

So Ordered.

Docket #2217 Date Filed: 12/23/2020



Whitman L. Holt
Bankruptcy Judge

Dated: December 23rd, 2020

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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**

[RELATED DOCKET NO. 1986, 2196]

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 (19-19-01200-11).

Confirmation Order

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1 Astria Health, a Washington nonprofit public benefit corporation (“**Astria**”),
2 and the above-referenced affiliated debtors and debtors in possession (collectively,
3 the “**Debtors**”), in the above-referenced chapter 11 cases (the “**Chapter 11 Cases**”)
4 and Lapis Advisers, LP as lender under the debtor in possession facility in the
5 Chapter 11 Cases, agent under the Debtors’ prepetition credit agreement, and as
6 investment advisor and investment manager for certain funds which are beneficial
7 holders of those certain Washington Health Care Facilities Authority Revenue
8 Bonds, Series 2017a Bonds and the Series 2017b Bonds (collectively the “**Lapis**
9 **Parties**” and, together with the Debtors, the “**Plan Proponents**”), having proposed
10 the *Second Amended Joint Chapter 11 Plan of Reorganization of Astria Health and*
11 *Its Debtor Affiliates* [Docket No. 1986] (the “**Second Amended Plan**”) and the
12 *Modified Second Amended Joint Chapter 11 Plan of Reorganization of Astria Health*
13 *and Its Debtor Affiliates* [Docket No. 2196] (the “**Modified Second Amended**
14 **Plan**,” together with the Second Amended Plan, the “**Plan**”);² the Court having
15 conducted hearings to consider confirmation of the Plan (“**Confirmation**”) on
16 December 18, 21 and 23, 2020 (the “**Confirmation Hearing**”); the Court having
17 considered: (i)(a) the *Certificate of Service of Leanne V. Rehder re: Solicitation*
18 *Materials Served on November 14, 2020* [Docket No. 2012] (the “**KCC Certificate**

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

1 **of Service**”); (b) the *Supplemental Certificate of Service of Heather Fellows re:*
2 *Solicitation Materials Served on or Before December 3, 2020* [Docket No. 2090]
3 (together with Docket No. 2012, the “**KCC Certificates of Service**”); (c) the
4 *Certification of Leanne V. Rehder Scott with Respect to the Tabulation of Votes on*
5 *the Second Amended Joint Chapter 11 Plan of Astria Health and Its Debtor Affiliates*
6 [Docket No. 2121] (the “**Voting Declaration**”); (d) the *Certificate of Publication of*
7 *the Notice of (I) Approval of the Disclosure Statement, (II) Deadline for Voting on*
8 *the Plan, (III) Hearing to Consider Confirmation of the Plan, and (IV) Deadline for*
9 *Filing Objections to Confirmation of the Plan in USA Today* [Docket No. 2026]; and
10 (e) the *Certificate of Publication of the Notice of (I) Approval of the Disclosure*
11 *Statement, (II) Deadline for Voting on the Plan, (III) Hearing to Consider*
12 *Confirmation of the Plan, and (IV) Deadline for Filing Objections to Confirmation*
13 *of the Plan in Yakima Herald Republic, Inc.* [Docket No. 2027] (together with Docket
14 No. 2026, the “**KCC Certificates of Publication**”), each admitted into evidence at
15 the Confirmation Hearing; (ii) the arguments of counsel presented at the
16 Confirmation Hearing; (iii) the *Memorandum of Law in Support of Confirmation of*
17 *Second Amended Joint Chapter 11 Plan and Response to Objections* (the
18 “**Confirmation Brief**”) [Docket No. 2124]; (iv) the additional responses and
19 supplements filed in support of the Plan and Confirmation Brief [Docket Nos. 2003,
20 2007, 2043, 2082, 2190]; and (v) the objections [Docket Nos. 2065, 2066, 2068,
21 2077, 2079, 2125, 2144] (the “**Objections**”) to the Plan, and any withdrawals or

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SUITE 2500 LAW OFFICES
601 South Figueroa Street 601 Union Street, Suite 5000

1 settlements thereof; and the Court having taken judicial notice of the entire docket of
2 the Debtors' Chapter 11 Cases maintained by the Clerk of the Court and/or its duly
3 appointed agent, and all pleadings and other documents filed, all orders entered, and
4 evidence and arguments made, proffered, or adduced at the hearings held before the
5 Court during the pendency of the Chapter 11 Cases; and the Court having found that
6 due and proper notice has been given with respect to the Confirmation Hearing and
7 the deadlines and procedures for filing objections to the Plan; and the Court having
8 heard the statements and arguments made by counsel in respect of Confirmation of
9 the Plan, and all objections to Confirmation (including, without limitation, any of the
10 settlements to be approved pursuant to the Plan) having been withdrawn, resolved as
11 stated on the record or overruled; and the appearance of all interested parties having
12 been duly noted in the record of the Confirmation Hearing; and upon the record of
13 the Confirmation Hearing, and after due deliberation thereon, and sufficient cause
14 appearing therefor;

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

16 IT IS HEREBY FOUND AND CONCLUDED, that:³

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

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JURISDICTION AND VENUE

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

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

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

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

_____ 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.

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COMPLIANCE WITH BANKRUPTCY RULE 3016 and LBR 3017-1

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

PROPER NOTICE

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

STANDARDS FOR CONFIRMATION UNDER § 1129 OF THE BANKRUPTCY CODE

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

1 The evidentiary record of the Confirmation Hearing supports the findings of fact and
2 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 such
7 Claims (other than Administrative Claims, Priority Tax Claims, Professional Fee
8 Claims, and DIP Claims, which are addressed in Section II.D of the Plan and which
9 are not required to be designated as separate Classes pursuant to § 1123(a)(1)). In
10 particular, the Plan complies with the requirements of §§ 1122 and 1123 as follows:

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

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

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

18 4. In accordance with § 1123(a)(3), Section II of the Plan properly
19 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 in Section III of the Plan. The Plan further provides, in accordance with § 1123(b)(3), that the Reorganized Debtors, the GUC Distribution Trust, and/or the

1 Liquidating Trust, as applicable, will retain and may directly or through
2 the Liquidating Trustee enforce any claims, demands, rights, defenses
3 and Causes of Action that any Debtors may hold against any entity, to
4 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
7 in Classes 1 through 4A;

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

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

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

1. In compliance with the *Order Granting Joint Motion for an Order
Approving (I) Disclosure Statement; (II) Solicitation and Voting
Procedures; (III) Notice Procedures; (IV) Notice and Objection
Procedures for Confirmation of Joint Plan of Reorganization; and (V)
Granting Related Relief* entered on November 12, 2020 [Docket No.
1991] (the “**Disclosure Statement Order**”), on November 14, 2020, the

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

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

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

4. In compliance with the Disclosure Statement Order, on
November 14, 2020, the Plan Proponents, through KCC, caused copies
of the Disclosure Statement (together with the exhibits thereto,

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including the Plan and the Disclosure Statement Order) and the Confirmation Hearing Notice, to be served on the parties who have requested notice of pleadings in this case. *See* KCC Certificate of Service Affidavit, at ¶¶ 11-12.

5. On the dates indicated below, the Plan Proponents filed (and made available on the Debtors' restructuring website at <http://www.kccllc.net/AstriaHealth>) the following Plan Supplement documents:

- (a) the Schedule of Assumed Agreements, filed on November 25, 2020 [Docket No. 2043], as amended on December 4, 2020 [Docket No. 2082];
- (b) the Schedule of Insurance Policies, filed on November 25, 2020 [Docket No. 2043];
- (c) the List of directors for Reorganized Debtors, filed on November 25, 2020 [Docket No. 2043];
- (d) Exchange Debt Documents, filed on November 25, 2020 [Docket No. 2043];
- (e) the GUC Distribution Trust Agreement, filed on November 25, 2020 [Docket No. 2043];
- (f) the Liquidation Trust Agreement, filed on November 25, 2020 [Docket No. 2043];
- (g) the Term Sheet, filed on November 25, 2020 [Docket No. 2043];
- (h) the D&O Cause of Action Agreement, filed on November 25, 2020 [Docket No. 2043];

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- (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.J of the Plan provides that the Reorganized Debtors will provide management for the Hospitals after the Effective Date. 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. It is expected that all AHM employees currently serving as officers or employees of the Debtors will be offered employment by 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. 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.

8. 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. 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,

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

11. 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. 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. 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 Exhibit A thereto. No holders of any Claim in Class 4A submitted a vote to accept or reject the Plan. *Id.*

J. **Section 1129(a)(3)**. The Plan has been proposed in good faith and not by any means forbidden by law. The Chapter 11 Cases were filed in good faith and consistent with the purposes of the Bankruptcy Code. The Plan fairly achieves a result consistent with the objectives and purposes of the Bankruptcy Code. In so finding, the Court has considered the totality of the circumstances in these Chapter 11 Cases. The Plan is the result of extensive good-faith, arms' length negotiations

1 by and among the Plan Proponents and certain of their principal constituencies, and
2 their respective representatives, and reflects substantial input from the principal
3 constituencies having an interest in the Chapter 11 Cases and, as evidenced by the
4 overwhelming acceptance of the Plan, achieves the goal of a consensual chapter 11
5 plan pursuant to the requirements of the Bankruptcy Code. The Plan Proponents and
6 each of their respective officers, directors, employees, advisors, and professionals (i)
7 acted in good faith in negotiating, formulating, and proposing, where applicable, the
8 Plan and agreements, compromises, settlements, transactions, and transfers
9 contemplated thereby, and (ii) will be acting in good faith in proceeding to (a)
10 consummate the Plan and the agreements, compromises, settlements, transactions,
11 transfers, and documentation contemplated by the Plan, including, but not limited to,
12 the Plan Supplement documents, and (b) take any actions authorized and directed or
13 contemplated by this Order. Thus, the Plan satisfies the requirements of § 1129(a)(3).

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

18 L. § 1129(a)(5). The Plan Proponents have disclosed the identities of the
19 directors of the new directors for the Reorganized Directors. [See Docket No. 2043,
20 Exhibit C]. The Plan Proponents have therefore satisfied the requirements of §
21 1129(a)(5).

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

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

14 O. § 1129(a)(9). The Plan provides treatment for Administrative Claims,
15 Priority Tax Claims, and Priority Claims that is consistent with the requirements of
16 § 1129(a)(9).

