UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re	:	**Chapter 11**
CANO HEALTH, INC., *et al.*,	:	**Case No. 24–10164 (KBO)**
Debtors.[1]	:	**(Jointly Administered)**
	:	**Re: Docket Nos. 864**

DECLARATION OF CONOR MCSHANE IN SUPPORT OF CONFIRMATION OF FOURTH AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF CANO HEALTH, INC. AND ITS AFFILIATED DEBTORS

I, Conor McShane, pursuant to 28 U.S.C. § 1746, hereby declare under penalty of perjury that the following is true to the best of my knowledge, information, and belief:

1. I am a Partner at AlixPartners LLP ("**AlixPartners**"), a global independent restructuring consulting firm that specializes in providing restructuring advisory services, and has assisted, advised, and provided strategic advice to debtors, creditors, bondholders, investors, and other entities in numerous chapter 11 cases of similar size and complexity to these chapter 11 cases. I have been in the Turnaround and Restructuring Services Group at AlixPartners since 2018, when AlixPartners purchased Zolfo Cooper, LLC ("**Zolfo Cooper**"), a restructuring advisory firm. Prior to that, I had been employed by Zolfo Cooper since 2012, where I served most recently as a Director.

2. I received a Bachelor of Business Administration from Trinity College Dublin and a Masters in Strategy and Management from ESSEC Business School in Paris. Prior to receiving my Masters, I was a workout banker at Irish Banking Resolution Corporation based in

[1] The last four digits of Cano Health, Inc.'s tax identification number are 4224. A complete list of the Debtors in the Chapter 11 Cases may be obtained on the website of the Debtors' claims and noticing agent at https://www.veritaglobal.net/CanoHealth. The Debtors' mailing address is 9725 NW 117th Avenue, Miami, Florida 33178.

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London. I have approximately 16 years of restructuring experience across a variety of industries and have advised on several large scale in-court restructurings, including, among others, Avaya (from 2016 to 2018 and again from 2022 to 2023), Deluxe Entertainment Services, Sungard Availability Services, and Sabine Oil & Gas, as well as many other out-of-court distressed situations.

3. AlixPartners is a global independent restructuring consulting firm that has a wealth of experience in providing financial advisory services and has assisted, advised, and provided strategic advice to debtors, creditors, bondholders, investors, and other entities in numerous chapter 11 cases of similar size and complexity to these Chapter 11 Cases. Since its inception in 1981, AlixPartners has provided restructuring or crisis management services in numerous large cases. AlixPartners has extensive experience in providing financial and restructuring advisory services to debtors and financially distressed companies, as described more fully in the *Debtors' Application Pursuant to 11 U.S.C. §§ 327, 330, and 1107 and Fed. R. Bank. P. 2014(a) and 2016 for Entry of an Order Authorizing the Employment and Retention of AlixPartners, LLP as Financial Advisor for the Debtors Effective as of the Petition Date*, filed with this Court on February 15, 2024 [Docket No. 147].

4. By order dated March 5, 2024 [Docket No. 256], the Court authorized Cano Health, Inc. and certain of its subsidiaries, as debtors and debtors in possession (collectively, the "**Debtors**"), to retain and employ AlixPartners as their financial advisor, effective as of February 4, 2024 (the "**Petition Date**").

5. Since AlixPartners' initial engagement by the Debtors on November 3, 2023, the AlixPartners' personnel providing services to the Debtors, including myself, have worked closely with the Debtors' management and other professionals in assisting with the Debtors'

restructuring efforts and the various requirements of these Chapter 11 Cases. As a result of that work, I am knowledgeable and generally familiar with the Debtors' day-to-day operations, books and records, business and financial affairs, capital structure, restructuring efforts to date, and the Debtors' liquidity position and needs.

6. I submit this declaration (the "**Declaration**") in support of the Debtors' request for entry of the proposed order (the "**Confirmation Order**") confirming the Debtors' *Fourth Amended Joint Chapter 11 Plan of Reorganization of Cano Health, Inc. and Its Affiliated Debtors* [Docket No. 864], dated May 21, 2024 (including any exhibits, schedules, and supplements thereto and as may be amended, restated, supplemented, or otherwise modified from time to time, the "**Plan**"),[2] including without limitation, the agreements and other documents set forth in that certain supplement to the Plan filed on June 14, 2024 [Docket No. 1023] (as may be further amended, modified, or supplemented from time to time, the "**Plan Supplement**"). Together with the Debtors' counsel and other advisors, I have reviewed, and I am generally familiar with, the terms and provisions of the Plan, the documents comprising the Plan Supplement, the Definitive Documents, the *Disclosure Statement for the Fourth Amended Joint Chapter 11 Plan of Reorganization of Cano Health, Inc. and its Affiliated Debtors* [Docket No. 866], dated May 21, 2024 (the "**Disclosure Statement**") and exhibits, and the requirements for confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code.

7. Except as otherwise indicated, the facts set forth in this Declaration (or incorporated by reference herein) are based on (i) my personal knowledge; (ii) my discussions with the Debtors' representatives, other members of the Debtors' management team, or other interested parties; (iii) my review of relevant documents; (iv) my opinion based upon my

[2] Capitalized terms used but not otherwise defined in this Declaration have the respective meanings ascribed to them in the Plan.

experience, knowledge, and information concerning the Debtors' financial affairs; and/or (v) the Debtors' Financial Projections (as defined below). If called upon to testify, I would testify competently to the facts set forth herein. I am authorized to submit this Declaration on behalf of the Debtors.

