Record Date for Distribution**

5 On the Distribution Record Date, the Distributing Party shall be authorized and entitled to
6 recognize only those record Holders listed on the Claims Register as of the close of business on
7 the Distribution Record Date. The foregoing terms shall not apply to distributions to the Lapis
Parties, their successors and assigns with respect to DIP Claims as well as under Class 2A and
Class 2B of this Plan.

8 **T. ~~S.~~ Delivery of Distributions**

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

15 **U. ~~T.~~ Undeliverable and Unclaimed Distributions**

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

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

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

1 **V. ~~U.~~ Estimation of Disputed Claims for Distribution Purposes**

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

7 **W. ~~V.~~ Minimum Distributions**

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

15 **X. ~~W.~~ Rounding**

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

19 **Y. ~~X.~~ Full Satisfaction**

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

22 **Z. ~~Y.~~ Distributions Free and Clear**

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

27 **AA. ~~Z.~~ Conditions Precedent to Plan Confirmation**

28 The conditions precedent to confirmation of the Plan shall include: (a) a final order,
finding that the Disclosure Statement contains adequate information pursuant to § 1125, shall
have been entered by the Court; (b) the proposed Confirmation Order will be in form and
substance satisfactory to the Lapis Parties ~~and~~, the Committee and Multicare; (c) the Plan,
including any amendments, modifications or supplements thereto, and all documentation
contemplated by the Plan and the terms set forth in any Plan Supplement and the Definitive
Documentation, shall be in 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 ~~and there shall be~~

1 ~~no ongoing event of default, provided however that in the event (x) the Multicare Credit~~
2 ~~Agreement has been executed by Multicare as the Lender thereunder and (y) the Multicare~~
3 ~~Funding Deadline has not expired, then (z) the DIP Lender shall not be entitled to exercise~~
4 ~~remedies under the DIP Agreement without authorization of the Bankruptcy Court prior to~~
5 ~~January 16, 2021; and (f) the Exchange Debt Documents shall be in a form acceptable to the Plan~~
6 ~~Proponents, provided, that if the Multicare Transaction Payment has been funded and irrevocably~~
7 ~~released to the Lapis Parties on or before the Effective Date, then the Exchange Debt Documents~~
8 ~~shall not be executed.~~

9 **BB. ~~AA.~~ Conditions to Effectiveness**

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

14 **1. Conditions**

15 (a) The Confirmation Order shall be entered no later than December
16 31, 2020 and shall have become a Final Order;

17 (b) ~~Execution~~ Either (i) execution of the Definitive Documents,
18 including the Exchange Debt Documents or (ii) the funding and irrevocable release of the
19 Multicare Transaction Payment to the Lapis Parties has occurred;

20 (c) The actual and anticipated Allowed Administrative, Professional
21 and Priority Claims do not exceed the Allowed Administrative, Professional and Priority Claims
22 Cap;

23 (d) There has been compliance with the terms specified in Section
24 III.~~DE~~ of this Plan;

25 (e) ~~The~~ Unless the funding and irrevocable release of the Multicare
26 Transaction Payment to the Lapis Parties has occurred, the bylaws of AH System, AH NP2, the
27 Debtors and their affiliates shall be acceptable to the Lapis Parties; and

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

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

2. Waiver of Conditions

Except as otherwise specified herein, the requirement that the conditions to the
occurrence of the Effective Date be satisfied may be waived in whole or in part, and the time
within which any such conditions must be satisfied may be extended, by the Debtors with the

1 prior written consent of the Lapis Parties and the Committee. The failure to timely satisfy or
2 waive any of such conditions may be asserted regardless of the circumstances giving rise to the
3 failure of such condition to be satisfied, including any action or inaction by the Debtors. The
4 failure of the Debtors to exercise any of the foregoing rights shall not be deemed a waiver of any
5 other rights and each such right shall be deemed ongoing and subject to assertion at any time.

6 **CC. ~~BB.~~ Authorization of Entity Action**

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

12 **DD. ~~CC.~~ Reservation of Fair and Equitable (Cram Down) Power**

13 Debtors reserve the right to confirm this Plan as to any impaired Class that does not
14 accept the Plan by the requisite number of votes pursuant to the fair and equitable power of §
15 1129(b).

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

17 **A. Assumption of Executory Contracts**

18 **1. Assumptions**

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

2. Cure Payments

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

1 each such Executory Contract may otherwise agree. In these Chapter 11 Cases, prior to
2 Confirmation of the Plan, some known Cure Payments will have already been paid or resolved by
3 stipulation or agreement. In the event of a dispute regarding (a) the amount of any Cure
4 Payments, (b) the ability of Reorganized Debtors to provide “adequate assurance of future
5 performance” (within the meaning of § 365) under the contract or lease to be assumed, or (c) any
6 other matter pertaining to assumption, the cure payments required by § 365(b)(1) shall be made
7 following the entry of a Final Order resolving the dispute and approving the assumption. Pending
8 the Court’s ruling on such motion, the Executory Contract at issue shall be deemed assumed by
9 Reorganized Debtors as of the Effective Date, unless otherwise ordered by the Court on a motion
10 to reject the agreement, and the Debtors will reserve amounts for Disputed Cure Payments in the
11 full amounts claimed by objecting—~~contract~~ counterparties. In no event shall the GUC
12 Distribution Trust be liable or otherwise responsible for any Cure Payment. Further, the GUC
13 Distribution Trustee shall have no authority to direct or otherwise oppose any assumption or
14 rejection of an Executory Contract.

10 **3. Objections to Assumption**

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

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

19 **4. Resolution of Claims Relating to Assumed Agreements**

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

25 **B. Rejection of Executory Contracts**

26 **1. Rejected Agreements**

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

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

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

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

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

20 **C. Indemnification Obligations**

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

D. Lapis Parties Fees and Expenses

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

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

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

3 **SECTION V. PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED,**
4 **AND DISPUTED CLAIMS AND INTERESTS**

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

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

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

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

21 **B. Resolution of Disputed Claims**

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

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

1 From and after the Effective Date, the Reorganized Debtors (and with respect to General
2 Unsecured Claims, the GUC Distribution Trustee) shall have the sole authority, subject to
3 Section V.A of this Plan, to administer and adjust the Claims Register with respect to Claims to
4 reflect any such settlements or compromises and no further notice to or action, order, or approval
5 of the Court with respect to such settlements or compromises shall be required.

3. Claims Estimation

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

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

4. Expungement or Adjustment to Claims Without Objection

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

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

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

4 **C. Disallowance of Claims**

5 Any Claim that has been or is hereafter listed in the Schedules as contingent,
6 unliquidated, or disputed, and for which no Proof of Claim is or has been timely Filed, is
7 Disallowed and shall be expunged without further action by the Debtors and without further
8 notice to any party or action, approval, or Order of the Court.

9 To the maximum extent provided by § 502(d), except as otherwise provided in this Plan,
10 all Claims of any Entity from which property is recoverable by the GUC Distribution Trustee
11 under §§ 542, 543, 550, or 553 or that the GUC Distribution Trustee alleges is a transferee of a
12 transfer that is avoidable under §§ 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) shall be
13 Disallowed if (a) the Entity, on the one hand, and the GUC Distribution Trustee, on the other
14 hand, agree or it has been determined by Final Order that such Entity or transferee is liable to
15 turnover any property or monies under any of the aforementioned sections of the Bankruptcy
16 Code, and (b) such Entity or transferee has failed to turnover such property by the date set forth
17 in such agreement or Final Order.

18 **D. Disallowance of Untimely Claims**

19 Except as expressly provided in this Plan or otherwise agreed by the Reorganized Debtors
20 (and with respect to General Unsecured Claims, the GUC Distribution Trustee) on and after the
21 Petition Date, any and all Holders of proofs of Claim filed after the applicable bar date (including
22 the Administrative Claims Bar Date, the Claims Bar Date, the Governmental Bar Date, and the
23 Supplemental Bar Date) shall not be treated as creditors or claimants for purposes of voting or
24 distribution under this Plan unless, on or before the Voting Deadline or the Confirmation Date, as
25 applicable, such untimely proofs of Claim are deemed timely filed by a Final Order of the Court.

26 Claims for which proofs of Claim or requests for Allowance were required to be filed by
27 a bar date occurring before the Effective Date, and with respect to which no proof of Claim or
28 request for Allowance was filed before the applicable bar date, shall be forever Disallowed,
barred, and discharged in their entirety as of the Effective Date, and shall not be enforceable
against the Debtors, their Estates, the Reorganized Debtors, or the GUC Distribution Trust,
unless such proofs of Claim or requests for Allowance are deemed timely filed by a Final Order
of the Court before the Effective Date.

 Claims for which proofs of Claim or requests for Allowance are required to be filed after
the Effective Date pursuant to this Plan, and with respect to which no proof of Claim or request
for Allowance is filed by the applicable deadline, shall be forever Disallowed, barred, and
discharged in their entirety as of the applicable deadline, and shall not be enforceable against the
Debtors, their Estates, the Reorganized Debtors, or the GUC Distribution Trust.

1 **E. Amendments to Claims**

2 After the Confirmation Date, a Claim or Interest may not be filed or amended without the
3 authorization of the Court and any such new or amended Claim or Interest Filed shall be deemed
4 Disallowed and expunged without any further notice to or action, order, or approval of the Court;
5 provided, that such Holder may amend the Claim or Interest Filed solely to decrease, but not to
6 increase, the amount, number, or priority of such Claim or Interest, unless otherwise provided by
7 the Court.

8 **F. No Interest**

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

16 **SECTION VI. RETENTION OF JURISDICTION**

17 Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective
18 Date, on and after the Effective Date, the Court shall retain jurisdiction over the Chapter 11
19 Cases and all matters arising out of, or related to, the Chapter 11 Cases and the Plan, including
20 jurisdiction to:

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

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

 3. resolve any matters related to (i) the assumption or assumption and assignment of
any Executory Contract to which a Debtor is a party or with respect to which a Debtor may be
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;

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

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

4 7. adjudicate, decide, or resolve any and all matters related to § 1141;

5 8. enter and implement such orders as may be necessary or appropriate to execute,
6 implement, or consummate the provisions of the Plan and all contracts, instruments, releases,
7 indentures, and other agreements or documents created in connection with the Plan or the
Disclosure Statement;

8 9. enforce any order for the sale of property pursuant to §§ 363, 1123, or 1146(a);

9 10. resolve any cases, controversies, suits, disputes, or Causes of Action that may
10 arise in connection with the Consummation, interpretation, or enforcement of the Plan or any
Entity's obligations incurred in connection with the Plan;

11 11. issue injunctions, enter and implement other orders, or take such other actions as
12 may be necessary or appropriate to restrain interference by any Entity with Consummation or
enforcement of the Plan;

13 12. resolve any cases, controversies, suits, disputes, or Causes of Action with respect
14 to the settlements, compromises, discharges, releases, injunctions, exculpations, and other
15 provisions contained in Section VII and enter such orders as may be necessary or appropriate to
implement such releases, injunctions, and other provisions;

16 13. enter and implement such orders as are necessary or appropriate if the
17 Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

18 14. determine any other matters that may arise in connection with or relate to the Plan,
19 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
20 Trust;

21 15. adjudicate any and all disputes arising from or relating to distributions under the
22 Plan or any transactions contemplated therein;

23 16. adjudicate, decide, or resolve any motions, adversary proceedings, contested or
24 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.*
25 *SHC 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.
26 Pro. No. 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.
27 Pro. No. 20-80018 (Bankr. E.D. Wa.);

1 17. consider any modifications of the Plan, to cure any defect or omission, or to
2 reconcile any inconsistency in any Court order, including the Confirmation Order;

3 18. determine requests for the payment of Claims entitled to priority pursuant to §
4 507;

5 19. hear and determine matters concerning state, local, and federal taxes in
6 accordance with §§ 346, 505, and 1146 (including the expedited determination of taxes under §
7 505(b));

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

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

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

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

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

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

19 **SECTION VII. EFFECT OF CONFIRMATION OF PLAN**

20 **A. Discharge**

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

26 Except as otherwise provided in the Plan or the Confirmation Order or in any Executory
27 Contract assumed by Debtors during the Chapter 11 Cases (including, without limitation, the
28 Debtors' indemnification obligations thereunder), the Plan and Confirmation Order shall: (a) on
the Effective Date, discharge and release the Debtors, the Estate, the Reorganized Debtors, and
their property to the fullest extent permitted by §§ 524 and 1141 from all Claims, including all
debts, obligations, demands, liabilities, and Claims that arose before the Effective Date, and all
debts of the kind specified in §§ 502(g), 502(h), or 502(i), regardless of whether or not (i) a proof
of Claim based on such debt is Filed or deemed Filed, (ii) a Claim based on such debt is allowed
pursuant to § 502, or (iii) the Holder of a Claim based on such debt or Interest has or has not
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

1 their respective property any Claims based upon any act or omission, transaction, or other activity
2 of any kind or nature that occurred prior to the Effective Date. To the extent any Claim is paid
3 other than under the Plan, Debtors will be deemed discharged and released with respect to such
4 Claim and such Claim and shall not receive a distribution under the Plan.

5 Except as otherwise provided in the Plan or the Confirmation Order, or as provided in
6 contracts assumed during the Case and Debtor's indemnification obligations thereunder, on and
7 after the Effective Date, all Entities who have held, currently hold, or may hold a debt or Claim
8 against the Debtors, the Estate, the Reorganized Debtors, or their respective property that is
9 based upon any act or omission, transaction, or other activity of any kind or nature that occurred
10 prior to the Effective Date, that otherwise arose or accrued prior to the Effective Date (other than
11 any act or omission, transaction, or other activity of any kind or nature related to or arising from
12 the Exit Loan), or that is otherwise discharged pursuant to the Plan, shall be permanently
13 enjoined from taking any of the following actions on account of any such discharged debt, Claim,
14 or Interest (the "Permanent Injunction"): (a) commencing or continuing in any manner any action
15 or other proceeding against the Debtors, the Estates, the Reorganized Debtors, or their respective
16 property that is inconsistent with the Plan or the Confirmation Order; (b) enforcing, attaching,
17 collecting, or recovering in any manner any judgment, award, decree, or order against the
18 Debtors, the Estate, the Reorganized Debtors, or their respective property other than as
19 specifically permitted under the Plan, as approved by the Confirmation Order; (c) creating,
20 perfecting, or enforcing any lien or encumbrance against the Debtors, the Estate, the Reorganized
21 Debtors, or their respective property; and (d) commencing or continuing any action, in any
22 manner, in any place that does not comply with or is inconsistent with the provisions of the Plan,
23 the Confirmation Order, or the discharge provisions of § 1141. Any Entity injured by any willful
24 violation of such Permanent Injunction shall recover actual damages, including costs and
25 attorneys' fees, and, in appropriate circumstances, may recover punitive damages, from the
26 willful violator.

17 **B. Compromise and Settlement of Claims, Interests, and Controversies**

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

1 or (c) the Holder of such a Claim or Interest has accepted the Plan. Any default by the Debtor or
2 its Affiliates with respect to any Claim or Interest that existed immediately before or on account
3 of the filing of the Chapter 11 Case shall be deemed cured on the Effective Date. The
4 Confirmation Order shall be a judicial determination of the settlement, compromise, and release
5 of all Claims and Interests, subject to the Effective Date occurring.

6 C. Release of Liens

7 Except as otherwise provided in the Plan or in any contract, instrument, release, or other
8 agreement or document created pursuant to the Plan, on the Effective Date and concurrently with
9 the applicable distributions made pursuant to the Plan and, in the case of a Secured Claim,
10 satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date,
11 all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the
12 Estate shall be fully released, settled, and compromised ~~and all rights, titles, and interests of any
13 Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests against any
14 property of the Estate shall revert or otherwise transfer to the Reorganized Debtors or the
15 Liquidation Trust, as applicable, and their successors and assigns.~~ For the avoidance of doubt,
16 this Section shall not apply to DIP Claims, Senior Secured Bond Claims or Senior Secured Credit
17 Agreement Claims unless the Multicare Transaction Payment is funded and irrevocably released
18 to Lapis Parties by the Multicare Funding Deadline.

19 D. Subordinated Claims

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

28 E. Exculpation

The Exculpated Parties shall neither have, nor incur any liability to any Entity for any-
~~prepetition or~~ postpetition act taken or omitted to be taken in connection with the Chapter 11
Cases, or related to formulating, negotiating, soliciting, preparing, disseminating, confirming, or
implementing the Plan or consummating the Plan, the Disclosure Statement, or any contract,
instrument, release, or other agreement or document created or entered into in connection with
the Plan, or any other ~~prepetition or~~ postpetition act taken or omitted to be taken in connection
with or in contemplation of the restructuring of the Reorganized Debtors, liquidation of the
Liquidating Debtors, or administration of the GUC Distribution Trust. Without limiting the
foregoing “Exculpation” provided under this Section, the rights of any Holder of a Claim or
Interest to enforce rights arising under the Plan shall be preserved, including the right to compel
payment of distributions in accordance with the 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

1 resulting from any act or omission that is determined in a final order to have constituted gross
2 negligence or willful misconduct; provided, further, that, subject to the foregoing exclusions,
3 each Exculpated Party shall be entitled to rely upon the advice of counsel concerning his, her, or
4 its duties pursuant to, or in connection with, the Plan or any other related document, instrument,
5 or agreement. The exculpation of the Lapis Parties is an integral component of the Senior Debt
6 9019 Settlement.