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

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

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

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

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

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

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

19 W. § 1129(c). The Plan (including previous versions thereof) is the only
20 plan that has been filed in these Chapter 11 Cases that has been found to satisfy the
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1 requirements of subsection (a) of § 1129. Accordingly, confirmation of the Plan
2 complies with the requirements of § 1129(c).

3 X. § 1129(d). No party in interest has requested that the Court deny
4 Confirmation of the Plan on grounds that the principal purpose of the Plan is the
5 avoidance of taxes or the avoidance of the application of § 5 of the Securities Act,
6 and the principal purpose of the Plan is not such avoidance. Accordingly, the Plan
7 satisfies the requirements of § 1129(d).

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

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

13 MODIFICATIONS TO THE PLAN

14 AA. The modifications and clarifications included in the Modified Second
15 Amended Plan (the “Non-Material Modifications”), only affect the treatment of the
16 Claims held by the Lapis Parties, which accepted the Plan. The Non-Material
17 Modifications do not materially or adversely affect the treatment of any Class voting
18 to accept the Second Amended Plan. They also do not adversely affect other Holders
19 of Claims that voted not to accept the Second Amended Plan within an accepting
20 Class. No Holder of Claims is adversely affected by the Non-Material Modifications.

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

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

10 **IMPLEMENTATION OF THE PLAN**

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

DENTONS US LLP BUSH KORNFEELD LLP
SUITE 2500 LAW OFFICES
601 South Figueroa Street 601 Union Street, Suite 5000
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

1 will apply and be enforceable notwithstanding any otherwise applicable non-
2 bankruptcy law.

3 **CONDITIONS TO THE CONFIRMATION OF THE PLAN**

4 EE. Each of the conditions precedent to entry of this Order has been satisfied
5 in accordance with Section III.AA of the Plan.

6 **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

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

16 **THE SETTLEMENTS UNDER THE PLAN**

17 GG. The Plan settles numerous litigable issues in the Chapter 11 Cases
18 pursuant to Bankruptcy Rule 9019, LBR 9019-1, and §§ 363 and 1123. These
19 settlements are in consideration for the distributions and other benefits provided
20 under the Plan. Any other compromise and settlement provisions of the Plan and the
21 Plan itself constitute a compromise of all Claims or Causes of Action relating to the

1 contractual, legal and subordination rights that a Holder of a Claim may have with
2 respect to any Allowed Claim or any distribution to be made on account of such an
3 Allowed Claim.

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

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

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

4 **DEEMED CONSOLIDATION**

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

18 **RELEASES, EXCULPATIONS AND INJUNCTIONS OF RELEASED** 19 **PARTIES**

20 KK. Each non-Debtor Released Party or Exculpated Party that will benefit
21 from the releases, exculpations, and related injunctions set forth in the Plan

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

10 **WAIVER OF STAY**

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

13 **II. ORDER**

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

17 1. **Confirmation of the Plan.** The Plan (including the Plan Supplement
18 as may be amended from time to time) and each of its provisions (whether or not
19 specifically set forth and approved in this Order), including, but not limited to, the
20 deemed consolidation of the Debtors, is and are CONFIRMED in each and every
21

1 respect, pursuant to § 1129, and the terms of the Plan and the Plan Supplement are
2 incorporated by reference into, and are an integral part of, this order (“**Confirmation**
3 **Order**”), provided, however, that if there is any direct conflict between the terms of
4 the Plan and the terms of this Confirmation Order, the terms of this Confirmation
5 Order shall control. The Effective Date of the Plan shall occur on the date when the
6 conditions set forth in Section III.BB.1 of the Plan have been satisfied or, if
7 applicable, have been waived in accordance with Section III.BB.2 of the Plan. The
8 failure to specifically include or to refer to any particular article, section, or provision
9 of the Plan, Plan Supplement, or any related document in this Order shall not diminish
10 or impair the effectiveness of such article, section, or provision, it being the intent of
11 the Court that this Confirmation Order confirm the Plan and any related documents
12 in their entirety.

13 2. **Notice.** Notice of the Confirmation Hearing complied with the terms of
14 the Disclosure Statement Order, was appropriate and satisfactory based on the
15 circumstances of the Chapter 11 Cases, and was in compliance with the provisions
16 of applicable law, including, without limitation, the Bankruptcy Code, the
17 Bankruptcy Rules, and the LBR. In addition, the procedures to provide notice of any
18 Schedule of Assumed Contracts to all counterparties to Executory Contracts with the
19 Debtors are adequate and sufficient, in substantial compliance with the Disclosure
20 Statement Order, Bankruptcy Rules 2002(b), 3017 and 3020(b), and LBR 2002-1 and
21

1 6006-1, and no other or further notice is or shall be required (other than as expressly
2 provided for in the Plan for any amendments to the 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 the
8 holders of Claims in connection with voting on the Plan pursuant to the Disclosure
9 Statement Order: (a) were set forth on the Ballots solely for purposes of voting to
10 accept or reject the Plan; (b) do not necessarily represent, and in no event shall be
11 deemed to modify or otherwise affect, the actual classification of such Claims under
12 the Plan for distribution purposes; (c) may not be relied upon by any holder of a
13 Claim as representing the actual classification of such Claim under the Plan for
14 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 benefit
21 of: (a) the Plan Proponents; (b) the Reorganized Debtors; (c) the Liquidation Trust;

DENTONS US LLP BUSH KORNFELD LLP
SUITE 2500 LAW OFFICES
601 South Figueroa Street 601 Union Street, Suite 5000
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

1 (d) the GUC Distribution Trust; (e) any and all holders of Claims (irrespective of
2 whether such Claims are impaired under the Plan or whether the Holders of such
3 Claims accepted, rejected or are deemed to have accepted, or rejected the Plan); (f)
4 Multicare; (g) any other person giving, acquiring, or receiving property under the
5 Plan; (h) any and all non-Debtor parties to Executory Contracts with any of the
6 Debtors; and (i) the respective heirs, executors, administrators, trustees, affiliates,
7 officers, directors, agents, representatives, attorneys, beneficiaries, guardians,
8 successors, or assigns, if any, of any of the foregoing. On the Effective Date, all
9 settlements, compromises, releases, waivers, discharges, exculpations, and
10 injunctions set forth in the Plan shall be effective and binding on all Persons.

11 6. **Other Essential Documents and Agreements.** The form of documents
12 comprising the Plan Supplement, any other agreements, instruments, certificates, or
13 documents related thereto, and the transactions contemplated by each of the
14 foregoing are approved and, upon execution and delivery of the agreements and
15 documents relating thereto by the applicable parties, shall be in full force and effect
16 and valid, binding, and enforceable in accordance with their terms without the need
17 for any further notice to or action, order, or approval of this Court, or other act or
18 action under applicable law, regulation, order, or rule. The Plan Proponents and the
19 Official Committee of Unsecured Creditors (the “**Committee**”), and after the
20 Effective Date, Reorganized Debtors and/or the Liquidation Trustee and/or the GUC
21 Distribution Trustee (as may be applicable), are authorized, without further approval

1 of this Court or any other party, to execute and deliver all agreements, documents,
2 instruments, securities, and certificates relating to such agreements and perform their
3 obligations thereunder, including, without limitation, payment of all fees due
4 thereunder or in connection therewith. Such parties are further authorized to make
5 non-material modifications to conform the Plan Supplement documents to the
6 Modified Second Amended Plan prior to such documents' execution.

7 7. **Unclassified Claims.** On and after the Effective Date, the treatment of
8 the Unclassified Claims of the Debtors shall be effectuated pursuant to Section II of
9 the Plan, which is specifically approved in all respects, is incorporated herein in its
10 entirety, and is so ordered.

11 (a) **Administrative Claims Bar Date.** Pursuant to the
12 Administrative Claims Bar Date Order, and except as otherwise provided in Section
13 II.D.1.c of the Plan, requests for payment of Administrative Claims were required to
14 be filed by July 22, 2020 (unless such date was extended by stipulation with a specific
15 potential administrative creditor) (the "**Initial Administrative Claims Bar Date**").
16 Pursuant to Section II.D.1.c of the Plan, requests for payment of Administrative
17 Claims incurred after the date the Administrative Claims Bar Date Order was entered
18 but prior to the Effective Date are required to file and serve such Claims on the
19 Reorganized Debtors within thirty (30) days after the Effective Date (the
20 "**Supplemental Administrative Claims Bar Date,**" and together with the Initial
21 Administrative Claims Bar Date, the "**Administrative Claims Bar Date**"). Holders

1 of Administrative Claims that were required to, but did or do not, file and serve a
2 request for payment of such Administrative Claims by the applicable Administrative
3 Claims Bar Date are and will be forever barred, estopped and enjoined from asserting
4 such Administrative Claims against the Debtors or their property and such
5 Administrative Claims shall be deemed discharged as of the Effective Date.

6 (b) **Professional Fee Claims Incurred Prior to the Effective Date.**

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

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

11 8. **Authorization of Exit Loan.** Upon entry of this Confirmation Order,
12 the Debtors are authorized to execute the Multicare Credit Agreement and the Exit
13 Loan Escrow Agreement and any other related documents to implement the terms as
14 agreements binding on the Debtors and Debtors in Possession and the Reorganized
15 Debtors. In accordance with and subject to the terms of the Multicare Credit
16 Agreement, in the event that a notice of appeal from this Order is filed, Multicare
17 shall not be obligated to fund the Exit Loan or make the Multicare Transaction
18 Payment.

19 9. **Post-Effective Date Corporate Actions.** Unless the Multicare
20 Transaction Payment is funded and irrevocably released to the Lapis Parties by the
21 Effective Date, then the post-Effective Date corporate actions shall be effectuated

1 pursuant to Section III.E of the Plan. The Reorganized Debtors (controlled by AH
2 System as the sole member, in the event the Multicare Transaction Payment is not
3 funded and irrevocably released to the Lapis Parties by the Effective Date) will
4 provide the management for the Hospitals pursuant to Section III.J of the Plan. Both
5 of these provisions which are specifically approved in all respects, are incorporated
6 herein in their entirety, and are so ordered.

