THIS PROPOSED COMBINED DISCLOSURE STATEMENT AND PLAN HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT FOR SOLICITATION PURPOSES AND THIS IS NOT A SOLICITATION OF VOTES.

THIS PROPOSED COMBINED DISCLOSURE STATEMENT AND PLAN IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT YET BEEN APPROVED BY THE BANKRUPTCY COURT. THE DEBTORS RESERVE THE RIGHT TO AMEND, SUPPLEMENT, OR OTHERWISE MODIFY THIS PROPOSED COMBINED DISCLOSURE STATEMENT AND PLAN AND UP TO THE DISCLOSURE STATEMENT HEARING.

IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

In re:	)	Chapter 11
LAVIE CARE CENTERS, LLC, *et al.*[1]	)	Case No. 24-55507 (PMB)
Debtors.	)	(Jointly Administered)

DEBTORS' COMBINED DISCLOSURE STATEMENT AND JOINT CHAPTER 11 PLAN OF REORGANIZATION

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Counsel for Debtors and Debtors-in-Possession

Dated: July 23, 2024

[1] The last four digits of LaVie Care Centers, LLC's federal tax identification number are 5592. There are 282 Debtors in these chapter 11 cases, which are being jointly administered for procedural purposes only. A complete list of the Debtors and the last four digits of their federal tax identification numbers are not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at https://veritaglobal.net/lavie. The location of LaVie Care Centers, LLC's corporate headquarters and the Debtors' service address is 1040 Crown Pointe Parkway, Suite 600, Atlanta, GA 30338.

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TABLE OF CONTENTS

EXHIBITS

DISCLAIMERS

THIS COMBINED DISCLOSURE STATEMENT AND PLAN CONTAINS CERTAIN SUMMARIES OF CERTAIN STATUTORY PROVISIONS AND CERTAIN DOCUMENTS RELATED TO THE COMBINED DISCLOSURE STATEMENT AND PLAN THAT MAY BE ATTACHED AND ARE INCORPORATED BY REFERENCE AND DESCRIBES CERTAIN EVENTS IN THE CHAPTER 11 CASES. ALTHOUGH THE DEBTORS BELIEVE THAT THIS INFORMATION IS FAIR AND ACCURATE, THIS INFORMATION IS QUALIFIED IN ITS ENTIRETY TO THE EXTENT THAT IT DOES NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS OR EVERY DETAIL OF SUCH EVENTS. THE TERMS OF THE DOCUMENTS RELATED TO THE COMBINED DISCLOSURE STATEMENT AND PLAN AND APPLICABLE STATUTES GOVERN IN THE EVENT OF ANY DISCREPANCY WITH THE COMBINED DISCLOSURE STATEMENT AND PLAN. CREDITORS AND OTHER INTERESTED PARTIES SHOULD READ THE COMBINED DISCLOSURE STATEMENT AND PLAN, THE DOCUMENTS RELATED THERETO, AND THE APPLICABLE STATUTES THEMSELVES FOR THE FULL AND COMPLETE STATEMENTS OF SUCH TERMS AND PROVISIONS.

THE FACTUAL STATEMENTS AND REPRESENTATIONS CONTAINED HEREIN OR ATTACHED HERETO ARE MADE BY THE DEBTORS ONLY AS OF THE DATE OF THIS COMBINED DISCLOSURE STATEMENT AND PLAN, UNLESS ANOTHER TIME IS SPECIFIED. THIS COMBINED DISCLOSURE STATEMENT AND PLAN WAS COMPILED FROM INFORMATION OBTAINED FROM NUMEROUS SOURCES BELIEVED TO BE ACCURATE TO THE BEST OF THE DEBTORS' KNOWLEDGE, INFORMATION, AND BELIEF. THERE CAN BE NO ASSURANCES THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER THIS DATE. THE DEBTORS DISCLAIM ANY OBLIGATION TO UPDATE ANY SUCH STATEMENTS AFTER THE SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN. THE DELIVERY OF THE COMBINED DISCLOSURE STATEMENT AND PLAN SHALL NOT BE DEEMED OR CONSTRUED TO CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AT ANY TIME AFTER THE DATE HEREOF.

NO REPRESENTATIONS OR WARRANTIES ARE MADE AS TO THE ACCURACY OF THE FINANCIAL INFORMATION CONTAINED HEREIN OR ASSUMPTIONS REGARDING THE DEBTORS' BUSINESS. EXCEPT WHERE SPECIFICALLY NOTED, THE FINANCIAL INFORMATION CONTAINED IN THIS COMBINED DISCLOSURE STATEMENT AND PLAN AND IN THE RELATED EXHIBITS HAS NOT BEEN AUDITED BY A CERTIFIED PUBLIC ACCOUNTANT AND HAS NOT BEEN PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN THE UNITED STATES OR ANY OTHER JURISDICTION.

THIS COMBINED DISCLOSURE STATEMENT AND PLAN HAS BEEN PREPARED IN ACCORDANCE WITH BANKRUPTCY CODE SECTIONS 1123 AND 1125 AND BANKRUPTCY RULE 3016 AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NON-BANKRUPTCY LAWS. THIS COMBINED DISCLOSURE STATEMENT AND PLAN HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), ANY STATE SECURITIES COMMISSION OR ANY SECURITIES EXCHANGE OR ASSOCIATION, NOR HAS THE SEC, ANY STATE SECURITIES COMMISSION, OR ANY SECURITIES EXCHANGE OR ASSOCIATION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. NO OTHER GOVERNMENTAL OR OTHER REGULATORY AUTHORITY HAS PASSED ON, CONFIRMED, OR DETERMINED THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED HEREIN.

NOTHING STATED HEREIN SHALL BE DEEMED OR CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTORS OR ANY OTHER PARTY, OR BE DEEMED CONCLUSIVE EVIDENCE OF THE TAX OR OTHER LEGAL EFFECTS OF THE COMBINED DISCLOSURE STATEMENT AND PLAN ON THE DEBTORS OR HOLDERS OF CLAIMS OR INTERESTS. CERTAIN STATEMENTS CONTAINED HEREIN, BY NATURE, ARE FORWARD-LOOKING AND CONTAIN ESTIMATES AND ASSUMPTIONS AND INVOLVE MATERIAL RISKS AND UNCERTAINTIES THAT ARE SUBJECT TO CHANGE BASED ON A NUMBER OF FACTORS. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL REFLECT ACTUAL OUTCOMES AND THE DEBTORS' FUTURE PERFORMANCE AND FINANCIAL RESULTS MAY DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED IN ANY SUCH FORWARD-LOOKING STATEMENTS.

CLASSIFICATION AND TREATMENT OF CREDITOR CLAIMS AGAINST THE DEBTORS AND ANY PROJECTED RECOVERIES TO CREDITORS SET FORTH IN THE COMBINED DISCLOSURE STATEMENT AND PLAN ARE SUBJECT TO MATERIAL CHANGE AND ARE BASED UPON THE ANALYSES PERFORMED BY THE DEBTORS AND THEIR ADVISORS. ALTHOUGH THE DEBTORS AND THEIR ADVISORS HAVE MADE EVERY EFFORT TO VERIFY THE ACCURACY OF THE INFORMATION PRESENTED HEREIN, THE DEBTORS AND THEIR ADVISORS CANNOT MAKE ANY REPRESENTATIONS OR WARRANTIES REGARDING THE ACCURACY OF THIS INFORMATION.

HOLDERS OF CLAIMS AND INTERESTS SHOULD NOT CONSTRUE THE CONTENTS OF THIS COMBINED DISCLOSURE STATEMENT AND PLAN AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL, OR TAX ADVICE. THEREFORE, EACH SUCH HOLDER SHOULD CONSULT WITH ITS OWN LEGAL, BUSINESS, FINANCIAL, AND TAX ADVISORS AS TO ANY SUCH MATTERS CONCERNING THE COMBINED DISCLOSURE STATEMENT AND PLAN AND THE TRANSACTIONS CONTEMPLATED HEREBY.

ARTICLE I.
INTRODUCTION

A. Overview[2]

The Debtors hereby propose the Combined Disclosure Statement and Joint Chapter 11 Plan of Reorganization (the disclosure statement portion hereof, the "Disclosure Statement" and the chapter 11 plan portion hereof, the "Plan", as may be subsequently modified, amended, or supplemented from time to time),[3] pursuant to Bankruptcy Code sections 1125 and 1129. The Debtors are the proponents of the Plan within the meaning of Bankruptcy Code section 1129.

The Debtors submit the Disclosure Statement pursuant to Bankruptcy Code section 1125 to Holders of Claims against and Interests in the Debtors in connection with (1) solicitation of acceptances of the Plan; and (2) the hearing to consider approval of the Disclosure Statement. The Disclosure Statement contains, among other things, a discussion of the Debtors' history, business operations, events leading to the filing of the Chapter 11 Cases, significant events that have occurred during the Chapter 11 Cases, certain risk factors, and a discussion of certain other related matters. The Disclosure Statement also discusses the Confirmation process and the procedures for voting, which procedures must be followed by the Holders of Claims entitled to vote under the Plan for their votes to be counted.

The Debtors are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code. Although proposed jointly for administrative purposes, the Plan constitutes a separate Plan for each Debtor for the resolution of outstanding Claims against and Interests in each Debtor pursuant to the Bankruptcy Code. The Debtors reserve the right to seek substantive consolidation of their Estates at or before the Confirmation Hearing, but substantive consolidation shall not change the aggregate distributions to Holders of Claims compared to what is proposed in the Plan. Except as otherwise provided by Order of the Bankruptcy Court, Distributions will occur on the Effective Date or as soon thereafter as is practicable.

The Debtors are in the process of marketing a sale of either (1) substantially all their assets (i.e., the Sale Transaction) or (2) newly issued equity interests (i.e., the Plan Transaction). The ultimate transaction the Debtors elect to pursue will depend on the outcome of the marketing process. If the Debtors pursue the Plan Transaction, the provisions in Article VI.B will control. If the Debtors pursue the Sale Transaction, then the provision in Article VI.C of the Plan will control.

The Debtors believe that the Plan and the transactions contemplated hereunder provide Holders of Claims and Holders of Interests with the best available recovery and are essential to ensure continuity of quality patient care at the Facilities.

Subject to the restrictions on modifications set forth in Bankruptcy Code section 1127 of and Bankruptcy Rule 3019 and those restrictions on modifications set forth in Article XIII hereof, the Debtors expressly reserve the right to alter, amend, or modify the Plan, one or more times, before its substantial consummation.

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[2] Capitalized terms used but not defined in this introduction shall have the same meanings set forth in Article II.A hereof.

[3] Copies of all filings in the Chapter 11 Cases (as defined herein) can be obtained and viewed free of charge at the following web address: https://veritaglobal.net/lavie.

B. Summary of Treatment of Claims and Interests[4]

THE FOLLOWING DESCRIPTION OF THE CLASSIFICATION AND TREATMENT OF CREDITOR CLAIMS AGAINST THE DEBTORS AND INTERESTS IN THE DEBTORS IS SUBJECT TO MATERIAL CHANGE BASED UPON, AMONG OTHER THINGS, THE OUTCOME OF THE ONGOING MARKETING AND SALE PROCESS FOR THE DEBTORS' ASSETS. THE DEBTORS RESERVE ALL RIGHTS TO AMEND THE CLASSIFICATION, TREATMENT AND PROJECTED RECOVERIES SET FORTH IN THIS COMBINED PLAN AND DISCLOSURE STATEMENT. ALL RIGHTS OF THE DEBTORS' CREDITORS AND INTEREST HOLDERS WITH RESPECT TO THE CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS AS SET FORTH IN THIS COMBINED PLAN AND DISCLOSURE STATEMENT OR AS MAY BE AMENDED IN THE FUTURE ARE RESERVED IN ALL RESPECTS.

ALL HOLDERS OF CLAIMS AGAINST THE DEBTORS ENTITLED TO VOTE ON THE PLAN ARE ENCOURAGED TO READ THE COMBINED DISCLOSURE STATEMENT AND PLAN IN ITS ENTIRETY, AND TO CONSULT WITH AN ATTORNEY, BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

The classification and treatment of Claims against the Debtors pursuant to the Plan is as set forth below and as further detailed in Article V hereof:

Class	Claim / Interest	Treatment	Status	Voting Rights	Est. Dollar Amount of Allowed Claims / Approx. Recovery
1	Other Secured Claims	On, or as soon as reasonably practicable after, the Effective Date, except to the extent that a Holder of an Allowed Other Secured Claim agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Other Secured Claim, each such Holder shall receive, (i)	Unimpaired	Deemed to Accept	Estimated Amount: $[•] Projected Recovery: 100%

[4] The information set forth herein is provided in summary form for illustrative purposes only and is subject to material change based on certain contingencies, including those related to the Claims reconciliation process. Actual recoveries may widely vary within these ranges and any changes to any of the assumptions underlying these amounts could result in material adjustments to recovery estimates provided herein and/or the actual distributions received by Holders of Allowed Claims. The projected recoveries are based on information available to the Debtors as of the date hereof and reflect the Debtors' estimates as of the date hereof only. The Debtors' reconciliation of Claims remains ongoing, which may impact the estimated amounts and projected recoveries reflected above. In addition to the cautionary notes contained elsewhere in the Combined Disclosure Statement and Plan, it is underscored that the Debtors make no representation as to the accuracy of these recovery estimates. The Debtors expressly disclaim any obligation to update any estimates or assumptions after the date hereof on any basis (including new or different information received and/or errors discovered).

Class	Claim / Interest	Treatment	Status	Voting Rights	Est. Dollar Amount of Allowed Claims / Approx. Recovery
		payment in full in Cash, including the payment of any interest Allowed and payable under Bankruptcy Code section 506(b); (ii) delivery of the Collateral securing such Allowed Other Secured Claim; or (iii) treatment of such Allowed Other Secured Claim in any other matter that renders the Claim Unimpaired.			
2	Other Priority Claims	On, or as soon as reasonably practicable after, the Effective Date, except to the extent that a Holder of an Allowed Other Priority Claim agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Other Priority Claim, each such Holder shall receive treatment in a manner consistent with Bankruptcy Code section 1129(a)(9).	Unimpaired	Deemed to Accept	Estimated Amount: $[•] Projected Recovery: 100%
3	ABL Claims	Except to the extent that a Holder of an Allowed ABL Claim agrees in writing to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed ABL Claim, each Holder of an Allowed ABL Claim shall receive payment in full in Cash, including the payment of interest Allowed and payable under Bankruptcy Code section 506(b) of the Bankruptcy Code.	Unimpaired	Deemed to Accept	Estimated Amount: $[•] Projected Recovery: 100%
4	Omega Term Loan Claims	Except to the extent that a Holder of an Allowed Omega Term Loan Claim agrees in writing to less favorable treatment, in full and final satisfaction, settlement, release, and discharge of, and in	Impaired	Entitled to Vote	Estimated Amount: $[•] Projected Recovery:

Class	Claim / Interest	Treatment	Status	Voting Rights	Est. Dollar Amount of Allowed Claims / Approx. Recovery
		exchange for each Allowed Omega Term Loan Claim, each Holder of an Allowed Omega Term Loan Claim shall receive its Pro Rata share of (i) the Transaction Consideration and (ii) proceeds of the Plan Administrator Assets following (a) payment in full in Cash of all Allowed Claims that are senior to the Omega Term Loan Claims in priority of payment under the Bankruptcy Code; and (b) the funding of the Professional Fee Reserve and any wind-down reserves as set forth in the Wind-Down Budget.			[•]%
5	Omega Master Lease Claims	Except to the extent that a Holder of an Allowed Omega Master Lease Claim agrees in writing to less favorable treatment, in full and final satisfaction, settlement, release, and discharge of, and in exchange for each Allowed Omega Master Lease Claim, each Holder of an Allowed Omega Master Lease Claim shall receive its Pro Rata share of (i) the Transaction Consideration and (ii) proceeds of the Plan Administrator Assets following (a) payment in full in Cash of all Allowed Claims that are senior to Omega Master Lease Claims in priority of payment under the Bankruptcy Code; and (b) the funding of the Professional Fee Reserve and any wind-down reserves as set forth in the Wind-Down Budget.	Impaired	Entitled to Vote	Estimated Amount: $[•] Projected Recovery: [•]%
6	Welltower Master Lease Claims	Except to the extent that a Holder of an Allowed Welltower Master Lease Claim agrees in writing to less favorable treatment, in full and final satisfaction, settlement,	Impaired	Entitled to Vote	Estimated Amount: $[•]

Class	Claim / Interest	Treatment	Status	Voting Rights	Est. Dollar Amount of Allowed Claims / Approx. Recovery
		release, and discharge of, and in exchange for each Allowed Welltower Master Lease Claim, each Holder of an Allowed Welltower Master Lease Claim shall receive its Pro Rata share of (i) the Transaction Consideration and (ii) proceeds of the Plan Administrator Assets following (a) payment in full in Cash of all Allowed Claims that are senior to Welltower Master Lease Claims in priority of payment under the Bankruptcy Code; and (b) the funding of the Professional Fee Reserve and any wind-down reserves as set forth in the Wind-Down Budget.			Projected Recovery: [•]%
7	General Unsecured Claims	Except to the extent that a Holder of a General Unsecured Claim agrees in writing to less favorable treatment, in full and final satisfaction, settlement, release, and discharge of, and in exchange for each Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive its Pro Rata share of (i) the Transaction Consideration and (ii) proceeds of the Plan Administrator Assets following (a) payment in full in Cash of all Allowed Claims that are senior to General Unsecured Claims in priority of payment under the Bankruptcy Code; and (b) the funding of the Professional Fee Reserve and any wind-down reserves as set forth in the Wind-Down Budget.	Impaired	Entitled to Vote	Estimated Amount: $[•] Projected Recovery: [•]%
8	Intercompany Claims	Unless otherwise provided for under the Plan, each Allowed Intercompany Claim shall, on the	Unimpaired / Impaired	Deemed to Accept	Estimated Amount: $[•]

Class	Claim / Interest	Treatment	Status	Voting Rights	Est. Dollar Amount of Allowed Claims / Approx. Recovery
		Effective Date, be (i) reinstated; (ii) compromised, cancelled, set off, settled, canceled and released, contributed or distributed; or (iii) otherwise addressed at the election of the Debtors such that Intercompany Claims are treated in a tax-efficient manner.		or Reject	Projected Recovery: [•]%
9	Intercompany Interests	On the Effective Date, Intercompany Interests shall receive no recovery or distribution and shall be Reinstated solely to the extent necessary to maintain the Debtors' corporate structure.	Unimpaired/ Impaired	Deemed to Accept or Reject	Estimated Amount: $[•] Projected Recovery: [•]%
10	Subordinated Claims	Subordinated Claims are subordinated pursuant to this Plan and Bankruptcy Code section 510. The Holders of Subordinated Claims shall not receive or retain any property under this Plan on account of such Claims, and the obligations of the Debtors and the Reorganized Debtors on account of Subordinated Claims shall be discharged.	Impaired	Deemed to Reject	Estimated Amount: $[•] Projected Recovery: 0%
11	Existing Equity Interests	On the Effective Date, subject to the Plan Transaction, the Interests shall be cancelled without further notice to, approval of or action by any Person or Entity, and each Holder of an Interest shall not receive any distribution or retain any property on account of such Interest.	Impaired	Deemed to Reject	Estimated Amount: $[•] Projected Recovery: 0%

ARTICLE II.
DEFINITIONS, RULES OF INTERPRETATION AND CONSTRUCTION, COMPUTATION OF TIME, AND GOVERNING LAW

A. Definitions

For purposes of the Combined Disclosure Statement and Plan, except as expressly provided herein or unless the context otherwise requires, all capitalized terms not otherwise defined herein shall have the meanings ascribed to them in this Article II.