7 **F. Releases**

8 **1. Debtors' Releases**

9 ON THE EFFECTIVE DATE OF THE PLAN AND TO THE FULLEST EXTENT
10 AUTHORIZED BY APPLICABLE LAW, THE RELEASED PARTIES AND THEIR
11 RESPECTIVE PROPERTY WILL BE EXPRESSLY, UNCONDITIONALLY, GENERALLY
12 AND INDIVIDUALLY AND COLLECTIVELY RELEASED, ACQUITTED AND
13 DISCHARGED BY THE DEBTORS ON BEHALF OF THEMSELVES, THEIR ESTATES,
14 THE REORGANIZED DEBTORS, THE GUC DISTRIBUTION TRUST AND THE
15 LIQUIDATION TRUST (SUCH THAT THE REORGANIZED DEBTORS, THE GUC
16 DISTRIBUTION TRUST AND THE LIQUIDATION TRUST WILL NOT HOLD ANY
17 CLAIMS OR CAUSES OF ACTION RELEASED PURSUANT TO THIS PLAN), FOR THE
18 GOOD AND VALUABLE CONSIDERATION PROVIDED BY EACH OF THE RELEASED
19 PARTIES, FROM ANY AND ALL ACTIONS, CLAIMS, DEBTS, OBLIGATIONS, RIGHTS,
20 SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES AND LIABILITIES
21 WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS ASSERTED ON BEHALF OF
22 THE DEBTOR, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN,
23 MATURED OR UNMATURED, EXISTING OR HEREINAFTER ARISING, IN LAW,
24 EQUITY, CONTRACT, TORT OR OTHERWISE, BY STATUTE, VIOLATIONS OF
25 FEDERAL OR STATE SECURITIES LAWS OR OTHERWISE, BASED IN WHOLE OR IN
26 PART UPON ANY ACT OR OMISSION, TRANSACTION, OR OTHER OCCURRENCE OR
27 CIRCUMSTANCES EXISTING OR TAKING PLACE PRIOR TO OR ON THE EFFECTIVE
28 DATE ARISING FROM OR RELATED IN ANY WAY TO THE DEBTORS, ANY OF THE
DEBTORS' PRESENT OR FORMER ASSETS, THE RELEASED PARTIES' INTERESTS IN
OR MANAGEMENT OF THE DEBTORS, THE PLAN, THE DISCLOSURE STATEMENT,
THIS CHAPTER 11 CASE, 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.

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

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

17 2. Third Party Releases

18 ON THE EFFECTIVE DATE OF THE PLAN AND TO THE FULLEST EXTENT
19 AUTHORIZED BY APPLICABLE LAW, THE RELEASING PARTIES SHALL BE DEEMED
20 TO HAVE EXPRESSLY, UNCONDITIONALLY, GENERALLY AND INDIVIDUALLY AND
21 COLLECTIVELY, RELEASED AND ACQUITTED THE RELEASED PARTIES AND THEIR
22 RESPECTIVE PROPERTY FROM ANY AND ALL ACTIONS, CLAIMS, INTERESTS,
23 OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES AND
24 LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS ASSERTED ON
25 BEHALF OF THE DEBTOR, WHETHER KNOWN OR UNKNOWN, FORESEEN OR
26 UNFORESEEN, MATURED OR UNMATURED, EXISTING OR HEREAFTER ARISING, IN
27 LAW, EQUITY, CONTRACT, TORT OR OTHERWISE, THAT SUCH HOLDER (WHETHER
28 INDIVIDUALLY OR COLLECTIVELY) EVER HAD, NOW HAS OR HEREAFTER CAN,
SHALL OR MAY HAVE, BASED ON OR RELATING TO, OR IN ANY MANNER ARISING
FROM OR RELATED IN ANY WAY TO THE DEBTORS, ANY OF THE DEBTORS'
PRESENT OR FORMER ASSETS, THE RELEASED PARTIES' INTERESTS IN OR
MANAGEMENT OF THE DEBTORS, THE BUSINESS OR CONTRACTUAL
ARRANGEMENTS BETWEEN THE DEBTORS AND ANY RELEASED PARTY, THE
PLAN, THE DISCLOSURE STATEMENT, THESE CHAPTER 11 CASES, 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 DEBTORS OR ANY OTHER ENTITY COULD HAVE
BEEN LEGALLY ENTITLED TO ASSERT DERIVATIVELY OR ON BEHALF OF THE
DEBTORS OR THEIR ESTATES, EXCEPT FOR (I) ANY CLAIMS AND CAUSES OF
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

1 TRUST ON ACCOUNT OF AN ALLOWED CLAIM AGAINST THE DEBTORS PURSUANT
2 TO THE PLAN. FOR THE AVOIDANCE OF DOUBT, THE RELEASING PARTIES SHALL
3 INCLUDE (A) THE RELEASED PARTIES, AND (B) ALL HOLDERS OF CLAIMS THAT (I)
4 VOTE TO ACCEPT THE PLAN, AND (II) DO NOT AFFIRMATIVELY OPT OUT OF THE
5 THIRD PARTY RELEASE PROVIDED BY THIS SECTION PURSUANT TO A DULY
6 EXECUTED BALLOT. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN,
7 IN NO EVENT SHALL AN ENTITY THAT (X) DOES NOT VOTE TO ACCEPT OR REJECT
8 THE PLAN, (Y) VOTES TO REJECT THE PLAN, OR (Z) APPROPRIATELY MARKS THE
9 BALLOT TO OPT OUT OF THE THIRD PARTY RELEASE PROVIDED IN THIS SECTION
10 AND RETURNS SUCH BALLOT IN ACCORDANCE WITH THE SOLICITATION
11 PROCEDURES ORDER, BE A RELEASING PARTY.

8 ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE COURT'S
9 APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE THIRD PARTY
10 RELEASE, WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS
11 AND DEFINITIONS CONTAINED IN THE PLAN, *AND, FURTHER*, SHALL CONSTITUTE
12 THE COURT'S FINDING THAT THE THIRD PARTY RELEASE IS: (1) IN EXCHANGE
13 FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY THE RELEASED
14 PARTIES; (2) A GOOD-FAITH SETTLEMENT AND COMPROMISE OF THE CLAIMS
15 RELEASED BY THE THIRD PARTY RELEASE; (3) IN THE BEST INTERESTS OF THE
16 DEBTORS AND ALL HOLDERS OF CLAIMS AND INTERESTS; (4) FAIR, EQUITABLE,
17 AND REASONABLE; (5) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY
18 FOR HEARING; AND (6) A BAR TO ANY OF THE RELEASING PARTIES ASSERTING
19 ANY CLAIM RELEASED PURSUANT TO THE THIRD PARTY RELEASE.

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

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

1 **G. Injunction**

2 EXCEPT AS OTHERWISE PROVIDED IN THE PLAN OR THE CONFIRMATION
3 ORDER, ALL ENTITIES WHO HAVE HELD, HOLD, OR MAY HOLD CLAIMS,
4 INTERESTS, CAUSES OF ACTION, OR LIABILITIES THAT: (1) ARE SUBJECT TO
5 COMPROMISE AND SETTLEMENT PURSUANT TO THE TERMS OF THE PLAN; (2)
6 HAVE BEEN RELEASED PURSUANT TO SECTION VII.F.1 HEREOF; (3) HAVE BEEN
7 RELEASED PURSUANT TO SECTION VII.F.2 HEREOF; (4) ARE SUBJECT TO
8 EXCULPATION PURSUANT TO SECTION VILE HEREOF; OR (5) ARE OTHERWISE
9 STAYED OR TERMINATED PURSUANT TO THE TERMS OF THE PLAN, ARE
10 PERMANENTLY ENJOINED AND PRECLUDED, FROM AND AFTER THE EFFECTIVE
11 DATE, FROM: (A) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION
12 OR OTHER PROCEEDING OF ANY KIND, INCLUDING ON ACCOUNT OF ANY
13 CLAIMS, INTERESTS, CAUSES OF ACTIONS, OR LIABILITIES THAT HAVE BEEN
14 COMPROMISED OR SETTLED AGAINST THE DEBTORS, THE REORGANIZED
15 DEBTORS, THE GUC DISTRIBUTION TRUST, THE LIQUIDATION TRUST, OR ANY
16 ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR ESTATE OF ANY
17 ENTITY, DIRECTLY OR INDIRECTLY, SO RELEASED OR EXCULPATED) ON
18 ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY RELEASED,
19 SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, CAUSES OF ACTION, OR
20 LIABILITIES; (B) ENFORCING, ATTACHING, COLLECTING, OR RECOVERING BY ANY
21 MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE, OR ORDER AGAINST THE
22 DEBTORS, THE REORGANIZED DEBTORS, THE GUC DISTRIBUTION TRUST, THE
23 LIQUIDATION TRUST, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE
24 PROPERTY OR ESTATE OF THE DEBTOR OR ANY ENTITY SO RELEASED OR
25 EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO
26 ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS,
27 CAUSES OF ACTION, OR LIABILITIES; (C) CREATING, PERFECTING, OR ENFORCING
28 ANY LIEN, CLAIM, OR ENCUMBRANCE OF ANY KIND 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 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 UNLESS SUCH ENTITY HAS TIMELY ASSERTED SUCH
SETOFF OR SUBROGATION RIGHT PRIOR TO CONFIRMATION IN A DOCUMENT
FILED WITH THE COURT EXPLICITLY PRESERVING SUCH SETOFF OR
SUBROGATION; AND (E) COMMENCING OR CONTINUING IN ANY MANNER ANY
ACTION OR OTHER PROCEEDING OF ANY KIND AGAINST THE DEBTORS, THE
REORGANIZED DEBTORS, THE GUC DISTRIBUTION TRUST, THE LIQUIDATION
TRUST, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR

1 ESTATE OF THE DEBTOR OR ANY ENTITY SO RELEASED OR EXCULPATED) ON
2 ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH
3 RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, CAUSES OF
4 ACTION, OR LIABILITIES RELEASED, SETTLED, OR COMPROMISED PURSUANT TO
5 THE PLAN; *PROVIDED THAT* NOTHING CONTAINED IN THE PLAN SHALL PRECLUDE
6 AN ENTITY FROM OBTAINING BENEFITS DIRECTLY AND EXPRESSLY PROVIDED
7 TO SUCH ENTITY PURSUANT TO THE TERMS OF THE PLAN; *PROVIDED, FURTHER,*
8 *THAT* NOTHING CONTAINED IN THE PLAN SHALL BE CONSTRUED TO PREVENT
9 ANY ENTITY FROM DEFENDING AGAINST CLAIMS OBJECTIONS OR COLLECTION
10 ACTIONS WHETHER BY ASSERTING A RIGHT OF SETOFF OR OTHERWISE TO THE
11 EXTENT PERMITTED BY LAW.

8 H. Waiver of Statutory Limitations on Releases

9 EACH RELEASING PARTY IN EACH OF THE RELEASES CONTAINED IN THE
10 PLAN (INCLUDING UNDER THIS SECTION) EXPRESSLY ACKNOWLEDGES THAT
11 ALTHOUGH ORDINARILY A GENERAL RELEASE MAY NOT EXTEND TO CLAIMS
12 WHICH THE RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN ~~HIS~~ITS
13 FAVOR, WHICH IF KNOWN BY IT MAY HAVE MATERIALLY AFFECTED ITS
14 SETTLEMENT WITH THE PARTY RELEASED, ~~THEY HAVE~~IT HAVING CAREFULLY
15 CONSIDERED AND TAKEN INTO ACCOUNT IN DETERMINING TO ENTER INTO THE
16 ABOVE RELEASES THE POSSIBLE EXISTENCE OF SUCH UNKNOWN LOSSES OR
17 CLAIMS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EACH
18 RELEASING PARTY EXPRESSLY WAIVES ANY AND ALL RIGHTS CONFERRED UPON
19 IT BY ANY STATUTE OR RULE OF LAW WHICH PROVIDES THAT A RELEASE DOES
20 NOT EXTEND TO CLAIMS WHICH THE CLAIMANT DOES NOT KNOW OR SUSPECT
21 TO EXIST IN ITS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF
22 KNOWN BY IT MAY HAVE MATERIALLY AFFECTED ITS SETTLEMENT WITH THE
23 RELEASED PARTY. THE RELEASES CONTAINED IN THIS SECTION ARE EFFECTIVE
24 REGARDLESS OF WHETHER THOSE RELEASED MATTERS ARE PRESENTLY
25 KNOWN, UNKNOWN, SUSPECTED OR UNSUSPECTED, FORESEEN OR UNFORESEEN.

19 I. Limitation on Liability of Liquidation Trustee and GUC Distribution 20 Trustee

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

1 or claims that they may incur or sustain by reason of being, having been, or being or having been
2 employed by, the GUC Distribution Trustee, or for performing any function incidental to such
3 service.

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

12 J. Setoffs

13 Except as otherwise provided in the Plan, prior to the Effective Date, the Debtors, and on
14 and after the Effective Date, the Reorganized Debtors, the GUC Distribution Trustee or the
15 Liquidation Trustee, as applicable, pursuant to the Bankruptcy Code (including §§ 553 and 558),
16 applicable non-bankruptcy law, or as may be agreed to by the Holder of a Claim or Interest, may
17 set off against any Allowed Claim or Interest on account of any Proof of Claim or proof of
18 Interest or other pleading Filed with respect thereto prior to the Confirmation Hearing and the
19 distributions to be made pursuant to the Plan on account of such Allowed Claim or Interest
20 (before any distribution is made on account of such Allowed Claim or Interest), any claims,
21 rights, and Causes of Action of any nature that the Debtor's Estate may hold against the Holder
22 of such Allowed Claim or Interest, to the extent such claims, rights, or Causes of Action against
23 such Holder have not been otherwise compromised or settled on or prior to the Effective Date
24 (whether pursuant to the Plan or otherwise); provided that neither the failure to effect such a
25 setoff nor the allowance of any Claim or Interest pursuant to the Plan shall constitute a waiver or
26 release by the Debtors, the Reorganized Debtors, the GUC Distribution Trustee or the
27 Liquidation Trustee, as applicable, of any such claims, rights, and Causes of Action that the
28 Debtors' Estates may possess against such Holder. In no event shall any Holder of Claims or
Interests be entitled to set off any Claim or Interest against any claim, right, or Cause of Action of
the Debtor's Estate unless such Holder has timely Filed a Proof of Claim (including any Proof of
Claim timely Filed by the Governmental Bar Date) with the Court expressly preserving such
setoff; provided that nothing in the Plan shall prejudice or be deemed to have prejudiced the
Debtors', the Reorganized Debtors', the GUC Distribution Trustee's or the Liquidation Trustee's
right to assert that any Holder's setoff rights were required to have been asserted by motion or
pleading filed with the Court prior to the Effective Date, or any such Holder's right to assert that
there was no such requirement.

1 **K. Revesting of Property in Debtors**

2 Except as provided elsewhere in the Plan or in the Exchange Debt Documents, the
3 Effective Date of the Plan revests the assets of the Estate in the Reorganized Debtors, free and
4 clear of all Claims, liens, encumbrances, and Interests, except as expressly provided in the Plan.
5 From and after the Effective Date, Reorganized Debtors may operate their business and use,
6 acquire and dispose of property without supervision by the Court and free of any restrictions of
7 the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the
8 Plan and the Confirmation Order.

9 **L. Preservation of Restricted Funds for Charitable Purposes**

10 Pursuant to § 1123(b) and all other applicable law and subject to consent of the
11 Washington Attorney General, Reorganized Debtors shall be vested with and shall retain any and
12 all restricted funds, if any, formerly held by Debtors. All such funds shall be held in charitable
13 trust and may be used only for the restricted purposes permitted under applicable law. Debtors
14 are not aware of any restricted funds.

15 **M. Modification of Plan**

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

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

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

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

O. Post-Confirmation Status Report

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

1 **P. Quarterly Fees**

2 Quarterly fees accruing under 28 U.S.C. § 1930(a)(6) to date of Confirmation shall be
3 paid to the U.S. Trustee on or before the Effective Date of the Plan. Quarterly fees accruing under
4 28 U.S.C. § 1930(a)(6) after Confirmation shall be paid by the Liquidation Trust to the U.S.
5 Trustee in accordance with 28 U.S.C. § 1930(a)(6) and the Liquidation Trust Agreement until
6 entry of a final decree, or entry of an order of dismissal or conversion to chapter 7. If the
7 Liquidation Trust fails to timely pay the quarterly fees that come due after Confirmation, the
8 Reorganized Debtors shall remain obligated to pay the fees and may seek indemnification from
9 the Liquidation Trust.

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

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

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

22 **R. Final Decree**

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

26 Dated: December 22, 2020

DENTONS US LLP

27 By: /s/ Samuel R. Maizel

Samuel R. Maizel

Sam J. Alberts

Geoffrey M. Miller

Counsel to the Debtors and Debtors In
Possession

Dated: December 22, 2020

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

By: /s/ William Kannel

William Kannel

Ian A. Hammel

Counsel to the *Lapis Parties*

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Description	#116219861v9<US_Active> - Astria - Modified Plan - Multicare - UPDATED
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**Order Confirming Modified Second Amended Joint Chapter
11 Plan of Reorganization of Astria Health and its Debtor Affiliates**

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

IN RE:

ASTRIA HEALTH, et al.

Debtors.¹

Lead Case No. 19-01189-11

Jointly Administered

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

¹ 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), SHC 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).

Confirmation Order

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[RELATED DOCKET NO. ~~1986~~1986,
2196]

Astria Health, a Washington nonprofit public benefit corporation (“**Astria**”), and the above-referenced affiliated debtors and debtors in possession (collectively, the “**Debtors**”), in the above-referenced chapter 11 cases (the “**Chapter 11 Cases**”) and Lapis Advisers, LP as lender under the debtor in possession facility in the Chapter 11 Cases, agent under the Debtors’ prepetition credit agreement, and as investment advisor and investment manager for certain funds which are beneficial holders of those certain Washington Health Care Facilities Authority Revenue Bonds, Series 2017a Bonds and the Series 2017b Bonds (collectively the “**Lapis Parties**” and, together with the Debtors, the “**Plan Proponents**”), having proposed the *Second Amended Joint Chapter 11 Plan of Reorganization of Astria Health and Its Debtor Affiliates* [Docket No. 1986] (the “**Second Amended Plan**”) and the *Modified Second Amended Joint Chapter 11 Plan of Reorganization of Astria Health and Its Debtor Affiliates* [Docket No. 2196] (the “**Modified Second Amended Plan**,” together with the **Second Amended Plan**, the “**Plan**”);² the Court having conducted ~~a hearing~~hearings to consider confirmation of the Plan (“**Confirmation**”) on December 18, 21 and 23, 2020 (the “**Confirmation Hearing**”); the Court having considered: (i)(a) the *Certificate of Service of Leanne*

² All capitalized terms used but not defined herein have the meanings given to them in the Plan.