7 (a) **Continued Existence.** Pursuant to the Plan, on and after the
8 Effective Date, the Debtors, except for the Liquidating Debtors, shall continue in
9 existence as the Reorganized Debtors, subject only to those restrictions expressly
10 imposed by the Plan or this Confirmation Order as well as the documents and
11 instruments executed and delivered in connection with the Plan, including the
12 documents, exhibits, instruments, and other materials constituting the Plan
13 Supplement.

14 (b) **Termination of the Patient Care Ombudsman.** Pursuant to
15 Section VII.N of the Plan, on the Effective Date, the appointment of the PCO shall
16 be deemed terminated and she is authorized to dispose of any documents provided to
17 her in the course of her reporting.

18 (c) **Termination of the Committee.** Pursuant to Section III.K of the
19 Plan, on the Effective Date, the Committee shall be deemed dissolved, the retention
20 and employment of the Committee's Professionals shall be deemed terminated, and
21 the members of the Committee shall be deemed released and discharged of and from

1 all further authority, duties, responsibilities, and obligations related to and arising
2 from and in connection with the Chapter 11 Cases, other than for purposes of filing
3 and/or objecting to final fee applications filed in the Chapter 11 Cases; provided,
4 however, that the Committee’s obligations arising under confidentiality agreements,
5 joint interest agreements, and protective orders, if any, entered during the Chapter 11
6 Cases shall remain in full force and effect according to their terms.

7 (d) **Formation of the POC.** Pursuant to Section III.K of the Plan, on
8 the Effective Date, the post-Effective Date oversight committee (as defined in
9 Section 1.128 of the Plan, the “**POC**”) shall be appointed. The members that shall
10 serve on the POC were selected by the Committee and have been disclosed in the
11 Plan Supplement.

12 (e) **Appointment of GUC Distribution Trustee.** Steven D Sass
13 LLC is appointed as the GUC Distribution Trustee as of the date of the execution of
14 the GUC Distribution Trust Agreement. The parties to the GUC Distribution Trust
15 Agreement are authorized to make non-material modifications to the GUC
16 Distribution Trust Agreement to conform the GUC Distribution Trust Agreement to
17 the Modified Second Amended Plan prior to the execution of the GUC Distribution
18 Trust Agreement.

19 10. **Means for Implementation of the Plan.** On and after the Effective
20 Date, the Plan’s implementation shall be effectuated pursuant to Section III of the
21

1 Plan, which is specifically approved in all respects, is incorporated herein in its
2 entirety, and is so ordered.

3 (a) **The Settlement Agreements.** Pursuant to Sections III.A and
4 III.B of the Plan, Bankruptcy Rule 9019, LBR 9019-1, and § 1123(b)(3), the entry of
5 this Confirmation Order constitutes the Bankruptcy Court's approval, as of the
6 Effective Date, of each of the Senior Debt 9019 Settlement and Committee Plan
7 Settlement and the finding that (i) entering into each of the Senior Debt 9019
8 Settlement and Committee Plan Settlement is in the best interests of the Debtors, their
9 Estates, and their Claim Holders, (ii) each of the Senior Debt 9019 Settlement and
10 Committee Plan Settlement is fair, equitable, and reasonable, and (iii) each of the
11 Senior Debt 9019 Settlement and Committee Plan Settlement meets all the standards
12 set forth in Bankruptcy Rule 9019 and § 1123(b)(3).

13 (b) **No Further Court Authorization.** Pursuant to Section V of the
14 Plan, and except as provided in the Plan or this Confirmation Order, on and after the
15 Effective Date, the Reorganized Debtors (and with respect to General Unsecured
16 Claims, the GUC Distribution Trustee) shall have the sole authority to administer and
17 adjust the Claims Register with respect to Claims to reflect any such settlements or
18 compromises and no further notice to or action, order, or approval of the Court with
19 respect to such settlements or compromises shall be required. Pursuant to Section
20 VII.K of the Plan, from and after the Effective Date, Reorganized Debtors may
21 operate their business and use, acquire and dispose of property without supervision

1 by the Court and free of any restrictions of the Bankruptcy Code or Bankruptcy
2 Rules, other than those restrictions expressly imposed by the Plan and this
3 Confirmation Order.

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

9 (d) To the extent that, under applicable non-bankruptcy law, any of
10 the foregoing actions would otherwise require the consent or approval of the directors
11 of any of the Debtors, Reorganized Debtors, or the Liquidation Trust, this
12 Confirmation Order shall, pursuant to § 1142, constitute such consent or approval,
13 and such actions are deemed to have been taken by unanimous action of the directors
14 of the appropriate Debtor, the Reorganized Debtors, or the Liquidation Trust, unless
15 the Plan expressly provides that such party must provide such consent after the
16 Effective Date.

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

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

4 (g) **Preservation of Insurance.** Nothing in the Plan shall diminish,
5 impair, or otherwise affect distributions from the proceeds or the enforceability of
6 any insurance policies that may cover (a) Claims by any Debtor, or (b) Claims against
7 any Debtor or covered Persons thereunder, pursuant to Section III.O of the Plan.

8 11. **Plan Distributions.** On and after the Effective Date, distributions on
9 account of Allowed Claims and the resolution and treatment of Disputed Claims shall
10 be effectuated pursuant to Sections II and III of the Plan, which are specifically
11 approved in all respects, are incorporated herein in their entirety, and are so ordered.
12 The record date for making distributions under the Plan shall be the date of entry of
13 this Confirmation Order.

14 12. **Supplemental GUC Distribution Amount.** In the event the Multicare
15 Transaction Payment is funded and irrevocably released to the Lapis Parties by the
16 Effective Date, in addition to the Initial GUC Distribution Amount, the Second GUC
17 Distribution Amount, the GUC Vendor Recovery, and any other assets the Debtors
18 or Reorganized Debtors are required to contribute to the GUC Distribution Trust
19 under the Plan, the Reorganized Debtors shall contribute two hundred thousand
20 dollars (\$200,000) to the GUC Distribution Trust on each of the first, second, and
21 third anniversaries of the Effective Date of the Plan, a total of six hundred thousand

1 dollars (\$600,000) in the aggregate (the “Supplemental GUC Distribution Amount”).
2 The Supplemental GUC Distribution Amount shall constitute GUC Distribution
3 Trust Assets under Section 1.89 of the Plan along with the Initial GUC Distribution
4 Amount, the Second GUC Distribution Amount, the GUC Avoidance Actions, the
5 GUC Vendor Recovery, any recovery for the GUC Distribution Trust under the terms
6 of the D&O Cause of Action Agreement, and any other assets to be contributed to
7 the GUC Distribution Trust under the Plan, and shall be distributed to Holders of
8 Allowed General Unsecured Claims consistent with Section II.E.4 of the Plan.

9 13. **Procedures for Treating and Resolving Disputed Claims.** On and
10 after the Effective Date, the procedures for the treatment and resolution of Disputed
11 Claims shall be effectuated pursuant to Sections V of the Plan, which is specifically
12 approved in all respects, is incorporated herein in its entirety, and is so ordered.
13 Pursuant to Section III.R of the Plan, no payments of Cash or distributions of other
14 property or other consideration of any kind shall be made on account of any Disputed
15 Claim unless and until such Claim becomes an Allowed Claim or is deemed to be
16 such for purposes of distribution, and then only to the extent that the Claim becomes,
17 or is deemed to be for distribution purposes, an Allowed Claim.

18 14. **Resolution of Disputed Claims.** Pursuant to Section V.B.2 of the Plan,
19 on or after the Effective Date, the Reorganized Debtors (and with respect to General
20 Unsecured Claims, the GUC Distribution Trustee), subject to Section V.A of the
21 Plan, (a) shall have the authority to File objections to Claims, and the exclusive

1 authority, to settle, compromise, withdraw, or litigate to judgment objections on
2 behalf of the Debtors' Estates to any and all Claims, except with respect to any Claim
3 or Interest deemed Allowed as of the Effective Date; and (b) shall have the sole
4 authority to administer and adjust the Claims Register with respect to Claims to
5 reflect any such settlements or compromises and no further notice to or action, order,
6 or approval of the Court with respect to such settlements or compromises shall be
7 required.

8 15. **Executory Contracts and Unexpired Leases.** On and after the
9 Effective Date, the treatment of Executory Contracts shall be effectuated pursuant to
10 Sections IV.A and IV.B of the Plan, which are specifically approved in all respects,
11 are incorporated herein in its entirety, and are so ordered.

12 (a) **General Treatment.** Pursuant to Section IV.B.1 of the Plan,
13 immediately prior to the Effective Date, all Executory Contracts of the Debtors will
14 be deemed rejected in accordance with the provisions and requirements of §§ 365
15 and 1123, and will receive a Notice of Rejection of Executory Agreement,
16 substantially in the form annexed hereto as **Exhibit "A,"** except those Executory
17 Contracts that (i) have been assumed by order of the Court, (ii) are subject to a motion
18 to assume pending on the Effective Date, or (iii) have been identified on the Schedule
19 of Assumed Agreements. Pursuant to Section IV.A.3 of the Plan, any party to an
20 Executory Agreement listed to be assumed in any Schedule of Assumed Agreements
21 wishing to object to the proposed assumption (including with respect to the cure

1 amounts) was required to do so by no later than seven (7) days after the filing of the
2 Schedule of Assumed Agreements (“**Assumption Objection**”). Any Entity that
3 failed to timely file with the Bankruptcy Court and serve such Assumption Objection
4 is deemed to have waived any and all objections to the proposed assumption of its
5 contract or lease.

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

16 (c) **Bar Date for Rejection Damages.** Pursuant to Section IV.B.2
17 of the Plan, Claims arising out of the rejection of an Executory Agreement pursuant
18 to the Plan must be filed with the Bankruptcy Court and served upon counsel to the
19 Debtors within 30 days after the entry of an order (including this Confirmation Order)
20 approving such rejection. Any Claims not filed within such time period will be
21 forever barred and unenforceable against Debtors, the Estate, Reorganized Debtors,

1 the GUC Distribution Trust, and their respective property, and shall be deemed
2 disallowed and expunged in their entirety without the need for further application to
3 or approval of the Court; and Entities holding such Claims will be barred from
4 receiving any distribution under the Plan on account of such untimely claims.