1.1 **"ABL Agent"** has the meaning set forth in Article III.A.4.i.a hereof.

1.2 **"ABL Borrowers"** has the meaning set forth in Article III.A.4.i.a hereof.

1.3 "**ABL Claims**" means any and all Claims arising under, derived from, or based upon the ABL Credit Agreement.

1.4 **"ABL Credit Agreement"** means that certain Second Amended and Restated Credit and Security Agreement, dated as of March 25, 2022, by and among LV CHC Holdings I, LLC, and certain of its affiliates designated therein as borrowers, and the ABL Secured Parties.

1.5 **"ABL Credit Facility"** has the meaning set forth in Article III.A.4.i.a hereof.

1.6 **"ABL Documents"** has the meaning set forth in Article III.A.4.i.a hereof.

1.7 **"ABL Lenders"** has the meaning set forth in Article III.A.4.i.a hereof.

1.8 **"ABL Liens"** has the meaning set forth in Article III.A.4.i.a hereof.

1.9 **"ABL Loans"** has the meaning set forth in Article III.A.4.i.a hereof.

1.10 **"ABL Obligations"** has the meaning set forth in Article III.A.4.i.a hereof.

1.11 **"ABL Obligors"** has the meaning set forth in Article III.A.4.i.a hereof.

1.12 **"ABL Secured Parties"** has the meaning set forth in Article III.A.4.i.a hereof.

1.13 **"ABL Senior Collateral"** has the meaning set forth in Article III.A.4.i.a hereof.

1.14 **"ABL/Omega Landlord Intercreditor Agreement"** has the meaning set forth in Article III.A.4.i.1 hereof.

1.15 **"ABL/Omega Term Loan Intercreditor Agreement"** has the meaning set forth in Article III.A.4.i.c hereof.

1.16 **"Accounts Receivable"** means the Debtors' accounts receivable that have yet to be collected and converted to Cash as of the Effective Date.

1.17 **"Administrative Expense Claim"** means a Claim against the Debtors or their Estates for costs or expenses of administration of the Estate pursuant to Bankruptcy Code sections 503(b), 503(c), 507(b), or 1114(e)(2), including: (a) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving the Estates and operating the business of the Debtors;

(b) compensation for legal, financial advisory, accounting, and other services and reimbursement of expenses awarded or allowed under Bankruptcy Code sections 330(a) or 331, including Professional Fee Claims; (c) all Allowed requests for compensation or expense reimbursement for making a substantial contribution in the Chapter 11 Cases pursuant to sections 503(b)(3), (4), and (5) of the Bankruptcy Code; and (d) all fees and charges assessed against the Estates under chapter 123 of title 28 of the United States Code, 28 U.S.C. sections 1911-1930.

1.18 **"Administrative Expense Claim Bar Date"** means the deadline for Filing Proofs of Claim for payment of Administrative Expense Claims (other than a Professional Fee Claim or any Statutory Fees), which shall be (a) any date previously set by the Bankruptcy Court; or (b) thirty (30) days after the Effective Date, unless otherwise ordered by the Bankruptcy Court; *provided*, *that* Professional Fee Claims shall be subject to the Professional Fee Claim Bar Date.

1.19 **"Administrative Expense Claim Objection Deadline"** means the date that is no later than forty-five (45) days after the Administrative Expense Claim Bar Date, unless such objection deadline is extended by Order of the Bankruptcy Court; *provided, however*, notwithstanding the foregoing, the Professional Fee Claim Objection Deadline shall govern the deadline to object to Final Fee Applications.

1.20 "**Adversary Proceeding**" has the meaning set forth in Article III.D.8 hereof.

1.21 **"Affiliate"** has the meaning set forth in Bankruptcy Code section 101(2). With respect to any Person that is not a Debtor, the term "Affiliate" shall apply to such Person as if the Person was a Debtor in the Chapter 11 Cases.

1.22 **"Allowed"** means, with respect to any Claim, except as otherwise provided herein: (a) a Claim that is evidenced by a Proof of Claim Filed by the applicable claims bar date or a request for payment of an Administrative Expense Claim Filed by the Administrative Expense Claim Bar Date, as applicable (or for which Claim a Proof of Claim is not required under the Plan, the Bankruptcy Code, or a Final Order, including the DIP Order); (b) a Claim that is scheduled by the Debtors as not contingent, not unliquidated, and not disputed, and for which no Proof of Claim, as applicable, has been timely Filed; or (c) a Claim allowed pursuant to the Plan or a Final Order, including the DIP Order; provided, that with respect to a Claim described in clauses (a) and (b) above, such Claim shall be Allowed only if and to the extent that with respect to such Claim no objection to the allowance thereof is interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or such an objection is so interposed and the Claim has been Allowed by a Final Order. Any Claim that has been or is hereafter listed in the Schedules as contingent, unliquidated, or disputed, and for which no contrary or superseding Proof of Claim is or has been timely Filed, or that is not or has not been Allowed by a Final Order, is not considered Allowed and shall be expunged without further action by the Debtors and without further notice to any party or action, approval, or order of the Bankruptcy Court. Unless expressly waived by the Plan, the Allowed amount of Claims or Interests shall be subject to and shall not exceed the limitations or maximum amounts permitted by the Bankruptcy Code, including Bankruptcy Code sections 502 or 503, to the extent applicable. Notwithstanding anything to the contrary herein, no Claim of any Entity subject to Bankruptcy Code section 502(d) shall be deemed Allowed unless and until such Entity pays in full the amount that it owes the applicable Debtor or Reorganized Debtor, as applicable. For the avoidance of doubt, a Proof of Claim Filed after the applicable claims bar date or a request for payment of an Administrative Expense Claim Filed after the Administrative Expense Claim Bar Date, as applicable, shall not be Allowed for any purposes whatsoever absent entry of a Final Order allowing such late-Filed Claim. "**Allow**" and "**Allowing**" shall have correlative meanings.

1.23 **"Alpha"** has the meaning set forth in Article III.A.4.i.1 hereof.

1.24 **"Assets"** means all the assets of the Debtors of any nature whatsoever, including, without limitation, all property of the Estates pursuant to Bankruptcy Code section 541, Cash, Causes of Action, accounts receivable, tax refunds, claims of right, interests and property, real and personal, tangible and intangible, and the proceeds of all of the foregoing.

1.25 "**Asset Purchase Agreement**" means one or more asset purchase agreements pursuant to which the Sale Transaction is consummated, in each case in form and substance acceptable to the Required DIP Lenders.

1.26 "**Asset Sale**" means a sale of all, substantially all, or a material portion of the Estates' assets pursuant to Bankruptcy Code section 363 approved pursuant to the Sale Order.

1.27 "**Assumed Executory Contracts and Unexpired Leases**" means those Executory Contracts and Unexpired Leases to be assumed by the Reorganized Debtors or the Purchaser or its designee pursuant to and as set forth in the Confirmation Order and the Definitive Documents.

1.28 "**Assumed Executory Contracts and Unexpired Leases List**" means the list or lists of Assumed Contracts, which will be included in preliminary form in the Plan Supplement.

1.29 **"Assumption Notice"** has the meaning set forth in Article VII.B hereof.

1.30 **"Avoidance Actions"** means any and all Claims and Causes of Action of the Debtors arising under chapter 5 of the Bankruptcy Code, including, without limitation, sections 544, 545, 547, 548, 549, 550, 553(b) and 724(a) thereof, or their state law analogs.

1.31 **"Ballot"** means the appliable form or forms of ballot(s) distributed to each Holder of an Impaired Claim entitled to vote on the Plan on which the Holder indicates either acceptance or rejection of the Plan.

1.32 **"Bankruptcy Code"** means title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.*, as such title has been, or may be, amended from time to time, to the extent that any such amendment is applicable to the Chapter 11 Cases.

1.33 **"Bankruptcy Court"** means the United States Bankruptcy Court for the Northern District of Georgia, having jurisdiction over the Chapter 11 Cases, or such other court as may have jurisdiction over the Chapter 11 Cases.

1.34 **"Bankruptcy Rules"** means the Federal Rules of Bankruptcy Procedure, the Official Bankruptcy Forms, and the Local Rules, as each has been, or may be, amended from time to time, to the extent that any such amendment is applicable to the Chapter 11 Cases.

1.35 **"Bar Date"** means August 30, 2024 at 5:00 p.m. (prevailing Eastern Time).

1.36 **"Bidding Procedures Motion"** means the *Debtors' Motion for Entry of Order (I) Approving Bidding Procedures and Bid Protections, (II) Scheduling Certain Dates and Deadlines with Respect Thereto, (III) Approving the Form and Manner of Notice Thereof, (IV) Establishing Notice and Procedures for the Assumption and Assignment of Contracts and Leases, (V) Authorizing the Assumption and Assignment of Assumed Contracts, and (VI) Authorizing the Sale of Assets* [Docket No. 104].

1.37 **"Bidding Procedures Order"** means the *Order (I) Approving Bidding Procedures and Bid Protections, (II) Scheduling Certain Dates and Deadlines with Respect Thereto, (III) Approving the*

Form and Manner of Notice Thereof, (IV) Establishing Notice and Procedures for the Assumption and Assignment of Contracts and Leases, (V) Authorizing the Assumption and Assignment of Assumed Contracts, and (VI) Authorizing the Sale of Assets [Docket No. 177].

1.38 **"Books and Records"** means any and all books and records of the Debtors, including any and all documents and any and all computer generated or computer-maintained books and records and computer data, as well as electronically generated or maintained books and records or data, along with books and records of the Debtors maintained by or in the possession of third parties, wherever located.

1.39 **"Business Day"** means any day other than a Saturday, Sunday, or any legal holiday (as that term is defined in Bankruptcy Rule 9006(a)).

1.40 **"Carve-Out"** has the meaning set forth in the Final DIP Order.

1.41 **"Cash"** means legal tender of the United States of America and equivalents thereof.

1.42 **"Causes of Action"** means any and all claims, cross-claims, third-party claims, actions, proceedings, causes of action, Avoidance Actions, suits, accounts, controversies, disputes, rights, liens, indemnities, guaranties, suites, obligations, liabilities, losses, debts, fees or expense, damages, interests, judgements, costs, accounts, defenses, powers, privileges, licenses, franchises, agreements, promises, offsets, remedies, rights to legal remedies, rights to equitable remedies, rights to payment and Claims, of any kind or character whatsoever, known or unknown, reduced to judgment or not reduced to judgment, liquidated or unliquidated, contingent or non-contingent, matured or unmatured, disputed or undisputed, secured or unsecured, assertable directly or derivatively (including any alter ego theories) in law, equity or otherwise, based in whole or in part upon any act or omission or other event occurring or arising prior to the Petition Date or during the course of the Chapter 11 Cases, through and including the Effective Date, that the Debtors and/or the Estates may hold against any Person or Entity. For the avoidance of doubt, Cause of Action also includes (a) any right of setoff, counterclaim, or recoupment and any claim for breach of contract or for breach of duties imposed by law or in equity, (b) the right to object to Claims or Interests, (c) any claim pursuant to section 362 or chapter 5 of the Bankruptcy Code, (d) any claim or defense including fraud, mistake, duress, and usury and any other defenses set forth in section 558 of the Bankruptcy Code, and (e) any Avoidance Action or state law fraudulent transfer claim.

1.43 **"Chapter 11 Cases**" means the chapter 11 cases commenced by the Debtors and jointly administered under case number 24-55507 (PMB) in the Bankruptcy Court.

1.44 **"Claim"** means a claim against the Debtors, whether or not asserted, as such term is defined in Bankruptcy Code section 101(5).

1.45 **"Claims and Noticing Agent"** means Verita Global, formerly known as Kurtzman Carson Consultants, LLC, or any successor thereto.

1.46 **"Claims Objection Deadline"** means the last day for filing objections to Claims (other than Disallowed Claims for which no objection or request for estimation is required or Administrative Expense Claims for which the deadline is the Administrative Expense Claims Objection Deadline), which day shall be 180 days after the Effective Date, or such other date as may be ordered by the Bankruptcy Court. For the avoidance of doubt, the Claims Objection Deadline may be extended one or more times by the Bankruptcy Court upon a motion Filed by the Plan Administrator.

1.47 **"Class"** means each category or group of Holders of Claims or Interests that has been designated as a class in Article V hereof.

1.48 **"Clerk"** means the clerk of the Bankruptcy Court.

1.49 **"Collateral"** means any property or interest in property of the Debtors' Estates subject to a Lien to secure the payment or performance of a Claim, which Lien is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable state law.

1.50 **"Combined Disclosure Statement and Plan"** means this combined disclosure statement and chapter 11 plan of reorganization, including, without limitation, the Disclosure Statement, the Plan, the Plan Supplement(s), all exhibits, supplements, appendices, and schedules hereto, either in their present form or as the same may be altered, amended, or modified from time to time in accordance with the terms hereof.

1.51 **"Confirmation"** means the entry of the Confirmation Order, subject to all conditions specified in Article X.A having been satisfied or waived pursuant to Article X.D.

1.52 **"Confirmation Date"** means the date of entry of the Confirmation Order on the docket of the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.

1.53 **"Confirmation Hearing"** means the hearing(s) held by the Bankruptcy Court to consider confirmation of the Plan pursuant to Bankruptcy Code section 1129, as such hearing may be adjourned or continued from time to time.

1.54 **"Confirmation Hearing Notice"** has the meaning set forth in Article XIV.D hereof.

1.55 **"Confirmation Order"** means the order of the Bankruptcy Court confirming the Plan pursuant to Bankruptcy Code section 1129.

1.56 **"Consummation"** means the occurrence of the Effective Date.

1.57 "**Contingent**" means, with reference to a Claim, a Claim that has not accrued or is not otherwise payable and the accrual of which, or the obligation to make payment on which, is dependent upon a future event that may or may not occur.

1.58 **"Creditor"** means any Person or Entity that is the Holder of a Claim against the Debtors.

1.59 **"CRO"** means M. Benjamin Jones, in his capacity as Chief Restructuring Officer of the Debtors.

1.60 **"Cure Claim Amount"** has the meaning set forth in Article VII.B hereof.

1.61 **"Cure Notice"** means the *Notice to Contract Parties to Potentially Assumed Executory Contracts and Unexpired Leases* [Docket No. __].

1.62 **"Debtor Release"** means the release set forth in Article XI.D.1 hereof.

1.63 **"Debtors"** means LaVie Care Centers, LLC and all of its affiliate Debtors in the these jointly administered Chapter 11 Cases in their capacity as debtors and debtors-in-possession in the Chapter 11 Cases.

1.64 "**Definitive Documents**" means those documents governing the Plan Transaction or the Sale Transaction, as applicable, in each case in form and substance acceptable to the Required DIP Lenders, including the following: (a) all documents implementing and achieving the Plan Transaction, including any "first day" or "second day" pleadings and all orders sought pursuant thereto; (b) the Combined

Disclosure Statement and Plan; (c) the Confirmation Order; (d) the Solicitation Package; (e) the Solicitation Procedures Order; (f) the DIP Orders and the DIP Documents; (g) all documents in connection with the Sale Transaction, as applicable; (h) the New Governance Documents; (i) the Plan Supplement; (j) such other definitive documentation relating to a recapitalization or restructuring of the Debtors as is necessary or desirable to consummate the Plan Transaction or the Sale Transaction, as applicable; and (k) any other material exhibits, schedules, amendments, modifications, supplements, appendices or other documents and/or agreements relating to any of the foregoing.

1.65 "**DIP Administrative Agent**" means OHI DIP Lender, LLC, in its capacity as administrative agent for the DIP Lenders under the DIP Credit Agreement.

1.66 "**DIP Agents**" means, collectively, the DIP Administrative Agent and the DIP Collateral Agent.

1.67 **"DIP Budget"** means the budget (as may be amended from time to time pursuant to the Final DIP Order) depicting cash revenue, receipts, expenses, and disbursements in connection with the Debtors' use of debtor-in-possession financing and cash collateral, which was approved in accordance with the terms of the Final DIP Order.

1.68 **"DIP Claims"** means any and all Claims arising under, derived from, or based upon the DIP Loans, which DIP Claims shall have the priorities set forth in the DIP Credit Agreement and the DIP Orders.

1.69 "**DIP Collateral Agent**" means TIX 33433 LLC, in its capacity as collateral agent for the DIP Lenders under the DIP Credit Agreement.

1.70 **"DIP Credit Agreement"** means the Junior Secured Debtor-in-Possession Credit and Guaranty Agreement, dated as of June 21, 2024, by and among the Debtors, the DIP Lenders, and the DIP Agents, together with any amendments, modifications or supplements thereto.

1.71 "**DIP Documents**" means the DIP Credit Agreement, the DIP Orders, and any other documents governing the DIP Facility that are entered into in accordance with the DIP Credit Agreement and the DIP Orders, and any amendments, modifications, and supplements thereto, and together with any related notes, certificates, agreements, security agreements, documents, and instruments (including any amendments, restatements, supplements, or modifications of any of the foregoing) related to or executed in connection therewith.

1.72 "**DIP Facility**" means that certain debtor-in-possession credit facility provided to the Debtors on the terms and conditions of the DIP Credit Agreement and the DIP Orders.

1.73 **"DIP Lenders"** means, collectively, TIX 33433 LLC and OHI DIP Lender, LLC.

1.74 "**DIP Loans**" means the new money term loans extended to the Debtors pursuant to the DIP Credit Agreement and DIP Orders.

1.75 **"DIP Motion"** means the *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Utilize Cash Collateral, (II) Granting Adequate Protection to Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* [Docket No. 15].

1.76 **"DIP Orders"** means the Interim DIP Order and the Final DIP Order.

1.77 **"Disallowed**" means, when used in reference to a Claim or Interest within a particular Class, a Disallowed Claim or Interest in the specified Class or of a specified type.

1.78 **"Disallowed Claim"** means a Claim or any portion thereof that (a) has been disallowed by a Final Order, (b) is Scheduled at zero or as contingent, disputed, or unliquidated and as to which no Proof of Claim has been Filed by the Bar Date or deemed timely Filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order or under applicable law, (c) is not Scheduled, and as to which (i) no Proof of Claim has been Filed by the Bar Date or deemed timely Filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order or under applicable law, and (ii) no request for payment of an Administrative Expense Claim has been Filed by the Administrative Expense Claim Bar Date or deemed timely Filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order or under applicable law, or (d) after the Effective Date, has been disallowed in a written agreement by and between the Plan Administrator and the Holder of such Claim.