1 *V. Rehder re: Solicitation Materials Served on November 14, 2020* [Docket No.
2 2012] (the “**KCC Certificate of Service**”); (b) the *Supplemental Certificate of*
3 *Service of Heather Fellows re: Solicitation Materials Served on or Before*
4 *December 3, 2020* [Docket No. 2090] (together with Docket No. 2012, the “**KCC**
5 **Certificates of Service**”); (c) the *Certification of Leanne V. Rehder Scott with*
6 *Respect to the Tabulation of Votes on the Second Amended Joint Chapter 11 Plan*
7 *of Astria Health and Its Debtor Affiliates* [Docket No. 2121] (the “**Voting**
8 **Declaration**”); (d) the *Certificate of Publication of the Notice of (I) Approval of*
9 *the Disclosure Statement, (II) Deadline for Voting on the Plan, (III) Hearing to*
10 *Consider Confirmation of the Plan, and (IV) Deadline for Filing Objections to*
11 *Confirmation of the Plan in USA Today* [Docket No. 2026]; and (e) the *Certificate*
12 *of Publication of the Notice of (I) Approval of the Disclosure Statement, (II)*
13 *Deadline for Voting on the Plan, (III) Hearing to Consider Confirmation of the*
14 *Plan, and (IV) Deadline for Filing Objections to Confirmation of the Plan in*
15 *Yakima Herald Republic, Inc.* [Docket No. 2027] (together with Docket No. 2026,
16 the “**KCC Certificates of Publication**”), each admitted into evidence at the
17 Confirmation Hearing; (ii) the arguments of counsel presented at the Confirmation
18 Hearing; (iii) the *Memorandum of Law in Support of Confirmation of Second*
19 *Amended Joint Chapter 11 Plan and Response to Objections* (the “**Confirmation**
20 **Brief**”) [Docket No. 2124]; (iv) the additional responses and supplements filed in
21

1 support of the Plan and Confirmation Brief [Docket Nos. 2003, 2007, 2043,
2 ~~2082~~[2082](#), [2190](#)]; and (v) the objections [Docket Nos. 2065, 2066, 2068, 2077,
3 2079, ~~2125~~[2125](#), [2144](#)] (the “**Objections**”) to the Plan, and any withdrawals or
4 settlements thereof; and the Court having taken judicial notice of the entire docket
5 of the Debtors’ Chapter 11 Cases maintained by the Clerk of the Court and/or its
6 duly appointed agent, and all pleadings and other documents filed, all orders
7 entered, and evidence and arguments made, proffered, or adduced at the hearings
8 held before the Court during the pendency of the Chapter 11 Cases; and the Court
9 having found that due and proper notice has been given with respect to the
10 Confirmation Hearing and the deadlines and procedures for filing objections to the
11 Plan; and the Court having heard the statements and arguments made by counsel in
12 respect of Confirmation of the Plan, and all objections to Confirmation (including,
13 without limitation, any of the settlements to be approved pursuant to the Plan)
14 having been withdrawn, resolved as stated on the record or overruled; and the
15 appearance of all interested parties having been duly noted in the record of the
16 Confirmation Hearing; and upon the record of the Confirmation Hearing, and after
17 due deliberation thereon, and sufficient cause appearing therefor;

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21
Confirmation Order

- 4 -

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1 **I. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

2 IT IS HEREBY FOUND AND CONCLUDED, that:³

3 **JURISDICTION AND VENUE**

4 A. The Court has jurisdiction over this matter and these Chapter 11 Cases
5 pursuant to 28 U.S.C. § 1334.

6 B. Confirmation of the Plan is a core proceeding pursuant to 28 U.S.C. §
7 157(b)(2)(L), this Court has jurisdiction to enter a final order with respect thereto,
8 and this Court’s exercise of such jurisdiction is constitutional in all respects. The
9 Court has exclusive jurisdiction to determine whether the Plan complies with the
10 applicable provisions of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.*
11 as amended (the “**Bankruptcy Code**”),⁴ and should be confirmed.

12 C. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and
13 1409.

14 D. The Debtors are proper Debtors under § 109, and the Plan Proponents
15 are proper proponents of the Plan under § 1121(a).

16
17 ³ The findings of fact and conclusions of law set forth herein shall constitute
18 findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made
19 applicable to this proceeding by Bankruptcy Rule 9014. To the extent any of the
20 orders of this Bankruptcy Court constitute findings of fact or conclusions of law,
21 they are adopted as such. To the extent any of the findings of fact or conclusions
of law constitute an order of this Bankruptcy Court, they are adopted as such.

⁴ All references to “§” are to sections of the Bankruptcy Code; all references to
“**Bankruptcy Rules**” are to provisions of the Federal Rules of Bankruptcy
Practice; all references to “**LBR**” are to provisions of the Local Bankruptcy Rules
of the United States Bankruptcy Court for the Eastern District of Washington.

1 **COMPLIANCE WITH BANKRUPTCY RULE 3016 and LBR 3017-1**

2 E. The Plan is dated and identifies the entities submitting and filing it,
3 thereby complying with Bankruptcy Rule 3016(a). Section 1.39 of the Plan
4 expressly defines “Consummation” as “the occurrence of the Effective Date,” and
5 Section III.AABB expressly lists the conditions to occurrence of the Effective
6 Date, thereby complying with LBR 3017-1(d)(1). The filing of the Disclosure
7 Statement complied with Bankruptcy Rule 3016(b) and LBR 3017-1(a).

8 **PROPER NOTICE**

9 F. As described below and as evidenced by the KCC Certificates of
10 Service and KCC Certificates of Publication, due, adequate and sufficient notice of
11 the Disclosure Statement, the Plan, the Plan Supplement, and the Confirmation
12 Hearing, together with all deadlines for voting on or objecting to the Plan and with
13 respect to confirmation was given in compliance with applicable law, including,
14 without limitation, the Bankruptcy Rules, and no other or further notice is or shall
15 be required.

16 **STANDARDS FOR CONFIRMATION UNDER § 1129 OF THE**
17 **BANKRUPTCY CODE**

18 G. The Plan Proponents have met their burden of proving the elements of
19 §§ 1129(a) and 1129(b) by a preponderance of the evidence, which is the
20 applicable evidentiary standard for confirmation of the Plan. Further, the Plan
21 Proponents have proven the elements of §§ 1129(a) and 1129(b) by clear and

1 convincing evidence. The evidentiary record of the Confirmation Hearing supports
2 the findings of fact and conclusions of law set forth in the following paragraphs.

3 H. § 1129(a)(1). The Plan complies with each applicable provision of the
4 Bankruptcy Code. Pursuant to §§ 1122(a) and 1123(a)(1), Section II of the Plan
5 provides for the separate classification of Claims into eight Classes or Sub Classes,
6 based on reasonable and appropriate differences in the legal nature or priority of
7 such Claims (other than Administrative Claims, Priority Tax Claims, Professional
8 Fee Claims, and DIP Claims, which are addressed in Section II.D of the Plan and
9 which are not required to be designated as separate Classes pursuant to §
10 1123(a)(1)). In particular, the Plan complies with the requirements of §§ 1122 and
11 1123 as follows:

12 1. In accordance with § 1122(a), Section II of the Plan classifies
13 each Claim against the Debtors into a Class containing only
14 substantially similar Claims;

15 2. In accordance with § 1123(a)(1), Section II of the Plan properly
16 classifies all Claims that require classification. Separate classification
17 was not done for any improper purpose and does not unfairly
18 discriminate between or among holders of Claims;

19 3. In accordance with § 1123(a)(2), Section II of the Plan properly
20 identifies and describes each Class of Claims that is not Impaired
21 under the Plan;

4. In accordance with § 1123(a)(3), Section II of the Plan properly
identifies and describes the treatment of each Class of Claims that is
Impaired under the Plan;

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5. In accordance with § 1123(a)(4), the Plan provides the same treatment for each Claim within a particular Class unless the holder of such a Claim has agreed to less favorable treatment;

6. In accordance with § 1123(a)(5), the Plan, including the Plan Supplement, provides, in detail, adequate and proper means for its implementation;

7. In accordance with § 1123(a)(6), i.e., that, if a debtor is a corporation, its plan must prohibit the issuance of nonvoting equity securities, the Debtors, as nonprofit entities, will not issue any stock or other securities under the Plan and therefore the Plan comports with § 1123(a)(6);

8. In accordance with § 1123(a)(7), the provisions of the Plan regarding the manner of selection of directors of Reorganized Debtors are consistent with the interests of creditors and equity security holders (of which there are none) and with public policy;

9. In accordance with § 1123(b)(1), Section II of the Plan impairs or leaves unimpaired, as the case may be, each Class of Claims;

10. In accordance with § 1123(b)(2), Section IV.B of the Plan provides for the rejection of the executory contracts and unexpired leases of the Debtors that have not been identified on the Schedule of Assumed Agreements, previously assumed, assumed and assigned, or rejected pursuant to § 365 and orders of the Court;

11. In accordance with §§ 363 and 1123(b)(3) and Bankruptcy Rule 9019 and LBR 9019-1, Section VII.B of the Plan provides for the good faith compromise and settlement of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a holder of any Claim may have with respect to any Allowed Claim or any distribution to be made on account of such an Allowed Claim, including, but not limited to, approval of the Senior Debt 9019 Settlement and the Committee Plan Settlement as set forth

1 in Section III of the Plan. The Plan further provides, in accordance
2 with § 1123(b)(3), that the Reorganized Debtors, the GUC
3 Distribution Trust, and/or the Liquidating Trust, as applicable, will
4 retain and may directly or through the Liquidating Trustee enforce any
claims, demands, rights, defenses and Causes of Action that any
Debtors may hold against any entity, to the extent not expressly
released under the Plan;

5 12. In accordance with § 1123(b)(5), Section II of the Plan modifies
6 or leaves unaffected, as the case may be, the rights of holders of
Claims in Classes 1 through 4A;

7 13. In accordance with § 1123(b)(6), the Plan includes additional
8 appropriate provisions that are not inconsistent with applicable
9 provisions of the Bankruptcy Code; and

10 14. In accordance with § 1123(d), Section IV.A of the Plan provides
11 for the satisfaction of cure amounts associated with each Executory
12 Agreement to be assumed pursuant to the Plan in accordance with §
365(b)(1). All cure amounts will be determined in accordance with
the underlying agreements and applicable law.

13 I. **§ 1129(a)(2).** The Plan Proponents have complied with all applicable
14 provisions of the Bankruptcy Code as required by § 1129(a)(2), including §§ 1122,
15 1123, 1124, 1125, 1126, 1127, and 1128, Bankruptcy Rules 3017, 3018, and 3019,
16 and LBR 3017-1 and 3018-1, and all other applicable rules, laws and regulations
17 with respect to the Plan and the solicitation of acceptances or rejections thereof. In
18 particular, acceptances or rejections of the Plan were solicited in good faith and in
19 compliance with the requirements of §§ 1125 and 1126 as follows:

20 1. In compliance with the *Order Granting Joint Motion for an*
21 *Order Approving (I) Disclosure Statement; (II) Solicitation and*
Voting Procedures; (III) Notice Procedures; (IV) Notice and

1 *Objection Procedures for Confirmation of Joint Plan of*
2 *Reorganization; and (V) Granting Related Relief* entered on
3 November 12, 2020 [Docket No. 1991] (the “**Disclosure Statement**

4 **Order**”), on November 14, 2020, the Plan Proponents, through their
5 claims and noticing agent, Kurtzman Carson Consultants LLC
6 (“**KCC**”), caused copies of the following materials to be served on all
7 holders of Claims in Classes that were entitled to vote to accept or
8 reject the Plan (i.e., Claims in Classes 2A through 4A); *see* KCC
9 Certificate of Service, at ¶¶ 5-10; Voting Declaration, at ¶ 6:

- 10 • a written notice (the “**Confirmation Hearing Notice**”) of (a)
11 the Court’s approval of the Disclosure Statement, (b) the voting
12 deadline, (c) the date and time of the Confirmation Hearing, and
13 (d) the Confirmation objection deadline and procedures;
- 14 • the Disclosure Statement (together with the exhibits thereto,
15 including the Plan and the Disclosure Statement Order) in
16 electronic format; and
- 17 • the appropriate form of Ballot with a postage prepaid return
18 envelope.

19 2. In compliance with the Disclosure Statement Order, on
20 November 14, 2020, the Plan Proponents, through KCC, caused a
21 copy of the notice of non-voting status to be served on all holders of
Claims and Interests in the non-voting classes (i.e., Class 1) or
otherwise unclassified. *See* KCC Certificate of Service, at ¶ 1; Voting
Declaration, at ¶ 6.

3. In compliance with the Disclosure Statement Order, on
November 14, 2020, the Plan Proponents, through KCC, caused a
copy of the Confirmation Hearing Notice to be served on all parties in
the creditor database maintained by KCC not otherwise served
pursuant to paragraphs 1 and 2 above, including, but not limited to, (a)
all non-Debtor parties to Executory Contracts, and (b) all holders of
Administrative Claims and Priority Tax Claims. *See* Voting
Declaration at ¶ 6.

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- (h) the D&O Cause of Action Agreement, filed on November 25, 2020 [Docket No. 2043]; ~~and~~
- (i) Revised Financial Projections, filed on November 25, 2020 [Docket No. 2043];
- (j) Multicare Credit Agreement, filed on December 22, 2020 [Docket No. 2197]; and
- (k) Exit Loan Escrow Agreement, filed on December 22, 2020 [Docket No. 2197].

6. Section III.H of the Plan provides that the Reorganized Debtors will provide management for the Hospitals after the Effective Date. ~~AH Systems will~~ Unless the Multicare Transaction Payment has been funded and irrevocably released to the Lapis Parties on or before the Effective Date, AH Systems shall serve as the sole member of the Reorganized Debtors ~~and it.~~ It is expected that all AHM employees currently serving as officers or employees of the Debtors will be offered employment by ~~AH System~~ the Reorganized Debtors. Further, the Debtors filed a Plan Supplement which identified the new directors for the Reorganized Debtors [Docket No. 2043, Exhibit C]. Accordingly, the Plan satisfies the requirements of § 1129(a)(5).

~~7. In the interest of clarifying and consensually resolving outstanding issues and informal objections to confirmation of the Plan, the Plan Proponents have made certain non-material modifications to the Plan (the "Non-Material Modifications") as set forth more fully in the Confirmation Brief and related Plan Supplements.~~

~~7.~~ 8. The Confirmation Hearing Notice provided due and proper notice of the Confirmation Hearing and all relevant dates, deadlines, procedures and other information relating to the Plan and/or the solicitation of votes thereon, including, without limitation, the voting deadline, the objection deadline, the time, date and place of the Confirmation Hearing and the release provisions in the Plan.

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8. ~~9.~~ All persons entitled to receive notice of the Disclosure Statement, the Plan, and the Confirmation Hearing have received proper, timely and adequate notice in accordance with the Disclosure Statement Order, applicable provisions of the Bankruptcy Code, Bankruptcy Rules, and LBR, and have had an opportunity to appear and be heard with respect thereto.

9. ~~10.~~ The Plan Proponents solicited votes with respect to the Plan in good faith and in a manner consistent with the Bankruptcy Code, the Bankruptcy Rules, and the Disclosure Statement Order. Accordingly, the Plan Proponents are entitled to the protections afforded by § 1125(e) and the exculpation provisions set forth in Section VII.E of the Plan.

10. ~~11.~~ Claims in Class 1 under the Plan are unimpaired, and such Class is deemed to have accepted the Plan pursuant to § 1126(f).

11. ~~12.~~ The Plan Proponents solicited votes on the Plan by all Classes of Impaired Claims that were entitled to vote pursuant to the Bankruptcy Code, the Bankruptcy Rules, and the Disclosure Statement Order (i.e., Classes 2A through 4A). See Voting Declaration, at ¶ 11 and Exhibit A thereto. The Plan was voted on by all but one Class of Impaired Claims that was entitled to vote, none of whose members submitted a completed Ballot (Class 4A). *Id.*

12. ~~13.~~ KCC has made a final determination of the validity of, and tabulation with respect to, all acceptances and rejections of the Plan by holders of Claims entitled to vote on the Plan, including the amount and number of accepting and rejecting Claims in Classes 2A through 4A under the Plan. See Voting Declaration, at ¶ 11 and Exhibit A thereto.

13. ~~14.~~ Each of Classes 2A, 2B, 2C, 3, and 4 has accepted the Plan because holders of Claims in such Classes of at least two-thirds in amount and a majority in number of the Claims in such Classes actually voted to accept the Plan. See Voting Declaration, at ¶ 12 and

1 actions authorized and directed or contemplated by this Order. Thus, the Plan
2 satisfies the requirements of § 1129(a)(3).

3 K. § 1129(a)(4). The Plan provides that Professional Fee Claims
4 submitted by professionals for services incurred prior to the Effective Date will be
5 entitled to payment only if they are approved by, or are subject to the approval of,
6 the Bankruptcy Court as reasonable, thereby satisfying the requirements of §
7 1129(a)(4).

8 L. § 1129(a)(5). The Plan Proponents have disclosed the identities of the
9 directors of the new directors for the Reorganized Directors. [See Docket No.
10 2043, Exhibit C]. The Plan Proponents have therefore satisfied the requirements of
11 § 1129(a)(5).

12 M. § 1129(a)(6). The Plan does not provide for any changes in rates that
13 require regulatory approval of any governmental agency and therefore, the
14 requirements of § 1129(a)(6) are inapplicable to confirmation of the Plan.

15 N. § 1129(a)(7). The liquidation analysis set forth in Exhibit A to the
16 Disclosure Statement and other evidence proffered or adduced at or prior to the
17 Confirmation Hearing, or in the Lane Declaration in connection with the
18 Confirmation Hearing: (a) are reasonable, persuasive, accurate and credible; (b)
19 utilize reasonable and appropriate methodologies and assumptions; (c) have not
20 been controverted by any other evidence; and (d) establish that each holder of a
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1 Claim in an Impaired Class either (i) has accepted the Plan, or (ii) will receive or
2 retain under the Plan, on account of such Claim property of a value, as of the
3 Effective Date of the Plan, that is not less than the amount that it would receive if
4 the Debtors were liquidated under Chapter 7 of the Bankruptcy Code on such date.

5 O. § 1129(a)(9). The Plan provides treatment for Administrative Claims,
6 Priority Tax Claims, and Priority Claims that is consistent with the requirements of
7 § 1129(a)(9).