I. The Plan Satisfies the Bankruptcy Code's Requirements for Confirmation

8. Based on my understanding of the Plan, the events that have occurred throughout these Chapter 11 Cases, and discussions I have had with the Debtors' legal advisors regarding the requirements of the Bankruptcy Code, I believe that the Plan satisfies all provisions of section 1129 of the Bankruptcy Code and complies with all other applicable sections of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, and applicable non-bankruptcy law and should therefore be confirmed.

A. The Plan Satisfies Bankruptcy Code Section 1129(a)(1)

1. Classification of Claims and Interests Complies with Bankruptcy Code Section 1122

9. With respect to each Debtor, Section 3.3 of the Plan designates twelve (12) classes of Claims and Interests and Article III of the Plan provides for, with respect to each Debtor (as applicable), the separate classification of Claims and Interests in the Debtors.

10. The separate classification of Claims against, and Interests in, the Debtors is based upon the differences in legal nature and/or priority of such Claims and Interests in accordance with applicable law. Such Classes do not unfairly discriminate between holders of Claims and Interests. I believe the classification scheme of the Plan is rational and complies with the Bankruptcy Code. Generally, I understand the Plan incorporates a "waterfall" classification and distribution scheme that strictly follows the statutory priorities prescribed by the Bankruptcy Code. I also understand that all Claims and Interests within a single Class have

the same or substantially similar rights against the Debtors as required by Bankruptcy Code section 1122(a) of the Bankruptcy Code.

11. Additionally, I understand that each Class of unsecured claims, i.e., Class 4 (RSA GUC Claims), Class 5 (Non-RSA GUC Claims), and Class 6 (Convenience Claims), is comprised of Claims arising under different debt obligations and/or different facts and circumstances. In particular, the Debtors established Class 6 for Claims that would otherwise be Non-RSA GUC Claims but are allowed in the amount of $10,000 or less, which separate classification and different treatment is, in my view, reasonable under the circumstances and necessary for administrative convenience. The classification and treatment of Class 5 and Class 6 are also a result of extensive, arm's length negotiations with the Creditors' Committee and part of the Global Settlement. It is my understanding that the separate classification of Class 5 and Class 6 comply with section 1122(b) of the Bankruptcy Code.

2. The Plan Complies with Bankruptcy Code Section 1123(a)

12. I have been advised that the Plan fully complies with each of the seven requirements of section 1123(a) of the Bankruptcy Code applicable to a corporate debtor's chapter 11 plan.

13. ***Section 1123(a)(1) (Designate Classes).*** With respect to each Debtor, Section 3.3 of the Plan designates twelve (12) Classes of Claims and Interests.

14. ***Section 1123(a)(2) (Unimpaired Classes).*** Section 3.3 of the Plan specifies that Class 1 (Other Priority Claims) and Class 2 (Other Secured Claims) are Unimpaired under the Plan. Class 7 (Intercompany Claims), Class 9 (Existing Subsidiary Interests), Class 10 (Existing CH LLC Interests), and Class 11 (Existing PCIH Interests) are either Unimpaired or Impaired under the Plan such that they are presumed to accept or deemed to reject the Plan.

15. ***Section 1123(a)(3) (Impaired Classes).*** With respect to each Debtor, Article IV of the Plan sets forth the treatment of Claims and Interests in Class 3 (First Lien Claims), Class 4 (RSA GUC Claims), Class 5 (Non-RSA GUC Claims), Class 6 (Convenience Claims), Class 8 (Subordinated Claims), and Class 12 (Existing CHI Interests) as applicable, each of which constitutes an Impaired Class under the Plan. Class 7 (Intercompany Claims), Class 9 (Existing Subsidiary Interests), Class 10 (Existing CH LLC Interests), and Class 11 (Existing PCIH Interests) are either Unimpaired or Impaired under the Plan such that they are presumed to accept or deemed to reject the Plan.

16. ***Section 1123(a)(4) (Same Treatment).*** Pursuant to Article IV of the Plan, except to the extent that a holder of an Allowed Claim has agreed to less favorable treatment of its Claim, the treatment of each Claim or Interest in each respective Class is the same as the treatment of each other Claim or Interest in such Class.

17. ***Section 1123(a)(5) (Adequate Means of Implementation).*** I understand that, as detailed in Article V of the Plan, a critical aspect of the Debtors' Plan is the implementation of the Reorganization Transaction upon the Effective Date, both to fund distributions to holders of Claims under the Plan, including any unpaid Administrative Expenses, and to provide the necessary capital for the Reorganized Debtors' go-forward operations. The Reorganization Transaction provides, among other things, that on the Effective Date, the Restructuring Transactions will occur by way of one of the following alternatives: (i) a CHI Successor Transaction where CHI is the issuer of the New Equity Interests and the GUC Warrants ("**Alternative Transactions 1**") or (ii) a CHI Successor Transaction where a NewCo is the issuer of the New Equity Interests and the GUC Warrants ("**Alternative Transactions 2**" and

collectively with Alternative Transactions 1, the "**Alternative Transactions**"), each as described in the Plan Supplement.