1.79 **"Distribution Agent"** means the Reorganized Debtors or the Entity or Entities selected by the Debtors or the Reorganized Debtors, as applicable, to make or facilitate distributions pursuant to the Plan.

1.80 **"Disputed**" means, as to a Claim or an Interest, any Claim or Interest: (a) that is not Allowed; (b) that is not disallowed by the Plan, the Bankruptcy Code, or a Final Order, as applicable; (c) as to which a dispute is being adjudicated by a court of competent jurisdiction in accordance with non-bankruptcy law; (d) that is Filed in the Bankruptcy Court and not withdrawn, as to which an objection or request for estimation has been Filed; and (e) with respect to which a party in interest has Filed a Proof of Claim or otherwise made a written request to a Debtor for payment, without any further notice to or action, order, or approval of the Bankruptcy Court.

1.81 **"Distribution"** means any distribution to be made by the Distribution Agent in accordance with the Plan of, as the case may be: (a) Cash or (b) any other consideration or residual value distributed to Holders of Allowed Claims under the terms and provisions of the Plan.

1.82 **"Distribution Date"** means any date on which a Distribution is made to Holders of Allowed Claims under the Plan, or as otherwise agreed. The first Distributions shall occur on or as soon as practicable after the Effective Date or as otherwise determined by the Plan Administrator. To the extent subsequent Distributions are necessary, such subsequent Distributions shall occur as soon after the first Distribution Date as the Plan Administrator shall determine in accordance with the Plan Administrator Agreement.

1.83 **"Distribution Record Date"** means the record date for the purpose of determining Holders of Allowed Claims entitled to receive Distributions under the Plan on account of Allowed Claims, which date shall be the Confirmation Date, or such other date designated in the Confirmation Order or any subsequent Court order.

1.84 **"District Court"** means the United States District for the Northern District of Georgia.

1.85 **"Docket"** means the docket in the Chapter 11 Cases maintained by the Clerk.

1.86 **"Effective Date"** means the first Business Day on which all conditions to the Consummation of the Plan set forth in Article X.B have been satisfied or waived in accordance with Article X.D.

1.87 **"Elderberry"** or **"Elderberry Landlords"** means Elderberry of Hayesville, LLC, Elderberry of Charolotte, LLC, and Elderberry of Lincolnton, LLC.

1.88 **"Elderberry Facilities"** has the meaning set forth in Article III.A.4.i.d hereof.

1.89 **"Entity"** means an entity as defined in Bankruptcy Code section 101(15).

1.90 **"Estates"** means the estates of the Debtors created upon the commencement of the Chapter 11 Cases pursuant to Bankruptcy Code section 541.

1.91 **"Exculpated Parties"** means, collectively, and in each case in its capacity as such: (a) the Debtors; (b) the UCC and each member thereof (solely in its capacity as such); (c) the CRO; and (d) James D. Decker, solely in his capacity as independent manager with respect to each Debtor.

1.92 **"Executory Contract"** means a contract to which any of the Debtors is a party that is subject to assumption or rejection under Bankruptcy Code section 365.

1.93 "**Existing Equity Interests**" means all existing securities issued by the Debtors or their parent entities.

1.94 **"Face Amount"** means (a) when used in referenced to a Disputed Claim or Disallowed Claim, the Disputed Claim amount; and (b) when used in reference to an Allowed Claim, the Allowed amount of such Claim.

1.95 **"Facilities"** means the 43 licensed skilled nursing and independent living facilities that the Debtors continue to operate.

1.96 **"FATCA"** has the meaning set forth in Article XVI.D.3 hereof.

1.97 **"File"**, **"Filed"**, or **"Filing"** means, file, filed, or filing with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases.

1.98 **"Final DIP Order"** means the Final *Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Utilize Cash Collateral, (II) Granting Adequate Protection to Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing for June 27, 2024, and (V) Granting Related Relief* [Docket No. 189] entered on the Docket by the Bankruptcy Court on June 28, 2024.

1.99 **"Final Fee Applications"** has the meaning set forth in Article IV.C.1 hereof.

1.100 **"Final Order"** means an Order of the Bankruptcy Court (a) as to which the time to appeal, petition for certiorari, or move for reargument, rehearing, or new trial has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument, rehearing, or new trial shall then be pending; (b) as to which any right to appeal, petition for certiorari, reargue, rehear, or retry shall have been waived in writing; or (c) in the event that an appeal, writ of certiorari, reargument, rehearing, or new trial has been sought, as to which (i) such order of the Bankruptcy Court shall have been affirmed by the highest court to which such order is appealed; (ii) certiorari has been denied as to such order; or (iii) reargument or rehearing or new trial from such order shall have been denied, and the time to take any further appeal, petition for certiorari, or move for reargument, rehearing, or new trial shall have expired without such actions having been taken.

1.101 **"Financial Projections"** means those projections attached as **Exhibit B** to the Combined Disclosure Statement and Plan.

1.102 **"General Unsecured Claim"** means any Claim, including an Omega Term Loan Deficiency Claim, against any of the Debtors that is not (a) paid in full before he Effective Date pursuant to an order of the Bankruptcy Court, (b) an Administrative Expense Claim, (c) a Priority Tax Claim, (d) an Other Priority Claim, (e) an Other Secured Claim, (f) a DIP Claim, (g) an Intercompany Claim, (h) a Subordinated Claim, (i) an ABL Claim, (j) an Omega Term Loan Claim, (k) an Omega Master Lease Claim, or (*l*) a Welltower Master Lease Claim.

1.103 "**Governing Body**" means, in each case in its capacity as such, the board of directors, board of managers, manager, general partner, special committee, or such similar governing body of any of the Debtors or the Reorganized Debtors, as applicable.

1.104 **"Governmental Bar Date"** means November 29, 2024.

1.105 **"Governmental Unit"** has the meaning set forth in Bankruptcy Code section 101(27).

1.106 **"Harts Harbor Landlord"** means Jacksonville Nursing Home, Ltd.

1.107 **"Harts Harbor"** has the meaning set forth in Article III.A.4.i.d hereof.

1.108 **"Holder"** means a Person or Entity who is the beneficial holder of any Claim or Interest.

1.109 **"Impaired Class"** means a Class of Claims or Interests that is Impaired.

1.110 **"Impaired"** means, with respect to a Class of Claims or Interests, a Claim or an Interest that is impaired within the meaning of Bankruptcy Code section 1124.

1.111 **"Initial Distribution Date"** means the date that is as soon as practicable after the Effective Date, when, subject to the "Treatment" sections in Article V hereof, distributions under this Plan shall commence to Holders of Allowed Claims.

1.112 **"Insurance Policies"** means any and all insurance policies, insurance settlement agreements, coverage-in-place agreements, and other agreements, documents, or instruments relating to the provisions of insurance entered into by or issued to or for the benefit of, at any time, the Debtors or their predecessors (including, for the avoidance of doubt, any such policies, agreements, or other documents that have been paid in full).

1.113 **"Intercompany Claim"** means any Claim held by a Debtor against another Debtor, including, without limitation, (a) any account reflecting intercompany book entries with respect to another Debtor; (b) any Claim not reflected in such book entries that is held by a Debtor against another Debtor; and (c) any derivative Claim asserted by or on behalf of one Debtor against another Debtor.

1.114 "**Intercompany Interest**" means an Interest held by a Debtor or an Affiliate of a Debtor.

1.115 **"Intercreditor Agreements"** has the meaning set forth in Article III.A.4.i.1 hereof.

1.116 **"Interest"** means the legal interests, equitable interests, contractual interests, Interests, or ownership interests, or other rights of any Person or Entity in the Debtors, including all partnership interests, limited liability company or membership interests, rights, investment securities, subscriptions or other

agreements and contractual rights to acquire or obtain such an interest in the Debtors, subscription rights and Distribution preferences, and commitments of any character whatsoever relating to any such equity or ownership interests or obligating the Debtors to issue, transfer, or sell any interests whether or not certificated, transferable, voting, or denominated security.

1.117 **"Interim DIP Order"** means the *Interim Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Utilize Cash Collateral, (II) Granting Adequate Protection to Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing for June 27, 2024, and (V) Granting Related Relief* [Docket No. 49] entered on the Docket by the Bankruptcy Court on June 5, 2024.

1.118 **"Internal Revenue Code"** has the meaning set forth in Article XVI.A hereof.

1.119 **"Liabilities"** means any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, and liabilities, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, arising in law, equity or otherwise, that are based in whole or in part on any act, event, injury, omission, transaction or agreement.

1.120 **"Lien"** has the meaning set forth in Bankruptcy Code section 101(37).

1.121 **"Liquidation Analysis**" means the hypothetical chapter 7 liquidation analysis attached hereto as **Exhibit A**.

1.122 **"Local Rules"** means the Local Rules of the United States Bankruptcy Court for the Northern District of Georgia.

1.123 **"New Board"** means, if the Plan Transaction occurs, the initial board of managers or directors or other governing or managing Person or Entity of the Reorganized Debtors or such other entity contemplated by the Restructuring Transactions Memorandum, which shall be acceptable to Plan Sponsor in its sole discretion. The identity of the New Board shall be Filed with the Plan Supplement.

1.124 **"New Equity Interests"** means, if the Plan Transaction occurs, the ownership interests in Reorganized Parent and/or another applicable Person or Entity as set forth in the Restructuring Steps Memorandum authorized to be issued pursuant to this Plan and the New Governance Documents.

1.125 **"New Governance Documents"** means, if the Plan Transaction occurs, the new and/or amended or restated organizational documents for each of the Reorganized Debtors and/or any applicable Entity as contemplated by the Restructuring Transactions Memorandum, which, with respect to each of the foregoing, relate to, among other things, (a) significant corporate actions, and (b) voting rights, in each case subject to regulatory constraints. The New Governance Documents will be in form and substance acceptable to the Plan Sponsor in all respects.

1.126 **"Non-U.S. Holder"** has the meaning set forth in Article XVI.A hereof.

1.127 **"Notice"** has the meaning set forth in Article XVII.D of this Plan.

1.128 **"Notice Parties"** has the meaning set forth in Article XIV.A hereof.

1.129 **"Objection(s)"** means any objection, application, motion, complaint, or other legal proceeding seeking, in whole or in part, to disallow, determine, liquidate, classify, reclassify, or establish

the priority, expunge, subordinate, or estimate any Claim (including the resolution of any request for payment of any Administrative Expense Claim).

1.130 **"Official Bankruptcy Forms"** means the Official Bankruptcy Forms, prescribed by the Judicial Conference of the United States, the observance and use of which is required pursuant to Bankruptcy Rule 9009, as such forms may be amended, revised, or supplemented from time to time.

1.131 **"OID"** has the meaning set forth in Article XVI.D.1 hereof.

1.132 **"Omega Collateral"** has the meaning set forth in Article III.A.4.i.1 hereof.

1.133 **"Omega Facilities"** has the meaning set forth in Article III.A.4.i.d hereof.

1.134 **"Omega Facility Debtors"** has the meaning set forth in Article III.A.4.i.1 hereof.

1.135 **"Omega Landlord Collateral"** has the meaning set forth in Article III.A.4.i.1 hereof.

1.136 **"Omega Landlord Liens"** has the meaning set forth in Article III.A.4.i.1 hereof.

1.137 **"Omega Landlords"** means Omega Healthcare Investors, Inc. and each of its affiliates or subsidiaries identified as the landlords of the Omega Facilities in the Omega Master Lease.

1.138 **"Omega Liens"** has the meaning set forth in Article III.A.4.i.1 hereof.

1.139 **"Omega Master Lease Claims"** means any and all Claims arising under, derived from, or based upon the Omega Master Lease.

1.140 **"Omega Master Lease Documents"** has the meaning set forth in Article III.A.4.i.1 hereof.

1.141 **"Omega Master Lease Guarantor"** has the meaning set forth in Article III.A.4.i.1 hereof.

1.142 **"Omega Master Lease Obligations"** has the meaning set forth in Article III.A.4.i.1 hereof.

1.143 **"Omega Master Lease Obligors"** has the meaning set forth in Article III.A.4.i.1 hereof.

1.144 **"Omega Master Lease"** has the meaning set forth in Article III.A.4.i.1 hereof.

1.145 **"Omega Obligors"** has the meaning set forth in Article III.A.4.i.1 hereof.

1.146 **"Omega Secured Obligations"** has the meaning set forth in Article III.A.4.i.1 hereof.

1.147 **"Omega Secured Parties"** has the meaning set forth in Article III.A.4.i.1 hereof.

1.148 **"Omega Term Loan Agent"** has the meaning set forth in Article III.A.4.i.b hereof.

1.149 **"Omega Term Loan Claims"** means any and all Claims arising under, derived from, or based upon the Omega Term Loan Credit Agreement.

1.150 **"Omega Term Loan Collateral"** has the meaning set forth in Article III.A.4.i.b hereof.

1.151 **"Omega Term Loan Credit Agreement"** has the meaning set forth in Article III.A.4.i.b hereof.

1.152 "**Omega Term Loan Deficiency Claims**" means any portion of the Omega Term Loan Claims that is not a Secured Claim.

1.153 **"Omega Term Loan Documents"** has the meaning set forth in Article III.A.4.i.b hereof.

1.154 **"Omega Term Loan Facility"** has the meaning set forth in Article III.A.4.i.b hereof.

1.155 **"Omega Term Loan Guarantors"** has the meaning set forth in Article III.A.4.i.b hereof.

1.156 **"Omega Term Loan Lenders"** has the meaning set forth in Article III.A.4.i.b hereof.

1.157 **"Omega Term Loan Liens"** has the meaning set forth in Article III.A.4.i.b hereof.

1.158 **"Omega Term Loan Obligations"** has the meaning set forth in Article III.A.4.i.b hereof.

1.159 **"Omega Term Loan Obligors"** has the meaning set forth in Article III.A.4.i.b hereof.

1.160 **"Omega Term Loan Secured Parties"** has the meaning set forth in Article III.A.4.i.b hereof.

1.161 **"Omega Term Loans"** has the meaning set forth in Article III.A.4.i.b hereof.

1.162 **"Omega"** means Omega Healthcare Investors, Inc. and each of its affiliates or subsidiaries that are Omega Landlords.

1.163 **"Order"** means an order or judgment of the Bankruptcy Court as entered on the Docket.

1.164 **"Other Priority Claim"** means a Claim that is accorded priority in right of payment under Bankruptcy Code section 507, other than a Priority Tax Claim or an Administrative Expense Claim.

1.165 **"Other Secured Claim"** means any Secured Claim against the Debtors, including any Secured Tax Claim (to the extent applicable), other than an ABL Claim, an Omega Term Loan Claim, an Omega Master Lease Claim, or a Welltower Master Lease Claim.

1.166 **"Person"** has the meaning set forth in Bankruptcy Code section 101(41).

1.167 **"Petition Date"** means June 2, 2024.

1.168 "**Plan Administrator**" means the person selected by the Debtors (in consultation with the DIP Lenders, the Omega Secured Parties, and the UCC) to administer the Plan Administrator Assets. All costs, liabilities, and expenses reasonably incurred by the Plan Administrator, and any personnel employed by the Plan Administrator in the performance of the Plan Administrator's duties, shall be paid from the Plan Administrator Assets, subject to and in accordance with the Wind-Down Budget.

1.169 "**Plan Administrator Agreement**" means that certain agreement entered into no later than the Effective Date setting forth, among other things, the Plan Administrator's rights, powers, obligations, and compensation, all of which shall be consistent with the applicable provisions of the Plan and which shall be in form and substance satisfactory to the Debtor, the DIP Lenders, and the Omega Secured Parties.

1.170 "**Plan Administrator Assets**" means all assets of the Estates to be administered by Plan Administrator.

1.171 **"Plan Sponsor"** means, if the Plan Transaction occurs, the non-Debtor counterparty sponsoring the Plan Transaction.

1.172 **"Plan Sponsor Consideration"** means, if the Plan Transaction occurs, the cash and non-cash consideration paid by the Plan Sponsor to the Debtors in exchange for the New Equity Interests.

1.173 **"Plan Supplement"** means the compilation of documents and forms of documents, term sheets, agreements, schedules, and exhibits to the Plan (in each case, as may be altered, amended, modified, or supplemented from time to time in accordance with the terms hereof and in accordance with the Bankruptcy Code and Bankruptcy Rules) to be Filed prior to the Confirmation Hearing to the extent available, and any additional documents Filed prior to the Effective Date as amendments to the Plan Supplement, and in each case in form and substance acceptable to the DIP Lenders and the Omega Secured Parties, including the following, as applicable: (a) the New Governance Documents; (b) to the extent known, the identities of the members of the New Board; (c) the Assumed Executory Contracts and Unexpired Leases List; (d) the Rejected Executory Contracts and Unexpired Leases List; (e) the Restructuring Transactions Memorandum; and (f) the Wind-Down Budget. The Debtors shall have the right to alter, amend, modify, or supplement the documents contained in the Plan Supplement up to the Effective Date as set forth in this Plan, subject to the approval rights of the DIP Lenders and the Omega Secured Parties over such documents.

1.174 **"Plan Supplement Filing Date"** means the date on which the Plan Supplement was filed with the Bankruptcy Court, which date is at least seven (7) days prior to the Voting Deadline.

1.175 **"Plan Transaction"** means the transaction, which shall be reasonably acceptable to the DIP Lenders and the Omega Secured Parties, resulting in the issuance and distribution of New Equity Interests to the Plan Sponsor contemplated by and pursuant to this Plan, as described in Article VI.B of this Plan. The Plan Transaction does not include a Sale Transaction, as described in Article VI.C of the Plan.

1.176 **"Prepetition Collateral"** has the meaning set forth in Article III.A.4.i.1 hereof.

1.177 **"Prepetition Liens"** has the meaning set forth in Article III.A.4.i.1 hereof.

1.178 **"Prepetition Obligors"** has the meaning set forth in Article III.A.4.i.1 hereof.

1.179 **"Prepetition Secured Documents"** has the meaning set forth in Article III.A.4.i.1 hereof.

1.180 **"Prepetition Secured Obligations"** has the meaning set forth in Article III.A.4.i.1 hereof.

1.181 **"Prepetition Secured Parties"** has the meaning set forth in Article III.A.4.i.1 hereof.

1.182 **"Priority Claims"** means, collectively, Other Priority Claims and Priority Tax Claims.

1.183 **"Priority Tax Claim"** means a Claim that is entitled to priority under Bankruptcy Code section 507(a)(8).

1.184 **"Pro Rata"** means, at any time, the proportion that the Face Amount of a Claim in a particular Class bears to the aggregate Face Amount of all Claims (including Disputed Claims, but excluding Disallowed Claims) in such Class, unless the Plan provides otherwise.

1.185 **"Professional"** means any professional Person employed in the Chapter 11 Cases pursuant to Bankruptcy Code sections 327, 328, 363, or 1103 pursuant to an Order of the Bankruptcy Court and to be compensated for services rendered pursuant to Bankruptcy Code sections 327, 328, 329, 330, or 331.