8 P. § 1129(a)(10). The Plan has been accepted by all classes of Impaired
9 Claims that are entitled to vote on the Plan other than Class 4A (*i.e.*, Classes 2A
10 through 4), determined without including any acceptance of the Plan by any
11 “insider.” See Voting Declaration, Exhibit A.

12 Q. § 1129(a)(11). The Plan is feasible, within the meaning of §
13 1129(a)(11). The projections of the liquidity and financial information, including,
14 without limitation, the projections of the Debtors as of the Effective Date, are
15 reasonable and made in good faith. The evidence provided in support of the Plan
16 or adduced by the Debtors or other Plan Proponents at, or before, the Confirmation
17 Hearing or in the Lane Declaration: (a) is reasonable, persuasive, credible and
18 accurate as of the dates such analysis or evidence was prepared, presented or
19 proffered; (b) utilizes reasonable and appropriate methodologies and assumptions;
20 and (c) has not been controverted by any other admissible evidence. The Plan
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1 Proponents have demonstrated a reasonable assurance of the Plan's prospects for
2 success.

3 R. § 1129(a)(12). The Plan provides that fees payable pursuant to 28
4 U.S.C. § 1930 will be paid by the Debtors on or before Confirmation. After
5 Confirmation, all fees payable pursuant to 28 U.S.C. § 1930 will be paid by the
6 Liquidation Trust until entry of a final decree, or entry of an order of dismissal or
7 conversion to chapter 7. If the Liquidation Trust fails to timely pay the quarterly
8 fees that come due after Confirmation, the Reorganized Debtors shall remain
9 obligated to pay the fees and may seek indemnification from the Liquidation Trust.

10 S. § 1129(a)(13). The Debtors are not obligated to pay any retiree
11 benefits pursuant to § 1114, and therefore, the requirements of § 1129(a)(13) are
12 inapplicable to confirmation of the Plan.

13 T. §§ 1129(a)(14) and (15). The Debtors do not owe any domestic
14 support obligations and are not individuals. Therefore, the requirements of §§
15 1129(a)(14) and 1129(a)(15) are inapplicable to confirmation of the Plan.

16 U. § 1129(a)(16). The Plan satisfies § 1129(a)(16) and any applicable
17 non-bankruptcy law that governs transfers of property under a plan to be made by a
18 nonprofit entity. Section 1129(a)(16) does not require the Bankruptcy Court to
19 remand or refer any proceeding, issue, or controversy to any court other than the
20 Bankruptcy Court or to require the approval of any court (including, without
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1 limitation, any Washington court under the Nonprofit Laws) other than the
2 Bankruptcy Court for any prior, current, or future transfer of property. Therefore,
3 because the Plan contains the Bankruptcy Court's approval of any prior, current, or
4 future property transfers, the Plan satisfies the requirements of § 1129(a)(16).

5 V. **§ 1129(b).** The Plan does not satisfy § 1129(a)(8) because Class 4A
6 members did not submit any ballots and, thus, are deemed to have rejected the
7 Plan. However, the Debtors are non-profit corporations, the Plan's treatment of
8 Class 4A is fair and equitable and does not unfairly discriminate against the class
9 of claims ~~and, thus,~~ and there is no class of claims junior to Class 4A that will
10 receive any distribution under the Plan. Accordingly, the Plan satisfies the
11 requirements of § 1129(b).

12 W. **§ 1129(c).** The Plan (including previous versions thereof) is the only
13 plan that has been filed in these Chapter 11 Cases that has been found to satisfy the
14 requirements of ~~subsections~~ subsection (a) of § 1129. Accordingly, confirmation of
15 the Plan complies with the requirements of § 1129(c).

16 X. **§ 1129(d).** No party in interest has requested that the Court deny
17 Confirmation of the Plan on grounds that the principal purpose of the Plan is the
18 avoidance of taxes or the avoidance of the application of § 5 of the Securities Act,
19 and the principal purpose of the Plan is not such avoidance. Accordingly, the Plan
20 satisfies the requirements of § 1129(d).

1 Y. § 1129(e). None of these Chapter 11 Cases is a small business case
2 within the meaning of the Bankruptcy Code.

3 Z. Based upon the foregoing and all other pleadings and evidence
4 proffered or adduced at or prior to the Confirmation Hearing, the Plan and the Plan
5 Proponents satisfy the requirements for confirmation set forth in § 1129 and the
6 LBR.

7 MODIFICATIONS TO THE PLAN

8 AA. The modifications and clarifications ~~filed~~included in the
9 ~~amended~~Modified Second Amended Plan (the “**Non-Material Modifications**”),
10 ~~including as set forth in the Notice of Errata to Second Amended Plan, Ballots and~~
11 ~~Confirmation Hearing Notices filed at docket number 2007,~~only affect the
12 treatment of the Claims held by the Lapis Parties, which accepted the Plan. The
13 Non-Material Modifications do not materially or adversely affect ~~or change the~~
14 ~~treatment of any Claim against any Debtor. The~~the treatment of any Class voting
15 to accept the Second Amended Plan. They also do not adversely affect other
16 Holders of Claims that voted not to accept the Second Amended Plan within an
17 accepting Class. No Holder of Claims is adversely affected by the Non-Material
18 Modifications.

19 BB. Accordingly, the Non-Material Modifications do not require
20 additional disclosure under § 1125 or the re-solicitation of acceptances or
21 rejections of the Plan under § 1126.

1 CC. ~~BB.~~ The filing of the Modified Second Amended Plan ~~and, including~~
2 the Non-Material Modifications, constitute due and sufficient notice thereof under
3 the circumstances of the Chapter 11 Cases. Accordingly, the Modified Second
4 Amended Plan is properly before the Bankruptcy Court, and all votes cast with
5 respect to the Second Amended Plan prior to the Non-Material Modifications shall
6 be binding and shall apply with respect to the Modified Second Amended Plan.

7 IMPLEMENTATION OF THE PLAN

8 DD. ~~CC.~~ All documents and agreements necessary to implement the Plan,
9 including, but not limited to, the Plan Supplement documents, are essential
10 elements of the Plan and consummation of each agreement is in the best interests of
11 the Debtors, the Estates, and Holders of Claims. The Debtors and, where
12 applicable, the other Plan Proponents, have exercised reasonable business
13 judgment in determining to enter into the contemplated agreements, and the
14 agreements have been negotiated in good faith, at arms'-length, are fair and
15 reasonable, and shall, upon execution and upon the occurrence of the Effective
16 Date, constitute legal, valid, binding, enforceable, and authorized obligations of the
17 respective parties thereto and will be enforceable in accordance with their terms.
18 Pursuant to § 1142(a), the Plan Supplement documents, and any other agreements
19 necessary to implement the Plan will apply and be enforceable notwithstanding any
20 otherwise applicable non-bankruptcy law.

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CONDITIONS TO THE CONFIRMATION OF THE PLAN

EE. ~~DD.~~ Each of the conditions precedent to entry of this Order has been satisfied in accordance with Section III.ZAA of the Plan.

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

EE. ~~EE.~~ Pursuant to §§ 365 and 1123(b)(2), upon the occurrence of the Effective Date, Section IV of the Plan provides for the assumption or rejection of certain Executory Contracts. The Plan Proponents’ determinations regarding the assumption or rejection of Executory Contracts are based on and within the sound business judgment of the Plan Proponents, are necessary to the implementation of the Plan, and are in the best interests of the Debtors, their Estates, Holders of Claims and other parties in interest in the Chapter 11 Cases. The Plan Proponents are authorized to make modifications to the Schedule of Assumed Agreements as provided for in the Plan.

THE SETTLEMENTS UNDER THE PLAN

GG. ~~FF.~~ The Plan settles numerous litigable issues in the Chapter 11 Cases pursuant to Bankruptcy Rule 9019, LBR 9019-1, and §§ 363 and 1123. These settlements are in consideration for the distributions and other benefits provided under the Plan. Any other compromise and settlement provisions of the Plan and the Plan itself constitute a compromise of all Claims or Causes of Action relating to the contractual, legal and subordination rights that a Holder of a Claim may have

1 with respect to any Allowed Claim or any distribution to be made on account of
2 such an Allowed Claim.

3 HH. ~~GG.~~ In consideration of the Senior Debt 9019 Settlement and the
4 Committee Plan Settlement embodied in the Plan, pursuant to Bankruptcy Rule
5 9019, LBR 9019-1, and § 1123 and in consideration for the distributions, releases,
6 and other benefits provided under the Plan, the provisions of the Plan shall upon
7 the Effective Date constitute a good-faith compromise and settlement as reflected
8 therein and in all and any related documents. The entry of this Confirmation Order
9 constitutes the Court's approval of each of the Senior Debt 9019 Settlement and
10 the Committee Plan Settlement and all other compromises and settlements
11 provided for in the Plan. The Court finds that such compromises and settlements
12 are in the best interests of the Debtors, their estates, creditors, and other parties in
13 interest, and are fair, equitable, and within the range of reasonableness and
14 consistent with the Debtors' reasonable business judgment.

15 II. ~~HH.~~ In reaching its decision on the substantive fairness of the Senior
16 Debt 9019 Settlement, the Committee Plan Settlement, and the Plan, the Court
17 considered the following factors for each such settlement: (i) the balance between
18 the relevant parties' respective probability of success and the settlements' future
19 benefits; (ii) the likelihood of complex and protracted litigation and the risk and
20 difficulty of collecting on the judgment; (iii) the proportion of creditors and parties
21 in interest that support the settlements; (iv) the competency of counsel reviewing

1 the settlement terms; (v) the nature and breadth of releases to be obtained; and (vi)
2 the extent to which the settlements are the product of arm's length bargaining.

3 DEEMED CONSOLIDATION

4 JJ. ~~II.~~—As set forth more fully in the Disclosure Statement and
5 Confirmation Brief, the Plan provides for the “deemed” consolidation of the
6 Debtors. The Disclosure Statement sets forth (i) the legal requirements to establish
7 deemed consolidation, and (ii) the factual bases supporting the Debtors’ request for
8 deemed consolidation, which are fully incorporated herein by this reference. Based
9 on the foregoing, the deemed consolidation of the Debtors set forth in the Plan is
10 appropriate because the Debtors satisfy the requirements for deemed consolidation
11 set forth in *Alexander v. Compton (In re Bonham)*, 229 F.3d 750 (9th Cir. 2000),
12 including, among other things, that it would be economically costly and
13 time-consuming to attempt to analyze and determine which debts are owed by
14 which specific Debtor entities, and then to unwind or otherwise bring
15 intercompany actions to obtain recoveries. The cost of the analysis alone would be
16 at the expense of recoveries to unsecured creditors in these Chapter 11 Cases.

17 RELEASES, EXCULPATIONS AND INJUNCTIONS OF RELEASED 18 PARTIES

19 KK. ~~JJ.~~—Each non-Debtor Released Party or Exculpated Party that will
20 benefit from the releases, exculpations, and related injunctions set forth in the Plan
21 (collectively, the “Plan Releases”) either shares an identity of interest with the

1 Debtors, was instrumental to the successful prosecution of the Chapter 11 Cases,
2 and/or provided a substantial contribution to the Debtors, which value provided a
3 significant benefit to the Debtors' estates and general unsecured creditors, and
4 which will allow for distributions that would not otherwise be available but for the
5 contributions made by such non-Debtor parties. The Plan Releases in Section VII
6 of the Plan are, individually and collectively, integral to, and necessary for the
7 successful implementation of, the Plan and are supported by reasonable
8 consideration.

9 WAIVER OF STAY

10 LL. ~~KK.~~ Under the circumstances, it is appropriate that the 14-day stay
11 imposed by Bankruptcy Rules 3020(e) and 7062(a) be waived.

12 **II. ORDER**

13 BASED ON THE FOREGOING FINDINGS OF FACT AND
14 CONCLUSIONS OF LAW, IT IS THEREFORE HEREBY ORDERED,
15 ADJUDGED, AND DECREED AS FOLLOWS:

16 1. **Confirmation of the Plan.** The Plan (including the Plan Supplement
17 as may be amended from time to time) and each of its provisions (whether or not
18 specifically set forth and approved in this Order), including, but not limited to, the
19 deemed consolidation of the Debtors, is and are CONFIRMED in each and every
20 respect, pursuant to § 1129, and the terms of the Plan and the Plan Supplement are
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1 (other than as expressly provided for in the Plan for any amendments to the
2 Schedule of Assumed Contracts).

3 3. **Objections.** The Objections to confirmation of the Plan are
4 OVERRULED in their entirety except as otherwise set forth herein.

5 4. **Plan Classification Controlling.** The terms of the Plan shall solely
6 govern the classification of Claims for purposes of the distributions to be made
7 thereunder. The classifications set forth on the Ballots tendered to or returned by
8 the holders of Claims in connection with voting on the Plan pursuant to the
9 Disclosure Statement Order: (a) were set forth on the Ballots solely for purposes of
10 voting to accept or reject the Plan; (b) do not necessarily represent, and in no event
11 shall be deemed to modify or otherwise affect, the actual classification of such
12 Claims under the Plan for distribution purposes; (c) may not be relied upon by any
13 holder of a Claim as representing the actual classification of such Claim under the
14 Plan for distribution purposes; and (d) shall not be binding on the Plan Proponents,
15 Reorganized Debtors, GUC Distribution Trust, or, in the event the Multicare
16 Transaction Payment is not funded and irrevocably released to the Lapis Parties on
17 or before the Effective Date, the Liquidation Trust, except for voting purposes.

18 5. **Order Binding on All Parties.** Notwithstanding Bankruptcy Rules
19 3020(e) or 7062 or otherwise, upon the occurrence of the Effective Date, the terms
20 of the Plan and this Order shall be immediately binding upon, and inure to the
21 benefit of: (a) the Plan Proponents; (b) the Reorganized Debtors; (c) the

Confirmation Order

- 26 -

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1 such Claims on the Reorganized Debtors within thirty (30) days after the Effective
2 Date (the “**Supplemental Administrative Claims Bar Date**,” and together with
3 the Initial Administrative Claims Bar Date, the “**Administrative Claims Bar**
4 **Date**”). Holders of Administrative Claims that were required to, but did or do not,
5 file and serve a request for payment of such Administrative Claims by the
6 applicable Administrative Claims Bar Date are and will be forever barred, estopped
7 and enjoined from asserting such Administrative Claims against the Debtors or
8 their property and such Administrative Claims shall be deemed discharged as of the
9 Effective Date.

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

5 (c) **Statutory Fees.** Pursuant to Section VII.P of the Plan,
6 ~~all quarterly fees required to be paid by~~ accruing under 28 U.S.C. § 1930(a)(6) ~~and~~
7 ~~any interest thereon~~ (“**U.S. Trustee Fees**”) to date of Confirmation shall be paid to
8 the U.S. Trustee on or before the Effective Date of the Plan. U.S. Trustee Fees
9 accruing after Confirmation shall be paid by the Liquidation ~~Trustee in the~~
10 ~~ordinary course of business until the closing,~~ Trust to the U.S. Trustee in
11 accordance with 28 U.S.C. § 1930(a)(6) and the Liquidation Trust Agreement until
12 entry of a final decree, or entry of an order of dismissal or conversion of these
13 ~~Chapter 11 Cases to another chapter of the Bankruptcy Code. Any unpaid U.S.~~
14 ~~Trustee Fees that accrued before the Effective Date shall be paid no later than~~
15 ~~thirty (30) days after the Effective Date~~ to chapter 7. If the Liquidation Trust fails to
16 timely pay the U.S. Trustee Fees that come due after Confirmation, the
17 Reorganized Debtors shall remain obligated to pay the fees and may seek
18 indemnification from the Liquidation Trust.

19 8. Authorization of Exit Loan. Upon entry of this Confirmation Order,
20 the Debtors are authorized to execute the Multicare Credit Agreement and the Exit
21 Loan Escrow Agreement and any other related documents to implement the terms

Confirmation Order

- 30 -

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7684176-v2

US Active-116134065116218193V-613

19-01189-WLH11 Doc 2199-2 Filed 12/22/20 Entered 12/22/20 13:58:27 Pg 31 of

1 as agreements binding on the Debtors and Debtors in Possession and the
2 Reorganized Debtors. In accordance with and subject to the terms of the Multicare
3 Credit Agreement, in the event that a notice of appeal from this Order is filed,
4 Multicare shall not be obligated to fund the Exit Loan or make the Multicare
5 Transaction Payment.

6 9. ~~8.~~ **Post-Effective Date Corporate Actions.** ~~On and after~~ Unless the
7 Multicare Transaction Payment is funded and irrevocably released to the Lapis
8 Parties by the Effective Date, then the post-Effective Date corporate actions shall
9 be effectuated pursuant to Section III.~~DE~~ of the Plan, ~~and the.~~ The Reorganized
10 Debtors, ~~(controlled by AH System as the sole member, in the event the Multicare~~
11 Transaction Payment is not funded and irrevocably released to the Lapis Parties by
12 the Effective Date) will provide the management for the Hospitals pursuant to
13 Section III.~~IJ~~ of the Plan, ~~both.~~ Both of these provisions which are specifically
14 approved in all respects, are incorporated herein in their entirety, and are so
15 ordered.

16 (a) **Continued Existence.** Pursuant to the Plan, on and after the
17 Effective Date, the Debtors, except for the Liquidating Debtors, shall continue in
18 existence as the Reorganized Debtors, subject only to those restrictions expressly
19 imposed by the Plan or this Confirmation Order as well as the documents and
20 instruments executed and delivered in connection with the Plan, including the
21

1 documents, exhibits, instruments, and other materials constituting the Plan
2 Supplement.

3 (b) **Termination of the Patient Care Ombudsman.** Pursuant to
4 Section VII.N of the Plan, on the Effective Date, the ~~responsibilities~~appointment of
5 the PCO ~~will~~shall be deemed terminated and she ~~may~~is authorized to dispose of
6 any documents provided to her in the course of her reporting.

7 (c) **Termination of the Committee.** Pursuant to Section III.~~JK~~JK of
8 the Plan, on the Effective Date, the Committee shall be deemed dissolved, the
9 retention and employment of the Committee's Professionals shall be deemed
10 terminated, and the members of the Committee shall be deemed released and
11 discharged of and from all further authority, duties, responsibilities, and
12 obligations related to and arising from and in connection with the Chapter 11
13 Cases, other than for purposes of filing and/or objecting to final fee applications
14 filed in the Chapter 11 Cases; provided, however, that the Committee's obligations
15 arising under confidentiality agreements, joint interest agreements, and protective
16 orders, if any, entered during the Chapter 11 Cases shall remain in full force and
17 effect according to their terms.