18. Further, I understand the Plan provides for adequate means of implementation of the Reorganization Transaction, including by way of (i) the compromise and settlement of Claims, Interests, and controversies (Plan, § 5.2), including with respect to the Side-Car Resolution and the Global Settlement; (ii) the Debtors' effectuation of the Reorganization Transaction, inclusive of entry into the Exit Facility Credit Agreement and the other Exit Facility Documents (Plan, § 5.5(a)); (iii) the authorization of the Reorganized Debtors' issuance and distribution of the New Equity Interests (Plan, § 5.5(b)) and GUC Warrants (Plan, § 5.5(c)); (iv) the establishment of the New Board (Plan, § 5.5(e)) and the Reorganized Debtors' continued corporate existence (Plan, § 5.7); (v) establishment of the Litigation Trust and the funding and administering of the same in accordance with the terms of the Plan (Plan, § 5.8); (vi) the cancellation of certain of the existing securities and agreements of the Debtors (Plan, § 5.9); (vii) the retention of the Retained Causes of Action (Plan, § 5.10); (viii) the cancellation of any Liens securing any Secured Claims that are satisfied in full (Plan, § 5.11); and (ix) the assumption of certain employee agreements and benefits plans on the Effective Date (Plan, § 5.12).

19. Additionally, I understand the Plan Supplement includes, among other things, the following documents related to the Plan and its implementation: (i) certain New Governance Documents, (ii) the Description of Transaction Steps, (iii) the Assumption Schedule, (iv) the Rejection Schedule, (v) the Senior Executive Employment Agreements, (vi) the MIP Term Sheet, (vii) the Litigation Trust Agreement, (viii) the GUC Warrant Agreement, (ix) the schedule

of Retained Causes of Action, (x) the form of Exit Facility Credit Agreement, and (xi) information related to the New Board.

20. ***Section 1123(a)(6) (Non-Voting Securities).*** I have been informed that, to the extent necessary, the New Governance Documents have been, or will be, amended on or prior to the Effective Date to prohibit the issuance of non-voting equity securities and set forth an appropriate distribution of voting power among classes of equity securities possessing voting power.

21. ***Section 1123(a)(7) (New Officers, Directors and Trustees).*** I understand the Plan provides that the New Board shall consist of the Chief Executive Officer and such other additional members, as determined by the Requisite Consenting Creditors in consultation with the Debtors. Additionally, I have been informed that META Advisors has been selected to serve as Litigation Trustee of the Litigation Trust. I have been advised that the manner of selection of officers and directors for the New Board and the Litigation Trustee for the Litigation Trust is consistent with the interests of creditors and equity security holders and with public policy.

22. ***Section 1123(a)(8) (Inapplicable Provision).*** No Debtor is an "individual" as I understand that term to be used in the Bankruptcy Code.

3. The Plan Complies with Bankruptcy Code Section 1123(b)

(a) Permissive Plan Provisions

23. ***Section 1123(b)(1) (Impaired or Unimpaired Classes).*** Section 3.3 and Article IV of the Plan provide that: (a) Class 1 (Other Priority Claims) and Class 2 (Other Secured Claims) are Unimpaired; (b) Class 3 (First Lien Claims), Class 4 (RSA GUC Claims), Class 5 (Non-RSA GUC Claims), Class 6 (Convenience Claims), Class 8 (Subordinated Claims), and Class 12 (Existing CHI Interests) are Impaired; and (c) Class 7 (Intercompany Claims), Class 9

(Existing Subsidiary Interests), Class 10 (Existing CH LLC Interests), and Class 11 (Existing PCIH Interests) are either Impaired or Unimpaired.

24. ***Section 1123(b)(2) (Assumption or Assumption and Assignment of Executory Contracts and Unexpired Leases).*** Article VIII of the Plan provides for the assumption (or assumption and assignment) and rejection of certain executory contracts and unexpired leases. The Plan Supplement contains an Assumption Schedule (that may be amended through and including the Effective Date) that sets forth executory contracts to be assumed by the Debtors under the Plan on the Effective Date [Docket Nos. 1023-3 and 1063-1]. Article VIII of the Plan further provides, as of and subject to the occurrence of the Effective Date of the Plan, except as set forth in the Plan and the Confirmation Order, all executory contracts and unexpired leases (each, a "**Contract**") to which any of the Debtors are party shall be deemed assumed or assumed and assigned, as applicable, except for any Contract that (i) was previously assumed or rejected by the Debtors pursuant to an order of the Bankruptcy Court; (ii) previously expired or terminated pursuant to its own terms or by agreement of the parties thereto; (iii) is the subject of a separate motion to assume or reject filed by the Debtors on or before the Confirmation Date; (iv) is a Senior Executive Employment Agreement (which shall be treated as set forth in Section 5.12 of the Plan); (v) is specifically designated as a Contract to be included on the Rejection Schedule; or (vi) is the subject of a pending Cure Dispute; *provided*, that the proposed assumption or rejection of a Contract shall be reasonably acceptable to the Requisite Consenting Creditors.

25. Further, I understand Section 8.2(c) of the Plan provides that, if there is a dispute pertaining to the assumption of an executory contract or unexpired lease (other than a dispute pertaining to a Cure Amount), such dispute shall be heard by the Bankruptcy Court prior to the

assumption being effective; *provided that* the Debtors or the applicable Reorganized Debtors may settle any such dispute without any further notice to, or action by, any party or order of the Bankruptcy Court. To the extent a dispute relates to Cure Amounts, the Debtors may assume and/or assume and assign the applicable executory contract or unexpired lease prior to the resolution of such cure dispute, *provided that* the Debtors or the applicable Reorganized Debtors reserve Cash in an amount sufficient to pay the full amount reasonably asserted as the Cure Amount by the counterparty to such executory contract or unexpired lease. Based upon my experience, knowledge, and information concerning the Debtors' financial affairs and my discussions with the Debtors' representatives and management team, I understand the aggregate amount of disputed of disputed Cure amounts is approximately $1.25 million and the Reorganized Debtors will have sufficient liquidity to pay those amounts in the event they are determined to be owed.[3]

26. ***Section 1123(b)(3) (Settlements, Releases or Retention of Claims and Causes of Action).*** I understand the Plan provides a release of certain claims and Causes of Action by the Debtors and their Estates in favor of the Released Parties[4] (Plan, § 10.6(a)), and (ii) the compromise and settlement of Claims, Interests, and controversies (Plan, § 5.2), including with

[3] This estimate excludes Cure Amounts asserted in Objections that are resolved or that the Debtors anticipate resolving in advance of the Confirmation Hearing.