1.186 **"Professional Fee Claim"** means a Claim of a Professional pursuant to Bankruptcy Code sections 327, 328, 330, 331, or 503(b) for compensation or reimbursement of costs and expenses relating to services performed after the Petition Date and prior to and including the Effective Date.

1.187 **"Professional Fee Claim Bar Date"** means the deadline for Filing all applications for Professional Fee Claims, which shall be forty-five (45) days after the Effective Date.

1.188 **"Professional Fee Claim Objection Deadline"** has the meaning set forth in Article IV.C.1 hereof.

1.189 **"Professional Fee Estimate"** means (a) with respect to any Professional, a good-faith estimate of such Professional's anticipated accrued, unpaid Professional Fee Claims as of the Effective Date to be provided by each Professional in writing to the Debtors in accordance with Article IV.C.3, or in the absence of such a writing, to be prepared by the Debtors, and (b) collectively, the sum of all individual Professional Fee Estimates.

1.190 **"Professional Fee Reserve"** means the reserve of Cash funded by the Debtors for the benefit of Holders of Allowed Professional Fee Claims in an amount equal to the Professional Fee Estimate.

1.191 **"Proof of Claim"** means the proof of claim that must be Filed before the Bar Date, the Governmental Bar Date, or the Administrative Expense Claim Bar Date, as applicable, which term shall include a request for payment of an Administrative Expense Claim.

1.192 "**Purchaser**" means the purchaser or purchasers under the Asset Purchase Agreement, together any successors to, and permitted assigns of, such purchaser(s).

1.193 **"QCPMT"** means Debtor QCPMT, LLC.

1.194 "**Recovery Solutions**" has the meaning set forth in Article III.D.8.

1.195 **"Reinstate," "Reinstated,"** or **"Reinstatement,"** means the treatment provided for in Bankruptcy Code section 1124.

1.196 "**Rejected Executory Contract and Unexpired Lease List**" means the list, as determined by the Debtors, with the consent of the Omega Secured Parties, of Executory Contracts and Unexpired Leases that will be rejected pursuant to the Plan.

1.197 **"Rejection Bar Date"** means the deadline to File a Proof of Claim for damages relating to the rejection of an Executory Contract or Unexpired Lease, which is the later of (a) thirty (30) days after the effective date of rejection of any unexpired lease or executory contract of the Debtors as provided by an order of the Bankruptcy Court or pursuant to a notice under procedures approved by the Bankruptcy Court, (b) any date set by another order of the Bankruptcy Court, or (c) the Bar Date or the Governmental Bar Date, whichever is applicable.

1.198 **"Released Parties"** means, collectively, the following Entities, each in their capacity as such: (a) the Debtors and the Reorganized Debtors; (b) the UCC and each of its members (solely in their respective capacities as such); (c) the CRO; (d) James D. Decker, solely in his capacity as independent

manager with respect to each Debtor; (e) the Omega Secured Parties; (f) the ABL Secured Parties; (g) OHI DIP Lender, LLC; (h) TIX 33433 LLC[5]; and (i) with respect to each Entity in clauses (e) through (g) each such Entity's current and former subsidiaries, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such (unless any such Entity or related party has opted out of being a Releasing Party, in which case such Entity or related party, as applicable, shall not be a Released Party).

1.199 **"Releasing Parties"** means the following Entities, each in their respective capacities as such: (a) each Holder of a Claim that (i) votes to accept the Plan or (ii) either (1) abstains from voting or (2) votes to reject the Plan and, in the case of either (1) or (2), does not opt out of the voluntary release by checking the opt-out box on the applicable Ballot, and returning it in accordance with the instructions set forth thereon, indicating that they are electing to opt out of granting the releases provided in the Plan; (b) each Holder of a Claim that is deemed to accept the Plan or is otherwise Unimpaired under the Plan and who does not opt out of the voluntary release by checking the opt out box on the applicable non-voting status notice form, and returning it in accordance with the instructions set forth thereon, indicating that they are not willing to grant the releases provided in the Plan; and (c) each Holder of a Claim that is deemed to reject the Plan or is otherwise Impaired under the Plan and who does not opt out of the voluntary release by checking the opt-out box on the applicable non-voting status notice form, and returning it in accordance with the instructions set forth thereon, indicating that they are not willing to grant the releases provided in the Plan.

1.200 **"Reorganized Debtor"** means a Debtor, or any successor or assign thereto, by merger, consolidation, reorganization, or otherwise, in the form of a corporation, limited liability company, partnership, or other form, as the case may be, on and after the Effective Date.

1.201 **"Reorganized Parent"** means LV Operations I, LLC or any successor or assign thereto, by merger, consolidation, reorganization, or otherwise, in the form of a corporation, limited liability company, partnership, or other form, as the case may be, on and after the Effective Date.

1.202 "**Required DIP Lenders**" has the meaning set forth in the DIP Credit Agreement.

1.203 "**Restructuring Transactions Memorandum**" means the summary of transaction steps to complete the restructuring contemplated by the Plan, which shall be included in the Plan Supplement.

1.204 "**Sale Hearing**" means a hearing to approve an Asset Sale, which hearing may be the Confirmation Hearing.

1.205 "**Sale Order**" means, with respect to an Asset Sale consummated pursuant to section 363 of the Bankruptcy Code, the Final Order of the Bankruptcy Court approving such Asset Sale pursuant to the applicable Asset Purchase Agreement.

1.206 "**Sale Proceeds**" means with respect to an Asset Sale consummated pursuant to section 363 of the Bankruptcy Code, the aggregate net cash proceeds of such Asset Sale.

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[5] For the avoidance of doubt, any reference to TIX 33433 LLC shall, unless expressly stated otherwise, mean TIX 33433 LLC solely in its capacity as a DIP Lender.

1.207 "**Sale Transaction**" means a restructuring under this Plan, which shall be reasonably acceptable to the DIP Lenders and the Omega Secured Parties, in accordance with Article VI.C of this Plan providing for an Asset Sale.

1.208 **"Scheduled"** means, with respect to any Claim, the status and amount, if any, of that Claim as set forth in the Schedules.

1.209 **"Schedules"** means the schedules of assets and liabilities and the statement of financial affairs Filed by the Debtors, as such schedules and statements have been or may be supplemented or amended from time to time in accordance with Bankruptcy Rule 1009 or any orders of the Bankruptcy Court.

1.210 **"Secured Claim"** means a Claim that is secured by a Lien on property in which the Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Final Order of the Bankruptcy Court, or that is subject to a valid right of setoff pursuant to Bankruptcy Code section 553, to the extent of the value of the Holder of such Claim's interest in the Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to Bankruptcy Code section 506(a) or as Allowed pursuant to the Plan as an Other Secured Claim.

1.211 **"Secured Tax Claim"** means any Secured Claim which, absent its secured status, would be entitled to priority in right of payment under Bankruptcy Code section 507(a)(8).

1.212 **"Securities Act"** means the Securities Act of 1933, 15 U.S.C. §§ 77c-77aa, as now in effect or hereafter amended, and any similar federal, state or local law.

1.213 **"Solicitation Package"** means the forms of documents to be sent to Holders of Claims in compliance with Bankruptcy Rules 3017(d) and 2002(b).

1.214 **"Solicitation Procedures Motion"** means the *Debtors' Motion for Entry of Order (I) Approving Disclosure Statement, (II) Scheduling Confirmation Hearing, (III) Establishing Procedures for Solicitation and Tabulation of Votes on Plan, (IV) Approving Certain Forms and Notices; and (V) Granting Related Relief* [Docket No. ____].

1.215 **"Solicitation Procedures Order"** means the *Order (I) Approving Disclosure Statement, (II) Scheduling Confirmation Hearing; (III) Establishing Procedures for Solicitation and Tabulation of Votes on Plan, (IV) Approving Certain Forms and Notices; and (V) Granting Related Relief* [Docket No. ___].

1.216 **"Statutory Fees"** means any fees due and payable pursuant to section 1930 of Title 28 of the United States Code, together with the statutory rate of interest set forth in section 3717 of Title 31 of the United States Code to the extent applicable.

1.217 **"Subordinated Claim"** means any Claim that is subject to (a) subordination under Bankruptcy Code section 510(b) or (b) equitable subordination as determined by the Bankruptcy Court in a Final Order, including, without limitation, any Claim for or arising from the rescission of a purchase, sale, issuance, or offer of a security of any Debtor; for damages arising from the purchase or sale of such a security; or for reimbursement, indemnification, or contribution allowed under Bankruptcy Code section 502 on account of such Claim.

1.218 **"Subsequent Distribution Date"** means the last Business Day of the month following the end of each calendar quarter after the Effective Date; *provided*, *however*, that if the Effective Date is within

thirty (30) days of the end of a calendar quarter, then the first Subsequent Distribution Date will be the last Business Day of the month following the end of the first (1st) calendar quarter after the calendar quarter in which the Effective Date falls.

1.219 **"Third-Party Release"** means the release set forth in Article XI.D.2 hereof.

1.220 "**Transaction Consideration**" means (a) if the Plan Transaction occurs, the Plan Sponsor Consideration and (b) if the Sale Transaction occurs, the Sale Proceeds.

1.221 **"Treasury Regulations"** has the meaning set forth in Article XVI.A hereof.

1.222 **"U.S. Holder"** has the meaning set forth in Article XVI.A hereof.

1.223 **"U.S. Trustee"** means the Office of the United States Trustee for Region 21.

1.224 **"U.S."** means the United States.

1.225 **"UCC"** means the Official Committee of Unsecured Creditors appointed by the U.S. Trustee as of June 13, 2024 [Docket No. 112].

1.226 **"Unclaimed Distribution"** means a Distribution that is not claimed by a Holder of an Allowed Claim on or prior to the Unclaimed Distribution Deadline.

1.227 **"Unclaimed Distribution Deadline"** means ninety (90) days from the date the Plan Administrator makes a Distribution of Cash or other property under the Plan to a Holder of an Allowed Claim.

1.228 **"Unexpired Lease(s)"** means an unexpired lease to which a Debtor is party that is subject to assumption or rejection under Bankruptcy Code section 365.

1.229 **"Unimpaired"** means, when used in reference to a Claim or a Class, a Claim or a Class that is not impaired within the meaning of Bankruptcy Code section 1124.

1.230 **"Voting Classes"** means Class 4 (Omega Term Loan Claims), Class 5 (Omega Master Lease Claims), Class 6 (Welltower Master Lease Claims), and Class 7 (General Unsecured Claims).

1.231 **"Voting Deadline"** means October 14, 2024, at 4:00 p.m. (prevailing Eastern Time), the date and time by which all Ballots to accept or reject the Plan must be received to be counted, as set forth by the Solicitation Procedures Order.

1.232 **"Welltower"** or **"Welltower Landlord"** means Welltower NNN Group, LLC.

1.233 **"Welltower Facilities"** has the meaning set forth in Article III.A.4.i.d hereof.

1.234 **"Welltower Facility Debtors"** has the meaning set forth in Article III.A.4.i.2 hereof.

1.235 **"Welltower Landlord Liens"** has the meaning set forth in Article III.A.4.i.2 hereof.

1.236 "**Welltower Master Lease Claims**" means any and all Claims arising under, derived from, or based upon the Welltower Master Lease.

1.237 **"Welltower Master Lease"** has the meaning set forth in Article III.A.4.i.2 hereof.

1.238 "**Wind-Down**" means the wind down and liquidation and dissolution of the Debtors' Estates following the Effective Date as set forth in Article VIII hereof.

1.239 "**Wind-Down Budget**" means a budget for the reasonable activities and expenses to be incurred in winding down and liquidating and dissolving the Debtors' Estates, which budget shall be in form and substance acceptable to the Debtors, the ABL Lenders, the DIP Lenders, and the Omega Secured Parties, and as set forth in the Plan Supplement.

B. Rules of Interpretation and Construction

For purposes of this Combined Disclosure Statement and Plan: (1) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and neuter gender; (2) any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (3) any reference herein to an existing document, schedule, or exhibit, whether or not Filed, having been Filed or to be Filed shall mean that document, schedule, or exhibit, as it may thereafter be amended, restated, supplemented, or otherwise modified; (4) any reference to an Entity as a Holder of a Claim or Interest includes that Entity's successors and assigns; (5) unless otherwise specified, all references herein to "Articles" are references to Articles of the Combined Disclosure Statement and Plan or hereto; (6) unless otherwise specified, all references herein to exhibits are references to exhibits in the Plan Supplement; (7) unless otherwise specified, the words "herein," "hereof," and "hereto" refer to the Combined Disclosure Statement and Plan in its entirety rather than to a particular portion of the Combined Disclosure Statement and Plan; (8) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Combined Disclosure Statement and Plan; (9) unless otherwise specified herein, the rules of construction set forth in Bankruptcy Code section 102 shall apply; (10) all references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court's CM/ECF system; (11) all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time, and as applicable to the Chapter 11 Cases, unless otherwise stated; (12) any effectuating provisions may be interpreted by the Debtors in such a manner that is consistent with the overall purpose and intent of the Combined Disclosure Statement and Plan all without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity; (13) any references herein to the Effective Date shall mean the Effective Date or as soon as reasonably practicable thereafter; (14) all references herein to consent, acceptance, or approval shall be deemed to include the requirement that such consent, acceptance, or approval be evidenced by a writing, which may be conveyed by counsel for the respective parties that have such consent, acceptance, or approval rights, including by electronic mail; and (15) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be.

C. Computation of Time

In computing any period of time prescribed or allowed by the Combined Disclosure Statement and Plan, the provisions of Bankruptcy Rule 9006(a) shall apply. If the date on which a transaction may occur pursuant to the Plan shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day.

D. Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) and except as otherwise provided herein or therein, the laws of (1) the State of Georgia shall govern the construction and implementation of the Combined Disclosure Statement and Plan and any agreements, documents and instruments executed in connection with the Combined Disclosure Statement and Plan and (2) the state of incorporation of the Debtors shall govern corporate governance matters with respect to the Debtors, in either case without giving effect to the principles of conflicts of law thereof.

ARTICLE III.
BACKGROUND AND DISCLOSURES

A. General Background

1. Corporate History

LaVie is an operator of 43 licensed skilled nursing facilities and independent living facilities across five states that care for more than 3,700 residents on a daily basis, with approximately 3,600 employees. LaVie was formed in 2011 and 2012 through a series of mergers and acquisitions involving a group of Florida-based skilled nursing facility operators under the original LaVie brand, Consulate Health Care, a separate and independent company operating approximately 78 skilled nursing facilities under the Consulate name.

In the years following its formation, the Debtors continued to expand and, at the height of its operations, was one of the largest operators of skilled nursing and independent living facilities in the United States. Since then, the Debtors have divested or closed many of their former facilities, including, most recently, the divestiture of 63 facilities in 2023, predominantly in Florida and eight facilities in the first two quarters of 2024.

As a result of these divestitures, the Debtors' portfolio currently consists of 43 licensed facilities comprising nearly 4,300 licensed beds across Pennsylvania, Virginia, North Carolina, Mississippi, and Florida.

2. Corporate Structure

i. Debtors

The Debtors' corporate structure is attached hereto as **Exhibit C**.

3. Business Operations

The Debtors provide a broad range of services in their Facilities, including short-term rehabilitation, comprehensive post-acute skilled care, long-term care, assisted living, and therapy services. The Debtors operate the Facilities in Pennsylvania, Virginia, North Carolina, Mississippi, and Florida. These Facilities provide much-needed services to the communities that they serve and also provide meaningful employment in such communities. Across the Facilities, the Debtors employ approximately 3,600 employees, including nurses, certified nursing assistants, other caregivers, maintenance workers, and corporate and administrative personnel.

4. Prepetition Capital Structure

i. Secured Debt Obligations

The Debtors do not own the underlying real property of the Facilities and hold only leasehold interests in their Facilities. As a result, the primary collateralized assets owned by the Debtors are cash and accounts receivables. As described and defined below, (a) the ABL Secured Parties hold a first priority security interest in the Debtors' cash and accounts receivable; (b) the Omega Term Loan Secured Parties hold a second priority security interest in the Debtors' cash and accounts receivable, subject to the priorities in the Intercreditor Agreement (as defined below); and (c) certain of the Debtors' landlords have security interests in certain limited assets of the Debtors that are either subordinated to the interests of the ABL Secured Parties and the Omega Term Loan Secured Parties, or are collateralized by the Debtors' otherwise unencumbered personal property.

The following chart sets forth the Debtors' funded secured debt obligations as of June 2, 2024.

Debt Obligation	Secured Status	Prepetition Principal Amount Owed (Approx.)
ABL Credit Facility	Secured	$34.4 million
Omega Term Loan Credit Facility	Secured	$26.9 million
Capital Lease Obligations	Secured	$622.2 million
Total	**N/A**	**$683.5 million**

a. ABL Credit Facility

The Debtors have outstanding obligations under that certain Second Amended and Restated Credit and Security Agreement, dates as of March 25, 2022 (as otherwise amended, supplemented, or otherwise modified from time to time, the "ABL Credit Agreement," and together with any other documents executed and delivered in connection therewith, collectively, the "ABL Documents"), by and among, LV CHC Holdings I, LLC, and certain of its affiliates designated therein as borrowers (such borrowers, collectively, the "ABL Borrowers" or the "ABL Obligors"), the financial institutions party thereto from time to time as lenders (the "ABL Lenders"), MidCap Funding IV Trust, as agent for the ABL Lenders (in such capacity, the "ABL Agent," and together with the ABL Lenders, the "ABL Secured Parties"), pursuant to which the ABL Lenders provided a first lien asset-based lending credit facility to the ABL Borrowers (the "ABL Credit Facility," and the loans provided thereunder, the "ABL Loans").

Under the ABL Loan Documents, the ABL Borrowers granted to the ABL Agent, for the benefit of itself and the ABL Lenders, valid and properly perfected continuing liens on and security interests in (the "ABL Liens") all "Collateral" (as defined in the ABL Documents) (such collateral, the "ABL Senior Collateral").

As of the Petition Date, the Debtors were justly and lawfully indebted and liable to the ABL Agent and ABL Lenders, without defense, counterclaim, or offset of any kind, in the aggregate amount of $34,381,211.58 on account of the ABL Loans outstanding under the ABL Documents, plus any and all unpaid interest (including default interest), reimbursement obligations, fees, costs, expenses (including, without limitation, attorneys' fees, financial advisors' fees, related expenses and disbursements), charges, disbursements, indemnification obligations, and any other amounts, contingent or otherwise, whenever arising or accruing, that may be due, owing, or chargeable in respect thereof, in each case, to the extent provided in the ABL Documents (collectively, the "ABL Obligations").

b. Omega Term Loan Credit Facility

The Debtors have obligations under that certain Credit and Security Agreement, dated as of March 25, 2022 (as otherwise amended, supplemented, or otherwise modified from time to time, the "Omega Term Loan Credit Agreement," and together with any other documents executed and delivered in connection therewith, collectively, the "Omega Term Loan Documents"), by and among the Borrowers (as defined in the Omega Term Loan Credit Agreement), the other parties thereto as guarantors (the "Omega Term Loan Guarantors," and together with the Borrowers, collectively, the "Omega Term Loan Obligors"), OHI Mezz Lender, LLC and the other financial institutions party thereto from time to time as lenders (the "Omega Term Loan Lenders"), and OHI Mezz Lender, LLC, as agent for the Omega Term Loan Lenders (in such capacity, the "Omega Term Loan Agent," and together with the Omega Term Loan Lenders, collectively, the "Omega Term Loan Secured Parties"). Under the Omega Term Loan Credit Agreement, the Omega Term Loan Lenders provided term loans and other financial accommodations to the Borrowers (the "Omega Term Loan Facility," and the loans provided thereunder, the "Omega Term Loans").