5 16. **Conditions Precedent to the Effective Date.** On and after the
6 Effective Date, the conditions precedent to the Confirmation of the Plan, the
7 conditions precedent to the Effective Date, and the waiver provisions therefor
8 pursuant to Sections III.AA and III.BB of the Plan are specifically approved in all
9 respects, are incorporated herein in their entirety, and are so ordered.

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

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

1 interests against any property of the Estate shall be fully released, settled, and
2 compromised.

3 (b) **Compromise and Settlement of Claims, Interests, and**
4 **Controversies.** Pursuant to Section VII.B of the Plan, Bankruptcy Rule 9019, and
5 LBR 9019-1, and in consideration for the distributions and other benefits provided
6 pursuant to the Plan, and except as otherwise specifically provided in the Plan or in
7 any contract, instrument, or other agreement or document created pursuant to the
8 Plan, the distributions, rights, and treatment that are provided in the Plan shall be in
9 complete settlement, compromise, and release, effective as of the Effective Date, of
10 Claims, Interests, and Causes of Action of any nature whatsoever, including any
11 interest accrued on Claims or Interests from and after the Petition Date, including,
12 but not limited to, all known or unknown liabilities of, Liens on, obligations of, rights
13 against, and Interests in, the Debtor or any of its assets or properties, regardless of
14 whether any property shall have been distributed or retained pursuant to the Plan on
15 account of such Claims and Interests, including demands, liabilities, and Causes of
16 Action that arose before the Effective Date, any liability to the extent such Claims or
17 Interests relate to services performed by employees of the Debtor before the Effective
18 Date and that arise from a termination of employment, any contingent or non-
19 contingent liability on account of representations or warranties issued on or before
20 the Effective Date, and all debts of the kind specified in §§ 502(g), 502(h), or 502(i),
21 in each case whether or not: (a) a Proof of Claim or proof of Interest based upon such

DENTONS US LLP BUSH KORNFELD LLP
SUITE 2500 LAW OFFICES

601 South Figueroa Street 601 Union Street, Suite 5000

Los Angeles, California 90017-5704 Seattle, Washington 98101-2373

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1 debt, right, or Interest is Filed or deemed Filed pursuant to § 501; (b) a Claim or
2 Interest based upon such debt, right, or Interest is Allowed pursuant to § 502; or (c)
3 the Holder of such a Claim or Interest has accepted the Plan. Any default by the
4 Debtor or its Affiliates with respect to any Claim or Interest that existed immediately
5 before or on account of the filing of the Chapter 11 Case shall be deemed cured on
6 the Effective Date.

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

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

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

9 (e) **Debtors' Releases.** The release provisions set forth in Section
10 VII.F.1 of the Plan are (i) found to be (1) in exchange for the good and valuable
11 consideration provided by the Released Parties; (2) a good-faith settlement and
12 compromise of the Claims released by the Debtors' Releases; (3) in the best interests
13 of the Debtors' Estates and all Holders of Claims and Interests; (4) fair, equitable,
14 and reasonable; (5) given and made after due notice and opportunity for hearing; and
15 (6) a bar against any of the Debtors' Estates, the Reorganized Debtors, the GUC
16 Distribution Trust, or the Liquidation Trust, asserting any Claim or Cause of Action
17 released pursuant to the Debtors' Releases; and (ii) approved in all respects, are
18 incorporated herein in their entirety, are so ordered, and shall be immediately
19 effective on the Effective Date of the Plan without further order or action on the part
20 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 RELEASED PARTIES AND THEIR RESPECTIVE PROPERTY WILL BE EXPRESSLY, UNCONDITIONALLY, GENERALLY AND INDIVIDUALLY AND COLLECTIVELY RELEASED, ACQUITTED AND DISCHARGED BY THE DEBTORS ON BEHALF OF THEMSELVES, THEIR ESTATES, THE REORGANIZED DEBTORS, THE GUC DISTRIBUTION TRUST AND THE LIQUIDATION TRUST (SUCH THAT THE REORGANIZED DEBTORS, THE GUC DISTRIBUTION TRUST AND THE LIQUIDATION TRUST WILL NOT HOLD ANY CLAIMS OR CAUSES OF ACTION RELEASED PURSUANT TO THE PLAN), FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY EACH OF THE RELEASED PARTIES, FROM ANY AND ALL ACTIONS, CLAIMS, DEBTS, 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 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 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

DENTONS US LLP BUSH KORNFELD LLP
SUITE 2500 LAW OFFICES
601 South Figueroa Street 601 Union Street, Suite 5000
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

1 CLAIMS AND RIGHTS OF THE LAPIS PARTIES UNDER THE
2 BOND DOCUMENTS AND CREDIT AGREEMENT DOCUMENTS;
3 *PROVIDED, HOWEVER*, THAT THE FOREGOING “DEBTORS’
4 RELEASES” SHALL NOT OPERATE TO WAIVE OR RELEASE
5 ANY CLAIMS OR CAUSES OF ACTION OF THE DEBTORS OR
6 THEIR ESTATES AGAINST A RELEASED PARTY ARISING
7 UNDER ANY CONTRACTUAL OBLIGATION OWED TO THE
8 DEBTORS THAT IS ENTERED INTO OR ASSUMED PURSUANT
9 TO THE PLAN.

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

7 (i) Pursuant to Rule 9019 and LBR 9019-1, the Third Party
8 Releases set forth in Section VII.F.2 of the Plan, including by reference each of the
9 related provisions and definitions contained in the Plan, are (A) found to be (1) in
10 exchange for the good and valuable consideration provided by the Released Parties;
11 (2) a good-faith settlement and compromise of the claims released by the Third Party
12 Release; (3) in the best interests of the Debtors and all Holders of Claims and
13 Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and
14 opportunity for hearing; and (6) a bar to any of the Releasing Parties asserting any
15 Claim released pursuant to the Third Party Release; and (B) are approved in all
16 respects, are incorporated herein in their entirety, are so ordered, and shall be
17 immediately effective on the Effective Date of the Plan without further order or
18 action on the part of the Court or any other party:

19 ON THE EFFECTIVE DATE OF THE PLAN AND TO THE
20 FULLEST EXTENT AUTHORIZED BY APPLICABLE LAW, THE
21 RELEASING PARTIES SHALL BE DEEMED TO HAVE
EXPRESSLY, UNCONDITIONALLY, GENERALLY AND
INDIVIDUALLY AND COLLECTIVELY, RELEASED AND

DENTONS US LLP BUSH KORNFIELD LLP
SUITE 2500 LAW OFFICES
601 South Figueroa Street 601 Union Street, Suite 5000
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

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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 OF DOUBT, THE RELEASING PARTIES SHALL INCLUDE (A) THE RELEASED PARTIES, AND (B) ALL HOLDERS OF CLAIMS THAT (I) VOTE TO ACCEPT THE PLAN, AND (II) DO NOT AFFIRMATIVELY OPT OUT OF THE THIRD PARTY RELEASE PROVIDED BY THIS SECTION PURSUANT TO A DULY

DENTONS US LLP BUSH KORNFELD LLP
SUITE 2500 LAW OFFICES
601 South Figueroa Street 601 Union Street, Suite 5000
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1 EXECUTED BALLOT. NOTWITHSTANDING ANYTHING TO
2 THE CONTRARY HEREIN, IN NO EVENT SHALL AN ENTITY
3 THAT (X) DOES NOT VOTE TO ACCEPT OR REJECT THE PLAN,
4 (Y) VOTES TO REJECT THE PLAN, OR (Z) APPROPRIATELY
5 MARKS THE BALLOT TO OPT OUT OF THE THIRD PARTY
6 RELEASE PROVIDED IN THIS SECTION AND RETURNS SUCH
7 BALLOT IN ACCORDANCE WITH THE SOLICITATION
8 PROCEDURES ORDER, BE A RELEASING PARTY.

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

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

(g) **Permanent Injunction.** The injunction provision set forth in
Section VII.A of the Plan is approved in all respects, is incorporated herein in its

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

3 [A]ll Entities who have held, currently hold, or may hold a debt or
4 Claim against the Debtors, the Estate, the Reorganized Debtors, or their
5 respective property that is based upon any act or omission, transaction,
6 or other activity of any kind or nature that occurred prior to the
7 Effective Date, that otherwise arose or accrued prior to the Effective
8 Date (other than any act or omission, transaction, or other activity of
9 any kind or nature related to or arising from the Exit Loan), or that is
10 otherwise discharged pursuant to the Plan, shall be permanently
11 enjoined from taking any of the following actions on account of any
12 such discharged debt, Claim, or Interest (the “**Permanent
13 Injunction**”): (i) commencing or continuing in any manner any action
14 or other proceeding against the Debtors, the Estates, the Reorganized
15 Debtors, or their respective property that is inconsistent with the Plan
16 or the Confirmation Order; (ii) enforcing, 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.

17 (h) **Plan Injunction.** The Plan Injunction provision set forth in
18 Section VII.G of the Plan is approved in all respects, is incorporated herein in its
19 entirety, is so ordered, and shall be immediately effective on the Effective Date of
20 the Plan without further order or action on the part of the Court or any other party:
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EXCEPT AS OTHERWISE PROVIDED IN THE PLAN OR THE CONFIRMATION ORDER, ALL ENTITIES WHO HAVE HELD, HOLD, OR MAY HOLD CLAIMS, INTERESTS, CAUSES OF ACTION, OR LIABILITIES THAT: (1) ARE SUBJECT TO COMPROMISE AND SETTLEMENT PURSUANT TO THE TERMS OF THE PLAN; (2) HAVE BEEN RELEASED PURSUANT TO SECTION VII.F.1 HEREOF; (3) HAVE BEEN RELEASED PURSUANT TO SECTION VII.F.2 HEREOF; (4) ARE SUBJECT TO EXCULPATION PURSUANT TO SECTION VII.E HEREOF; OR (5) ARE OTHERWISE STAYED OR TERMINATED PURSUANT TO THE TERMS OF THE PLAN, ARE PERMANENTLY ENJOINED AND PRECLUDED, FROM AND AFTER THE EFFECTIVE DATE, FROM: (A) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND, INCLUDING ON ACCOUNT OF ANY CLAIMS, INTERESTS, CAUSES OF ACTIONS, OR LIABILITIES THAT HAVE BEEN COMPROMISED OR SETTLED AGAINST THE DEBTORS, THE REORGANIZED DEBTORS, THE GUC DISTRIBUTION TRUST, THE LIQUIDATION TRUST, OR ANY ENTITY SO RELEASED OR EXCULPATED (OR THE PROPERTY OR ESTATE OF ANY ENTITY, DIRECTLY OR INDIRECTLY, SO RELEASED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT 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 CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, SETTLED, COMPROMISED, OR EXCULPATED CLAIMS, CAUSES OF ACTION, OR LIABILITIES; (C) CREATING, PERFECTING, OR ENFORCING 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

DENTONS US LLP BUSH KORNFIELD LLP
SUITE 2500 LAW OFFICES
601 South Figueroa Street 601 Union Street, Suite 5000
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

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

(i) **Exculpation.** The Plan Exculpation provision set forth in Section VII.E 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 Exculpated Parties shall neither have, nor incur any liability
4 to any Entity for any postpetition act taken or omitted to be taken in
5 connection with the Chapter 11 Cases, or related to formulating,
6 negotiating, soliciting, preparing, disseminating, confirming, or
7 implementing the Plan or consummating the Plan, the Disclosure
8 Statement, or any contract, instrument, release, or other agreement or
9 document created or entered into in connection with the Plan, or any
10 other postpetition act taken or omitted to be taken in connection with or
11 in contemplation of the restructuring of the Reorganized Debtors,
12 liquidation of the Liquidating Debtors, or administration of the GUC
13 Distribution Trust. Without limiting the foregoing “Exculpation”
14 provided under this Section, the rights of any Holder of a Claim or
15 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.