[4] "**Released Parties**" means, collectively, and in each case, solely in their capacities as such: (a) the Debtors, (b) the Reorganized Debtors, (c) each Consenting Creditor, (d) the DIP Agent, (e) the DIP Lenders and the DIP Backstop Parties, (f) the Fronting Lender, (g) the Escrow Agent, (h) the Ad Hoc First Lien Group and the Prepetition Secured Parties, (i) the Senior Notes Indenture Trustee, (j) the Patient Care Ombudsman, (k) the Exit Facility Agent, (l) the Exit Facility Lenders, (m) the Creditors' Committee and its members, (n) the Total Health Sellers, (o) Mark D. Kent, (p) Frederick Green, in his capacity as former officer of the Debtors, (q) Jacqueline Guichelaar, in her capacity as former director of the Debtors, and (r) with respect to each of the foregoing, all Related Parties. For the avoidance of doubt and notwithstanding anything herein or in any Definitive Document to the contrary, (x) the Debtors' officers, directors, and the Debtor Professionals employed at any time on and after the Petition Date through the Effective Date shall be Released Parties under the Plan and (y) the Debtors' former employees, officers and directors, or any former employee, member, manager, officer or director of any predecessor in interest of the Debtors employed prior to, but not on or after, the Petition Date (other than as enumerated in (p) and (q) herein) shall not be Released Parties under the Plan.

respect to the Side-Car Resolution and the Global Settlement. Notwithstanding the Debtor Release, I understand Sections 5.10 and 10.9 of the Plan preserve the Reorganized Debtors' rights with respect to the Retained Causes of Action identified in the Plan Supplement. Further, pursuant to the Global Settlement, Section 5.8 of the Plan provides that the Debtors shall transfer all of their rights, title, and interests in and to all the Litigation Trust Causes of Action to the Litigation Trust on the Effective Date for the benefit of the Litigation Trust Beneficiaries.

27. I understand the settlements, releases, and compromises embodied in the Plan, including the Debtor Release, were an integral component of the complex negotiations and compromises underlying the Plan. Based on my knowledge of such negotiations and compromises, such releases, settlements, and compromises are fair, reasonable, and in the best interest of the Debtors' Estates and were necessary to the realization of the Plan and the value realized thereunder. Further, additional information supporting the proprietary of the Debtor Release is set forth in the *Declaration of Patricia Ferrari in Support of Confirmation of the Fourth Amended Joint Chapter 11 Plan Of Reorganization Of Cano Health, Inc. And Its Affiliated Debtors*, filed contemporaneously herewith.

28. ***Section 1123(b)(4) (Sale of All or Substantially All the Debtors' Assets).*** The Plan does not provide for the sale, transfer, or assignment of all or substantially all of the property of the Estates and, therefore, as I understand it, section 1123(b)(4) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

29. ***Section 1123(b)(5) (Modified Rights of Claimholders).*** I understand the Plan modifies the rights of Holders of Claims and Interests in Class 3 (First Lien Claims), Class 4 (RSA GUC Claims), Class 5 (Non-RSA GUC Claims), Class 6 (Convenience Claims), and Class 12 (Existing CHI Interests), as applicable, each of which constitutes an Impaired Class under the

Plan. Additionally, I understand the Plan leaves Unimpaired the rights of holders of Claims and Interests in Class 1 (Other Priority Claims) and Class 2 (Other Secured Claims) which are Unimpaired under the Plan; and modifies or leaves Unimpaired the rights of holders in Class 7 (Intercompany Claims), Class 9 (Existing Subsidiary Interests), Class 10 (Existing CH LLC Interests), and Class 11 (Existing PCIH Interests) which are either Unimpaired or Impaired under the Plan such that they are presumed to accept or deemed to reject the Plan.

30. ***Section 1123(b)(6) (Other Appropriate Provision).*** Bankruptcy Code section 1123(b)(6) provides that a plan may include any other appropriate provision not inconsistent with the applicable provisions of the Bankruptcy Code. It is my understanding that no provision of the Plan is inconsistent with the Bankruptcy Code. Additionally, it is my understanding that the Plan (i) contains certain release and exculpation provisions consistent with the applicable provisions of the Bankruptcy Code and Third Circuit law, (ii) provides that the Bankruptcy Court will retain jurisdiction over all matters arising out of, or related to, these Chapter 11 Cases, and (iii) provides that the issuance of the New Equity Interests, the GUC Warrants, and the Litigation Trust Interests under the Plan will be exempt from registration under the Securities Act of 1933 and any other applicable securities law pursuant to Section 4(a)(2) of the Securities Act and/or Regulation D thereunder. Based on my understanding of the Plan and discussions with the Debtors' legal advisors, no provision of the Plan is inconsistent with the Bankruptcy Code.

31. ***Section 1123(c) (Inapplicable Provision).*** As stated above, no Debtor is an "individual" as I understand that term to be used in the Bankruptcy Code.