18 (d) **Formation of the POC.** Pursuant to Section III.~~JK~~JK of the Plan,
19 on the Effective Date, the post-Effective Date oversight committee (as defined in
20 Section ~~1.122~~1.128 of the Plan, the "**POC**") shall be appointed. The members that
21

1 shall serve on the POC were selected by the Committee and have been disclosed in
2 the Plan Supplement.

3 (e) Appointment of GUC Distribution Trustee. Steven D Sass
4 LLC is appointed as the GUC Distribution Trustee as of the date of the execution
5 of the GUC Distribution Trust Agreement. The parties to the GUC Distribution
6 Trust Agreement are authorized to make non-material modifications to the GUC
7 Distribution Trust Agreement to conform the GUC Distribution Trust Agreement
8 to the Modified Second Amended Plan prior to the execution of the GUC
9 Distribution Trust Agreement.

10 10. 9-Means for Implementation of the Plan. On and after the Effective
11 Date, the Plan's implementation shall be effectuated pursuant to Section III of the
12 Plan, which is specifically approved in all respects, is incorporated herein in its
13 entirety, and is so ordered.

14 (a) **The Settlement Agreements.** Pursuant to Sections III.A and
15 III.B of the Plan, Bankruptcy Rule 9019, LBR 9019-1, and § 1123(b)(3), the entry
16 of this Confirmation Order constitutes the Bankruptcy Court's approval, as of the
17 Effective Date, of each of the Senior Debt 9019 Settlement and Committee Plan
18 Settlement and the finding that (i) entering into each of the Senior Debt 9019
19 Settlement and Committee Plan Settlement is in the best interests of the Debtors,
20 their Estates, and their Claim Holders, (ii) each of the Senior Debt 9019 Settlement
21 and Committee Plan Settlement is fair, equitable, and reasonable, and (iii) each of

1 the Senior Debt 9019 Settlement and Committee Plan Settlement meets all the
2 standards set forth in Bankruptcy Rule 9019 and § 1123(b)(3).

3 (b) **No Further Court Authorization.** Pursuant to Section V of
4 the Plan, and except as provided in the Plan or this Confirmation Order, on and
5 after the Effective Date, the Reorganized Debtors (and with respect to General
6 Unsecured Claims, the GUC Distribution Trustee) shall have the sole authority to
7 administer and adjust the Claims Register with respect to Claims to reflect any
8 such settlements or compromises and no further notice to or action, order, or
9 approval of the Court with respect to such settlements or compromises shall be
10 required. Pursuant to Section VII.K of the Plan, from and after the Effective Date,
11 Reorganized Debtors may operate their business and use, acquire and dispose of
12 property without supervision by the Court and free of any restrictions of the
13 Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly
14 imposed by the Plan and this Confirmation Order.

15 (c) Except as set forth in the Plan, all actions authorized to be taken
16 pursuant to the Plan shall be effective on, prior to, or after the Effective Date, as
17 applicable, pursuant to this Confirmation Order without further application to, or
18 order of, this Court, or further action by the respective trustees, directors, or
19 members of the Reorganized Debtors and the Liquidation Trust.

20 (d) To the extent that, under applicable non-bankruptcy law, any of
21 the foregoing actions would otherwise require the consent or approval of the

1 directors of any of the Debtors, Reorganized Debtors, or the Liquidation Trust, this
2 Confirmation Order shall, pursuant to § 1142, constitute such consent or approval,
3 and such actions are deemed to have been taken by unanimous action of the
4 directors of the appropriate Debtor, the Reorganized Debtors, or the Liquidation
5 Trust, unless the Plan expressly provides that such party must provide such consent
6 after the Effective Date.

7 (e) Each federal, state, commonwealth, local, foreign, or other
8 governmental agency is hereby directed and authorized to accept any and all
9 documents, mortgages, and instruments necessary or appropriate to effectuate,
10 implement, or consummate the transactions contemplated by the Plan and this
11 Confirmation Order.

12 (f) All transactions effected by the Debtors during the pendency of
13 the Chapter 11 Cases from the Petition Date through the Confirmation Date are
14 approved and ratified.

15 (g) **Preservation of Insurance**. Nothing in the Plan shall diminish,
16 impair, or otherwise affect distributions from the proceeds or the enforceability of
17 any insurance policies that may cover (a) Claims by any Debtor, or (b) Claims
18 against any Debtor or covered Persons thereunder, pursuant to Section III.~~NO~~ of
19 the Plan.

20 11. ~~10.~~ **Plan Distributions**. On and after the Effective Date, distributions
21 on account of Allowed Claims and the resolution and treatment of Disputed Claims

Confirmation Order

- 35 -

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7684176-v2

US Active 116134065116218193V-613

1 shall be effectuated pursuant to Sections II and III of the Plan, which are
2 specifically approved in all respects, are incorporated herein in their entirety, and
3 are so ordered. The record date for making distributions under the Plan shall be the
4 date of entry of this Confirmation Order.

5 12. Supplemental GUC Distribution Amount. In the event the
6 Multicare Transaction Payment is funded and irrevocably released to the Lapis
7 Parties by the Effective Date, in addition to the Initial GUC Distribution Amount,
8 the Second GUC Distribution Amount, the GUC Vendor Recovery, and any other
9 assets the Debtors or Reorganized Debtors are required to contribute to the GUC
10 Distribution Trust under the Plan, the Reorganized Debtors shall contribute two
11 hundred thousand dollars (\$200,000) to the GUC Distribution Trust on each of the
12 first, second, and third anniversaries of the Effective Date of the Plan, a total of six
13 hundred thousand dollars (\$600,000) in the aggregate (the “Supplemental GUC
14 Distribution Amount”). The Supplemental GUC Distribution Amount shall
15 constitute GUC Distribution Trust Assets under Section 1.89 of the Plan along with
16 the Initial GUC Distribution Amount, the Second GUC Distribution Amount, the
17 GUC Avoidance Actions, the GUC Vendor Recovery, any recovery for the GUC
18 Distribution Trust under the terms of the D&O Cause of Action Agreement, and
19 any other assets to be contributed to the GUC Distribution Trust under the Plan,
20 and shall be distributed to Holders of Allowed General Unsecured Claims
21 consistent with Section II.E.4 of the Plan.

Confirmation Order

- 36 -

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7684176 v2

US Active 116134065116218193V 613

19-01189-WLH11 Doc 2199-2 Filed 12/22/20 Entered 12/22/20 13:58:27 Pg 37 of

1 (b) **Cure of Defaults.** Except to the extent that a different
2 treatment has been agreed to by the non-Debtor party or parties to any Executory
3 Agreement to be assumed pursuant to Section IV.A of the Plan, pursuant to the
4 provisions of §§ 1123(a)(5)(G) and 1123(b)(2) and consistent with the
5 requirements of § 365, any monetary amounts by which each Executory Contract to
6 be assumed is in default shall be satisfied by payment from the Administrative and
7 Priority Claims Reserve, of the default amount as set forth in the ~~schedule~~Schedule
8 of Assumed Agreements filed by the Debtors [Docket Nos. 2043, 2082]. The
9 Debtors will reserve amounts for Disputed Cure Payments in an amount estimated
10 by the Debtors to be sufficient or in such amount otherwise set by the Bankruptcy
11 Court.

12 (c) **Bar Date for Rejection Damages.** Pursuant to Section IV.B.2
13 of the Plan, Claims arising out of the rejection of an Executory Agreement pursuant
14 to the Plan must be filed with the Bankruptcy Court and served upon counsel to the
15 Debtors within 30 days after the entry of an order (including this Confirmation
16 Order) approving such rejection. Any Claims not filed within such time period will
17 be forever barred and unenforceable against Debtors, the Estate, Reorganized
18 Debtors, the GUC Distribution Trust, and their respective property, and shall be
19 deemed disallowed and expunged in their entirety without the need for further
20 application to or approval of the Court; and Entities holding such Claims will be
21

1 barred from receiving any distribution under the Plan on account of such untimely
2 claims.

3 16. ~~14.~~ **Conditions Precedent to the Effective Date.** On and after the
4 Effective Date, the conditions precedent to the Confirmation of the Plan, the
5 conditions precedent to the Effective Date, and the waiver provisions therefor
6 pursuant to Sections III.~~ZAA~~ and III.~~AABB~~ of the Plan are specifically approved
7 in all respects, are incorporated herein in their entirety, and are so ordered.

8 17. ~~15.~~ **Effect of Confirmation.** On and after the Effective Date, the Plan
9 shall be effectuated pursuant to Section VII of the Plan, which is specifically
10 approved in all respects, is incorporated herein in its entirety, and is so ordered.

11 (a) **Release of Liens.** Pursuant to Section VII.C of the Plan, except
12 as otherwise provided in the Plan or in any contract, instrument, release, or other
13 agreement or document created pursuant to the Plan, on the Effective Date and
14 concurrently with the applicable distributions made pursuant to the Plan and, in the
15 case of a Secured Claim (other than a DIP Claim, Senior Secured Bond Claim, or
16 Senior Secured Credit Agreement Claim, in the event the Multicare Transaction
17 Payment is not funded and irrevocably released to the Lapis Parties by the
18 Effective Date), satisfaction in full of the portion of the Secured Claim that is
19 Allowed as of the Effective Date, all mortgages, deeds of trust, Liens, pledges, or
20 other security interests against any property of the Estate shall be fully released,
21 settled, and compromised ~~and all rights, titles, and interests of any Holder of such~~

Confirmation Order

- 40 -

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1 ~~mortgages, deeds of trust, Liens, pledges, or other security interests against any~~
2 ~~property of the Estate shall revert or otherwise transfer to the Reorganized Debtors~~
3 ~~or the Liquidation Trust, as applicable, and their successors and assigns.~~

4 (b) Compromise and Settlement of Claims, Interests, and
5 Controversies. Pursuant to Section VII.B of the Plan, Bankruptcy Rule 9019, and
6 LBR 9019-1, and in consideration for the distributions and other benefits provided
7 pursuant to the Plan, and except as otherwise specifically provided in the Plan or in
8 any contract, instrument, or other agreement or document created pursuant to the
9 Plan, the distributions, rights, and treatment that are provided in the Plan shall be in
10 complete settlement, compromise, and release, effective as of the Effective Date, of
11 Claims, Interests, and Causes of Action of any nature whatsoever, including any
12 interest accrued on Claims or Interests from and after the Petition Date, including,
13 but not limited to, all known or unknown liabilities of, Liens on, obligations of,
14 rights against, and Interests in, the Debtor or any of its assets or properties,
15 regardless of whether any property shall have been distributed or retained pursuant
16 to the Plan on account of such Claims and Interests, including demands, liabilities,
17 and Causes of Action that arose before the Effective Date, any liability to the extent
18 such Claims or Interests relate to services performed by employees of the Debtor
19 before the Effective Date and that arise from a termination of employment, any
20 contingent or non-contingent liability on account of representations or warranties
21 issued on or before the Effective Date, and all debts of the kind specified in §§

Confirmation Order

- 41 -

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7684176 v2

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1 502(g), 502(h), or 502(i), in each case whether or not: (a) a Proof of Claim or proof
2 of Interest based upon such debt, right, or Interest is Filed or deemed Filed
3 pursuant to § 501; (b) a Claim or Interest based upon such debt, right, or Interest is
4 Allowed pursuant to § 502; or (c) the Holder of such a Claim or Interest has
5 accepted the Plan. Any default by the Debtor or its Affiliates with respect to any
6 Claim or Interest that existed immediately before or on account of the filing of the
7 Chapter 11 Case shall be deemed cured on the Effective Date.

8 (c) **Discharge, Releases, Injunctions, and Exculpation.** The Plan
9 discharge, release, injunction, and exculpation provisions set forth in Section VII
10 of the Plan are approved in all respects, are incorporated herein in their entirety, are
11 so ordered, and shall be immediately effective on the Effective Date of the Plan
12 without further order or action on the part of the Court or any other party.

13 (d) **Discharge.** Pursuant to Section VII.A of the Plan, except as
14 otherwise provided in the Plan or this Confirmation Order or in any Executory
15 Contract assumed by Debtors during the Chapter 11 Cases (including, without
16 limitation, the Debtors' indemnification obligations thereunder): (i) on the
17 Effective Date, the Debtors, the Estate, the Reorganized Debtors, and their property
18 shall be discharged and ~~releaser~~released to the fullest extent permitted by §§ 524
19 and 1141 from all Claims, including all debts, obligations, demands, liabilities, and
20 Claims that arose before the Effective Date, and all debts of the kind specified in
21 §§ 502(g), 502(h), or 502(i), regardless of whether or not (A) a proof of Claim

1 based on such debt is Filed or deemed Filed, (B) a Claim based on such debt is
2 allowed pursuant to § 502, or (C) the Holder of a Claim based on such debt or
3 Interest has or has not accepted the Plan; (ii) any judgment underlying a Claim
4 discharged hereunder shall be void; and (iii) all Entities shall be precluded from
5 asserting against the Debtors, the Estate, the Reorganized Debtors, or their
6 respective property any Claims based upon any act or omission, transaction, or
7 other activity of any kind or nature that occurred prior to the Effective Date. To the
8 extent any Claim is paid other than under the Plan, Debtors will be deemed
9 discharged and released with respect to such Claim and such Claim and shall not
10 receive a distribution under the Plan.

11 (e) **Debtors' Releases.** The release provisions set forth in Section
12 VII.F.1 of the Plan are (i) found to be (1) in exchange for the good and valuable
13 consideration provided by the Released Parties; (2) a good-faith settlement and
14 compromise of the Claims released by the Debtors' Releases; (3) in the best
15 interests of the Debtors' Estates and all Holders of Claims and Interests; (4) fair,
16 equitable, and reasonable; (5) given and made after due notice and opportunity for
17 hearing; and (6) a bar against any of the Debtors' Estates, the Reorganized Debtors,
18 the GUC Distribution Trust, or the Liquidation Trust, asserting any Claim or Cause
19 of Action released pursuant to the Debtors' Releases; and (ii) approved in all
20 respects, are incorporated herein in their entirety, are so ordered, and shall be
21

1 immediately effective on the Effective Date of the Plan without further order or
2 action on the part of the Court or any other party:

3 ON THE EFFECTIVE DATE OF THE PLAN AND TO THE
4 FULLEST EXTENT AUTHORIZED BY APPLICABLE LAW, THE
5 RELEASED PARTIES AND THEIR RESPECTIVE PROPERTY
6 WILL BE EXPRESSLY, UNCONDITIONALLY, GENERALLY
7 AND INDIVIDUALLY AND COLLECTIVELY RELEASED,
8 ACQUITTED AND DISCHARGED BY THE DEBTORS ON
9 BEHALF OF THEMSELVES, THEIR ESTATES, THE
10 REORGANIZED DEBTORS, THE GUC DISTRIBUTION TRUST
11 AND THE LIQUIDATION TRUST (SUCH THAT THE
12 REORGANIZED DEBTORS, THE GUC DISTRIBUTION TRUST
13 AND THE LIQUIDATION TRUST WILL NOT HOLD ANY
14 CLAIMS OR CAUSES OF ACTION RELEASED PURSUANT TO
15 THE PLAN), FOR THE GOOD AND VALUABLE
16 CONSIDERATION PROVIDED BY EACH OF THE RELEASED
17 PARTIES, FROM ANY AND ALL ACTIONS, CLAIMS, DEBTS,
18 OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF
19 ACTION, REMEDIES AND LIABILITIES WHATSOEVER,
20 INCLUDING ANY DERIVATIVE CLAIMS ASSERTED ON
21 BEHALF OF THE DEBTOR, WHETHER KNOWN OR
UNKNOWN, FORESEEN OR UNFORESEEN, MATURED OR
UNMATURED, EXISTING OR HEREINAFTER ARISING, IN
LAW, EQUITY, CONTRACT, TORT OR OTHERWISE, BY
STATUTE, VIOLATIONS OF FEDERAL OR STATE SECURITIES
LAWS OR OTHERWISE, BASED IN WHOLE OR IN PART UPON
ANY ACT OR OMISSION, TRANSACTION, OR OTHER
OCCURRENCE OR CIRCUMSTANCES EXISTING OR TAKING
PLACE PRIOR TO OR ON THE EFFECTIVE DATE ARISING
FROM OR RELATED IN ANY WAY TO THE DEBTORS, ANY
OF THE DEBTORS' PRESENT OR FORMER ASSETS, THE
RELEASED PARTIES' INTERESTS IN OR MANAGEMENT OF
THE DEBTORS, THE PLAN, THE DISCLOSURE STATEMENT,
THIS CHAPTER 11 CASE, 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

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Confirmation Order

- 44 -

7684176-v2
US Active 116134065116218193V-613

19-01189-WLH11 Doc 2199-2 Filed 12/22/20 Entered 12/22/20 13:58:27 Pg 45 of

1 A CLAIM AGAINST OR INTEREST IN THE DEBTOR OR ANY
2 OTHER ENTITY COULD HAVE BEEN LEGALLY ENTITLED TO
3 ASSERT DERIVATIVELY OR ON BEHALF OF THE DEBTORS
4 OR THEIR ESTATES INCLUDING WITH RESPECT TO THE
5 LAPIS PARTIES ANY CHALLENGE TO CLAIMS AND RIGHTS
6 OF THE LAPIS PARTIES UNDER THE BOND DOCUMENTS
7 AND CREDIT AGREEMENT DOCUMENTS; *PROVIDED,*
8 *HOWEVER,* THAT THE FOREGOING “DEBTORS’ RELEASES”
9 SHALL NOT OPERATE TO WAIVE OR RELEASE ANY CLAIMS
10 OR CAUSES OF ACTION OF THE DEBTORS OR THEIR
11 ESTATES AGAINST A RELEASED PARTY ARISING UNDER
12 ANY CONTRACTUAL OBLIGATION OWED TO THE DEBTORS
13 THAT IS ENTERED INTO OR ASSUMED PURSUANT TO THE
14 PLAN.