16 (j) **Waiver of Statutory Limitations on Releases.** The waiver of
17 statutory limitations on releases provision set forth in Section VII.H of the Plan is
18 approved in all respects, is incorporated herein in its entirety, is so ordered, and shall
19 be immediately effective on the Effective Date of the Plan without further order or
20 action on the part of the Court or any other party:
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1 EACH RELEASING PARTY IN EACH OF THE RELEASES
2 CONTAINED IN THE PLAN (INCLUDING UNDER THIS
3 SECTION) EXPRESSLY ACKNOWLEDGES THAT ALTHOUGH
4 ORDINARILY A GENERAL RELEASE MAY NOT EXTEND TO
5 CLAIMS WHICH THE RELEASING PARTY DOES NOT KNOW
6 OR SUSPECT TO EXIST IN ITS FAVOR, WHICH IF KNOWN BY
7 IT MAY HAVE MATERIALLY AFFECTED ITS SETTLEMENT
8 WITH THE PARTY RELEASED, IT HAVING CAREFULLY
9 CONSIDERED AND TAKEN INTO ACCOUNT IN DETERMINING
10 TO ENTER INTO THE ABOVE RELEASES THE POSSIBLE
11 EXISTENCE OF SUCH UNKNOWN LOSSES OR CLAIMS.
12 WITHOUT LIMITING THE GENERALITY OF THE FOREGOING,
13 EACH RELEASING PARTY EXPRESSLY WAIVES ANY AND
14 ALL RIGHTS CONFERRED UPON IT BY ANY STATUTE OR
15 RULE OF LAW WHICH PROVIDES THAT A RELEASE DOES
16 NOT EXTEND TO CLAIMS WHICH THE CLAIMANT DOES NOT
17 KNOW OR SUSPECT TO EXIST IN ITS FAVOR AT THE TIME OF
18 EXECUTING THE RELEASE, WHICH IF KNOWN BY IT MAY
19 HAVE MATERIALLY AFFECTED ITS SETTLEMENT WITH THE
20 RELEASED PARTY. THE RELEASES CONTAINED IN THIS
21 SECTION ARE EFFECTIVE REGARDLESS OF WHETHER
THOSE RELEASED MATTERS ARE PRESENTLY KNOWN,
UNKNOWN, SUSPECTED OR UNSUSPECTED, FORESEEN OR
UNFORESEEN.

(k) **Limitation on Liability of Liquidation Trustee and GUC**

Distribution Trustee. The limitation on liability provision set forth in Section VII.I of the Plan is approved in all respects, is incorporated herein in its entirety, is 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:

The GUC Distribution Trustee will not be liable for any act it may do or omit to do as GUC Distribution Trustee under the Plan and GUC Distribution Trust Agreement, as applicable, while acting in good faith and in the exercise of his or her reasonable business judgment; nor will the GUC Distribution Trustee be liable in any event except for gross negligence, fraud, or willful misconduct. The foregoing limitation on

1 liability will also apply to any Person or Entity (including any attorney
2 or other professional) employed by the GUC Distribution Trustee and
3 acting on behalf of the GUC Distribution Trustee in the fulfillment of
4 the GUC Distribution Trustee's duties under the Plan or the GUC
5 Distribution Trust Agreement. Also, the GUC Distribution Trustee and
6 any Person or Entity (including any attorney or other professional)
7 employed by the GUC Distribution Trustee and acting on behalf of the
8 GUC Distribution Trustee shall be entitled to indemnification out of the
9 assets of the GUC Distribution Trust against any losses, liabilities,
10 expenses (including attorneys' fees and disbursements), damages,
11 taxes, suits, or claims that they may incur or sustain by reason of being,
12 having been, or being or having been employed by, the GUC
13 Distribution Trustee, or for performing any function incidental to such
14 service.

15 The Liquidation Trustee will not be liable for any act it may do or omit
16 to do as Liquidation Trustee under the Plan and Liquidation Trust
17 Agreement, as applicable, while acting in good faith and in the exercise
18 of its reasonable business judgment; nor will the Liquidation Trustee
19 be liable in any event except for gross negligence, fraud, or willful
20 misconduct. The foregoing limitation on liability will also apply to any
21 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 or sustain by reason of being,
having been, or being or having been employed by, the Liquidation
Trustee, or for performing any function incidental to such service.

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

3 18. **Preservation of Claims and Causes of Action.** Pursuant to Sections
4 1.22 and 1.130 of the Plan, the Claims and Causes of Action preserved under the Plan
5 and in this Confirmation Order include, without limitation:

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

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

10 (c) any claim pursuant to § 362;

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

13 (e) all claims, causes of action (avoidance or otherwise), objections,
14 rights, and remedies arising under Chapter 5 of the Bankruptcy Code pursuant to,
15 among others, §§ 502, 510, 542 through 545 and 547 through 553 or 558 thereof, or
16 similar or equivalent claims, causes of action, objections, rights, and remedies arising
17 under state law, including all Avoidance Actions, irrespective of whether or not the
18 targets of such causes of action have been identified by name, or any transfers subject
19 to avoidance have been listed, in the Debtors' Schedules, the Disclosure Statement,
20 the Plan, or any other document Filed in the Chapter 11 Cases;

21 (f) the Vendor Claims;

DENTONS US LLP
SUITE 2500

BUSH KORNFELD LLP
LAW OFFICES

601 South Figueroa Street
Los Angeles, California 90017-5704
T 213-623-9300 / F 213-623-9924

601 Union Street, Suite 5000
Seattle, Washington 98101-2373
T 206 292 2110 / F 206 292 2104

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

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

5 (i) all claims, causes of action, and other rights (including rights to
6 challenge any asserted Lien) of any kind or nature against any party asserting a claim
7 in these cases, unless expressly and in writing released or waived during the Chapter
8 11 Cases, including under the Plan;

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

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

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

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

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

DENTONS US LLP
SUITE 2500
601 South Figueroa Street

BUSH KORNFELD LLP
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601 Union Street, Suite 5000

1 Pursuant to Section III.I of the Plan, the D&O Causes of Action shall be
2 preserved for the benefit of the Debtors' Estates and their creditors. The mechanism
3 for (a) the vesting, revesting, and/or transfer of the D&O Causes of Action and any
4 related insurance policies (including the D&O Insurance Policies), (b) the
5 prosecution and/or settlement or other resolution of the D&O Causes of Action
6 (including the funding of the fees and costs attendant to such prosecution and/or
7 settlement or other resolution), and (c) unless the Multicare Transaction Payment has
8 been funded and irrevocably released to the Lapis Parties by the Effective Date, the
9 sharing of any proceeds of the D&O Causes of Action shall be subject to the D&O
10 Cause of Action Agreement filed as part of the Plan Supplement, which is hereby
11 approved.

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

17 19. **Issues Concerning Cerner Corporation and Cerner RevWorks Ltd.**
18 **("Cerner").**

19 Notwithstanding anything in the Plan or this Order to the contrary, the *Request*
20 *for Allowance and Payment of Administrative Expense Claim of Cerner Corporation*
21

1 [Docket No. 1573] and related demands for cure payments will be resolved in an
2 adversary proceeding to be filed in the Bankruptcy Court. The Reorganized Debtors
3 have thirty (30) days from the date of entry of this Order to file a complaint to
4 commence such adversary proceeding (the “Adversary Proceeding”) and, to the
5 extent applicable, the Federal Rules of Bankruptcy Procedure relating to adversary
6 proceedings shall thereafter apply to matters set forth therein. The Reorganized
7 Debtors and Cerner reserve all rights, claims and defenses in the Adversary
8 Proceeding; provided that there is no right to challenge the Bankruptcy Court’s
9 previous ruling (or any subsequent decision related thereto) that matters are to
10 proceed by way of the Adversary Proceeding as opposed to proceeding via
11 arbitration. Notwithstanding anything in the Plan or this Order to the contrary, (a)
12 all prepetition and postpetition claims, obligations, causes of action or other rights
13 existing between the Debtors and Cerner, including any cure and administrative
14 claims asserted by Cerner, shall be included and determined in the Adversary
15 Proceeding; (b) the bar date for Cerner to file any claim for rejection damages under
16 the Plan and paragraph 14(c) of this Order do not apply to Cerner and, instead, any
17 such rejection damages shall be determined as part of the Adversary Proceeding; (c)
18 nothing in the Plan or this Order shall place a cap on or purport to estimate the
19 allowed amount or payment of Cerner’s cure or administrative claims; (d) nothing in
20 the Plan or this Order shall impair, prevent, or otherwise adversely affect the rights,
21 remedies, claims, and defenses in the nature of setoff, if any such rights exist, of

DENTONS US LLP BUSH KORNFELD LLP
SUITE 2500 LAW OFFICES

601 South Figueroa Street 601 Union Street, Suite 5000

Los Angeles, California 90017-5704 Seattle, Washington 98101-2373

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1 either Cerner or the Debtors so long as such rights, claims or defenses are exercised
2 solely in connection with the Adversary Proceeding; and (e) the permanent injunction
3 and discharge provisions in the Plan and paragraphs 14(g) and (h) of this Order do
4 not apply to any actions by Cerner taken in the Adversary Proceeding or as to
5 enforcement of the CBA⁵ for failure to timely pay any amounts first coming due
6 under the CBA after the Effective Date or for the Reorganized Debtors' failure to
7 timely pay any allowed cure or administrative claim to Cerner after the Effective
8 Date. The Court shall retain post-judgment jurisdiction for any judgments issued in
9 the Adversary Proceeding.