32. ***Section 1123(d) (Defaults Cured).*** I understand Article VIII of the Plan provides for the assumption of certain Contracts and the process for determination of disputes with respect

to assumed Contracts or Cure Amounts. Additionally, I am advised that no provision of the Plan is inconsistent with section 1123(d) of the Bankruptcy Code.

B. The Plan Satisfies Bankruptcy Code Section 1129(a)(2) (The Plan Proponents)

33. To the best of my knowledge and belief, based on discussions with the Debtors' other advisors, I believe that the Debtors have complied with the applicable provisions of the Bankruptcy Code, including Bankruptcy Code sections 1125 and 1126, regarding disclosure and plan solicitation. The Debtors, with the assistance of their professionals, expended a significant amount of time and effort preparing the Plan, the documents that comprise the Plan Supplement, and the Disclosure Statement. In addition, it is my understanding that the Debtors' solicitation and tabulation of votes with respect to the Plan were proper and conformed with the Debtors' solicitation procedures and with the requirements of the Bankruptcy Code.

C. The Plan Has Been Proposed in Good Faith in Compliance with Bankruptcy Code Section 1129(a)(3) (Good Faith)

34. I believe the Debtors have proposed the Plan in good faith and for the legitimate and honest purpose of reorganizing the Debtors' ongoing business. The restructuring embodied in the Plan is the culmination of extensive, good faith negotiations between the Debtors and a number of their key economic stakeholders, including the Consenting Creditors, the Creditors' Committee, and several other claimants. I believe the history of negotiations among the key stakeholders and the resulting settlements and compromises achieved under the Plan, including with respect to the Side-Car Resolution and the Global Settlement, are clear evidence the Plan is proposed in good faith.

35. To the best of my knowledge, and based on my observations, the Plan furthers the Debtors' initial objectives in seeking chapter 11 relief, all while providing recoveries to creditors who would not otherwise be entitled to such recoveries in a liquidation. The Plan allows the

Debtors to continue as a going concern by de-levering the Debtors' balance sheet, assuming certain key customer and vendor contracts with necessary long-term modifications negotiated during the pendency of these chapter 11 cases, and providing the Debtors with an appropriate level of liquidity post-emergence.

D. The Plan Satisfies the Rest of the Requirements of Section 1129

36. ***Section 1129(a)(4) (Payments to Professionals).*** I understand all payments made or to be made by the Debtors for services, costs, or expenses in connection with these Chapter 11 Cases must be approved by the Bankruptcy Court as reasonable pursuant to final fee applications. Based on the foregoing, I believe the Plan complies with the requirements of section 1129(a)(4) of the Bankruptcy Code.

37. ***Section 1129(a)(5) (Identities of New Officers, Directors and Trustees).*** I understand the Plan provides that the New Board shall consist of the Chief Executive Officer and such other additional members, as determined by the Requisite Consenting Creditors in consultation with the Debtors in accordance with section 1129(a)(5) of the Bankruptcy Code. I have been informed that, to the extent known, the Debtors will disclose in advance of the Confirmation Hearing the identity and affiliation of any individual proposed to serve on the initial board of directors or managers, as applicable, or as an officer of any Reorganized Debtor. Additionally, I have been informed that META Advisors has been selected to serve as Litigation Trustee of the Litigation Trust.

38. ***Section 1129(a)(6) (Rate Changes).*** I am advised that, because the Plan does not provide for any rate changes by the Debtors, Bankruptcy Code section 1129(a)(6) is inapplicable.

39. ***Section 1129(a)(7) (Best Interests of Creditors).*** I understand that the Bankruptcy Code requires that, with respect to each impaired Class of Claims and Interests, each holder of such Claim or Interest must either (a) accept the Plan or (b) receive or retain under the

Plan on account of such Claim or Interest property of a value, as of the Effective Date, that is not less than the amount that such holder would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. Based on the information set forth in the *Declaration of Jeffrey Kopa in Support of Confirmation of the Fourth Amended Joint Chapter 11 Plan Of Reorganization Of Cano Health, Inc. And Its Affiliated Debtors*, filed contemporaneously herewith, I understand the Plan provides the holders of Allowed Claims in each Impaired Class with a recovery that is greater than or equal to the value of any distributions that would be made to them in a hypothetical chapter 7 liquidation of the Debtors.

40. ***Section 1129(a)(8) (Class Acceptance).*** I understand that holders of Claims or Interests in Class 1 (Other Priority Claims) and Class 2 (Other Secured Claims) are Unimpaired under the Plan and are, therefore, conclusively presumed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f).

41. I understand the Plan has been accepted by in excess of two-thirds in amount and one-half in number by the holders of Claims in Class 3 (First Lien Claims) and Class 4 (RSA GUC Claims) at each of the forty Debtors that have Class 3 and Class 4 Claims. Accordingly, it is my understanding the Plan satisfies the requirements of section 1129(a)(8)(A) with respect to Class 3 and Class 4 based on the *Certification of James Lee Regarding the Solicitation and Tabulation of Votes on the Fourth Amended Joint Chapter 11 Plan Of Reorganization Of Cano Health, Inc. And Its Affiliated Debtors*, filed contemporaneously herewith (the "**Voting Certification**").

42. Additionally, based on the Voting Certification and my discussions with the Debtors' legal advisors, I understand the Plan has been accepted by in excess of two-thirds in amount and one-half in number by the holders of Claims in Class 5 (Non-RSA GUC Claims) at

all but the eleven Class 5 Rejecting Debtors.[5] Accordingly, it is my understanding the Plan satisfies the requirements of section 1129(a)(8)(A) with respect to Class 5 for each of the Debtors, other than the eleven Class 5 Rejecting Debtors.