As of the Petition Date, the Debtors were justly and lawfully indebted and liable to the Omega Term Loan Agent and the Omega Term Loan Lenders, without defense, counterclaim, or offset of any kind, in the aggregate amount of not less than $26,952,146.54 on account of Omega Term Loans outstanding under the Omega Term Loan Documents, plus any and all unpaid interest (including default interest), reimbursement obligations, fees, costs, expenses (including, without limitation, attorneys' fees, financial advisors' fees, related expenses and disbursements), charges, disbursements, indemnification obligations, and any other amounts, contingent or otherwise, whenever arising or accruing, that may be due, owing, or chargeable in respect thereof, in each case, to the extent provided in the Omega Term Loan Documents, (collectively, the "Omega Term Loan Obligations").

The Omega Term Loan Obligations are secured by second priority security interests in and liens on property of the Omega Term Loan Obligors constituting ABL Senior Collateral and first priority security interests in and liens on any other property of the Omega Term Loan Obligors as set forth in the Omega Term Loan Documents (such collateral, the "Omega Term Loan Collateral" and such security interests in and liens on the Omega Term Loan Collateral, the "Omega Term Loan Liens").

c. ABL/Omega Term Loan Intercreditor Agreement

The relative contractual rights of the ABL Secured Parties and the Omega Term Loan Secured Parties are governed by that certain Intercreditor Agreement, dated as of March 25, 2022 (as otherwise amended, supplemented, or otherwise modified from time to time, the "ABL/Omega Term Loan Intercreditor Agreement"), among the ABL Agent and the Omega Term Loan Agent, and acknowledged by the ABL Obligors and the Omega Term Loan Obligors.

d. Capital Lease Obligations

The Debtors do not own the underlying real property at the Facilities, but rather lease or sublease their respective facilities from four landlords. Collectively, the Debtors lease (a) 30 Facilities in North Carolina, Virginia, Mississippi, and Pennsylvania (collectively, the "Omega Facilities") from the Omega Landlords; (b) nine Facilities in Virginia (collectively, the "Welltower Facilities") from the Welltower Landlord; (c) three Facilities in North Carolina (collectively, the "Elderberry Facilities") from Elderberry Landlords; and (d) one Facility in Florida ("Harts Harbor") from the Harts Harbor Landlord. The obligations owed to the Omega Landlords and the Welltower Landlord are secured, while the obligations owed to the Elderberry Landlords and the Harts Harbor Landlord are unsecured.

1. Omega Master Lease Obligations

The Omega Facilities are currently subject to (a) that certain Amended and Restated Consolidated Master Lease, dated as of March 25, 2022 (as subsequently amended, modified, renewed, or restated from time to time, the "Omega Master Lease," and together with all other agreements, documents, and instruments executed and/or delivered with, to or in favor of the Omega Landlords, including, without limitation, all security agreements, notes, guarantees, mortgages, Uniform Commercial Code financing statements, documents, and instruments, including any fee letters, executed and/or delivered in connection therewith or related thereto, the "Omega Master Lease Documents"; the Omega Master Lease Documents, together with the ABL Documents and the Omega Term Loan Documents, collectively, the "Prepetition Secured Documents"),[6] by and among Debtor Alpha Health Care Properties, LLC ("Alpha") and certain Omega Landlords (the Omega Landlords, together with the Omega Term Loan Secured Parties, collectively, the "Omega Secured Parties"; the Omega Secured Parties, together with the ABL Secured Parties, collectively, the "Prepetition Secured Parties"); and (b) certain subleases between Alpha and each Debtor that operates an Omega Facility (collectively, the "Omega Facility Debtors"). Certain of the Debtors, the Omega Facility Debtors and other parties guaranteed the obligations due and owing under the Omega Master Lease Documents (each an "Omega Master Lease Guarantor", and collectively with Alpha and the Omega Facility Debtors, the "Omega Master Lease Obligors," and, together with the Omega Term Loan Obligors, the "Omega Obligors" and, the Omega Obligors together with the ABL Obligors, the "Prepetition Obligors"). The Omega Master Lease constitutes one indivisible and non-severable executory contract under section 365 of the Bankruptcy Code. The Omega Term Loan Credit Agreement was entered into in connection with the Omega Master Lease, is an integral component of the transactions contemplated thereunder, and the Omega Master Lease Agreement and the Omega Term Loan Credit Agreement represent a single integrated transaction.

The Omega Master Lease's term expires on December 31, 2037, with two ten-year renewal options. Current monthly rent under the Omega Master Lease is approximately $3.0 million. As of the Petition Date, the Omega Master Lease Obligors were justly and lawfully indebted and liable to the Omega Landlords, without defense, counterclaim or offset of any kind, with respect to $31,954,950.71 in principal amount of unpaid Rent (as defined in the Omega Master Lease), plus accrued and unpaid interest thereon and fees, expenses (including any attorneys', accountants', appraisers' and financial advisors' fees, in each case, solely to the extent that they are chargeable or reimbursable under the Omega Master Lease Documents), charges, indemnities and all other obligations arising under the Omega Master Lease Documents incurred in connection therewith (whether arising before, on, or after the Petition Date) as provided in the Omega Master Lease Documents (collectively, the "Omega Master Lease Obligations" and, together with the Omega Term Loan Obligations, the "Omega Secured Obligations" and, the Omega Secured Obligations together with the ABL Obligations, the "Prepetition Secured Obligations"), which Omega Master Lease Obligations have been guaranteed on a joint and several basis by the Omega Master Lease Guarantors.

The Omega Master Lease Obligations are secured by second priority security interests in and liens on property of the Omega Master Lease Obligors constituting ABL Senior Collateral and first priority security interests in and liens on any other property of the Omega Master Lease Obligors as set forth in the Omega Master Lease Documents (the "Omega Landlord Collateral," and together with the Omega Term Loan Collateral, the "Omega Collateral" and, the Omega Collateral together with the ABL Senior Collateral, the "Prepetition Collateral"; and such liens on and security interests in the Omega Landlord

[6] The Omega Master Lease was subsequently amended on August 31, 2022, December 29, 2022, January 31, 2023, April 1, 2023, April 17, 2023, July 31, 2023, September 29, 2023, November 1, 2023, November 30, 2023, December 15, 2023, February 29, 2024, April 1, 2024, and April 30, 2024.

Collateral, the "Omega Landlord Liens," and together with the Omega Term Loan Liens, the "Omega Liens" and, the Omega Liens with the ABL Liens, the "Prepetition Liens").

The ABL Agent, the Omega Landlords, and certain of the Debtors party to the Omega Master Lease Documents entered into that certain Seventh Amended and Restated Subordination and Intercreditor Agreement, dated as of April 1, 2024 (the "ABL/Omega Landlord Intercreditor Agreement," and together with the ABL/Omega Term Loan Intercreditor Agreement, the "Intercreditor Agreements"), to govern the respective rights, interests, obligations, priority and positions of the ABL Obligations and the Omega Master Lease Obligations with respect to certain of the ABL Collateral and the Omega Landlord Collateral (it being understood that certain ABL Collateral is not also Omega Landlord Collateral subject to the ABL/Omega Landlord Intercreditor Agreement because certain ABL Borrowers are not also Omega Master Lease Obligors).

2. Welltower Master Lease Obligations

The Welltower Facilities are currently subject to (a) that certain Master Lease Agreement, dated as of August 23, 2018 (as subsequently amended, modified, renewed, or restated from time to time, the "Welltower Master Lease"),[7] by and among QCPMT and the Welltower Landlord; and (b) certain subleases between QCPMT and each Active Facility Debtor that operates a Welltower Facility (collectively, the "Welltower Facility Debtors").

The Welltower Master Lease expires on June 30, 2037, with two five-year renewal options. Current monthly rent under the Welltower Master Lease is approximately $1.125 million. As of the Petition Date, the Debtors are current on rent obligations owed under the Welltower Master Lease.

The Debtors' obligations under the Welltower Master Lease are secured by liens in favor of the Welltower Landlord (the "Welltower Landlord Liens") encumbering the "Collateral" as defined in the Welltower Master Lease, including, among other things, the Debtors' personal property, general intangibles, and other assets related to the Welltower Facilities. Pursuant to that certain Landlord Agreement, dated as of September 30, 2022, by and between the Welltower Landlord and the ABL Agent (the "MidCap/Welltower Landlord Agreement"), the Welltower Landlord Liens do not consist of any liens on the Welltower Facility Debtors "Accounts Receivable" (as defined in the MidCap/Welltower Landlord Agreement). Moreover, pursuant to that certain Intercreditor Agreement, dated as of September 30, 2022, by and between the Welltower Landlord, the Omega Term Loan Agent, QCMPT, Debtor LaVie Care Centers, LLC, and Debtor LV Operations I, LLC, the Welltower Landlord agreed to subordinate the Welltower Landlord Liens to the Omega Term Loan Liens.

ii. Unsecured Debt Obligations

In addition to the secured debt obligations described above, the Debtors are liable for other unsecured debt obligations, which include, among other things, (a) trade, vendor, and other accrued expenses; (b) litigation claims (including those subject to settlements, those currently in pending litigation, and other incurred but not yet reported claims); and (c) other liabilities, including unsecured term loan obligations. The following chart sets forth the approximate amount of the Debtors' unsecured debt obligations as of April 30, 2024.[8]

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[7] The Welltower Master Lease was subsequently amended on November 16, 2018 and July 1, 2022.

[8] The list of unsecured debt obligations: (a) excludes intercompany, accrued payroll, and workers' compensation liabilities; (b) "Trade/Accrued Liabilities" include Vendor AP, real estate, provider, and other taxes,

Debt Obligation	Secured Status	LaVie Prepetition Principal Amount Owed	Active Facility Debtors Prepetition Principal Amount Owed	Divested Prepetition Principal Amount Owed	Total Prepetition Principal Amount Owed
Unsecured Loans	Unsecured	$87,000,000	-	-	$87,000,000
Trade/Accrued Liabilities	Unsecured	$7,900,000	$82,800,000	$158,700,000	$249,400,000
Litigation Claims	Unsecured	-	$8,600,000	$146,500,000	$155,100,000
Other Liabilities	Unsecured	$1,900,000	$2,500,000	$3,000,000	$7,400,000
Total	N/A	$96,800,000	$93,800,000	$308,200,000	$498,800,00

B. Circumstances Giving Rise to the Chapter 11 Cases

1. COVID-19 Pandemic

At the time of the initial onset of the COVID-19 pandemic, the Company was one of the largest operators of skilled nursing facilities in the nation, operating approximately 140 skilled nursing facilities, assisted living facilities and independent living facilities. As a result of the impacts of the pandemic, and to try to stabilize the Debtors' financial condition, the Company exited operations at more than 90 facilities. Today, the Debtors operate 43 licensed facilities across five states that care for more than 3,700 residents on a daily basis, with approximately 3,600 employees. The Debtors' current portfolio of facilities produce positive cash flow; however, the substantial continuing impacts of the pandemic and resulting facility divestitures continue to plague the business.

The COVID-19 pandemic impacted sectors of the U.S. economy in dramatically different ways, with certain industries, like movie theaters, retail, and cruise lines, rebounding despite being impacted severely at the outset. In contrast, skilled nursing, which was among the first sectors impacted at the beginning of the pandemic, has yet to fully recover from the lasting economic impacts of COVID-19. Like many of their peers, the Debtors have been unable to shake the lasting economic effects that have reverberated throughout the sector since that time.

2. Post-COVID 19 Regulatory Changes

The industry-wide economic impacts of COVID have varied significantly from state to state depending on, among other things, differing state reimbursement rates, varying access to high-quality nursing staff, incremental state funding and investment in the skilled nursing sector, insurance costs, and the overall landscape of litigation claims (which occur regularly in this industry). Reflective of these factors, post-pandemic many of the Debtors' skilled nursing facilities could be easily classified as either "haves" and "have nots" depending on the state in which they operated.

Medicare/Medicaid settlements, deferred rent obligations, and other; (c) "Litigation Claims" include unpaid settlements, known claim reserves, and incurred but not yet reported claim estimates; (d) "Unsecured Loans" include vendor notes and a promissory note due to certain affiliates of Omega in the principal amount of about $8.3 million; and (e) "Other Liabilities" include civil monetary penalties, the settlement claim resulting from *In re CMC II, LLC*, Case No. 21-10461 (Bankr. D. Del.), and resident deposits.

By way of example, the Debtors were previously the largest skilled nursing facility operator in the state of Florida. The post-pandemic operating environment in Florida was extremely challenging, as a result of a tight labor market and Florida state COVID relief funds that significantly trailed many other states. Moreover, the impact of Florida's statutory minimum staffing requirements, which were put in place prior to COVID, added additional significant costs for Florida operators. Compounding these issues, in the years that followed the onset of COVID, the need for skilled labor spiked at the same time that wages substantially increased and significant numbers left the workforce. This intersection of factors caused the Debtors to suffer a nearly 25% reduction in their total workforce in 2021 and they were forced to substantially increase their reliance on staffing agencies to staff their facilities. The necessary use of these agencies resulted in a more than 50% premium over prior wage levels. While some of these staffing issues were felt in other states, due to the minimum staffing requirements and lack of corresponding state relief funds made the situation particularly acute in Florida. As a result, across 2022 and 2023, the Debtors' Florida facilities generated approximately $133 million in EBITDA losses. The Debtors have since exited operations in all but one facility in the state of Florida.

3. Difficulties With Lease Obligations

Despite the Company's management implementing various initiatives to improve operating and financial performance between 2020 and 2023, the Company found itself unable to fund contractual rent payments to some of their largest landlords. Given the clear state-by-state disparities that became emblematic of the post-COVID skilled nursing landscape, the Debtors found it necessary to evaluate the viability of their lease portfolio by identifying facilities and/or states that had favorable future prospects and generated positive cash flow, and those—like Florida—that were unsustainable. Recognizing that the Debtors were at risk of lease terminations as a result of missed lease payments and increasing lease arrearages, the Company engaged with its current landlords to find solutions for the benefit of the residents in the facilities, its employees and the Company as a whole.

Accordingly, the Company began negotiations with many of its existing landlords—including their largest landlord, Omega—regarding potential solutions to the fiscal challenges facing the Company, including potentially exiting operations at many of their unsustainable facilities and helping transition them to new third-party operators. These efforts were not only necessary for the Company to stem further losses, but were also driven in part by the respective landlords' needs to find viable go-forward resolutions. As of June 2023 (a year prior to the Petition Date), the Company operated approximately 114 facilities (down from approximately 140 in 2020). Today, the Debtors' current portfolio includes 43 licensed facilities. Other than one remaining facility in Florida, the Debtors' facilities are all located in the favorable operating states of Mississippi, North Carolina, Pennsylvania and Virginia. The Debtor's current portfolio of facilities is leaner and more productive, and for the first time in years, the Company's remaining facilities now generate positive EBITDA.

4. Divestitures and Operational Shortcomings

Although these divestitures have been both necessary and successful from an operational and future performance standpoint by stemming operating losses, they did not address the substantial legacy liabilities at the remaining corporate entities that previously operated the Debtors' now-divested facilities. As facility operators, the Debtors do not own the underlying real property assets at their facilities, but merely operate the facilities as tenants on the applicable facility lease.[9] When the operations of the underperforming facilities were transitioned to new operators with the consent of the landlord, the new operators generally

[9] If a skilled nursing facility tenant is unable to pay contractual rent, a landlord can terminate the lease and effectively cut off the ability of the operator to continue operating that facility.

did not assume the liabilities of Company, nor did any material consideration flow to the prior operator. Following transition, the only material asset that remained behind for each of the divested facilities was accounts receivable generated prior to the transition; however, the proceeds from the collection of the receivables had to be used to pay down the Debtors' Pre-Petition ABL Facility. As such, the Debtors do not have any material assets remaining behind at their now-divested facilities. Yet, there remain significant legacy liabilities which were incurred in connection with the prior operations, including, among others, lease liabilities, trade claims, and litigation claims, that were not transferred to their new operators as part of the underlying facility divestitures.

The Company had historically been able to negotiate agreements with certain of these parties through graduated payment plans which provided for discounted amounts and payments over time. But as a result of operating losses incurred, the Company's liquidity decreased along with borrowing availability, meaning substantial outside funding would be required for the Company to achieve broad consensus with its creditors on out-of-court payment plans. Nevertheless, the Company remained focused on pursuing an out-of-court solution because it believed that creditors would be better served by agreeing to substantial discounts with payments over time, compared to the amounts that would be available to them in any chapter 11 process. While certain vendors and key stakeholders remained patient and supportive, other creditors (principally litigation plaintiffs and staffing agencies) opted for litigation that ultimately rendered the Company's restructuring goals untenable absent an in-court process. Over time, the Company became unable to service its existing settlements, and its limited liquidity and inability to pay outstanding amounts forced a negotiation stalemate with these and other creditors. As a result, the Company, with the assistance of its advisors, began to evaluate potential in-court scenarios to ensure that its existing facility portfolio could continue operating without interruption. Accordingly, though chapter 11 was never the Company's preferred restructuring option, it became the only viable alternative that presented the Company with the ability to obtain necessary funding to deal with all outstanding claims and related issues.

Over the weeks and months prior to the commencement of these Chapter 11 Cases, the Debtors worked collaboratively with Omega, who is the Debtors' largest landlord and secured lender. Because Omega is landlord on 30 of the Debtors' remaining 43 licensed facilities and holds a secured position on substantially all of the Debtors' assets, coupled with the substantial payment arrearage on Omega's lease, any viable restructuring path requires the consent and cooperation of Omega.

C. Appointment of Independent Manager

On May 19, 2024, the board of directors of the Debtors' indirect equity holder adopted by unanimous written consent certain resolutions that provided for, among other things, the appointment of James D. Decker as sole independent manager at Debtor LV Operations I, LLC (the top-level Debtor entity) and all its direct and indirect subsidiaries (the "Independent Manager"). The Independent Manager has two primary duties. First, the Independent Manager has sole authority to take any "Restructuring Actions" on behalf of the Debtors.[10]

Second, the Independent Manager has the authority to investigate, prosecute, and settle potential claims and potential Causes of Action the Debtors may have against certain insider and non-insider parties.

[10] "Restructuring Actions" is defined in the appointing resolutions as the Independent Manager's authority to "negotiate implement or otherwise handle and address all aspects of strategic and/or financial alternatives available to [Debtor LV Operations I, LLC] and its direct and indirect subsidiaries and their respective businesses, assets, properties, and debt obligations, including, without limitation, any financing, refinancing, restructuring, recapitalization, merger, consolidation, sale, reorganization, liquidation or an amendment or modification to the credit facilities of [Debtor LV Operations I, LLC] or its direct and indirect subsidiaries, ..."