10 With respect to the Debtors' *Motion to Assume and Reject Contracts Between*
11 *the Debtors, Cerner Corporation and Cerner RevWorks* [Docket No. 2086], the
12 Debtors' request to assume the CBA⁶ and reject the RevWorks Contract, to the extent

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

17 ⁶ The CBA refers to all Cerner licenses, products, equipment, software, services, and
18 support associated with Debtors' CommunityWorks electronic health record
19 software platform and ecosystem that are not RevWorks Services. Cerner asserts that
20 some of the software solutions provided for under the CBA include, but are not
21 limited to: PowerChart, Ambulatory, Cerner Patient Accounting, CareAware iBus,

1 that contract is not previously terminated, if any, is granted. Unless the Court
2 determines otherwise before the Effective Date of the Plan, the CBA (including all
3 the documents thereto identified in Exhibit A of the Enyeart Declaration [Docket No.
4 2145]), less the RevWorks Contract, shall be deemed assumed on the Effective Date;
5 provided that nothing prohibits the Court from reserving an assessment of any of the
6 assertions made in or the documents attached to the Enyeart Declaration after the
7 Plan Effective Date. The Debtors (and to the extent applicable, the Reorganized
8 Debtors) will advise Cerner and endeavor to determine with Cerner by January 18,
9 2021, which documents attached to the Enyeart Declaration are part of the CBA
10 sought to be assumed. To the extent that the Debtors or Reorganized Debtors raise
11 an objection as to which documents comprise the CBA and the parties are unable to
12 resolve that objection, an evidentiary hearing shall be held on January 21, 2021, at

13 _____
14 Mobile Patient eSignature, Microbiology for CommunityWorks, Blood Bank
15 Transfusion for CommunityWorks, Laboratory Imaging for CommunityWorks,
16 Practice Management: Registration and Scheduling, Patient Statements, ePrescribe,
17 Anesthesia Management for CommunityWorks, Anatomic Pathology for
18 CommunityWorks; Clinical Supply Chain, CommunityWorks Radiology Suite,
19 FetaLink; Cerner HealthRegistries, and Cerner Bridge. The CBA also covers
20 services that are not RevWorks Services, like Application Management Services and
21 remote hosting.

1 11:00 a.m. (the “CBA Hearing”) to determine such issues, which date may be further
2 extended by order of the Court. Cerner and the Reorganized Debtors shall each
3 simultaneously file with the Court written submissions addressing the remaining
4 disputed issues at least twenty-four (24) hours prior to the CBA Hearing. If the Court
5 subsequently determines that any part of the “deemed assumed” CBA includes an
6 agreement or document related to Cerner RevWorks (collectively the “Unassumed
7 Documents”), the deemed assumed decision shall not apply to the Unassumed
8 Documents, and the Unassumed Documents shall be deemed to have been rejected
9 on the Effective Date.

10 The Reorganized Debtors shall timely pay all Cerner invoices that relate to the
11 assumed CBA that become due after the Effective Date. Cerner and the Debtors
12 reserve all rights, claims, and remedies for any alleged failure by Debtors to timely
13 pay all such periodic amounts that come due under the CBA after the Effective Date
14 of the Plan. Any award to Cerner with respect to alleged administrative claims or
15 alleged cure claims (including the Maximum Cerner Administrative Claim identified
16 in the Lane Declaration [Docket No. 2190]), if any, will constitute an operating
17 expense that will be paid ahead of (*i.e.*, before) any payment of the Excess Lapis
18 Payments (as defined in the Lane Declaration [Docket No. 2190]) (to the extent
19 necessary). Nothing in the Plan or this Order shall impair, prevent, or otherwise
20 adversely affect Cerner’s ability to exercise all rights, and pursue all appropriate legal
21 claims and remedies as a result of any failure by Debtors to timely pay all amounts

DENTONS US LLP BUSH KORNFIELD LLP
SUITE 2500 LAW OFFICES
601 South Figueroa Street 601 Union Street, Suite 5000
Los Angeles, California 90017-5704 Seattle, Washington 98101-2373
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1 that first come due after the Effective Date to Cerner under the assumed CBA.
2 Further, notwithstanding any other provision in the Plan or this Order (including
3 paragraph 14(b) herein), the Reorganized Debtors will not fund any reserve for any
4 alleged cure or administrative claims by Cerner. However, the Reorganized Debtors
5 shall manage their cash flow after the Effective Date to maintain the ability to timely
6 pay any allowed cure or administrative claims, including but not limited to
7 Reorganized Debtors not making any optional prepayments to the Lapis Parties or
8 Multicare that materially impair the ability of the Reorganized Debtors to pay any
9 such allowed cure or administrative claims.

10 Nothing in the Plan or this Order shall impair, prevent, or otherwise adversely
11 affect any of the Debtors' or Cerner's rights, remedies, claims, and defenses to
12 Vendor Claims. Also, Cerner is not a Releasing Party under the Plan and paragraph
13 14(f) of this Order does not apply to Cerner. Cerner and the Debtors and Reorganized
14 Debtors preserve all rights, claims or defenses with respect to any assertion that
15 obligations owed by or paid by the Debtors related to the Nuance Communications,
16 Inc. administrative claim [*see* Docket No. 2182] create any estoppel or waiver issues
17 against the Debtors or Reorganized Debtors with respect to Cerner's cure claim.

18 20. **Specific Stipulations Regarding the Plan.**

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

1 The following language is included in this Confirmation Order as agreed
2 between the Plan Proponents and the Committee pursuant to Section III.I of the Plan
3 and the D&O Cause of Action Agreement:

- 4 • Preservation of D&O Causes of Action. Consistent with Section VII.K
5 of the Plan, the D&O Causes of Action and D&O Policies shall revert
6 in the Reorganized Debtors upon the occurrence of the Effective Date.
- 7 • Grant of Standing. Upon the occurrence of the Effective Date, the GUC
8 Distribution Trustee shall automatically be granted, have, and be vested
9 with exclusive standing and authority to (i) bring the D&O Causes of
10 Action in any court of competent jurisdiction, (ii) prosecute the D&O
11 Causes of Action through final judgment, (iii) settle the D&O Causes of
12 Action, and/or (iv) otherwise resolve the D&O Causes of Action;
13 provided, however, notwithstanding such exclusive standing, the GUC
14 Distribution Trustee shall (a) regularly consult with the Lapis Parties
15 with respect to the D&O Causes of Action, and (b) obtain the express
16 written consent of the Lapis Parties prior to initiating, settling or
17 otherwise resolving any of the D&O Causes of Action, which consent
18 shall not be unreasonably withheld; provided further, however, that to
19 the extent the GUC Distribution Trustee and the Lapis Parties, after
20 good faith negotiation, cannot reach agreement regarding the GUC
21 Distribution Trustee's initiating, settling and/or otherwise resolving the
D&O Causes of Action, the GUC Distribution Trustee may seek a
resolution of such dispute by the Court and, with respect to any proposed
settlement or other resolution of the D&O Causes of Action, may file a
motion with the Court seeking approval of the settlement or other
resolution pursuant to Rule 9019 of the Federal Rules of Bankruptcy
Procedure and the standards applicable thereto. Upon the occurrence of
the Effective Date, the GUC Distribution Trustee shall automatically be
(a) deemed a representative of the Reorganized Debtors with respect to
the D&O Causes of Action and the D&O Policies, and (b) granted and
have the right to control 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

1 determined by the GUC Distribution Trustee and the Lapis Parties.
2 Subject to section four (4) of the D&O Cause of Action Agreement,
3 ongoing costs and expenses of the GUC Distribution Trustee and the
4 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.

- 5 • **Sharing of Proceeds**. Any net proceeds of the D&O Causes of Action
6 and/or any related D&O Policies, after accounting for all costs and
7 expenses of the GUC Distribution Trustee (including all fees and
8 expenses of counsel and other professionals retained pursuant to section
9 three (3) of the D&O Cause of Action Agreement and all Ongoing Costs
10 paid by the GUC Distribution Trust pursuant to section three (3) of the
11 D&O Cause of Action Agreement), in asserting the D&O Causes of
12 Action in a court of competent jurisdiction, prosecuting the D&O
13 Causes of Action through final judgment, settling the D&O Causes of
14 Action, and/or otherwise resolving the D&O Causes of Action (the "**Net
Proceeds**"), shall be divided evenly between the GUC Distribution
Trust and the Liquidation Trust (*i.e.*, the GUC Distribution Trust shall
receive fifty percent (50%) of any Net Proceeds and the Liquidation
Trust shall receive fifty percent (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.

15 (b) **Premier Executory Contract Rejection.**

16 The Plan Proponents and Premier, Inc. (with its consolidated subsidiaries,
17 including Premier Healthcare Solutions, Inc. and Healthcare Insights, LLC,
18 collectively, "**Premier**") have resolved the *Limited Objection of Premier, Inc. and
19 Its Subsidiaries to Confirmation of Debtors' Second Amended Joint Chapter 11 Plan
20 of Reorganization* [Docket No. 2066] by agreeing that rejection of the Premier
21 executory contract will be effective on the Effective Date of the Plan.

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(c) **Notice in the GUC Distribution Trust.**

To resolve that portion of the *Objection to Second Amended Plan* [Docket No. 2068] filed by the United States Trustee that the notice provision in paragraph 3.3 of the GUC Distribution Trust is too limited, the Plan Proponents have agreed to amend the GUC Distribution Trust to provide that the notice of selection of a “conflicts trustee” will be filed with the Court on the docket, in addition to being served on Trustee.