43. It is also my understanding the Plan has been accepted by in excess of two-thirds in amount and one-half in number by the holders of Claims in Class 6 (Convenience Claims) at each of the Debtors except for Debtor Cano Health of Florida, LLC. Accordingly, I believe the Plan satisfies the requirements of section 1129(a)(8)(A) for Class 6 except for Debtor Cano Health of Florida, LLC.

44. Finally, as set out further below, I understand that the Debtors have satisfied the "cram down" requirements under Bankruptcy Code section 1129(b) and the applicable Debtors may obtain confirmation of the Plan notwithstanding the deemed rejection by Classes 5, 6, 7, 8, 9, 10, 11, and 12.

45. I understand the Debtors have obtained at least one Impaired accepting Class on the Plans for forty of the forty-eight Debtors and those Plans should be confirmed. In addition, of the remaining eight Debtors, five of those Debtors have no asserted Impaired Claims (other than scheduled intercompany claims) and, therefore, I believe section 1129(a)(8) of the Bankruptcy Code does not apply.

46. I am advised the remaining three Debtors where claims were asserted but no votes were received are: (i) Cano Health Illinois 1 MSO, LLC, (ii) Cano Health CA1, LLC, and (iii) CHPR MSO LLC. Cano Health Illinois 1 MSO, LLC and Cano Health CA1, LLC, have

[5] Class 5 (Non-RSA GUC Claims) voted to reject the Plan for the following eleven Debtors: (i) Cano Health, Inc., (ii) DGM MSO, LLC, (iii) Orange Accountable Care Organization of South Florida LLC, (iv) Orange Accountable Care Organization, LLC, (v) Orange Care Group South Florida Management Services Organization, LLC, (vi) Orange Care IPA of New Jersey, LLC, (vii) Orange Care IPA of New York, LLC, (viii) Orange Healthcare Administration, LLC, (ix) Physicians Partners Group of FL, LLC, (x) Total Care ACO, LLC, and (xi) University Health Care Pharmacy, LLC (collectively, the "**Class 5 Rejecting Debtors**").

only one allowed Claim comprising the entirety of Class 5 (Non-RSA GUC Claims) and Class 6 (Convenience Claims), respectively, and no Claims in any other Classes,[6] while CHPR MSO LLC has one incomplete asserted Claim, and no Claims in any other Classes. I have also been advised Verita sent Solicitation Packages, including Ballots, to the two Claim holders at Cano Health Illinois 1 MSO, LLC and Cano Health CA1, LLC, and the Notice of Confirmation Hearing to the Claim holder at CHPR MSO LLC, which included the Voting Deadline and procedures for objecting to the Plan and disputing classification of Claims. As of the Voting Deadline, it is my understanding no ballots were returned, or objections received, for any of these Debtors. As a result, no votes were received on the Plans for any of these three Debtor entities. Although no votes for these Debtors were received, I believe the Plans for Cano Health Illinois 1 MSO, LLC, Cano Health CA1, LLC, and CHPR MSO LLC should nonetheless be confirmed as each of the creditors at these Debtors was given a full and fair opportunity to vote on the Plan or, with respect to the Claim holder at CHPR MSO LLC, a full and fair opportunity to contest the treatment of their Claim for voting purposes, but opted not to exercise that right. Accordingly, the failure of any creditors to vote on the Plans or object to Claim classification for these three Debtors should be deemed acceptance by those Impaired Classes of those Plans for purposes of Plan confirmation.

47. If the Plans corresponding to Cano Health Illinois 1 MSO, LLC, Cano Health CA1, LLC, and CHPR MSO LLC are not confirmed, I have been advised the Debtors would likely commence dissolution proceedings for these entities pursuant to state law. Additionally, I have been advised by the Debtors' other advisors and management team that the Debtors believe the three claimants at these Debtors would receive at least as much under the Debtors' proposed

[6] The remaining Classes for each of these two Debtors are Vacant Classes and will be eliminated pursuant to Section 3.5 of the Plan.

Plans for Cano Health Illinois 1 MSO, LLC, Cano Health CA1, LLC, CHPR MSO LLC as they would receive under state dissolution proceedings.

48. Accordingly, solely with respect to Class 5 (Non-RSA GUC Claims) at the Class 5 Rejecting Debtors, Class 6 (Convenience Claims) at Cano Health of Florida, LLC, Class 8 (Subordinated Claims), Class 12 (Existing CHI Interests) and, to the extent Impaired under the Plan, Class 7 (Intercompany Claims), Class 9 (Existing Subsidiary Interests), Class 10 (Existing CH LLC Interests), and Class 11 (Existing PCIH Interests), the Plan does not satisfy Bankruptcy Code section 1129(a)(8).

49. ***Section 1129(a)(9) (Administrative and Priority Claims).*** On the Effective Date, the Debtors will have sufficient Cash to pay Allowed Administrative Expense Claims, Allowed Fee Claims, Allowed Priority Tax Claims, and DIP Claims. Accordingly, the Plan satisfies Bankruptcy Code section 1129(a)(9).