This investigation began prior to the Petition Date and remains ongoing. Any releases in these Chapter 11 Cases remain subject to the outcome of that investigation.

D. The Chapter 11 Cases

The following is a brief description of certain material events that have occurred during the Chapter 11 Cases to date. The pleadings and Orders referenced herein can be viewed free of charge at https://veritaglobal.net/lavie.

1. First-Day Relief

On the Petition Date, the Debtors Filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their business and manage their assets and affairs as debtors-in-possession pursuant to Bankruptcy Code sections 1107 and 1108. On the Petition Date, the Debtors also Filed pleadings seeking certain "first day" relief, including the following:

(a) *Debtors' Emergency Motion for Entry of Order Directing Joint Administration of the Chapter 11 Cases* [Docket No. 3];

(b) *Debtors' Emergency Motion for Entry of Order (I) Authorizing the Debtors to (A) Prepare a List of Creditors in Lieu of Submitting a Formatted Mailing Matrix and (B) File a Consolidated List of the Debtors' 30 Largest Unsecured Creditors, (II) Authorizing the Debtors to Redact Certain Personal Identification Information for Individual Creditors, (III) Approving the Form and Manner of Notifying Creditors of Commencement of These Chapter 11 Cases, and (IV) Authorizing the Debtors to File Their Monthly Operating Reports on a Consolidated Basis* [Docket No. 4];

(c) *Debtors' Emergency Application for Entry of Order Authorizing the Retention and Employment of Kurtzman Carson Consultants LLC as Claims, Noticing, Solicitation, and Administrative Agent Effective as of the Petition Date* [Docket No. 5];

(d) *Debtors' Emergency Motion for Entry of Order (I) Extending Time to File Schedules of Assets and Liabilities and Statements of Financial Affairs and (II) Granting Related Relief* [Docket No. 6];

(e) *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Implementation of Procedures to Maintain and Protect Confidential Health Information as Required by Applicable Privacy Rules and (II) Granting Related Relief* [Docket No. 7];

(f) *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Maintain and Continue Resident Programs and Honor Prepetition Obligations Related Thereto, and (II) Granting Related Relief* [Docket No. 8];

(g) *Debtors' Emergency Motion for Entry of Interim and Final Orders Authorizing Payment of Prepetition Obligations Owed to Resident Care Vendors* [Docket No. 9];

(h) *Debtors' Emergency Motion for Entry of Interim and Final Orders Authorizing Debtors to (I) Maintain Existing Insurance Policies and Surety Bonds, and Pay All Obligations Arising Thereunder; (II) Renew, Revise, Extend, Supplement, Change, or Enter into New Insurance Policies; and (III) Granting Related Relief* [Docket No. 10];

(i) *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing Debtors to Pay Certain Prepetition Taxes, Fees, and Related Obligations and (II) Granting Related Relief* [Docket No. 11];

(j) *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Approving Debtors' Proposed Form of Adequate Assurance of Payment; (II) Establishing Procedures for Resolving Objections by Utility Providers; and (III) Prohibiting Utility Providers from Altering, Refusing, or Discontinuing Service* [Docket No. 12];

(k) *Debtors' Emergency Motion for Entry of Interim and Final Orders Authorizing Debtors to (I) Pay Prepetition Wages, Compensation, and Employee Benefits, (II) Continue Certain Employee Benefit Programs in the Ordinary Course, and (III) Granting Related Relief* [Docket No. 13];

(l) *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue to Operate Their Existing Cash Management System, (B) Maintain Existing Bank Accounts and Business Forms and Honor Certain Prepetition Obligations Related to the Use Thereof, (C) Maintain Purchasing Card Program and Honor Prepetition Obligations Related Thereto, and (D) Continue to Perform Intercompany Transactions; (II) Extending the Time for the Debtors to Comply with 11 U.S.C. § 345(b) Deposit and Investment Requirements; and (III) Granting Related Relief* [Docket No. 14]; and

(m) *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Utilize Cash Collateral, (II) Granting Adequate Protection to Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* [Docket No. 15].

In support of the foregoing, the Debtors Filed the *Declaration of M. Benjamin Jones in Support of Chapter 11 Petitions and First Day Pleadings* [Docket No. 17] and the *Declaration of Michael Krakovsky in Support of Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Utilize Cash Collateral, (II) Granting Adequate Protection to Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* [Docket No. 16].

2. DIP Facility

On the Petition Date, the Debtors Filed the *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Utilize Cash Collateral, (II) Granting Adequate Protection to Prepetition Secured Parties, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* [Docket No. 15], seeking Court authorizing to incur $20 million of junior secured debtor-in-possession financing during the Chapter 11 Cases and use of cash collateral.

On June 5, 2024, the Bankruptcy Court entered the Interim DIP Order, authorizing the Debtors' access the DIP Facility on an interim basis and interim use of cash collateral accordance with the Initial DIP Budget attached thereto. *See* Docket No. 49. On June 28, 2024, the Bankruptcy Court entered the Final DIP Order, granting the Debtors full amount available under the DIP Facility and use of cash collateral on a final basis in accordance with the Approved DIP Budget attached thereto. *See* Docket No. 189.

3. Bid Procedures Motion

On June 10, 2024, the Debtors filed the *Debtors' Motion for Entry of an Order (I) Approving Bidding Procedures and Bid Protections, (II) Scheduling Certain Dates and Deadlines with Respect Thereto, (III) Approving the Form and Manner of Notice Thereof, (IV) Establishing Notice and Procedures for the Assumption and Assignment of Contracts and Leases, (V) Authorizing the Assumption and Assignment of Assumed Contracts, and (VI) Authorizing the Sale of Assets* [Docket No. 104] (the "Bidding Procedures Motion"). In the Bid Procedures Motion, the Debtors sought approval of bid procedures for a sale of substantially all of their assets or the rights to sponsor a plan of reorganization. The Debtors also requested authority to designate a stalking horse bidder, if any, and grant bid protections in the form of an expense reimbursement and breakup fee, collectively capped at 3.0% of the purchase price.

On June 27, 2024, the Bankruptcy Court entered the *Order Approving Bidding Procedures and Bid Protections, (II) Scheduling Certain Dates and Deadlines with Respect Thereto, (III) Approving the Form and Manner of Notice Thereof, (IV) Establishing Notice and Procedures for the Assumption and Assignment of Contracts and Leases, (V) Authorizing the Assumption and Assignment of Assumed Contracts, and (VI) Authorizing the Sale of Assets* [Docket No. 177] (the "Bidding Procedures Order"). The Bidding Procedures Order set the following dates and deadlines for the Debtors' sale process:

Event	Date
Filing of Contract Assumption Notice	July 23, 2024
Deadline to Select Stalking Horse Bid	August 29, 2024, at 4:00 p.m. (prevailing Eastern Time)
Cure and Adequate Assurance Objection Deadline	September 5, 2024, at 4:00 p.m. (prevailing Eastern Time)
Deadline to Submit Qualified Bids	September 5, 2024, at 4:00 p.m. (prevailing Eastern Time)
Auction (if necessary)	September 9, 2024, at 10:00 a.m. (prevailing Eastern Time)
Sale Objection Deadline	September 10, 2024, at 4:00 p.m. (prevailing Eastern Time)
Sale Hearing	September 11, 2024, at 9:30 a.m. (prevailing Eastern Time)

Notice of the dates and the sale process generally was published on July 1, 2024 in the national edition of *The New York Times* [Docket No. 228].

4. Retention of Debtors' Professionals

i. Kurtzman Carson Consultants LLC d/b/a Verita ("Verita")

On the Petition Date, the Debtors Filed the *Debtors' Emergency Application for Entry of Order Authorizing the Retention and Employment of Kurtzman Carson Consultants LLC as Claims, Noticing, Solicitation, and Administrative Agent Effective as of the Petition Date* [Docket No. 5], by which the Debtors sought authorization to retain and employ Verita as its claims, noticing, solicitation, and administrative agent in the Chapter 11 Cases. On June 5, 2024, the Bankruptcy Court entered an Order approving the Debtors' retention of Verita. *See* Docket No. 43.

ii. McDermott Will & Emery LLP

On June 25, 2024, the Debtors Filed the *Debtors' Application for Entry of Order Authorizing the Retention and Employment of McDermott Will & Emery LLP as Counsel for the Debtors and Debtors-in-Possession Effective as of the Petition Date* [Docket No. 135]. On June 28, 2024, the Bankruptcy Court entered an Order approving the Debtors' employment of McDermott Will & Emery LLP as its counsel, subject to timely objection. *See* Docket No. 185. The foregoing order became a final order on July 19, 2024.

iii. Ankura Consulting Group, LLC

On June 25, 2024, the Debtors Filed the *Debtors' Application for Entry of Order Authorizing Debtors to (I) Retain Ankura Consulting Group, LLC to Provide Debtors a Chief Restructuring Officer and Certain Additional Personnel and (II) Designate M. Benjamin Jones as Chief Restructuring Officer for the Debtors, Effective as of the Petition Date* [Docket No. 136]. On June 28, 2024, the Bankruptcy Court entered an Order approving the Debtors' retention of Ankura Consulting Group, LLC and certain additional personnel and designation of Mr. Jones as the Debtors' CRO, subject to timely objection. *See* Docket No. 186. The foregoing order became a final order on July 19, 2024.

iv. Stout Capital, LLC

On June 25, 2024, the Debtors Filed the *Debtors' Application for Entry of Order (I) Authorizing the Employment and Retention of Stout Capital, LLC as Investment Banker to the Debtors and (II) Granting Related Relief* [Docket No. 137]. On June 28, 2024, the Bankruptcy Court entered an Order approving the Debtors' retention of Stout Capital, LLC as their investment banker, subject to timely objection. *See* Docket No. 187. The foregoing order became a final order on July 19, 2024.

v. Chapman and Cutler LLP

On June 25, 2024, the Debtors Filed the *Debtors' Application for Entry of Order Authorizing Debtors, By and Through the Independent Manager, to (I) Retain and Employ Chapman and Cutler LLP as Special Counsel Effective as of the Petition Date and (II) Granting Related Relief* [Docket No. 138]. On June 28, 2024, the Bankruptcy Court entered an Order approving the Debtors' retention of Chapman and Cutler LLP as their special counsel, subject to timely objection. *See* Docket No. 188. The foregoing order became a final order on July 19, 2024.

5. Appointment of the UCC and the Patient Care Ombudsman

i. UCC

On June 13, 2024, the U.S. Trustee appointed the UCC pursuant to Bankruptcy Code section 1102(a). *See* Docket No. 112. On July 3, 2024, the UCC filed the *Application to Retain and Employ Troutman Pepper Hamilton Sanders LLP as Counsel for the Official Committee of Unsecured Creditors, Effective as of June 14, 2024* [Docket No. 220], and, on July 17, 2024, the UCC filed the *Application for an Order Authorizing the Retention and Employment of FTI Consulting, Inc. as Financial Advisor to the Official Committee of Unsecured Creditors Effective as of June 17, 2024* [Docket No. 256]. On July 8, 2024, the Bankruptcy Court entered an Order approving the UCC's retention of Troutman Pepper as counsel to the UCC, subject to timely objection [Docket No. 226]. The foregoing order became a final order on July [__], 2024. On July 18, 2024, the Bankruptcy Court entered an Order approving the UCC's retention of FTI Consulting, Inc. as financial advisor to the UCC, subject to timely objection [Docket No. 259]. The foregoing order became a final order on [__], 2024.

ii. Patient Care Ombudspersons

On June 28, 2024, the Bankruptcy Court entered the *Order Authorizing Appointment of Patient Care Ombudspersons* [Docket No. 184]. On July 5, 2024, the U.S. Trustee appointed Terri Cantrell as the patient care ombudsman for Debtor 11565 Harts Road Operations, LLC. That same day, the U.S. Trustee appointed Margaret Barajas as the patient care ombudsman for each of the following Debtors: (a) Locust Grove Facility Operations, LLC; (b) Luther Ridge Facility Operations, LLC; (c) Manor at St. Luke Village Facility Operations, LLC; (d) Pavilion at St. Luke Village Facility Operations, LLC; (e) Penn Village Facility Operations, LLC; and (f) Pennknoll Village Facility Operations, LLC. *See* Docket Nos. 224, 225.

On July 15, 2024, the U.S. Trustee appointed Lisa M. Smith as the patient care ombudsman for each of the following Debtors: (a) Glenburney HealthCare, LLC; (b) Hilltop Mississippi HealthCare, LLC; (c) McComb HealthCare, LLC; (d) Riley HealthCare, LLC; (e) Starkville Manor HealthCare, LLC; and (f) Winona Manor Healthcare, LLC. *See* Docket No. 250. That same day, the U.S. Trustee appointed Victor Orija as patient care ombudsman for each of the following Debtors: (a) Cardinal North Carolina HealthCare, LLC; (b) Clay County HealthCare, LLC; (c) Hunter Woods HealthCare, LLC; (d) Cary HealthCare, LLC; (d) Emerald Ridge HealthCare, LLC; (e) Forrest Oakes HealthCare, LLC; (f) Gateway HealthCare, LLC; (g) Kannapolis HealthCare, LLC; (h) Oak Grove HealthCare, LLC; (i) Oaks at Sweeten Creek HealthCare, LLC; (j) Valley View HealthCare, LLC; (k) Walnut Cove HealthCare, LLC; (*l*) Wellington HealthCare, LLC; (m) Westwood HealthCare, LLC; (n) Willowbrook HealthCare, LLC; and (o) Wilora Lake HealthCare, LLC. *See* Docket No. 251.

On July 18, 2024, the U.S. Trustee appointed Lisa M. Smith as the patient care ombudsman for each of the following Debtors: (a) Ashland Facility Operations, LLC; (b) Norfolk Facility Operations, LLC; (c) Augusta Facility Operations, LLC; (d) Grayson Facility Operations, LLC; (e) Kings Daughters Facility Operations, LLC; (f) Newport News Facility Operations, LLC; (g) Pheasant Ridge Facility Operations, LLC; (h) Skyline Facility Operations, LLC; (i) Williamsburg Facility Operations, LLC; (j) Windsor Facility Operations, LLC; and (k) Woodstock Facility Operations, LLC.

6. Claims Process and Bar Dates

i. Section 341(a) Meeting of Creditors

On June 28, 2024, the U.S. Trustee presided over a meeting of creditors in the Chapter 11 Cases pursuant to Bankruptcy Code section 341(a). The U.S. Trustee continued the 341 meeting of creditors to August 12, 2024.

ii. Bar Dates

On July 2, 2024, the Bankruptcy Court established the following deadlines for filing the following categories of Proofs of Claim [Docket No. 218]:

Category	Deadline
Bar Date (General)	August 30, 2024, at 5:00 p.m. (prevailing Eastern Time)
Governmental Bar Date	November 29, 2024, at 5:00 p.m. (prevailing Eastern Time)

7. Ordinary Course Professionals Motion

On June 25, 2024, the Debtors filed the *Debtors' Motion for Entry of Order (I) Authorizing Employment and Payment of Professionals Used in the Ordinary Course of Business and (II) Granting Related Relief* [Docket No. 140], seeking approval to continue to use services of certain professionals employed in the ordinary course of business to provide the Debtors with services in matters unrelated to the administration Chapter 11 Cases without filing formal applications for employment and compensation for each ordinary course professionals without filing applications for payment. On July 22, 2024, the Bankruptcy Court entered an order approving the requested relief. *See* Docket No. 265.

8. Adversary Complaint

On June 30, 2024, the Debtors filed an adversary complaint against Healthcare Negligence Settlement Recovery Corp. ("Recovery Corp."), styled *LaVie Care Centers, LLC, et al. v. Healthcare Negligence Settlement Recovery Corp. (In re LaVie Care Centers, LLC)*, Adv. Pro. No. 24-05127 (PMB) (Bankr. N.D. Ga.) (the "Adversary Proceeding"). In the Adversary Proceeding, the Debtors seek an injunction to prevent Recovery Corp. from continuing to prosecute claims (a) against certain non-debtors that share an identity of interest with the Debtors due to, among other things, the Debtors' indemnification obligations to the non-debtors and/or (b) that belong to the Debtors' estates, including, among others, claims for fraudulent conveyances and corporate veil piercing. The Debtors commenced the Adversary Proceeding to preserve the value of the Debtors' estates and to prevent Recovery Corp. from receiving preferential treatment and disadvantaging other creditors. A hearing on the Debtors' request for a preliminary injunction is set for July 24, 2024.

E. Releases, Injunctions, and Exculpation

Article XI of the Plan provides for certain releases, injunctions, and exculpations, including a release of liens and third-party releases that may otherwise be asserted against the Debtors, Reorganized Debtors, or Released Parties, as applicable. The releases, injunctions, and exculpations provided in the Plan are subject to objection by parties in interest and may not be approved. If the releases are not approved, certain Released Parties may withdraw their support for the Plan. The releases provided to the Released Parties and the exculpation provided to the Exculpated Parties are necessary to the success of the Debtors' reorganization because the Released Parties and Exculpated Parties have made significant contributions to the Debtors' reorganizational efforts that are important to the success of the Plan. The Plan's release and exculpation provisions are therefore an inextricable component of the Plan.

There are generally two types of releases in chapter 11 plans. The first type is a debtor's release of actual and potential claims against third parties (e.g., directors, officers, vendors, creditors, and other parties). Courts have generally held that a debtor may release claims in a plan under section 1123(b)(3)(A) of the Bankruptcy Code if the bankruptcy court finds that the decision to grant an estate release is a valid exercise of the debtor's business judgment, fair and reasonable, and in the best interests of the estate.

The second type of is commonly referred to as a "third-party" or "nondebtor" release. A third-party release operates to release and/or enjoin claims creditors or other third-party stakeholders may have against the debtor's principals, officers, directors, affiliates, guarantors, insurers, lenders, and other stakeholders.

Third-party releases are either consensual or non-consensual. With respect to consensual third-party releases, courts generally agree that consensual third-party releases are permissible to the extent they bind only those creditors who affirmatively consented to the release. Creditors can demonstrate their consent in different ways. For example, courts generally agree that an affirmative vote to accept a plan that

contains a third-party release constitutes an express consent to the release.[11] Certain courts also agree that a creditor consents to a third-party release where the ballot provided to voting claimants gives them the opportunity to opt out of such releases[12] and where non-voting claimants are provided the opportunity to opt out to such releases by objecting to plan confirmation.[13]

With respect to nonconsensual third-party releases, until recently, courts were divided about whether nonconsensual third-party releases were permissible. Even those courts that agreed nonconsensual third-party releases were permissible disagreed about the circumstances under which they would allow them.