(d) **United Payor Agreements.**

Notwithstanding anything to the contrary in the Plan, the Plan Supplement or this Confirmation Order (except as provided in this paragraph), all payor contracts by and between the Debtors, on the one hand, and United Healthcare of Washington, Inc. and its direct and indirect parents, affiliates and subsidiaries (collectively, “**United**”), on the other hand, including the “Hospital Participation Agreement,” “Facility Participation Agreements” and “Medical Group Participation Agreements,” shall be assumed as of the Effective Date of the Plan (the “**Assumed United Payor Agreements**”); provided, that the certain Hospital Participation Agreement by and between United and SHC Medical Center-Yakima (the “**Rejected United Payor Agreements**”) is deemed rejected as of the Effective Date of the Plan. In lieu of the immediate payment of a cure or any other respective obligations of the Debtors’ under the Assumed United Provider Agreements, if any, as of the Effective Date, shall pass through and survive assumption so that nothing in the Plan, the Plan

1 Supplement, this Confirmation Order, or section 365 of the Bankruptcy Code shall
2 affect United's rights of recovery and/or recoupment, if any, under the United Payor
3 Agreements for any such obligations, or any defenses of the Debtors with respect
4 thereto.

5 (e) **United States' Rights Under PPP Loans and Medicare
6 Provider Agreements**

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

15 Nothing in this Order shall be construed as (i) determining, construing, or
16 limiting any right, obligation, or term of the PPP Loans, loan documents, or law
17 governing the PPP loans, including whether all or any part of the PPP Loans are
18 subject to forgiveness; (ii) determining this Court's authority to make a determination
19 about whether all or any part of the PPP Loans is subject to forgiveness under the
20 loan documents and law governing the PPP Loans.
21

1 Notwithstanding any provisions to the contrary in the Plan, this Order
2 confirming the Plan, and any implementing Plan documents, nothing shall affect the
3 United States' appeal of the Order Granting Preliminary Injunction in the SBA
4 Adversary Proceeding, and the District Court proceedings related thereto.

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

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

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

15 For avoidance of doubt, nothing in this Confirmation Order shall be construed
16 to affect the rights of the United States to assert setoff and recoupment, if any.

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 Authority's

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

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

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

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

15 23. **Severability.** In the event that the Bankruptcy Court determines, prior
16 to the Effective Date, that any provision of the Plan is invalid, void or unenforceable,
17 the Bankruptcy Court shall, have the power to alter and interpret such term or
18 provision to make it valid or enforceable to the maximum extent practicable,
19 consistently with the original purpose of the term or provision held to be invalid, void
20 or unenforceable, and such term or provision shall then be applicable as altered or
21 interpreted. Notwithstanding any such holding, alteration or interpretation, the

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

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

15 25. **Notice of Confirmation of the Plan.** Pursuant to Bankruptcy Rules
16 2002(f)(7) and 3020(c)(2), the Plan Proponents will serve a notice of the entry of this
17 Order substantially in the form of **Exhibit “B”** attached hereto and incorporated
18 herein by reference (the “**Confirmation Notice**”), to all parties in the creditor
19 database maintained by KCC, no later than five (5) Business Days after the
20 Confirmation Date; provided, however, that the Plan Proponents will serve the
21 Confirmation Notice only on the record Holders of Claims as of the Confirmation

1 Date. The Debtors will publish the Confirmation Notice once in USA Today and
2 Yakima Herald Republic, Inc. as soon as reasonably practicable after the
3 Confirmation Date, but no later than five (5) Business Days after the Confirmation
4 Date. As soon as practicable after the entry of this Order, the Debtors will make
5 copies of this Order and the Confirmation Notice available on the Debtors'
6 restructuring website at <http://www.kccellc.net/AstriaHealth>. As soon as practicable
7 after the occurrence of the Effective Date pursuant to the terms of the Plan, the
8 Debtors will serve the notice of Effective Date, substantially in the form attached
9 hereto as **Exhibit "C"** (the "**Notice of Effective Date**") on all parties served with the
10 Confirmation Notice.

11 26. **Reserves.** Pursuant to Section 1.7 of the Plan and Section IV.I of the
12 Confirmation Brief, the amount of the Administrative and Priority Claims Reserve
13 established pursuant to Sections II.D.4 and III.L of the Plan shall be approximately
14 \$4,624,674 (the "**Administrative, Professional and Priority Claims Cap**"). The
15 amount of the Administrative Claims Reserve is sufficient to satisfy any unpaid
16 Administrative Claims that are Allowed as of the Effective Date.

17 27. **Modification of the Plan.** Pursuant to Section VII.M of the Plan, the
18 Debtors reserve the right, in accordance with the Bankruptcy Code and the
19 Bankruptcy Rules and with the prior written consent of the Lapis Parties and the
20 Committee, or as otherwise approved by the Court, to amend or modify the Plan at
21 any time prior to the entry of this Confirmation Order. After the entry of this

1 Confirmation Order, the Plan Proponents may, in consultation with the Committee
2 or the GUC Distribution Trustee, as applicable, and upon order of the Bankruptcy
3 Court, amend or modify the Plan, in accordance with § 1127(b), or remedy any defect
4 or omission or reconcile any inconsistency in the Plan in such manner as may be
5 necessary to carry out the purpose and intent of the Plan. A Holder of an Allowed
6 Claim that is deemed to have accepted the Plan shall be deemed to have accepted the
7 Plan as modified if the proposed modification does not materially and adversely
8 change the treatment of the Claim of such holder. Notwithstanding the foregoing,
9 the Plan Proponents are authorized to file Plan Supplements on or before the
10 Effective Date of the Plan.

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

14 29. **Governing Law.** Pursuant to Section I.D of the Plan, unless a rule of
15 law or procedure is supplied by federal law (including the Bankruptcy Code and
16 Bankruptcy Rules) or unless otherwise specifically stated in the Plan, the laws of the
17 State of Washington, without giving effect to the principles of conflict of laws, shall
18 govern the rights, obligations, construction, and implementation of the Plan, any
19 agreements, documents, instruments, or contracts executed or entered into in
20 connection with the Plan (except as otherwise set forth in those agreements, in which
21 case the governing law of such agreement shall control); provided that corporate or

DENTONS US LLP BUSH KORNFEELD LLP
SUITE 2500 LAW OFFICES
601 South Figueroa Street 601 Union Street, Suite 5000
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

1 limited liability company governance matters relating to the Debtors or the
2 Reorganized Debtors, as applicable, not incorporated or formed (as applicable) in the
3 State of Washington shall be governed by the laws of the state of incorporation or
4 formation (as applicable) of the applicable Debtor or Reorganized Debtor.

5 30. **Notice.** Except as otherwise provided in the Plan and this Order, as of
6 the Effective Date, notice of all subsequent pleadings in the Chapter 11 Cases shall
7 be limited to counsel to the Reorganized Debtors, counsel to the POC, the GUC
8 Distribution Trustee, the Liquidation Trustee, the U.S. Trustee, and any party known
9 to be directly affected by the relief sought.

10 31. **References to Plan.** Any document related to the Plan that refers to a
11 chapter 11 plan of the Plan Proponents other than the Plan confirmed by this Order
12 shall be, and it hereby is, deemed to be modified such that the reference to a chapter
13 11 plan of the Plan Proponents in such document shall mean the Plan confirmed by
14 this Order, as appropriate.

15 32. **Reconciliation of Inconsistencies.** Without intending to modify any
16 prior Order of this Court (or any agreement, instrument or document addressed by
17 any prior Order), in the event of an inconsistency between the Plan, on the one hand,
18 and any other agreement, instrument, or document intended to implement the
19 provisions of the Plan, on the other, the provisions of the Plan shall govern (unless
20 otherwise expressly provided for in such agreement, instrument, or document). In
21 the event of any inconsistency between the Plan or any agreement, instrument, or

1 document intended to implement the Plan, on the one hand, and this Order, on the
2 other, the provisions of this Order shall govern.

3 33. **Automatic Stay.** Unless otherwise provided in the Plan or in this
4 Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant
5 to §§ 105 or 362 or any order of this Court and extant on the date of entry of this
6 Confirmation Order (excluding any injunctions or stays contained in the Plan or this
7 Confirmation Order) shall remain in full force and effect until the Closing of the
8 Chapter 11 Cases. All injunctions or stays contained in the Plan or this Order shall
9 remain in full force and effect in accordance with their terms.

10 34. **Order Effective Immediately.** Notwithstanding Bankruptcy Rules
11 3020(e) or 7062 or otherwise, the stay provided for under Bankruptcy Rule 3020(e)
12 shall be waived and this Order shall be effective and enforceable immediately upon
13 entry. The Plan Proponents are authorized to consummate the Plan and the
14 transactions contemplated thereby immediately after entry of this Order and upon, or
15 concurrently with, satisfaction of the conditions set forth in the Plan.

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18 ///End of Order//

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PRESENTED BY:

DENTONS US LLP

/s/ Samuel R. Maizel
SAMUEL R. MAIZEL (*Pro Hac Vice*)
SAM J. ALBERTS (WSBA #22255)

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

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

/s/ William Kannel
WILLIAM KANNEL (*Pro Hac Vice*)
IAN A. HAMMEL (*Pro Hac Vice*)

Attorneys for the Lapis Parties

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DENTONS US LLP BUSH KORNFIELD LLP
SUITE 2500 LAW OFFICES
601 South Figueroa Street 601 Union Street, Suite 5000
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

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Exhibit A

Form of Notice of Rejection of Executory Agreement

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DENTONS US LLP BUSH KORNFIELD LLP
SUITE 2500 LAW OFFICES
601 South Figueroa Street 601 Union Street, Suite 5000
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

1 JAMES L. DAY (WSBA #20474)
BUSH KORNFELD LLP
601 Union Street, Suite 5000
2 Seattle, WA 98101
Tel: (206) 521-3858
3 Email: jday@bskd.com

4 SAMUEL R. MAIZEL (Admitted
Pro Hac Vice)
DENTONS US LLP
601 South Figueroa Street, Suite
5 2500
Los Angeles, California 90017-5704
6 Tel: (213) 623-9300
Fax: (213) 623-9924
7 Email:
samuel.maizel@dentons.com

8 SAM J. ALBERTS (WSBA
#22255)
DENTONS US LLP
1900 K. Street, NW
9 Washington, DC 20006
Tel: (202) 496-7500
Fax: (202) 496-7756
10 Email: sam.alberts@dentons.com

11 Attorneys for the Chapter 11
Debtors and Debtors In Possession

MARK D. NORTHRUP
(WSBA #16947)
MILLER NASH GRAHAM &
DUNN LLP
2801 Alaskan Way, Suite 300
Seattle, Washington 98121-
1128
Tel: (206) 624-8300
Email:
mark.northrup@millernash.com

WILLIAM KANNEL
(Admitted Pro Hac Vice)
IAN A. HAMMEL (Admitted
Pro Hac Vice)
MINTZ, LEVIN, COHN,
FERRIS, GLOVSKY AND
POPEO, P.C.
One Financial Center
Boston, Massachusetts 02111
Tel: (617) 542-6000
Email: wkannel@mintz.com
Email: iahammel@mintz.com
Email: tmckeon@mintz.com

Attorneys for the Lapis Parties

HONORABLE WHITMAN L.
HOLT

12 UNITED STATES BANKRUPTCY COURT
13 EASTERN DISTRICT OF WASHINGTON

14 In re:

15 ASTRIA HEALTH, *et al.*,

16 Debtors and Debtors in
17 Possession.¹

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

**NOTICE OF REJECTION OF
EXECUTORY AGREEMENTS**

18 ¹ The Debtors, along with their case numbers, are as follows: Astria Health (19-
19 01189-11), Glacier Canyon, LLC (19-01193-11), Kitchen and Bath Furnishings,
20 LLC (19-01194-11), Oxbow Summit, LLC (19-01195-11), SHC Holdco, LLC (19-
21 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).