15 (f) **Third Party Releases.**

16 (i) Pursuant to Rule 9019 and LBR 9019-1, the Third Party
17 Releases set forth in Section VII.F.2 of the Plan, including by reference each of the
18 related provisions and definitions contained in the Plan, are (A) found to be (1) in
19 exchange for the good and valuable consideration provided by the Released
20 Parties; (2) a good-faith settlement and compromise of the claims released by the
21 Third Party Release; (3) in the best interests of the 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; and (B) are
approved in all respects, are incorporated herein in their entirety, are so ordered,
and shall be immediately effective on the Effective Date of the Plan without further
order or action on the part of the Court or any other party:

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ON THE EFFECTIVE DATE OF THE PLAN AND TO THE FULLEST EXTENT AUTHORIZED BY APPLICABLE LAW, THE RELEASING PARTIES SHALL BE DEEMED TO HAVE EXPRESSLY, UNCONDITIONALLY, GENERALLY AND INDIVIDUALLY AND COLLECTIVELY, RELEASED AND ACQUITTED THE RELEASED PARTIES AND THEIR RESPECTIVE PROPERTY FROM ANY AND ALL ACTIONS, CLAIMS, INTERESTS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS ASSERTED ON BEHALF OF THE DEBTOR, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, MATURED OR UNMATURED, EXISTING OR HEREAFTER ARISING, IN LAW, EQUITY, CONTRACT, TORT OR OTHERWISE, THAT SUCH HOLDER (WHETHER INDIVIDUALLY OR COLLECTIVELY) EVER HAD, NOW HAS OR HEREAFTER CAN, SHALL OR MAY HAVE, BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM OR RELATED IN ANY WAY TO THE DEBTORS, ANY OF THE DEBTORS' PRESENT OR FORMER ASSETS, THE RELEASED PARTIES' INTERESTS IN OR MANAGEMENT OF THE DEBTORS, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE DEBTORS AND ANY RELEASED PARTY, THE PLAN, THE DISCLOSURE STATEMENT, THESE CHAPTER 11 CASES, 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 DEBTORS OR ANY OTHER ENTITY COULD HAVE BEEN LEGALLY ENTITLED TO ASSERT DERIVATIVELY OR ON BEHALF OF THE DEBTORS OR THEIR ESTATES, EXCEPT FOR (I) ANY CLAIMS AND CAUSES OF 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

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Confirmation Order

- 46 -

1 OF DOUBT, THE RELEASING PARTIES SHALL INCLUDE (A)
2 THE RELEASED PARTIES, AND (B) ALL HOLDERS OF
3 CLAIMS THAT (I) VOTE TO ACCEPT THE PLAN, AND (II) DO
4 NOT AFFIRMATIVELY OPT OUT OF THE THIRD PARTY
5 RELEASE PROVIDED BY THIS SECTION PURSUANT TO A
6 DULY EXECUTED BALLOT. NOTWITHSTANDING ANYTHING
7 TO THE CONTRARY HEREIN, IN NO EVENT SHALL AN
8 ENTITY THAT (X) DOES NOT VOTE TO ACCEPT OR REJECT
9 THE PLAN, (Y) VOTES TO REJECT THE PLAN, OR (Z)
10 APPROPRIATELY MARKS THE BALLOT TO OPT OUT OF THE
11 THIRD PARTY RELEASE PROVIDED IN THIS SECTION AND
12 RETURNS SUCH BALLOT IN ACCORDANCE WITH THE
13 SOLICITATION PROCEDURES ORDER, BE A RELEASING
14 PARTY.

15 (ii) Notwithstanding the foregoing, there shall be no release
16 or exculpation by or injunction against any Committee Member holding a Claim or
17 representing a Holder of a Claim that has opted out of the Third Party Release or
18 has not voted on the Plan, except solely in such Committee Member's capacity as
19 such.

20 (iii) The foregoing release as to the Lapis Parties is an integral
21 component of the Senior Debt 9019 Settlement. Pursuant to § 1123(b)(3)(A) and
the Senior Debt 9019 Settlement, as of the Effective Date, for good and valuable
consideration, the adequacy of which is hereby confirmed, to the maximum extent
permitted by law, each Holder of any Claim shall be deemed to forever release,
waive, and discharge all Claims, obligations, suits, judgments, damages, demands,
debts, rights, causes of action, and liabilities whatsoever, against the Lapis Parties
arising from or related to the Lapis Parties' pre- and/or post-petition actions,

1 omissions or liabilities, transaction, occurrence, or other activity of any nature
2 except for as provided in the Plan or the Confirmation Order.

3 (g) **Permanent Injunction.** The injunction provision set forth in
4 Section VII.A of the Plan is approved in all respects, is incorporated herein in its
5 entirety, is so ordered, and shall be immediately effective on the Effective Date of
6 the Plan without further order or action on the part of the Court or any other party:

7 [A]ll Entities who have held, currently hold, or may hold a debt or
8 Claim against the Debtors, the Estate, the Reorganized Debtors, or
9 their respective property that is based upon any act or omission,
10 transaction, or other activity of any kind or nature that occurred prior
11 to the Effective Date, that otherwise arose or accrued prior to the
12 Effective Date (other than any act or omission, transaction, or other
13 activity of any kind or nature related to or arising from the Exit
14 Loan), or that is otherwise discharged pursuant to the Plan, shall be
15 permanently enjoined from taking any of the following actions on
16 account of any such discharged debt, Claim, or Interest (the
17 “**Permanent Injunction**”): (i) commencing or continuing in any
18 manner any action or other proceeding against the Debtors, the
19 Estates, the Reorganized Debtors, or their respective property that is
20 inconsistent with the Plan or the Confirmation Order; (ii) enforcing,
21 attaching, collecting, or recovering in any manner any judgment,
award, decree, or order against the Debtors, the Estate, the
Reorganized Debtors, or their respective property other than as
specifically permitted under the Plan, as approved by the
Confirmation Order; (iii) creating, perfecting, or enforcing any lien or
encumbrance against the Debtors, the Estate, the Reorganized
Debtors, or their respective property; and (iv) commencing or
continuing any action, in any manner, in any place that does not
comply with or is inconsistent with the provisions of the Plan, the
Confirmation Order, or the discharge provisions of § 1141. Any Entity
injured by any willful violation of such Permanent Injunction shall
recover actual damages, including costs and attorneys’ fees, and, in
appropriate circumstances, may recover punitive damages, from the
willful violator.

1 (h) **Plan Injunction.** The Plan Injunction provision set forth in
2 Section VII.G of the Plan is approved in all respects, is incorporated herein in its
3 entirety, is so ordered, and shall be immediately effective on the Effective Date of
4 the Plan without further order or action on the part of the Court or any other party:

5 EXCEPT AS OTHERWISE PROVIDED IN THE PLAN OR
6 THE CONFIRMATION ORDER, ALL ENTITIES WHO HAVE
7 HELD, HOLD, OR MAY HOLD CLAIMS, INTERESTS, CAUSES
8 OF ACTION, OR LIABILITIES THAT: (1) ARE SUBJECT TO
9 COMPROMISE AND SETTLEMENT PURSUANT TO THE
10 TERMS OF THE PLAN; (2) HAVE BEEN RELEASED
11 PURSUANT TO SECTION VII.F.1 HEREOF; (3) HAVE BEEN
12 RELEASED PURSUANT TO SECTION VII.F.2 HEREOF; (4) ARE
13 SUBJECT TO EXCULPATION PURSUANT TO SECTION VII.E
14 HEREOF; OR (5) ARE OTHERWISE STAYED OR TERMINATED
15 PURSUANT TO THE TERMS OF THE PLAN, ARE
16 PERMANENTLY ENJOINED AND PRECLUDED, FROM AND
17 AFTER THE EFFECTIVE DATE, FROM: (A) COMMENCING OR
18 CONTINUING IN ANY MANNER ANY ACTION OR OTHER
19 PROCEEDING OF ANY KIND, INCLUDING ON ACCOUNT OF
20 ANY CLAIMS, INTERESTS, CAUSES OF ACTIONS, OR
21 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
TO ANY RELEASED, SETTLED, COMPROMISED, OR
EXCULPATED CLAIMS, CAUSES OF ACTION, OR
LIABILITIES; (B) ENFORCING, ATTACHING, COLLECTING,
OR RECOVERING BY ANY MANNER OR MEANS ANY
JUDGMENT, AWARD, DECREE, OR ORDER 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 THE DEBTOR OR ANY ENTITY SO
RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN

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Confirmation Order

- 49 -

7684176-v2
US Active-116134065116218193V-613

19-01189-WLH11 Doc 2199-2 Filed 12/22/20 Entered 12/22/20 13:58:27 Pg 50 of

1 CONNECTION WITH OR WITH RESPECT TO ANY SUCH
2 RELEASED, SETTLED, COMPROMISED, OR EXCULPATED
3 CLAIMS, CAUSES OF ACTION, OR LIABILITIES; (C)
4 CREATING, PERFECTING, OR ENFORCING ANY LIEN,
5 CLAIM, OR ENCUMBRANCE OF ANY KIND AGAINST THE
6 DEBTORS, THE REORGANIZED DEBTORS, THE GUC
7 DISTRIBUTION TRUST, THE LIQUIDATION TRUST, OR ANY
8 ENTITY SO RELEASED OR EXCULPATED (OR THE
9 PROPERTY OR ESTATE OF THE DEBTOR OR ANY ENTITY SO
10 RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN
11 CONNECTION WITH OR WITH RESPECT TO ANY SUCH
12 RELEASED, SETTLED, COMPROMISED, OR EXCULPATED
13 CLAIMS, CAUSES OF ACTION, OR LIABILITIES; (D)
14 ASSERTING ANY RIGHT OF SETOFF OR SUBROGATION OF
15 ANY KIND AGAINST ANY OBLIGATION DUE FROM THE
16 DEBTORS OR ANY ENTITY SO RELEASED OR EXCULPATED
17 (OR THE PROPERTY OR ESTATES OF THE DEBTORS OR ANY
18 ENTITY SO RELEASED OR EXCULPATED) ON ACCOUNT OF
19 OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH
20 RELEASED, SETTLED, COMPROMISED, OR EXCULPATED
21 CLAIMS, CAUSES OF ACTION, OR LIABILITIES UNLESS
SUCH ENTITY HAS TIMELY ASSERTED SUCH SETOFF OR
SUBROGATION RIGHT PRIOR TO CONFIRMATION IN A
DOCUMENT FILED WITH THE COURT EXPLICITLY
PRESERVING SUCH SETOFF OR SUBROGATION; AND (E)
COMMENCING OR CONTINUING IN ANY MANNER ANY
ACTION OR OTHER PROCEEDING OF ANY KIND 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 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

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Confirmation Order

- 50 -

7684176-v2

US Active-116134065116218193V-613

19-01189-WLH11 Doc 2199-2 Filed 12/22/20 Entered 12/22/20 13:58:27 Pg 51 of

1 SHALL BE CONSTRUED TO PREVENT ANY ENTITY FROM
2 DEFENDING AGAINST CLAIMS OBJECTIONS OR
3 COLLECTION ACTIONS WHETHER BY ASSERTING A RIGHT
4 OF SETOFF OR OTHERWISE TO THE EXTENT PERMITTED BY
5 LAW.

6 (i) **Exculpation.** The Plan Exculpation provision set forth in
7 Section VII.E of the Plan is approved in all respects, is incorporated herein in its
8 entirety, is so ordered, and shall be immediately effective on the Effective Date of
9 the Plan without further order or action on the part of the Court or any other party:

10 The Exculpated Parties shall neither have, nor incur any
11 liability to any Entity for any postpetition act taken or omitted to be
12 taken in connection with the Chapter 11 Cases, or related to
13 formulating, negotiating, soliciting, preparing, disseminating,
14 confirming, or implementing the Plan or consummating the Plan, the
15 Disclosure Statement, or any contract, instrument, release, or other
16 agreement or document created or entered into in connection with the
17 Plan, or any other postpetition act taken or omitted to be taken in
18 connection with or in contemplation of the restructuring of the
19 Reorganized Debtors, liquidation of the Liquidating Debtors, or
20 administration of the GUC Distribution Trust. Without limiting the
21 foregoing “Exculpation” provided under this Section, the rights of
any Holder of a Claim or Interest to enforce rights arising under the
Plan shall be preserved, including the right to compel payment of
distributions in accordance with the 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.

1 (j) **Waiver of Statutory Limitations on Releases.** The waiver of
2 statutory limitations on releases provision set forth in Section VII.H of the Plan is
3 approved in all respects, is incorporated herein in its entirety, is so ordered, and
4 shall be immediately effective on the Effective Date of the Plan without further
5 order or action on the part of the Court or any other party:

6 EACH RELEASING PARTY IN EACH OF THE RELEASES
7 CONTAINED IN THE PLAN (INCLUDING UNDER THIS
8 ~~Section~~SECTION) EXPRESSLY ACKNOWLEDGES THAT
9 ALTHOUGH ORDINARILY A GENERAL RELEASE MAY NOT
10 EXTEND TO CLAIMS WHICH THE RELEASING PARTY DOES
11 NOT KNOW OR SUSPECT TO EXIST IN ~~HIS~~ITS FAVOR,
12 WHICH IF KNOWN BY IT MAY HAVE MATERIALLY
13 AFFECTED ITS SETTLEMENT WITH THE PARTY RELEASED,
14 ~~THEY HAVE~~IT HAVING CAREFULLY CONSIDERED AND
15 TAKEN INTO ACCOUNT IN DETERMINING TO ENTER INTO
16 THE ABOVE RELEASES THE POSSIBLE EXISTENCE OF SUCH
17 UNKNOWN LOSSES OR CLAIMS. WITHOUT LIMITING THE
18 GENERALITY OF THE FOREGOING, EACH RELEASING
19 PARTY EXPRESSLY WAIVES ANY AND ALL RIGHTS
20 CONFERRED UPON IT BY ANY STATUTE OR RULE OF LAW
21 WHICH PROVIDES THAT A RELEASE DOES NOT EXTEND TO
CLAIMS WHICH THE CLAIMANT DOES NOT KNOW OR
SUSPECT TO EXIST IN ITS FAVOR AT THE TIME OF
EXECUTING THE RELEASE, WHICH IF KNOWN BY IT MAY
HAVE MATERIALLY AFFECTED ITS SETTLEMENT WITH THE
RELEASED PARTY. THE RELEASES CONTAINED IN THIS
~~Section~~SECTION ARE EFFECTIVE REGARDLESS OF
WHETHER THOSE RELEASED MATTERS ARE PRESENTLY
KNOWN, UNKNOWN, SUSPECTED OR UNSUSPECTED,
FORESEEN OR UNFORESEEN.

19 (k) **Limitation on Liability of Liquidation Trustee and GUC**
20 **Distribution Trustee.** The limitation on liability provision set forth in Section
21 VII.I of the Plan is approved in all respects, is incorporated herein in its entirety, is

1 so ordered, and shall be immediately effective on the Effective Date of the Plan
2 without further order or action on the part of the Court or any other party:

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

The Liquidation Trustee will not be liable for any act it may do or
omit to do as Liquidation Trustee under the Plan and Liquidation
Trust Agreement, as applicable, while acting in good faith and in the
exercise of its reasonable business judgment; nor will the Liquidation
Trustee be liable in any event except for gross negligence, fraud, or
willful misconduct. The foregoing limitation on liability will also
apply to any Person or Entity (including any attorney or other
professional) employed by the Liquidation Trustee and acting on
behalf of the Liquidation Trustee in the fulfillment of the Liquidation
Trustee's duties under the Plan or the Liquidation Trust Agreement.
Also, the Liquidation Trustee and any Person or Entity (including any
attorney or other professional) employed by the Liquidation Trustee
and acting on behalf of the Liquidation Trustee 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

1 or sustain by reason of being, having been, or being or having been
2 employed by, the Liquidation Trustee, or for performing any function
3 incidental to such service.

3 (l) **Revesting of Property.** Upon the Effective Date, pursuant to
4 Section VII.K of the Plan and §§ 1141(b) and (c), except as provided elsewhere in
5 the Plan or in the Exchange Debt Documents, the assets of the Estate shall be
6 revested in the Reorganized Debtors, free and clear of all Claims, liens,
7 encumbrances, and Interests.

8 18. ~~16.~~ **Preservation of Claims and Causes of Action.** Pursuant to
9 Sections 1.22 and ~~1.123~~1.130 of the Plan, the Claims and Causes of Action
10 preserved under the Plan and in this Confirmation Order include, without
11 limitation:

12 (a) the right to object to, challenge or otherwise contest any claims,
13 whether or not any such claim is the subject of a proof of claim;

14 (b) any right of setoff, counterclaim, or recoupment and any claim
15 for breach of contract or for breach of duties imposed by law or in equity;

16 (c) any claim pursuant to § 362;

17 (d) any claim or defense including fraud, mistake, duress, and
18 usury, and any other defenses set forth in § 558;

19 (e) all claims, causes of action (avoidance or otherwise), objections,
20 rights, and remedies arising under Chapter 5 of the Bankruptcy Code pursuant to,
21 among others, §§ 502, 510, 542 through 545 and 547 through 553 or 558 thereof,

1 or similar or equivalent claims, causes of action, objections, rights, and remedies
2 arising under state law, including all Avoidance Actions, irrespective of whether or
3 not the targets of such causes of action have been identified by name, or any
4 transfers subject to avoidance have been listed, in the Debtors' Schedules, the
5 Disclosure Statement, the Plan, or any other document Filed in the Chapter 11
6 Cases;

7 (f) the Vendor Claims;

8 (g) claims under any Insurance Policies applicable to the Debtors;

9 (h) all claims of any kind or nature arising under state or federal
10 law against any of the Debtors' current or former vendors relating to services
11 rendered prior to the Petition Date;

12 (i) all claims, causes of action, and other rights (including rights to
13 challenge any asserted Lien) of any kind or nature against any party asserting a
14 claim in these cases, unless expressly and in writing released or waived during the
15 Chapter 11 Cases, including under the Plan;

16 (j) all legal and equitable defenses against any Claim or Cause of
17 Action asserted against the Debtors;

18 (k) all claims and/or Causes of Action of any kind or nature arising
19 under state or federal law arising under a theory of negligence, professional
20 negligence, and/or malpractice;

21

Confirmation Order

- 55 -

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1 (l) all claims and/or Causes of Action of any kind or nature arising
2 under state law based fraudulent conveyance theories;

3 (m) all claims and/or Causes of Action constituting, for, based upon,
4 or relating to a breach of fiduciary duty, a tort, a contract, an Avoidance Action,
5 federal or state preference or fraudulent transfer laws, or any federal or state
6 statutory rights or requirements, whether based in law or equity, against any of the
7 current and former members, managers, and/or officers of the Debtors; and

8 (n) all Avoidance Actions against AHM, Inc.