The Supreme Court recently settled the debate. On June 27, 2024, the Supreme Court in *Harrington v. Purdue Pharma L.P.* held that the Bankruptcy Code does not authorize nonconsensual

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[11] *See In re Stein Mart, Inc.*, 629, B.R. 516, 523 (Bankr. M.D. Fla. 2021) (citing *In re SunEdison, Inc.*, 576 B.R. 453, 458 (Bankr. S.D.N.Y. 2017)); *In re Akorn, Inc.*, No. 20-11177 (Bankr. D. Del. Sept. 4, 2020) [Docket No. 673] (confirming plan where non-debtor releasing parties included "all Holders of Claims or Interests who vote to accept the Plan"); *In re Coram Healthcare Corp.*, 315 B.R. 321, 336 (Bankr. D. Del. 2004) (holding that creditors who voted to accept the plan are bound by the releases); *In re Zenith Elecs. Corp.*, 241 B.R. 92, 111 (Bankr. D. Del. 1999) (same).

[12] *See, e.g.*, *In re Envistacom, LLC*, Case No. 23-52696 (JWC) (Bankr. N.D. Ga.) [Docket No. 220] (confirming debtor's chapter 11 plan where creditors were required to opt out of third-party release provisions); *In re Mallinckrodt PLC*, 639 B.R. 837, 880 (Bankr. D. Del. 2022) (finding opt-out mechanic sufficient to demonstrate consent to third-party release); *In re Stein Mart, Inc.*, 629, B.R. 516, 523 (Bankr. M.D. Fla. 2021) (finding that the third-party releases contained in the plan were consensual because the decision to return or not return the opt-out form demonstrated "an absolute and unconditional acceptance or rejection of the offered release); *In re Emerge Energy Services LP*, No. 19-11563 (Bankr. D. Del. Dec. 18, 2019) [Docket No. 721] (confirming plan where the non-debtor releasing parties included claimants "that submitted a Ballot to the Voting and Claims Agent, but did not affirmatively opt out of the Third Party Release as provided on their respective Ballots"); *In re Indianapolis Downs, LLC*, 486 B.R. 286, 306 (Bankr. D. Del. 2013) ("As for those impaired creditors . . . who voted to reject the Plan and did not otherwise opt out of the releases, the record reflects these parties were provided detailed instructions on how to opt out, and had the opportunity to do so by marking their ballots. Under these circumstances, the Third Party Releases may be properly characterized as consensual and will be approved."); *In re JRV Group USA L.P.*, No. 19-11095 (Bankr. D. Del.) (CSS) (June 19, 2020) (overruling objection from the United States Trustee and approving third-party release because "people have been given reasonable notice, consistent with due process; an opportunity to object or optout, they've chosen not to do so [and] I believe that's constructive consent"); *In re AtheroGenics, Inc.*, Case No. 08-78200 (Bankr. N.D. Ga. June 9, 2009) [Docket No. 288] (approving third-party release granted by parties who did not check opt out box on ballot); *In re Levitt & Sons, LLC*, Case No. 07-19845 (Bankr. S.D. Fla. Feb. 20, 2009) (same).

[13] *In re VER Techs. Holdco LLC*, No. 18-10834 (Bankr. D. Del. July 26, 2018) [Docket No. 647] (overruling objection from the United States Trustee where defined term "Releasing Parties" included "all Holders of Claims or Interests that are deemed to reject the plan that do not affirmatively elect to 'opt out' of being a releasing party by timely objecting to the Plan's third-party release provisions"); *In re EV Energy Partners, L.P.*, No. 18-10814 (Bankr. D. Del. May 17, 2018) [Docket No. 238] (overruling objections of the United States Trustee, Securities Exchange Commission, and others where defined term "Releasing Parties" included "each holder of a Claim or Existing Equity Interest that is deemed to reject the Plan that does not affirmatively elect to 'opt out' of being a Releasing Party by timely objecting to the Plan's third-party release provision"); Hr'g, Tr., *In re Gibson Brands*, No. 18-11025 (CSS) (Bankr. D. Del. Oct. 2, 2018) (overruling objection from the United States Trustee and holding that "to consent to something, [ ] it's sufficient to say, Here's your notice, this is what's going to happen and if you don't object, you'll have been deemed to consent").

third-party releases; if a proposed chapter 11 plan contains a release of a creditor's direct claim against a third-party nondebtor, the creditor must consent to the release of its claim.[14]

Here, the Debtors submit the Third-Party Release complies with *Purdue* because the release is consensual. As explained below, Holders of Claims and Interests—both voting and non-voting Holders of Claims and Interests—can opt out of the proposed releases. Thus, consistent with *Purdue* and applicable precedent, the Debtors submit the Third-Party Release is consensual.

[14] – U.S. –,144 S. Ct. 2071, 2088 (2024).

As set forth in greater detail in the Solicitation Procedures Order, the Ballots, and the Notices of Non-Voting Status attached thereto, Holders of Claims in Classes 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11 are provided with the opportunity to "opt-out" of the Third-Party Release as follows:

OPT-OUT ELECTION

If you vote to accept the Plan, you shall be deemed to have consented to the Third-Party Release set forth in Article XI.D.2 hereof and you cannot opt out of the Third-Party Release.

If you do not consent to the Third-Party Release, you may elect not to grant such releases but only if you are:

- **(i) a Holder of a Claim in Classes 4, 5, 6, or 7 and you**
    - **(A) vote to reject the Plan in Item 2 of your Ballot, affirmatively elect to "opt out" of being a Releasing Party by checking the Optional Opt-Out Election in Item 3 of your Ballot, and timely return your Ballot to Verita, or**
    - **(B) abstain from voting by not casting a vote in Item 2 of your Ballot, affirmatively elect to "opt out" of being a Releasing Party by checking the Optional Opt-Out Election in Item 3 of your Ballot, and timely return your Ballot to Verita; or**
- **(ii) a Holder of a Claim in Classes 1, 2, 3, 8, 9, 10, or 11 and you affirmatively elect to "opt out" of being a Releasing Party by checking the box in Item 1 on the "Release Opt-Out Election Form" attached as Annex 2 to your Notice of Non-Voting Status and timely return your "Release Opt-Out Election Form" to Verita.**

If you exercise either of the foregoing options, you will not be a Releasing Party under the Plan. If you do not check the "opt-out" box and return your Ballot or Notice of Non-Voting Status, as applicable, you will be deemed to consent to the releases set forth in Article XI.D.2 hereof and the related injunction to the fullest extent permitted by applicable law.

Please refer to the Ballot and/or Notice of Non-Voting Status you received for more information or contact the Claims and Noticing Agent by (a) clicking the "Submit an Inquiry" option at https://veritaglobal.net/lavie/inquiry; (b) calling (877) 709-4750 (toll-free) or (424) 236-7230 (if calling from outside the U.S. or Canada), or (c) writing to the following address: LaVie Care Centers Claims Processing Center, c/o KCC d/b/a Verita, 222 N. Pacific Coast Highway, Suite 300, El Segundo, CA 90245. Verita is not authorized to provide legal advice.

ARTICLE IV.
TREATMENT AND ALLOWANCE OF UNCLASSIFIED CLAIMS

In accordance with Bankruptcy Code section 1123(a)(1), Administrative Expense Claims, Priority Tax Claims, Professional Fee Claims, and DIP Claims have not been classified and, thus, are excluded from the Classes of Claims and Interests set forth in Article V hereof.

A. Administrative Expense Claims

Unless a Holder agrees to less favorable treatment, each Holder of an Allowed Administrative Expense Claim (other than a Professional) shall receive Cash in an amount equal to the Face Amount of such Allowed Administrative Expense Claim either (1) in the ordinary course of business by the Debtors pursuant to the DIP Budget or (2) on the later of (x) the Effective Date and (y) the date on which such Claim becomes an Allowed Claim (or as soon as reasonably practicable thereafter) by the Plan Administrator out of the Debtors' Cash on hand.

Objections to Administrative Expense Claims must be Filed and served on the Plan Administrator and the requesting party by the Administrative Expense Claim Objection Deadline. Allowed Professional Fee Claims shall be paid from the Professional Fee Reserve pursuant to Article IV.C.

Requests for payment of Administrative Expense Claims (other than Professional Fee Claims and the Claims of Governmental Units arising under Bankruptcy Code section 503(b)(1)(B), (C) or (D)) must be Filed on the Docket and served on the Plan Administrator no later than the Administrative Expense Claim Bar Date. Unless otherwise Ordered by the Bankruptcy Court, Holders of Administrative Expense Claims (other than the Holders of Professional Fee Claims and the Claims of Governmental Units arising under Bankruptcy Code section 503(b)(1)(B), (C) or (D)) that do not comply with the provisions set forth herein for the allowance and payment thereof on or before the Administrative Expense Claim Bar Date shall forever be barred from asserting such Administrative Expense Claims against the Debtors or their Estates.

Unless the Reorganized Debtors, Plan Administrator, or any other party-in-interest objects to an Administrative Expense Claim by the Administrative Expense Claims Objection Deadline, such Administrative Expense Claim shall be deemed Allowed in the amount requested. In the event that the Plan Administrator or any other party-in-interest objects to an Administrative Expense Claim, the Bankruptcy Court shall determine the Allowed amount of such Administrative Expense Claim.

B. Priority Tax Claims

Subject to Article IX.J hereof, on, or as soon as reasonably practicable after, the later of (1) the Initial Distribution Date if such Priority Tax Claim is an Allowed Priority Tax Claim as of the Effective Date or (2) the date on which such Priority Tax Claim becomes an Allowed Priority Tax Claim, each Holder of an Allowed Priority Tax Claim shall receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Priority Tax Claim, at the election of the Debtors or the Reorganized Debtors, as applicable: (a) Cash equal to the amount of such Allowed Priority Tax Claim; (b) such other less favorable treatment as to which the Debtors or Reorganized Debtors as applicable, and the Holder of such Allowed Priority Tax Claim shall have agreed upon in writing; (c) such other treatment such that it will not be Impaired pursuant to Bankruptcy Code section 1124; or (d) pursuant to and in accordance with Bankruptcy Code sections 1129(a)(9)(C) and 1129(a)(9)(D), Cash in an aggregate amount of such Allowed Priority Tax Claim payable in regular installment payments over a period ending not more than five (5) years after the Petition Date, plus simple interest at the rate required by applicable non-bankruptcy law on any outstanding balance from the Effective Date, or such lesser rate as is agreed to in writing by a particular

taxing authority and the Debtors or Reorganized Debtors, as applicable, pursuant to section 1129(a)(9)(C) of the Bankruptcy Code; *provided*, *however*, that Priority Tax Claims incurred by any Debtor in the ordinary course of business may be paid in the ordinary course of business by such Debtor in accordance with such applicable terms and conditions relating thereto without further notice to or order of the Bankruptcy Court. Any installment payments to be made under clause (c) or (d) above shall be made in equal quarterly Cash payments beginning on the first applicable Subsequent Distribution Date, and continuing on each Subsequent Distribution Date thereafter until payment in full of the applicable Allowed Priority Tax Claim.

C. Professional Fee Claims

1. Professional Fee Reserve

On or prior to the Effective Date, the Debtors shall establish and fund the Professional Fee Reserve with Cash equal to the Professional Fee Estimate. The Professional Fee Reserve shall be maintained in trust solely for the Professionals and for no other Entities until all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full to the Professionals pursuant to one or more Final Orders of the Bankruptcy Court. No Liens, claims, or interests shall encumber the Professional Fee Reserve or Cash held in the Professional Fee Reserve in any way. Such funds shall not be considered property of the Estates, the Debtors, or the Reorganized Debtors.

The amount of Professional Fee Claims owing to the Professionals shall be paid in Cash to such Professionals by the Debtors or the Reorganized Debtors, as applicable, from the funds held in the Professional Fee Reserve as soon as reasonably practicable after such Professional Fee Claims are Allowed by an order of the Bankruptcy Court; *provided*, that the Debtors' and the Reorganized Debtors' obligations to pay Allowed Professional Fee Claims shall not be limited nor be deemed limited to funds held in the Professional Fee Reserve. When all Professional Fee Claims Allowed by the Bankruptcy Court have been irrevocably paid in full to the Professionals pursuant to one or more Final Orders of the Bankruptcy Court, any remaining funds held in the Professional Fee Reserve shall promptly be paid to the Reorganized Debtors without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

2. Final Fee Applications and Payment of Professional Fee Claims

All final requests for payment of Professional Fee Claims (the "Final Fee Applications") may be made any time after the Confirmation Date but shall be Filed no later than the Professional Fee Claim Bar Date. Objections, if any, to Final Fee Applications of such Professionals must be Filed and served on the Reorganized Debtors, the Plan Administrator, the requesting Professional, and the U.S. Trustee no later than twenty-one (21) days from the date on which each such Final Fee Application is Filed (the "Professional Fee Claim Objection Deadline"). After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Bankruptcy Court, the Allowed amounts of such Professional Fee Claims shall be determined by the Bankruptcy Court.

3. Professional Fee Estimate

The Professionals shall deliver the Professional Fee Estimate to the Debtors and UCC Professionals no later than five (5) Business Days before the anticipated Effective Date; *provided, however*, that the Professional Fee Estimate shall not be considered an admission or limitation with respect to the fees and expenses of such Professional and such Professionals are not bound to any extent by the estimates. If a Professional does not provide the Professional Fee Estimate, the Debtors may estimate a reasonable amount of unbilled fees and expenses of such Professional, taking into account any prior payments; *provided, however*, that such estimate shall not be binding or considered an admission with respect to the fees and expenses of such Professional. The total aggregate amount of the Professional Fee Estimate as of the

Effective Date shall be utilized by the Debtors to determine the amount to be funded to the Professional Fee Reserve.

4. Post-Effective Date Fees and Expenses

The Professionals employed by the Debtors and the UCC shall be entitled to reasonable compensation and reimbursement of actual, necessary expenses for post-Effective Date activities only including the preparation and filing of Final Fee Applications; *provided further that* the Professionals employed by the Debtors shall seek authorization and approval of reasonable compensation and reimbursement of actual, necessary expenses related to any post-Effective Date activities in such Professional's Final Fee Application.

Upon the Effective Date, any requirement that Professionals comply with Bankruptcy Code sections 327 through 331 in seeking retention or compensation for services rendered after such date shall terminate, and, subject to the Plan Administrator Agreement, the Plan Administrator may employ and pay any Professional for services rendered or expenses incurred after the Effective Date in the ordinary course of business without any further notice to, or action, Order, or approval of, the Bankruptcy Court.

D. DIP Claims

As of the Effective Date, the DIP Claims shall be Allowed and deemed to be Allowed Claims in the full amount outstanding under the DIP Credit Agreement, including, for the avoidance of doubt, (a) the principal amount outstanding under the DIP Facility on such date, (b) all interest accrued and unpaid thereon through and including the date of payment, (c) all accrued and unpaid fees, expenses and noncontingent indemnification obligations payable under the DIP Facility and the Final DIP Order and (d) all other "Obligations" as provided for in the DIP Credit Agreement. On the Effective Date, in full and final satisfaction, settlement, and release of and in exchange for each Allowed DIP Claim, each DIP Claim shall be paid in full in Cash or such lesser amount as agreed to by the Holder of the DIP Claims. All Liens and security interests granted to secure the DIP Claims shall be automatically terminated and of no further force and effect without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity; *provided* that, any indemnification and expense reimbursement obligations of the Debtors that are contingent as of the Effective Date shall survive the Effective Date and be paid by the Debtors in Cash as and when due under the DIP Credit Agreement; *provided further* that, any such indemnification and reimbursement obligations shall be consistent with the DIP Credit Agreement in all respects. For the avoidance of doubt, the DIP Claims shall not be subject to any avoidance, reduction, setoff, recoupment, recharacterization, subordination (equitable or contractual or otherwise), counter-claim, defense, disallowance, impairment, objection or any challenges under applicable law or regulation. Notwithstanding anything to the contrary contained herein, and subject to the Carve Out, Holders of Claims and Interests, except for Holders of ABL Claims, shall not be entitled to any Distribution under the Plan until the full satisfaction of the Allowed DIP Claims.

ARTICLE V.
CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

THE FOLLOWING DESCRIPTION OF THE CLASSIFICATION AND TREATMENT OF CREDITOR CLAIMS AGAINST THE DEBTORS AND INTERESTS IN THE DEBTORS IS SUBJECT TO MATERIAL CHANGE BASED UPON, AMONG OTHER THINGS, THE OUTCOME OF THE ONGOING MARKETING AND SALE PROCESS FOR THE DEBTORS' ASSETS. THE DEBTORS RESERVE ALL RIGHTS TO AMEND THE CLASSIFICATION, TREATMENT AND PROJECTED RECOVERIES SET FORTH IN THIS COMBINED PLAN AND DISCLOSURE STATEMENT. ALL RIGHTS OF THE DEBTORS' CREDITORS AND INTEREST HOLDERS WITH RESPECT TO THE CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS AS SET FORTH IN THIS COMBINED PLAN AND DISCLOSURE STATEMENT OR AS MAY BE AMENDED IN THE FUTURE ARE RESERVED IN ALL RESPECTS.

A. Classification of Claims and Interests

Except for the Claims addressed in Article IV hereof, all Claims and Interests are classified in the Classes set forth below in accordance with sections 1122 and 1123(a)(1) of the Bankruptcy Code. Pursuant to Bankruptcy Code sections 1122 and 1123(a)(1), all Claims against and Interests in the Debtors (except for the Claims addressed in Article IV hereof) are classified for the purposes of voting and Distribution pursuant to this Plan, as set forth herein. A Claim or an Interest shall be deemed classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Interest qualifies within the description of such other Class. A Claim is placed in a particular Class for the purpose of receiving Distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and such Claim has not been paid, released, or otherwise settled prior to the Effective Date. Except as otherwise specifically provided for herein, the Confirmation Order, or any other Order of the Bankruptcy Court, or required by applicable bankruptcy law, in no event shall the aggregate value of all property received or retained under the Plan on account of an Allowed Claim exceed 100% of the underlying Allowed Claim.

Bankruptcy Code section 1129(a)(10) shall be satisfied for the purposes of Confirmation by acceptance of the Plan by an Impaired Class of Claims; *provided*, *however*, that in the event no Holder of a Claim with respect to a specific Class timely submits a Ballot in compliance with the deadline established by the Bankruptcy Court indicating acceptance or rejection of this Plan, such Class will be deemed to have accepted this Plan. The Debtors may seek Confirmation of this Plan pursuant to Bankruptcy Code section 1129(b) with respect to any rejecting Class of Claims or Interests.

The Plan groups the Debtors together solely for the purpose of describing treatment under the Plan, confirmation of the Plan and making distributions in accordance with the Plan in respect of Claims against and Interests in the Debtors under the Plan. Such groupings shall not affect any Debtor's status as a separate legal Person, change the organizational structure of the Debtors' business enterprise, constitute a change of control of any Debtor for any purpose, cause a merger or consolidation of any legal Persons, or cause the

transfer of any assets. Except as otherwise provided by or permitted under the Plan, all Debtors shall continue to exist as separate legal Persons after the Effective Date.[15]

All Claims and Interests (other than Administrative Expense Claims, Priority Tax Claims, Professional Fee Claims, and DIP Claims) are placed in the Classes set forth below. The following chart provides a summary of treatment of each Class of Claims and Interests (other than Administrative Expense Claims, Priority Tax Claims, Professional Fee Claims, and DIP Claims).