Rejection Notice

- 73

DENTONS US LLP BUSH KORNFELD LLP
SUITE 2500 LAW OFFICES
601 South Figueroa Street 601 Union Street, Suite 5000
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

1 PLEASE TAKE NOTICE OF THE FOLLOWING:

2 **REJECTION OF EXECUTORY AGREEMENTS**

3 1. By Order dated December __, 2020 [Docket No. __] (the
4 “Confirmation Order”), the United States Bankruptcy Court for the Eastern District
5 of Washington (the “Bankruptcy Court”) confirmed the *Modified Second Amended*
6 *Joint Chapter 11 Plan of Reorganization of Astria Health and Its Debtor Affiliates*
7 [Docket No. 2196] (including all exhibits thereto, any plan supplement, and as
8 amended, modified, or supplemented from time to time, the “Plan”)² filed by Astria
9 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”).

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

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

12 4. **Rejection of Executory Agreements.** Pursuant to Section IV.B.1 of
13 the Plan, immediately prior to the Effective Date, all Executory Contracts of the
14 Debtors will be deemed rejected in accordance with the provisions and requirements
15 of §§ 365 and 1123 except those Executory Contracts that (i) have been assumed by
16 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 be filed with the
Court prior to the Voting Deadline, which shall be a date prior to the Effective Date
of the Plan. The Confirmation Order will constitute a Court order approving such
rejections of Executory Contracts as of the Effective Date pursuant to §§ 365 and
1123.

17 5. **Bar Date for Rejection Damages.** Pursuant to Section IV.B.2 of the
18 Plan, Claims arising out of the rejection of an Executory Agreement pursuant to the
19 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.*, __, 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.

20 6. **Viewing the Plan and Confirmation Order.** The Plan and the
Confirmation Order may be obtained: (a) via download from the Bankruptcy Court’s

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

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

6 Dated: , 2020

DENTONS US LLP

7 By: _____

8 Samuel R. Maizel
9 Sam J. Alberts
10 Geoffrey M. Miller

11 Counsel to the *Debtors and Debtors In*
12 *Possession*

13 Dated: , 2020

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

15 By: _____

16 William Kannel
17 Ian A. Hammel

18 Counsel to the *Lapis Parties*

19 DENTONS US LLP

BUSH KORNFELD LLP

SUITE 2500

LAW OFFICES

601 South Figueroa Street

601 Union Street, Suite 5000

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

20 Rejection Notice

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Exhibit B

Form of Confirmation Notice

Confirmation Order

DENTONS US LLP	BUSH KORNFIELD LLP
SUITE 2500	LAW OFFICES
601 South Figueroa Street	601 Union Street, Suite 5000
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

1 JAMES L. DAY (WSBA #20474)
BUSH KORNFELD LLP
601 Union Street, Suite 5000
2 Seattle, WA 98101
Tel: (206) 521-3858
3 Email: jday@bskd.com

4 SAMUEL R. MAIZEL (Admitted
Pro Hac Vice)
DENTONS US LLP
601 South Figueroa Street, Suite
5 2500
Los Angeles, California 90017-5704
6 Tel: (213) 623-9300
Fax: (213) 623-9924
7 Email:
samuel.maizel@dentons.com

8 SAM J. ALBERTS (WSBA
#22255)
DENTONS US LLP
1900 K. Street, NW
9 Washington, DC 20006
Tel: (202) 496-7500
Fax: (202) 496-7756
10 Email: sam.alberts@dentons.com

MARK D. NORTHRUP
(WSBA #16947)
MILLER NASH GRAHAM &
DUNN LLP
2801 Alaskan Way, Suite 300
Seattle, Washington 98121-
1128
Tel: (206) 624-8300
Email:
mark.northrup@millernash.com

WILLIAM KANNEL
(Admitted Pro Hac Vice)
IAN A. HAMMEL (Admitted
Pro Hac Vice)
MINTZ, LEVIN, COHN,
FERRIS, GLOVSKY AND
POPEO, P.C.
One Financial Center
Boston, Massachusetts 02111
Tel: (617) 542-6000
Email: wkannel@mintz.com
Email: iahammel@mintz.com
Email: tmckeon@mintz.com

HONORABLE WHITMAN L.
HOLT

Attorneys for the Lapis Parties

Attorneys for the Chapter 11
Debtors and Debtors In Possession

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON

14 In re:
15 ASTRIA HEALTH, *et al.*,
16 Debtors and Debtors in
17 Possession.¹

Chapter 11
Lead Case No. 19-01189-11
Jointly Administered
**NOTICE OF CONFIRMATION OF
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 Notice

DENTONS US LLP BUSH KORNFELD LLP
SUITE 2500 LAW OFFICES
601 South Figueroa Street 601 Union Street, Suite 5000
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

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2 **PLEASE TAKE NOTICE OF THE FOLLOWING:**

3 **CONFIRMATION OF MODIFIED SECOND AMENDED JOINT CHAPTER**
4 **11 PLAN OF REORGANIZATION OF ASTRIA HEALTH AND ITS**
5 **DEBTOR AFFILIATES**

6 1. By Order dated December __, 2020 [Docket No. ____] (the
7 “Confirmation Order”), the United States Bankruptcy Court for the Central District
8 of California (the “Bankruptcy Court”) confirmed the *Modified Second Amended*
9 *Joint Chapter 11 Plan of Reorganization of Astria Health and Its Debtor Affiliates*
10 [Docket No. 2196] (including all exhibits thereto, any plan supplement, and as
11 amended, modified, or supplemented from time to time, the “Plan”)² filed by Astria
12 Health, a Washington nonprofit public benefit corporation (“Astria”), and the above-
13 referenced affiliated debtors and debtors in possession (collectively, the “Debtors”),
14 in the above-referenced chapter 11 cases (the “Chapter 11 Cases”) and Lapis
15 Advisers, LP as lender under the debtor in possession facility in the Chapter 11
16 Cases, agent under the Debtors’ prepetition credit agreement, and as investment
17 advisor and investment manager for certain funds which are beneficial holders of
18 those certain Washington Health Care Facilities Authority Revenue Bonds, Series
19 2017a Bonds and the Series 2017b Bonds (collectively the “Lapis Parties” and,
20 together with the Debtors, the “Plan Proponents”), as satisfying the requirements of
21 § 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
registered users of the PACER and/or CM/ECF systems (for a fee); (b) via download
from www.kccllc.net/astriahealth; 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@kcclcc.net.

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

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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*

DENTONS US LLP
SUITE 2500

BUSH KORNFELD LLP
LAW OFFICES

601 South Figueroa Street
Los Angeles, California 90017-5704
T 213-623-9300 / F 213-623-9924

601 Union Street, Suite 5000
Seattle, Washington 98101-2373
T 206 292 2110 / F 206 292 2104

Confirmation Notice

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Exhibit C

Form of Notice of Effective Date

Confirmation Order

DENTONS US LLP BUSH KORNFIELD LLP
SUITE 2500 LAW OFFICES
601 South Figueroa Street 601 Union Street, Suite 5000
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

1 JAMES L. DAY (WSBA #20474)
BUSH KORNFELD LLP
601 Union Street, Suite 5000
2 Seattle, WA 98101
Tel: (206) 521-3858
3 Email: jday@bskd.com

4 SAMUEL R. MAIZEL (Admitted
Pro Hac Vice)
DENTONS US LLP
601 South Figueroa Street, Suite
5 2500
Los Angeles, California 90017-5704
Tel: (213) 623-9300
6 Fax: (213) 623-9924
Email:
7 samuel.maizel@dentons.com

8 SAM J. ALBERTS (WSBA
#22255)
DENTONS US LLP
1900 K. Street, NW
9 Washington, DC 20006
Tel: (202) 496-7500
Fax: (202) 496-7756
10 Email: sam.alberts@dentons.com

MARK D. NORTHRUP
(WSBA #16947)
MILLER NASH GRAHAM &
DUNN LLP
2801 Alaskan Way, Suite 300
Seattle, Washington 98121-
1128
Tel: (206) 624-8300
Email:
4 mark.northrup@millernash.com

WILLIAM KANNEL
(Admitted Pro Hac Vice)
IAN A. HAMMEL (Admitted
Pro Hac Vice)
MINTZ, LEVIN, COHN,
FERRIS, GLOVSKY AND
POPEO, P.C.
One Financial Center
Boston, Massachusetts 02111
Tel: (617) 542-6000
Email: wkannel@mintz.com
Email: iahammel@mintz.com
Email: tmckeon@mintz.com

Attorneys for the Lapis Parties

HONORABLE WHITMAN L.
HOLT

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
Possession.¹

Chapter 11
Lead Case No. 19-01189-11
Jointly Administered
**NOTICE OF OCCURRENCE OF
EFFECTIVE DATE OF 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).

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