9 Pursuant to Section III.HI of the Plan, the D&O Causes of Action shall be
10 preserved for the benefit of the Debtors' Estates and their creditors. The
11 mechanism for (a) the vesting, revesting, and/or transfer of the D&O Causes of
12 Action and any related insurance policies (including the D&O Insurance Policies),
13 (b) the prosecution and/or settlement or other resolution of the D&O Causes of
14 Action (including the funding of the fees and costs attendant to such prosecution
15 and/or settlement or other resolution), and (c) unless the Multicare Transaction
16 Payment has been funded and irrevocably released to the Lapis Parties by the
17 Effective Date, the sharing of any proceeds of the D&O Causes of Action shall be
18 subject to the D&O Cause of Action Agreement ~~(the "D&O Cause of Action~~
19 ~~Agreement")~~ filed as part of the Plan Supplement, which is hereby approved.
20
21

1 Pursuant to Section V.B.1 of the Plan, on and after the Effective Date, the
2 Reorganized Debtors (and with respect to General Unsecured Claims, the GUC
3 Distribution Trustee), shall have and shall retain any and all rights and defenses
4 that the Debtors had with respect to any Claim or Interest, except with respect to
5 any Claim or Interest deemed Allowed as of the Effective Date.

6 19. Issues Concerning Cerner Corporation and Cerner RevWorks
7 Ltd. (“Cerner”).

8 Notwithstanding anything in the Plan or this Order to the contrary, the
9 Request for Allowance and Payment of Administrative Expense Claim of Cerner
10 Corporation [Docket No. 1573] and related demands for cure payments will be
11 resolved in an adversary proceeding before this Court. The Reorganized Debtors
12 have thirty (30) days from the date of entry of this Order to file a complaint to
13 commence such adversary proceeding (the “Adversary Proceeding”) and the
14 Federal Rules of Bankruptcy Procedure relating to adversary proceedings shall
15 thereafter apply to matters set forth therein. The Reorganized Debtors and Cerner
16 reserve all rights, claims and defenses in the Adversary Proceeding; provided that
17 there is no right to challenge the Bankruptcy Court’s ruling that matters are to
18 proceed by way of the Adversary Proceeding as opposed to proceeding via
19 arbitration. Notwithstanding anything in the Plan or this Order to the contrary, (a)
20 all prepetition and postpetition claims, obligations, causes of action or other rights
21 existing between the Debtors and Cerner, including any cure and administrative

1 claims asserted by Cerner, shall be included and determined in the Adversary
2 Proceeding; (b) the bar date for Cerner to file any claim for rejection damages
3 under the Plan and paragraph 14(c) of this Order do not apply to Cerner and,
4 instead, any such rejection damages shall be determined as part of the Adversary
5 Proceeding; (c) nothing in the Plan or this Order shall place a cap on or purport to
6 estimate the allowed amount or payment of Cerner's cure or administrative claims;
7 (d) nothing in the Plan or this Order shall impair, prevent, or otherwise adversely
8 affect the rights, remedies, claims, and defenses in the nature of setoff, if any such
9 rights exist, of either Cerner or the Debtors so long as such rights, claims or
10 defenses are exercised solely in connection with the Adversary Proceeding; and (e)
11 the permanent injunction and discharge provisions in the Plan and paragraphs
12 14(g) and (h) of this Order do not apply to any actions by Cerner taken in the
13 Adversary Proceeding or as to enforcement of the CBA⁵ for failure to timely pay
14 any amounts first coming due under the CBA after the Effective Date or for the
15 Reorganized Debtors' failure to timely pay any allowed cure or administrative
16 claim to Cerner after the Effective Date. The Court shall retain post-judgment
17 jurisdiction for any judgments issued in the Adversary Proceeding.

18
19
20 ⁵ All capitalized terms in this paragraph 19, not otherwise defined in this Order,
21 shall have the meaning afforded in the *Motion to Assume and Reject Contracts*
Between the Debtors, Cerner Corporation and Cerner RevWorks [Docket No.
2086].

Confirmation Order

- 58 -

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1 With respect to the Debtors' Motion to Assume and Reject Contracts
2 Between the Debtors, Cerner Corporation and Cerner RevWorks [Docket No.
3 2086], the Debtors' request to assume the CBA for electronic medical records and
4 reject the RevWorks Contract, to the extent that contract is not previously
5 terminated, if any, is granted. Unless the Court determines otherwise before the
6 Effective Date of the Plan, the CBA (including all the documents thereto identified
7 in Exhibit A of the Enyeart Declaration [Dkt. No. 2145]), less the RevWorks
8 Contract, shall be deemed assumed on the Effective Date; provided that nothing
9 prohibits the Court from reserving an assessment of any of the assertions made in
10 or the documents attached to the Enyeart Declaration after the Plan Effective Date.
11 To the extent that the parties cannot resolve which documents comprise the CBA, a
12 hearing shall be set no earlier than January 19, 2021, to determine such issues. If
13 the Court subsequently determines that any part of the "deemed assumed" CBA
14 includes another agreement or document unrelated to the electronic medical
15 records program or includes another agreement or document related to Cerner
16 RevWorks (collectively the "Unassumed Documents"), the deemed assumed
17 decision shall not apply to the Unassumed Documents, and the Unassumed
18 Documents shall be deemed to have been rejected on the Effective Date.

19 The Reorganized Debtors shall timely make post Effective Date all periodic
20 payments that come due on the assumed CBA after the Effective Date to Cerner
21 under the assumed CBA, and the parties reserve all rights, claims, and remedies for

Confirmation Order

- 59 -

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7684176-v2
US Active 116134065116218193V-613

1 any alleged failure by Debtors to timely pay all such periodic amounts that come
2 due under the CBA after the Effective Date of the Plan. Any award to Cerner with
3 respect to alleged administrative claims or alleged cure claims (including the
4 Maximum Cerner Administrative Claim identified in the Lane Declaration [Docket
5 No. 2190]), if any, will constitute an operating expense that will be paid ahead of
6 (i.e., before) any payment of the Excess Lapis Payments (as defined in the Lane
7 Declaration [Docket No. 2190]) (to the extent necessary). Nothing in the Plan or
8 this Order shall impair, prevent, or otherwise adversely affect Cerner's ability to
9 exercise all rights, and pursue all appropriate legal claims and remedies as a result
10 of any failure by Debtors to timely pay all amounts that first come due after the
11 Effective Date to Cerner under the assumed CBA. Further, notwithstanding any
12 other provision in the Plan or this Order (including paragraph 14(b) herein), the
13 Reorganized Debtors will not fund any reserve for any alleged cure or
14 administrative claims by Cerner. However, the Reorganized Debtors shall manage
15 their cash flow after the Effective Date to maintain the ability to timely pay any
16 allowed cure or administrative claims, including but not limited to Reorganized
17 Debtors not making any optional prepayments to the Lapis Parties or Multicare that
18 materially impair the ability of the Reorganized Debtors to pay any such allowed
19 cure or administrative claims.

20 Nothing in the Plan or this Order shall impair, prevent, or otherwise
21 adversely affect any of the Debtors' or Cerner's rights, remedies, claims, and

Confirmation Order

- 60 -

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7684176 v2

US Active 116134065116218193V.613

19-01189-WLH11 Doc 2199-2 Filed 12/22/20 Entered 12/22/20 13:58:27 Pg 61 of

1 defenses to Vendor Claims. Also, Cerner is not a Releasing Party under the Plan
2 and paragraph 14(f) of this Order does not apply to Cerner. Cerner and the Debtors
3 and Reorganized Debtors preserve all rights, claims or defenses with respect to any
4 assertion that obligations owed by or paid by the Debtors related to the Nuance
5 Communications, Inc. administrative claim [see Docket No. 2182] create any
6 estoppel or waiver issues against the Debtors or Reorganized Debtors with respect
7 to Cerner's cure claim.

8
9
10
11
12 **20. ~~17.~~ Specific Stipulations Regarding the Plan.**

13 **(a) D&O Cause of Action Agreement**

14 The following language is included in this Confirmation Order as agreed
15 between the Plan Proponents and the Committee pursuant to Section III.HI of the
16 Plan and the D&O Cause of Action Agreement:

- 17
- 18 • Preservation of D&O Causes of Action. Consistent with Section VII.K
of the Plan, the D&O Causes of Action and D&O Policies shall revest
in the Reorganized Debtors upon the occurrence of the Effective Date.
 - 19 • Grant of Standing. Upon the occurrence of the Effective Date, the
20 GUC Distribution Trustee shall automatically be granted, have, and be
vested with exclusive standing and authority to (i) bring the D&O
21 Causes of Action in any court of competent jurisdiction, (ii) prosecute
the D&O Causes of Action through final judgment, (iii) settle the

1 D&O Causes of Action, and/or (iv) otherwise resolve the D&O
2 Causes of Action; provided, however, notwithstanding such exclusive
3 standing, the GUC Distribution Trustee shall (a) regularly consult with
4 the Lapis Parties with respect to the D&O Causes of Action, and (b)
5 obtain the express written consent of the Lapis Parties prior to
6 initiating, settling or otherwise resolving any of the D&O Causes of
7 Action, which consent shall not be unreasonably withheld; provided
8 further, however, that to the extent the GUC Distribution Trustee and
9 the Lapis Parties, after good faith negotiation, cannot reach agreement
10 regarding the GUC Distribution Trustee's initiating, settling and/or
11 otherwise resolving the D&O Causes of Action, the GUC Distribution
12 Trustee may seek a resolution of such dispute by the Court and, with
13 respect to any proposed settlement or other resolution of the D&O
14 Causes of Action, may file a motion with the Court seeking approval
15 of the settlement or other resolution pursuant to Rule 9019 of the
16 Federal Rules of Bankruptcy Procedure and the standards applicable
17 thereto. Upon the occurrence of the Effective Date, the GUC
18 Distribution Trustee shall automatically be (a) deemed a representative
19 of the Reorganized Debtors with respect to the D&O Causes of Action
20 and the D&O Policies, and (b) granted and have the right to control
21 any and all privileges and protections on behalf of the Reorganized
Debtors with respect to the D&O Causes of Action.

- Retention and Compensation of Counsel. Any selection of counsel and/or other professionals to represent the GUC Distribution Trustee with respect to the D&O Causes of Action and the terms of such counsel's and/or other professionals' compensation shall be jointly determined by the GUC Distribution Trustee and the Lapis Parties. Subject to section four (4) of the D&O Cause of Action Agreement, ongoing costs and expenses of the GUC Distribution Trustee and the GUC Distribution Trustee's counsel and/or other professionals incurred with respect to the D&O Causes of Action and payable prior to the receipt of any proceeds of the D&O Causes of Action (the "Ongoing Costs") shall be paid from the GUC Distribution Trust.
- Sharing of Proceeds. Any net proceeds of the D&O Causes of Action and/or any related D&O Policies, after accounting for all costs and expenses of the GUC Distribution Trustee (including all fees and expenses of counsel and other professionals retained pursuant to section three (3) of the D&O Cause of Action Agreement and all Ongoing Costs paid by the GUC Distribution Trust pursuant to section

1 three (3) of the D&O Cause of Action Agreement), in asserting the
2 D&O Causes of Action in a court of competent jurisdiction,
3 prosecuting the D&O Causes of Action through final judgment,
4 settling the D&O Causes of Action, and/or otherwise resolving the
5 D&O Causes of Action (the “**Net Proceeds**”), shall be divided evenly
6 between the GUC Distribution Trust and the Liquidation Trust (*i.e.*,
7 the GUC Distribution Trust shall receive fifty percent (50%) of any
8 Net Proceeds and the Liquidation Trust shall receive fifty percent
9 (50%) of any Net Proceeds).

- In the event the Multicare Transaction Payment has been funded and irrevocably released to the Lapis Parties by the Effective Date, the D&O Cause of Action Agreement shall remain in effect but the Reorganized Debtors shall be substituted for all references to the Lapis Parties under said instrument.

(b) Premier Executory Contract Rejection.

10 The Plan Proponents and Premier, Inc. (with its consolidated subsidiaries,
11 including Premier Healthcare Solutions, Inc. and Healthcare Insights, LLC,
12 collectively, “**Premier**”) have resolved the *Limited Objection of Premier, Inc. and*
13 *Its Subsidiaries to Confirmation of Debtors’ Second Amended Joint Chapter 11*
14 *Plan of Reorganization* [Docket No. 2066] by agreeing that rejection of the
15 Premier executory contract will be effective on the Effective Date of the Plan.

(c) Notice in the GUC Distribution Trust.

16 To resolve that portion of the *Objection to Second Amended Plan* [Docket
17 No. 2068] filed by the United States Trustee that the notice provision in paragraph
18 3.3 of the GUC Distribution Trust is too limited, the Plan Proponents have agreed
19 to amend the GUC Distribution Trust to provide that the notice of selection of a
20
21

1 “conflicts trustee” will be filed with the Court on the docket, in addition to being
2 served on Trustee.

3 (d) **United Payor Agreements.**

4 Notwithstanding anything to the contrary in the Plan, the Plan Supplement or
5 this Confirmation Order (except as provided in this paragraph), all payor contracts
6 by and between the Debtors, on the one hand, and United Healthcare of
7 Washington, Inc. and its direct and indirect parents, affiliates and subsidiaries
8 (collectively, “**United**”), on the other hand, including the “Hospital Participation
9 Agreement,” “Facility Participation Agreements” and “Medical Group
10 Participation Agreements,” shall be assumed as of the Effective Date of the Plan
11 (the “**Assumed United Payor Agreements**”); provided, that the certain Hospital
12 Participation Agreement by and between United and SHC Medical Center-Yakima
13 (the “**Rejected United Payor Agreements**”) is deemed rejected as of the Effective
14 Date of the Plan. In lieu of the immediate payment of a cure or any other
15 respective obligations of the Debtors’ under the Assumed United Provider
16 Agreements, if any, as of the Effective Date, shall pass through and survive
17 assumption so that nothing in the Plan, the Plan Supplement, this Confirmation
18 Order, or section 365 of the Bankruptcy Code shall affect United’s rights of
19 recovery and/or recoupment, if any, under the United Payor Agreements for any
20 such obligations, or any defenses of the Debtors with respect thereto.

1 (e) **United States’ Rights Under PPP Loans and Medicare
Provider Agreements**

2 The Debtors recognize that Banner Bank (the “Lender”), on behalf of itself
3 and its assigns, subrogees and guarantors, has asserted that is entitled to
4 administrative priority status pursuant to sections 364(b) and 503(b)(1) of the
5 Bankruptcy Code to the full amount of Debtors’ obligation on the PPP Loans, as
6 defined by the loan documents and law applicable to the PPP Loans; the Debtors
7 reserve their rights to object. If the PPP Loans are later not forgiven and become
8 due after the Effective Date, the Debtors will agree to make payments to the Lender
9 on the PPP Loans over time in the ordinary course of business.

10 Nothing in this Order shall be construed as (i) determining, construing, or
11 limiting any right, obligation, or term of the PPP Loans, loan documents, or law
12 governing the PPP loans, including whether all or any part of the PPP Loans are
13 subject to forgiveness; (ii) determining this Court’s authority to make a
14 determination about whether all or any part of the PPP Loans is subject to
15 forgiveness under the loan documents and law governing the PPP Loans.

16 Notwithstanding any provisions to the contrary in the Plan, this Order
17 confirming the Plan, and any implementing Plan documents, nothing shall affect
18 the United States’ appeal of the Order Granting Preliminary Injunction in the SBA
19 Adversary Proceeding, and the District Court proceedings related thereto.

1 Notwithstanding anything to the contrary in the Debtors' Plan, any of its
2 exhibits, the Plan Supplement, or this Confirmation Order, CMS' right of
3 recoupment, if any, and CMS' administration of the Debtors' Medicare Provider
4 Agreements and federal Medicare laws and regulations, are unaffected by the
5 confirmation of the Plan.

6 This Confirmation Order shall be an order authorizing the Debtors to assume
7 their Medicare Provider Agreements on the Effective Date, including all benefits
8 and burdens.

9 Upon assumption, the Medicare Provider Agreements will be governed by
10 the appropriate federal Medicare laws, statutes, regulations, policies and
11 procedures.

12 For avoidance of doubt, nothing in this Confirmation Order shall be
13 construed to affect the rights of the United States ~~under the Medicare Provider~~
14 ~~Agreements~~ to assert setoff and recoupment, if any.

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16
17 **(f) The Washington State Health Care Authority's Rights**
18 **Under Medicaid Provider Agreements**

19 Notwithstanding anything to the contrary in the Debtors' Plan, any of its
20 exhibits, the Plan Supplement, or this Confirmation Order, the Washington State
21 Health Care Authority's right of recoupment, if any, and the Health Care

1 Authority's administration of the Debtors' Medicaid Provider Agreements and
2 federal and state Medicaid laws and regulations are unaffected by the confirmation
3 of the Plan.

4 For avoidance of doubt, nothing in this Confirmation Order shall be
5 construed to affect the rights of the State of Washington under the Medicaid
6 Provider Agreements to make any setoff and/or recoupment, if any such rights
7 exist.

8 21. 18. Retention of Jurisdiction. Unless otherwise provided in the Plan
9 or in this Confirmation Order, on and after the Effective Date, the Bankruptcy
10 Court shall retain jurisdiction over the Chapter 11 Cases and all matters arising out
11 of, or related to, the Chapter 11 Cases and the Plan, including jurisdiction over
12 those matters and issues described in Section VI of the Plan, which is specifically
13 approved in all respects, is incorporated herein in its entirety, and is so ordered.

14 22. 19. Miscellaneous Provisions. The miscellaneous provisions of
15 Section VII of the Plan are specifically approved in all respects, are incorporated
16 herein in their entirety, and are so ordered.