50. ***Section 1129(a)(10) (Impaired Accepting Class).*** As the Voting Certification indicates, holders of Claims in each of the following Classes are Impaired and have voted to accept the Plan, without including the acceptance of the Plan by any insiders in such Class: (i) Class 3 (First Lien Claims) and Class 4 (RSA GUC Claims) at each applicable Debtor, (ii) Class 6 (Convenience Claims) at each applicable Debtor except for Debtor Cano Health of Florida, LLC, and (iii) Class 5 (Non-RSA GUC Claims) at all but the eleven Class 5 Rejecting Debtors. Notwithstanding the rejecting Impaired Classes noted above, it is my understanding, based on discussions with the Debtors' legal advisors, the Debtors have obtained at least one Impaired accepting Class on the Plans for forty of the forty-eight Debtors and those Plans should be confirmed. In addition, of the remaining eight Debtors, I understand five of those Debtors have no asserted Impaired Claims (other than scheduled intercompany claims) and, therefore,

section 1129(a)(8) of the Bankruptcy Code does not apply and those Debtors also satisfy the requirements for confirmation. As set forth above, with respect to the remaining three Debtors where claims were asserted but no votes were received, I believe such classes should be deemed to accept the Plan. Accordingly, the Plan satisfies section 1129(a)(10) of the Bankruptcy Code.

51. ***Section 1129(a)(11) (Feasibility).*** It is my understanding, based on discussions with the Debtors' other advisors, that section 1129(a)(11) of the Bankruptcy Code permits a plan to be confirmed only if it is feasible (i.e., if the Debtors' reorganization is not likely to be followed by liquidation or the need for further financial reorganization). As set forth in Exhibit D to the Disclosure Statement, the Debtors have analyzed their ability to fulfill their obligations under the Plan. As part of this analysis, the Debtors, with the assistance of their financial advisors (including myself), prepared and filed with the Bankruptcy Court financial projections for the Debtors (the "**Financial Projections**") for the post-Effective Date period beginning August 1, 2024 through fiscal year-end 2028. *See* Disclosure Statement, Ex. E.

52. The Financial Projections were prepared utilizing a number of reasonable and good faith assumptions based upon the current views and understandings of the Debtors' management, each of whom has years of experience in, and an intimate understanding of, the healthcare industry. Specifically, the Financial Projections were developed based on several assumptions made by the Debtors' management with respect to the anticipated future performance of the Reorganized Debtors' operations assuming the consummation of the Plan. The Plan was created with management's expectation of post-emergence operational execution in mind, with initiatives including, among other things: (i) driving medical cost management initiatives to improve the Debtors' medical cost ratio; (ii) lowering third party medical costs through negotiations with payors, including restructuring contractual arrangements with payors

and specialty networks; (iii) expanding initiatives to optimize the Debtors' direct personnel expense and selling, general, and administrative expenses; and (iv) prioritizing the Debtors' Medicare Advantage and ACO Reach lines of business through improving patient engagement and access. The Debtors built flexibility into the Plan to ensure it can withstand unexpected changes in variables that could impact projected cash flow. This ensures that actual results deviating from any one or more of the assumptions would continue to result in the Debtors' commercial viability, and therefore, the Plan's continued feasibility.

53. The Financial Projections also assumed a reorganization of the Debtors' capital structure as set forth in Section II.B of the Disclosure Statement. The Financial Projections and the updated capital structure contemplate a reduction of the Debtors' funded indebtedness from approximately $1.233 billion pre-petition to approximately $211.25 million post-emergence. The Financial Projections demonstrate that the Reorganized Debtors will be able to fund their business plan and satisfy obligations as they become due with operating cash flow, available working capital facilities, financing, and cash on hand.

54. Based upon my understanding of the Plan, the advice of the Debtors' other advisors, my work in preparing the Financial Projections, and my experience with the Debtors' business and industry, I believe the Debtors will be able to satisfy all of their go-forward obligations, including all payments required by the Plan, upon emergence from these Chapter 11 Cases, and therefore, confirmation of the Plan is not likely to be followed by liquidation or the need for further financial reorganization. Accordingly, it is my understanding the Plan is feasible.

55. ***Section 1129(a)(12) (Statutory Fees).*** Section 12.1 of the Plan provides that on the Effective Date, and thereafter as may be required, the Debtors or the Reorganized Debtors, as

applicable, shall pay all Statutory Fees when due and payable. Accordingly, the Plan satisfies Bankruptcy Code section 1129(a)(12).

56. ***Section 1129(a)(13) (Retiree Benefits).*** Pursuant to the Plan, the Debtors are not seeking to modify any "retiree benefits" (as defined in section 1114 of the Bankruptcy Code). Consequently, I believe the Plan satisfies section 1129(a)(13) of the Bankruptcy Code.

57. ***Section 1129(a)(14)–(16) (Inapplicable Provisions)***. The Debtors do not have any domestic support obligations, no Debtor is an "individual" as I understand that term to be used in the Bankruptcy Code, and the Debtors are each a moneyed, business, or commercial corporation, and these Chapter 11 Cases are not "small business cases."

58. ***Section 1129(b) (Cram Down).*** I understand that, pursuant to section 1129(b) of the Bankruptcy Code, a plan may be confirmed notwithstanding the rejection or deemed rejection by a class of claims or interests (*i.e.*, "crammed down") so long as the plan is "fair and equitable" and it does not discriminate unfairly as to the non-accepting class. Based upon my discussions with the Debtors' legal advisors, I understand that the only Classes to which cram down is relevant are the Classes that voted to reject the Plan or that have been deemed to reject the Plan: Class 5 (Non-RSA GUC Claims) at the Class 5 Rejecting Debtor Entities and Class 6 (Convenience Claims) at Debtor Cano Health of Florida, LLC, which voted to reject the Plan, and Class 8 (Subordinated Claims) and Class 12 (Existing CHI Interests), which are Impaired under the Plan and therefore deemed to reject. Cramdown may also apply to Class 7 (Intercompany Claims), Class 9 (Existing Subsidiary Interests), Class 10 (Existing CH LLC Interests), and Class 11 (Existing PCIH Interests) to the extent holders of Claims and Interests therein are Impaired under the Plan and deemed to have rejected the Plan.