17 23. 20. Severability. In the event that the Bankruptcy Court determines,
18 prior to the Effective Date, that any provision of the Plan is invalid, void or
19 unenforceable, the Bankruptcy Court shall, have the power to alter and interpret
20 such term or provision to make it valid or enforceable to the maximum extent
21 practicable, consistently with the original purpose of the term or provision held to

1 be invalid, void or unenforceable, and such term or provision shall then be
2 applicable as altered or interpreted. Notwithstanding any such holding, alteration
3 or interpretation, the remainder of the terms and provisions of the Plan shall remain
4 in full force and effect and shall in no way be affected, impaired or invalidated by
5 such holding, alteration or interpretation. This Confirmation Order shall constitute
6 a judicial determination and shall provide that each term and provision of the Plan,
7 as it may have been altered or interpreted in accordance with the foregoing, is valid
8 and enforceable pursuant to its terms.

9 24. ~~21.~~ **Binding Effect of Prior Orders.** Pursuant to § 1141, effective as
10 of the Confirmation Date, but subject to the occurrence of the Effective Date and
11 subject to the terms of the Plan and this Order, all prior orders entered in the
12 Chapter 11 Cases, all documents and agreements executed by the Debtors as
13 authorized and directed thereunder, and all motions or requests for relief by the
14 Debtors pending before the Court as of the Effective Date shall be binding upon
15 and shall inure to the benefit of the Debtors, the Reorganized Debtors, the GUC
16 Distribution Trust, the Liquidation Trust, and their respective successors and
17 assigns.

18 25. ~~22.~~ **Notice of Confirmation of the Plan.** Pursuant to Bankruptcy
19 Rules 2002(f)(7) and 3020(c)(2), the Plan Proponents will serve a notice of the
20 entry of this Order substantially in the form of **Exhibit “B”** attached hereto and
21

1 incorporated herein by reference (the “**Confirmation Notice**”), to all parties in the
2 creditor database maintained by KCC, no later than five (5) Business Days after the
3 Confirmation Date; provided, however, that the Plan Proponents will serve the
4 Confirmation Notice only on the record Holders of Claims as of the Confirmation
5 Date. The Debtors will publish the Confirmation Notice once in USA Today and
6 Yakima Herald Republic, Inc. as soon as reasonably practicable after the
7 Confirmation Date, but no later than five (5) Business Days after the Confirmation
8 Date. As soon as practicable after the entry of this Order, the Debtors will make
9 copies of this Order and the Confirmation Notice available on the Debtors’
10 restructuring website at <http://www.kccllc.net/AstriaHealth>. As soon as practicable
11 after the occurrence of the Effective Date pursuant to the terms of the Plan, the
12 Debtors will serve the notice of Effective Date, substantially in the form attached
13 hereto as **Exhibit “C”** (the “**Notice of Effective Date**”) on all parties served with
14 the Confirmation Notice.

15 26. ~~23.~~ **Reserves.** Pursuant to Section 1.7 of the Plan and Section IV.I of
16 the Confirmation Brief, the amount of the Administrative and Priority Claims
17 Reserve established pursuant to Sections II.D.4 and III.~~KL~~ of the Plan shall be
18 approximately \$4,624,674 (the “**Administrative, Professional and Priority**
19 **Claims Cap**”). The amount of the Administrative Claims Reserve is sufficient to
20 satisfy any unpaid Administrative Claims that are Allowed as of the Effective Date-
21

1 ~~and any unpaid Administrative Claims that may become Allowed after the~~
2 ~~Effective Date.~~

3 27. ~~24.~~ **Modification of the Plan.** Pursuant to Section VII.M of the Plan,
4 the Debtors reserve the right, in accordance with the Bankruptcy Code and the
5 Bankruptcy Rules and with the prior written consent of the Lapis Parties and the
6 Committee, or as otherwise approved by the Court, to amend or modify the Plan at
7 any time prior to the entry of this Confirmation Order. After the entry of this
8 Confirmation Order, the Plan Proponents may, in consultation with the Committee
9 or the GUC Distribution Trustee, as applicable, and upon order of the Bankruptcy
10 Court, amend or modify the Plan, in accordance with § 1127(b), or remedy any
11 defect or omission or reconcile any inconsistency in the Plan in such manner as
12 may be necessary to carry out the purpose and intent of the Plan. A Holder of an
13 Allowed Claim that is deemed to have accepted the Plan shall be deemed to have
14 accepted the Plan as modified if the proposed modification does not materially and
15 adversely change the treatment of the Claim of such holder. Notwithstanding the
16 foregoing, the Plan Proponents are authorized to file Plan Supplements on or
17 before the Effective Date of the Plan.

18 28. ~~25.~~ **Final Decree.** Once the Estates have been fully administered as
19 referred to in Rule 3022, the Reorganized Debtors shall file a motion with the
20 Court to obtain a final decree to close the Chapter 11 Cases.

1 chapter 11 plan of the Plan Proponents in such document shall mean the Plan
2 confirmed by this Order, as appropriate.

3 32. ~~29.~~ **Reconciliation of Inconsistencies.** Without intending to modify
4 any prior Order of this Court (or any agreement, instrument or document addressed
5 by any prior Order), in the event of an inconsistency between the Plan, on the one
6 hand, and any other agreement, instrument, or document intended to implement the
7 provisions of the Plan, on the other, the provisions of the Plan shall govern (unless
8 otherwise expressly provided for in such agreement, instrument, or document). In
9 the event of any inconsistency between the Plan or any agreement, instrument, or
10 document intended to implement the Plan, on the one hand, and this Order, on the
11 other, the provisions of this Order shall govern.

12 33. ~~30.~~ **Automatic Stay.** Unless otherwise provided in the Plan or in this
13 Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases
14 pursuant to §§ 105 or 362 or any order of this Court and extant on the date of entry
15 of this Confirmation Order (excluding any injunctions or stays contained in the
16 Plan or this Confirmation Order) shall remain in full force and effect until the
17 Closing of the Chapter 11 Cases. All injunctions or stays contained in the Plan or
18 this Order shall remain in full force and effect in accordance with their terms.

19 34. ~~31.~~ **Order Effective Immediately.** Notwithstanding Bankruptcy
20 Rules 3020(e) or 7062 or otherwise, the stay provided for under Bankruptcy Rule
21 3020(e) shall be waived and this Order shall be effective and enforceable

1 immediately upon entry. The Plan Proponents are authorized to consummate the
2 Plan and the transactions contemplated thereby immediately after entry of this
3 Order and upon, or concurrently with, satisfaction of the conditions set forth in the
4 Plan.

7 //End of Order//

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Confirmation Order

- 73 -

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1 PRESENTED BY:

2 DENTONS US LLP

3 /s/ Samuel R. Maizel

4 SAMUEL R. MAIZEL (*Pro Hac Vice*)

5 SAM J. ALBERTS (WSBA #22255)

6 *Attorneys for the Chapter 11
Debtors and Debtors In Possession*

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

8 /s/ William Kannel

9 WILLIAM KANNEL (Pro Hac Vice)

10 IAN A. HAMMEL (Pro Hac Vice)

11 *Attorneys for the Lapis Parties*

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14

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Confirmation Order

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Exhibit A

Form of Notice of Rejection of Executory Agreement

Confirmation Order

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Possession.¹

EXECUTORY AGREEMENTS

PLEASE TAKE NOTICE OF THE FOLLOWING:

REJECTION OF EXECUTORY AGREEMENTS

1. By Order dated December __, 2020 [Docket No. __] (the “Confirmation Order”), the United States Bankruptcy Court for the Eastern District of Washington (the “Bankruptcy Court”) confirmed the *Modified Second Amended Joint Chapter 11 Plan of Reorganization of Astria Health and Its Debtor Affiliates* [Docket No. ~~1986~~2196] (including all exhibits thereto, any plan supplement, and as amended, modified, or supplemented from time to time, the “Plan”)² filed by Astria Health, a Washington nonprofit public benefit corporation (“Astria”), and the above-referenced affiliated debtors and debtors in possession (collectively, the “Debtors”), in the above-referenced chapter 11 cases (the “Chapter 11 Cases”) and Lapis Advisers, LP as lender under the debtor in possession facility in the Chapter 11 Cases, agent under the Debtors’ prepetition credit agreement, and as investment advisor and investment manager for certain funds which are beneficial holders of those certain Washington Health Care Facilities Authority Revenue Bonds, Series 2017a Bonds and the Series 2017b Bonds (collectively the “Lapis Parties” and, together with the Debtors, the “Plan Proponents”), as satisfying the requirements of § 1129 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”).

2. On __, 2020, the Effective Date of the Plan occurred and the Plan was substantially consummated.

3. YOU ARE OR MIGHT BE A COUNTERPARTY TO AN EXECUTORY AGREEMENT DEEMED REJECTED BY THE PLAN AS OF THE EFFECTIVE DATE.

4. **Rejection of Executory Agreements.** Pursuant to Section IV.B.1 of the Plan, immediately prior to the Effective Date, all Executory Contracts of the Debtors will be deemed rejected in accordance with the provisions and requirements of §§ 365 and 1123 except those Executory Contracts that (i) have been assumed by order of the Court, (ii) are subject to a motion to assume pending on the Effective Date, or (iii) have been identified on a list of assumed contracts to

¹ 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), SHC 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).

² Capitalized terms used but not otherwise defined herein have the definitions set forth in the Plan.

1 be filed with the Court prior to the Voting Deadline, which shall be a date prior to
2 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.

3 **5. Bar Date for Rejection Damages.** Pursuant to Section IV.B.2 of
4 the Plan, Claims arising out of the rejection of an Executory Agreement pursuant
5 to the Plan must be filed with the Bankruptcy Court and served upon counsel to
the Debtors within 30 days after the entry of an order (including the Confirmation
Order) approving such rejection (*i.e.*, **January**, 2021). Any Claims not
filed within such time period will be forever barred from assertion against the
Debtors and/or their property and/or their Estates.

6 **6. Viewing the Plan and Confirmation Order.** The Plan and the
7 Confirmation Order may be obtained: (a) via download from the Bankruptcy
8 Court's website at ecf.waeb.uscourts.gov for registered users of the PACER and/or
CM/ECF systems (for a fee); (b) via download from www.kccllc.net/astriahhealth;
or (c) by (i) written request to Astria Health c/o KCC, LLC, 222 North Pacific
Coast Highway, Suite 300, El Segundo, California 90245 or (ii) e-mail request to
astriainfo@kccllc.net.

9
10 Dated: , 2020 DENTONS US LLP

11 By: _____
12 Samuel R. Maizel
13 Sam J. Alberts
14 Geoffrey M. Miller
15
16 Counsel to the *Debtors and Debtors In*
17 *Possession*

14 Dated: , 2020 MINTZ, LEVIN, COHN, FERRIS,
15 GLOVSKY AND POPEO, P.C.

16 By: _____
17 William Kannel
18 Ian A. Hammel
19
20 Counsel to the *Lapis Parties*

21
Rejection Notice

- 78 -

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- 79 -

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Exhibit B
Form of Confirmation Notice

Confirmation Order

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Attorneys for the Chapter 11
Debtors and Debtors In Possession

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON

In re:

ASTRIA HEALTH, *et al.*,

Debtors and Debtors in

Chapter 11
Lead Case No. 19-01189-11
Jointly Administered
**NOTICE OF CONFIRMATION OF
MODIFIED SECOND AMENDED
JOINT CHAPTER 11 PLAN OF**

Confirmation Notice

- 81 -

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Possession.¹

**REORGANIZATION OF ASTRIA
HEALTH AND ITS DEBTOR
AFFILIATES**

PLEASE TAKE NOTICE OF THE FOLLOWING:

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

1. By Order dated ~~August~~December __, 2020 [Docket No. ___] (the “Confirmation Order”), the United States Bankruptcy Court for the Central District of California (the “Bankruptcy Court”) confirmed the *Modified Second Amended Joint Chapter 11 Plan of Reorganization of Astria Health and Its Debtor Affiliates* [Docket No. ~~1986~~2196] (including all exhibits thereto, any plan supplement, and as amended, modified, or supplemented from time to time, the “Plan”)² filed by Astria Health, a Washington nonprofit public benefit corporation (“Astria”), and the above-referenced affiliated debtors and debtors in possession (collectively, the “Debtors”), in the above-referenced chapter 11 cases (the “Chapter 11 Cases”) and Lapis Advisers, LP as lender under the debtor in possession facility in the Chapter 11 Cases, agent under the Debtors’ prepetition credit agreement, and as investment advisor and investment manager for certain funds which are beneficial holders of those certain Washington Health Care Facilities Authority Revenue Bonds, Series 2017a Bonds and the Series 2017b Bonds (collectively the “Lapis Parties” and, together with the Debtors, the “Plan Proponents”), as satisfying the requirements of § 1129 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”).

2. The Plan and the Confirmation Order may be obtained: (a) via download from the Bankruptcy Court’s website at ecf.waeb.uscourts.gov for

¹ 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), SHC 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).

² Capitalized terms used but not otherwise defined herein have the definitions set forth in the Plan.

Confirmation Notice

- 82 -

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US Active 116134065116218193V-613

1 registered users of the PACER and/or CM/ECF systems (for a fee); (b) via
2 download from www.kccllc.net/astriahhealth; or (c) by (i) written request to Astria
3 Health c/o KCC, LLC, 222 North Pacific Coast Highway, Suite 300, El Segundo,
California 90245 or (ii) e-mail request to
~~astriainfo@kccllc.net~~ astriainfo@kccllc.net.

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8 Dated: , 2020

DENTONS US LLP

9 By:

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

Counsel to the *Debtors and Debtors In Possession*

10
11
12 Dated: , 2020

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GLOVSKY AND POPEO, P.C.

13
14 By:

William Kannel
Ian A. Hammel

Counsel to the *Lapis Parties*

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Confirmation Notice

- 83 -

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Exhibit C
Form of Notice of Effective Date

Confirmation Order

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Attorneys for the Chapter 11
Debtors and Debtors In Possession

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON

In re:

ASTRIA HEALTH, *et al.*,

Debtors and Debtors in

Chapter 11
Lead Case No. 19-01189-11
Jointly Administered
**NOTICE OF OCCURRENCE OF
EFFECTIVE DATE OF MODIFIED
SECOND AMENDED JOINT CHAPTER**

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Los Angeles, California 90017-5704 Seattle, Washington 98101-2373
T 213-623-9300 / F 213-623-9924 T 206 292 2110 / F 206 292 2104

Effective Date Notice

- 86 -

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Possession.¹

**11 PLAN OF REORGANIZATION OF
ASTRIA HEALTH AND ITS DEBTOR
AFFILIATES**

¹ 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), SHC 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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- 87 -

1 PLEASE TAKE NOTICE OF THE FOLLOWING:

2 **OCCURRENCE OF EFFECTIVE DATE OF MODIFIED SECOND**
3 **AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF**
4 **ASTRIA HEALTH AND ITS DEBTOR AFFILIATES**

5 1. By Order dated December __, 2020 [Docket No. ___] (the
6 “Confirmation Order”), the United States Bankruptcy Court for the Eastern
7 District of Washington (the “Bankruptcy Court”) confirmed the *Modified Second*
8 *Amended Joint Chapter 11 Plan of Reorganization of Astria Health and Its Debtor*
9 *Affiliates* [Docket No. ~~1986~~2196] (including all exhibits thereto, any plan
10 supplement, and as amended, modified, or supplemented from time to time, the
11 “Plan”)² filed by Astria Health, a Washington nonprofit public benefit corporation
12 (“Astria”), and the above-referenced affiliated debtors and debtors in possession
13 (collectively, the “Debtors”), in the above-referenced chapter 11 cases (the
14 “Chapter 11 Cases”) and Lapis Advisers, LP as lender under the debtor in
15 possession facility in the Chapter 11 Cases, agent under the Debtors’ prepetition
16 credit agreement, and as investment advisor and investment manager for certain
17 funds which are beneficial holders of those certain Washington Health Care
18 Facilities Authority Revenue Bonds, Series 2017a Bonds and the Series 2017b
19 Bonds (collectively the “Lapis Parties” and, together with the Debtors, the “Plan
20 Proponents”), as satisfying the requirements of § 1129 of title 11 of the United
21 States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”).

2. **Effective Date.** On ____, 2020, the Effective Date of the Plan
occurred and the Plan was substantially consummated. All conditions precedent to
the Effective Date of the Plan set forth in Section III.ABB of the Plan have either
been satisfied or waived in accordance with the Plan and the Confirmation Order.

3. **Bar Date for Rejection Damages.** Pursuant to Section IV.B.2 of the
Plan, Claims arising out of the rejection of an Executory Agreement pursuant to
the Plan must be filed with the Bankruptcy Court and served upon counsel to the
Debtors within 30 days after the entry of an order (including the Confirmation
Order) approving such rejection (*i.e.*, **January** __, 2021). Any Claims not
filed within such time period will be forever barred from assertion against the
Debtors and/or their property and/or their Estates..

4. **Bar Date for Professional Claims.** Pursuant to Section II.D.2 of the
Plan, all persons and entities seeking an award by the Court of professional fees on
behalf of the Debtors shall file their respective final applications for allowance of
compensation for services rendered and reimbursement of expenses no later than
forty-five (45) days after the Effective Date (*i.e.*, __, 2021).

5. **Releases, Injunctions, and Exculpation:** Pursuant to the
Confirmation Order, the releases set forth in Section VII.F of the Plan, the
injunctions set forth in Section VII.G of the Plan, and the exculpation provisions
set forth in Section VII.E of the Plan are now in full force and effect.

² Capitalized terms used but not otherwise defined herein have the definitions set forth in the
Plan.

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4. **Viewing the Plan and Confirmation Order.** The Plan and the Confirmation Order may be obtained: (a) via download from the Bankruptcy Court’s website at ecf.waeb.uscourts.gov for registered users of the PACER and/or CM/ECF systems (for a fee); (b) via download from www.kccllc.net/astriahhealth; or (c) by (i) written request to Astria Health c/o KCC, LLC, 222 North Pacific Coast Highway, Suite 300, El Segundo, California 90245 or (ii) e-mail request to astriainfo@kccllc.net.

Dated: _____, 2020 DENTONS US LLP

By: _____
Samuel R. Maizel
Sam J. Alberts
Geoffrey M. Miller

Counsel to the Debtors and Debtors In Possession

Dated: _____, 2020 MINTZ, LEVIN, COHN, FERRIS, GLOVSKY AND POPEO, P.C.

By: _____
William Kannel
Ian A. Hammel

Counsel to the Lapis Parties

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