A. Plan Does Not Discriminate Unfairly

59. Based upon my discussions with the Debtors' legal advisors, I understand that section 1129(b)(1) of the Bankruptcy Code prohibits unfair discrimination, which occurs when similarly situated classes are treated differently without a reasonable basis for the disparate treatment.

60. With respect to Debtors' general unsecured Classes, the Debtors have a reasonable basis for classifying Class 5 (Non-RSA GUC Claims) separately because such separate classification was an integral aspect of the Global Settlement with the Creditors' Committee and Consenting Creditors and implemented in order to, in part, remove large secured deficiency claims from the general unsecured claims pool and provide enhanced recoveries to general unsecured claimants who were not parties to the RSA. I also understand the separate classification of Class 5 provides certain unsecured claimants with the opportunity to receive a recovery on their claims where they would not otherwise be entitled to any recovery. Accordingly, it is my understanding that the Plan does not discriminate unfairly with respect to Class 5.

61. Additionally, I understand the Plan does not unfairly discriminate against Class 6 (Convenience Claims), which consists of any Claim that would otherwise be a Non-RSA GUC Claim but for the fact that it (i) is scheduled or asserted as a fixed, liquidated and non-contingent Claim in the amount of $10,000 or less, or (ii) at the election of the holder of the Non-RSA GUC Claim and upon voting to accept the Plan, will be reduced to a fixed, liquidated and non-contingent Claim in the amount of $10,000. Based on my discussions with the Debtors' legal advisors, I understand Section 1122(b) of the Bankruptcy Code explicitly allows for this classification provided the Bankruptcy Court approves it as reasonable and necessary for

administrative convenience. Accordingly, the Plan does not discriminate unfairly with respect to Class 6.

62. With respect to the Classes that are deemed to reject the Plan, or that may be deemed to reject the Plan, none of these Classes have a similarly situated Class that is receiving better treatment than any similarly situated Class, as applicable. I understand Class 7 (Intercompany Claims) is the only Class of Claims against a Debtor held by another Debtor that is classified and treated under the Plan and Class 8 (Subordinated Claims) is the only Class of prepetition Claims against the Debtors that are subject to subordination pursuant to section 510 of the Bankruptcy Code or otherwise and any Claim for reimbursement, indemnification, or contribution allowed under section 502 of the Bankruptcy Code on account of such Claim is classified and treated under the Plan. Therefore, there is no other Class that is similarly situated to Class 7 or Class 8 that is receiving better treatment than their respective classes.

63. In addition, Class 9, which consists of Existing Subsidiary Interests, is the only Class of Interests in a direct or indirect subsidiary of CH LLC that is classified and treated under the Plan. Therefore, there is no other Class that is similarly situated to Class 9 and is receiving better treatment than Class 9. Class 10, which consists of Existing CH LLC Interests, is the only Class of Interests in CH LLC that is classified and treated under the Plan. Therefore, there is no other Class that is similarly situated to Class 10 and is receiving better treatment than Class 10. Class 11, which consists of Existing PCIH Interests, is the only Class of Interests in PCIH that is classified and treated under the Plan. Therefore, there is no other Class that is similarly situated to Class 11 and is receiving better treatment than Class 11. Finally, Class 12, which consists of Existing CHI Interests, is the only Class of Interests in CHI that is classified and treated under the Plan. Therefore, there is no other Class that is similarly situated to Class 12 and is receiving

better treatment than Class 12. Accordingly, based on my understanding of the Plan and discussions with the Debtors' legal advisors, the Debtors have sound bases for classifying Claims or Interests in Classes 5 through 12 differently and the Plan does not "discriminate unfairly" with respect to those Classes.

B. Plan Is Fair and Equitable

64. Based upon my discussions with the Debtors' legal advisors, I understand that section 1129(b)(2) of the Bankruptcy Code requires that a plan be fair and equitable with respect to impaired classes of claims or interests and that this is assessed by whether any holder of a claim or interest junior to the impaired creditor will receive or retain property under the plan on account of such junior claim or interest.

65. Based on my understanding of the Plan, with respect to holders of Claims and Interests in Classes 5 through 12, no Class of Claims or Interests junior to each such Class, as applicable, will receive or retain any property under the Plan on account of such junior Claims or Interests.

66. ***Section 1129(c) (Only Plan).*** The Plan is the only operative plan currently on file in these Chapter 11 Cases.

67. ***Section 1129(d) (Tax Avoidance).*** The Plan has not been filed for the purpose of the avoidance of taxes or the application of Section 5 of the Securities Act of 1933.

68. ***Section 1129(e) (Small Business Debtors).*** These Chapter 11 Cases are not "small business cases" as defined in the Bankruptcy Code.

E. Stay of the Confirmation Order

69. I believe that under the circumstances, it is appropriate for the Court to permit the Debtors to consummate the Plan and commence its implementation without delay after

the entry of the Confirmation Order. I believe that a waiver of the 14-day stay is in the best interests of the Estates and all other parties in interest and will not prejudice any party in interest.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: June 25, 2024

By: */s/ Conor McShane*
Conor McShane
Partner