Class	Claim / Interest	Status	Voting Rights
1	Other Secured Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
2	Other Priority Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
3	ABL Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
4	Omega Term Loan Claims	Impaired	Entitled to Vote
5	Omega Master Lease Claims	Impaired	Entitled to Vote
6	Welltower Master Lease Claims	Impaired	Entitled to Vote
7	General Unsecured Claims	Impaired	Entitled to Vote
8	Intercompany Claims	Unimpaired / Impaired	Not Entitled to Vote (Deemed to Accept or Reject)
9	Intercompany Interests	Unimpaired / Impaired	Not Entitled to Vote (Deemed to Accept or Reject)
10	Subordinated Claims	Impaired	Not Entitled to Vote (Deemed to Reject)
11	Existing Equity Interests	Impaired	Not Entitled to Vote (Deemed to Reject)

B. Treatment of Claims and Interests[16]

1. Class 1: Other Secured Claims

(a) Classification: Class 1 consists of all Other Secured Claims.

(b) Treatment: On, or as soon as reasonably practicable after, the Effective Date, except to the extent that a Holder of an Allowed Other Secured Claim agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Other Secured Claim, each such Holder shall receive, (i) payment in full by in Cash, including the payment of any interest Allowed and payable under Bankruptcy Code section 506(b); (ii) delivery of the collateral securing such Allowed Other

[15] The Debtors reserve the right to assert at any time before the Confirmation Hearing that their Estates should be substantively consolidated. Any arguments in support of substantive consolidation will be set forth in the Debtors' forthcoming brief in support of Confirmation and approval of the Disclosure Statement.

[16] Treatment of Claims and Interests herein are subject to Article IX of the Plan.

Secured Claim; or (iii) treatment of such Allowed Other Secured Claim in any other matter that renders the Claim Unimpaired.

(c) Voting: Class 1 is Unimpaired under the Plan. Holders of Allowed Claims in Class 1 shall be conclusively deemed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f). Therefore, Holders of Allowed Claims in Class 1 are not entitled to vote to accept or reject the Plan.

2. Class 2: Other Priority Claims

(a) Classification: Class 2 consists of all Other Priority Claims.

(b) Treatment: On, or as soon as reasonably practicable after, the Effective Date, except to the extent that a Holder of an Allowed Other Priority Claim agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Other Priority Claim, each such Holder shall receive, treatment in a manner consistent with Bankruptcy Code section 1129(a)(9).

(c) Voting: Class 2 is Unimpaired under the Plan. Holders of Allowed Claims in Class 2 shall be conclusively deemed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f). Therefore, Holders of Allowed Claims in Class 2 are not entitled to vote to accept or reject the Plan.

3. Class 3: ABL Claims

(a) Classification: Class 3 consists of all ABL Claims.

(b) Treatment: Except to the extent that a Holder of an Allowed ABL Claim agrees in writing to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed ABL Claim, each Holder of an Allowed ABL Claim shall receive payment in full in Cash, including the payment of interest Allowed and payable under Bankruptcy Code section 506(b) of the Bankruptcy Code.

(c) Voting: Class 3 is Unimpaired under the Plan. Holders of Allowed Claims in Class 3 shall be conclusively deemed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f). Therefore, Holders of Allowed Claims in Class 3 are not entitled to vote to accept or reject the Plan.

4. Class 4: Omega Term Loan Claims

(a) Classification: Class 4 consists of all Omega Term Loan Claims.

(b) Treatment: Except to the extent that a Holder of an Allowed Omega Term Loan Claim agrees in writing to less favorable treatment, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Omega Term Loan Claim, each Holder of an Allowed Omega Term Loan Claim shall receive its Pro Rata share of (i) the Transaction Consideration and (ii) proceeds of the Plan Administrator Assets following (a) payment in full in Cash of all Allowed Claims that are senior to the Omega Term Loan Claims in priority of payment

under the Bankruptcy Code; and (b) the funding of the Professional Fee Reserve and any wind-down reserves as set forth in the Wind-Down Budget.

(c) Voting: Class 4 is Impaired under the Plan. Holders of Allowed Omega Term Loan Claims in Class 4 are entitled to vote to accept or reject the Plan.

5. Class 5: Omega Master Lease Claims

(a) Classification: Class 5 consists of all Omega Master Lease Claims.

(b) Treatment: Except to the extent that a Holder of an Allowed Omega Master Lease Claim agrees in writing to less favorable treatment, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Omega Master Lease Claim, each Holder of an Allowed Omega Master Lease Claim shall receive its Pro Rata share of (i) the Transaction Consideration and (ii) proceeds of the Plan Administrator Assets following (a) payment in full in Cash of all Allowed Claims that are senior to Omega Master Lease Claims in priority of payment under the Bankruptcy Code; and (b) the funding of the Professional Fee Reserve and any wind-down reserves as set forth in the Wind-Down Budget.

(c) Voting: Class 5 is Impaired under the Plan. Holders of Allowed Omega Master Lease Claims in Class 5 are entitled to vote to accept or reject the Plan.

6. Class 6: Welltower Master Lease Claims.

(a) Classification: Class 6 consists of all Welltower Master Lease Claims.

(b) Treatment: If the Plan Transaction occurs, except to the extent that a Holder of an Allowed Welltower Master Lease Claim agrees in writing to less favorable treatment, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Welltower Master Lease Claim, each Holder of an Allowed Welltower Master Lease Claim shall receive its Pro Rata share of (i) the Transaction Consideration and (ii) proceeds of the Plan Administrator Assets following (a) payment in full in Cash of all Allowed Claims that are senior to Welltower Master Lease Claims in priority of payment under the Bankruptcy Code; and (b) the funding of the Professional Fee Reserve and any wind-down reserves as set forth in the Wind-Down Budget.

(c) Voting: Class 6 is Impaired under the Plan. Holders of Allowed Welltower Master Lease Claims in Class 6 are entitled to vote to accept or reject the Plan.

7. Class 7: General Unsecured Claims

(a) Classification: Class 7 consists of General Unsecured Claims.

(b) Treatment: Except to the extent that a Holder of an Allowed General Unsecured Claim agrees in writing to less favorable treatment, in full and final satisfaction, settlement, release, and discharge of, and in exchange for each Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive its Pro Rata share of (i) the Transaction Consideration and (ii) proceeds of the Plan Administrator Assets following (a) payment in full in Cash of all Allowed

Claims that are senior to General Unsecured Claims in priority of payment under the Bankruptcy Code; and (b) the funding of the Professional Fee Reserve and any wind-down reserves as set forth in the Wind-Down Budget.

(c) Voting: Class 7 is Impaired under the Plan. Holders of Allowed General Unsecured Claims are entitled to vote to accept or reject the Plan.

8. Class 8: Intercompany Claims

(a) Classification: Class 8 consists of Intercompany Claims.

(b) Treatment: Unless otherwise provided for under the Plan, each Allowed Intercompany Claim shall, on the Effective Date, be (i) reinstated; (ii) compromised, cancelled, set off, settled, canceled and released, contributed or distributed; or (iii) otherwise addressed at the election of the Debtors such that Intercompany Claims are treated in a tax-efficient manner.

(c) Voting: Holders of Allowed Intercompany Claims in Class 8 are either Unimpaired, and such Holders are conclusively deemed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f), or Impaired, and such Holders are conclusively deemed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g). Holders of Allowed Intercompany Claims are not entitled to vote to accept or reject the Plan.

9. Class 9: Intercompany Interests

(a) Classification: Class 9 consists of Intercompany Interests.

(b) Treatment: On the Effective Date, Intercompany Interests shall receive no recovery or distribution and shall be Reinstated solely to the extent necessary to maintain the Debtors' corporate structure.

(c) Voting: Holders of Intercompany Interests in Class 9 are either Unimpaired, and such Holders are conclusively deemed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f), or Impaired, and such Holders are conclusively deemed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g). Holders of Intercompany Interests are not entitled to vote to accept or reject the Plan.

10. Class 10: Subordinated Claims

(a) Classification: Class 10 consists of Subordinated Claims.

(b) Treatment: Subordinated Claims are subordinated pursuant to this Plan and Bankruptcy Code section 510. The Holders of Subordinated Claims shall not receive or retain any property under this Plan on account of such Claims, and the obligations of the Debtors and the Reorganized Debtors on account of Subordinated Claims shall be discharged.

(c) Voting: Class 10 is Impaired under the Plan. Holders of Subordinated Claims are conclusively deemed to have rejected the Plan under Bankruptcy Code section 1126(g) and are not entitled to vote to accept or reject the Plan.

11. Class 11: Existing Equity Interests

(a) Classification: Class 11 consists of Existing Equity Interests.

(b) Treatment: On the Effective Date, subject to the Plan Transaction, the Interests will be cancelled without further notice to, approval of or action by any Person or Entity, and each Holder of an Interest shall not receive any distribution or retain any property on account of such Interest.

(c) Voting: Class 11 is Impaired under the Plan. Holders of Allowed Existing Equity Interests are conclusively deemed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g). Holders of Allowed Existing Equity Interests are not entitled to vote to accept or reject the Plan.

C. Special Provision Governing Unimpaired Claims

Except as otherwise provided in the Plan, the Confirmation Order, any other Order of the Bankruptcy Court, or any document or agreement enforceable pursuant to the terms of the Plan, nothing shall affect the rights and defenses, both legal and equitable, of the Debtors and/or the Reorganized Debtors with respect to any Unimpaired Claims, including, but not limited to, all rights with respect to legal and equitable defenses to setoffs or recoupments against Unimpaired Claims.

D. Nonconsensual Confirmation

With respect to Impaired Classes that are deemed to reject the Plan, the Debtors intend to request that the Bankruptcy Court confirm the Plan pursuant to Bankruptcy Code section 1129(b) notwithstanding the deemed rejection of the Plan by such Classes. If any other Impaired Class of Claims entitled to vote does not accept the Plan by the requisite statutory majority provided in Bankruptcy Code section 1126, the Debtors reserve the right to amend the Plan or to undertake to have the Bankruptcy Court confirm the Plan under Bankruptcy Code section 1129(b) with respect to such Class as well, or both.

E. Allowed Claims

Notwithstanding any provision herein to the contrary, the Distribution Agent shall only make Distributions to Holders of Allowed Claims. No Holder of a Disputed Claim shall receive any Distribution on account thereof until (and then only to the extent that) its Disputed Claim becomes an Allowed Claim. The Debtors and/or the Plan Administrator may, in their discretion, withhold Distributions otherwise due hereunder to any Holder until the Claims Objection Deadline, to enable a timely objection thereto to be Filed. Any Holder of a Claim that becomes an Allowed Claim after the Effective Date shall receive its Distribution in accordance with the terms and provisions of the Plan.

ARTICLE VI.
MEANS FOR IMPLEMENTATION OF THE PLAN

A. General Settlement of Claims and Interests.

Unless otherwise set forth in the Plan, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan shall constitute a good-faith compromise and settlement of all Claims, Interests, Causes of Action, and controversies released, settled, compromised, discharged, or otherwise resolved pursuant to the Plan.

The Plan shall be deemed a motion to approve the good faith compromise and settlement of all such Claims, Interests, Causes of Action and controversies pursuant to Bankruptcy Rule 9019, and the entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of such compromise and settlement under Bankruptcy Code section 1123 and Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that such settlement and compromise is fair, equitable, reasonable and in the best interests of the Debtors and their Estates. Subject to Article IX hereof, all distributions made to Holders of Allowed Claims and Allowed Interests (as applicable) in any Class are intended to be and shall be final.

B. Plan Transaction

If the Plan Transaction occurs, the provisions set forth in this Article VI.B shall govern in lieu of the provisions set forth in Article VI.C.

1. Plan Transaction Restructuring

On or before the Effective Date, the Debtors or Reorganized Debtors, as applicable, shall take all applicable actions set forth in the Restructuring Steps Memorandum and may take any additional action as may be necessary or appropriate to effectuate the Plan Transaction, and any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan Transaction that are consistent with and pursuant to the terms and conditions of the Plan and the Restructuring Steps Memorandum, which shall be reasonably acceptable to the DIP Lenders and the Omega Secured Parties, and which transactions may include, as applicable: (a) the execution and delivery of appropriate agreements or other documents of merger, amalgamation, consolidation, restructuring, reorganization, conversion, disposition, transfer, arrangement, continuance, dissolution, sale, purchase, or liquidation containing terms that are consistent with the terms of the Plan and the Restructuring Steps Memorandum and that satisfy the applicable requirements of applicable law and any other terms to which the applicable parties may agree; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan the Restructuring Steps Memorandum and having other terms to which the applicable parties agree; (c) the filing of appropriate certificates or articles of incorporation, reincorporation, formation, merger, consolidation, conversion, amalgamation, arrangement, continuance, dissolution, or other certificates or documentation pursuant to applicable law; (d) the issuance of the New Equity Interests; (e) the execution and delivery of the New Governance Documents of each Reorganized Debtor; and (f) all other actions that the applicable Reorganized Debtors, with the consent of the DIP Lenders, the Omega Secured Parties, and ABL Lenders, determine to be necessary or advisable, including making filings or recordings that may be required by applicable law in connection with the Plan. All Holders of Claims and Interests receiving distributions pursuant to the Plan and all other necessary parties in interest, including any and all agents thereof, shall prepare, execute, and deliver any agreements or documents, including any subscription agreements, and take any other actions as the Debtors, with the consent of the DIP Lenders, the Omega

Secured Parties, and the ABL Lenders, determine are necessary or advisable to effectuate the provisions and intent of the Plan.

The Debtors, the DIP Lenders, the Omega Secured Parties, the ABL Lenders, and the Plan Sponsor shall cooperate in good faith to structure the Plan Transaction in a tax efficient manner reasonably acceptable to each such party.

The Confirmation Order shall and shall be deemed to authorize, among other things, all actions as may be necessary or appropriate to effectuate any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, including the Plan Transaction, including, for the avoidance of doubt, any and all actions required to be taken under applicable nonbankruptcy law.

2. Issuance and Distribution of New Equity Interests and Plan Sponsor Consideration

On the Effective Date, Reorganized Parent shall issue the New Equity Interests to the Plan Sponsor pursuant to the Plan. Contemporaneously therewith, the Plan Sponsor will indefeasibly pay the Plan Sponsor Consideration to the Debtors. The issuance of the New Equity Interests by the Reorganized Debtors shall be authorized without the need for any further corporate or other action by the Debtors or Reorganized Debtors or by Holders of any Claims or Interests. All of the New Equity Interests issued under the Plan shall be duly authorized, validly issued, fully paid, and non-assessable.

Each distribution and issuance of the New Equity Interests under the Plan shall be governed by the terms and conditions set forth in the Plan, including the New Governance Documents, which terms and conditions shall bind each Entity receiving such distribution of the New Equity Interests. Any Entity's acceptance of New Equity Interests shall be deemed as its agreement to the New Governance Documents, as the same may be amended or modified from time to time following the Effective Date in accordance with their respective terms. The New Equity Interests will not be registered on any exchange as of the Effective Date and shall not meet the eligibility requirements of the Depository Trust Company.

3. Employee Matters

Unless otherwise provided herein, and subject to Article VII of the Plan, the Reorganized Debtors, with the prior written consent (which consent may be given via email) of the DIP Lenders, the Omega Secured Parties, the ABL Lenders, and the Plan Sponsor, shall: (a) assume all employment agreements, indemnification agreements, or other agreements with current and former employees, officers, directors, or managers of the Debtors; or (b) enter into new agreements with such persons on terms and conditions acceptable to the Reorganized Debtors, the DIP Lenders, the Omega Secured Parties, the ABL Lenders, and the Plan Sponsor, and such person. Notwithstanding the foregoing, pursuant to section 1129(a)(13) of the Bankruptcy Code, from and after the Effective Date, all retiree benefits (as such term is defined in section 1114 of the Bankruptcy Code), if any, shall continue to be paid in accordance with applicable law.

4. Continued Corporate Existence

Except as otherwise provided in the Plan, the Plan Supplement, or pursuant to the Restructuring Steps Memorandum or Plan Transaction, each Debtor shall continue to exist after the Effective Date as a separate corporate entity, limited liability company, partnership, or other form, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and bylaws (or other formation documents) in effect prior to the Effective Date, except to the extent such certificate of incorporation and bylaws (or other formation documents) are amended under the Plan or otherwise, and to the extent such documents are

amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval (other than any requisite filings required under applicable state, provincial, or federal law).

5. New Governance Documents

On or immediately prior to the Effective Date, the New Governance Documents shall be automatically adopted by the applicable Reorganized Debtors. To the extent required under the Plan or applicable non-bankruptcy law, each of the Reorganized Debtors will file its New Governance Documents with the applicable authorities in its respective jurisdiction of organization. The New Governance Documents will prohibit the issuance of non-voting equity Securities, to the extent required under section 1123(a)(6) of the Bankruptcy Code.

On or after the Effective Date, the Reorganized Debtors may amend and restate their respective New Governance Documents in accordance with the terms thereof, and the Reorganized Debtors may file such amended certificates or articles of incorporation, bylaws, or such other applicable formation documents, and other constituent documents as permitted by the laws of their respective jurisdictions of incorporation or formation and the New Governance Documents.

On and as of the Effective Date, all of the Holders of New Equity Interests shall be deemed to be parties to the applicable New Governance Documents, without the need for execution by such Holder. The New Governance Documents, as applicable, shall be binding on all Persons receiving, or to which the New Equity Interests are issued or distributed and all Holders of the New Equity Interests (and such Persons' or Holders' respective successors and assigns), whether such New Equity Interest is received or to be received on or after the Effective Date and regardless of whether such Person executes or delivers a signature page to the New Governance Documents.

6. New Board and Officers of the Reorganized Debtors

The New Board or other governing body of the Reorganized Debtors and/or one or more applicable Entities as set forth in the Restructuring Transactions Memorandum shall be identified in the Plan Supplement and shall be subject to approval of the Bankruptcy Court pursuant to section 1129(a)(5) of the Bankruptcy Code. Pursuant to and to the extent required by section 1129(a)(5) of the Bankruptcy Code, the Debtors will disclose, at or prior to the Confirmation Hearing, the identity and affiliations of any Person proposed to serve on the initial board or other governing body or as an officer of each of the Reorganized Debtors and/or applicable Entities, and, to the extent such Person is an insider other than by virtue of being a managing member, manager, director or an officer, the nature of any compensation for such Person. Each such manager, director, managing member and/or officer shall serve from and after the Effective Date pursuant to applicable law and the terms of the New Governance Documents and the other constituent and organizational documents of the applicable Reorganized Debtors and/or Entity. The existing boards of director, manager or members and other governing bodies of the Debtors will be deemed to have resigned on and as of the Effective Date, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Person or Entity.

7. Exemption from Registration Requirements

Pursuant to section 1145 of the Bankruptcy Code, the offering, issuance, and distribution of any Securities pursuant to and under the Plan, including the New Equity Interests, is exempt from, among other things, the registration requirements of Section 5 of the Securities Act and any other applicable U.S. state or local law requiring registration prior to the offering, issuance, distribution, or sale of Securities. The shares of New Equity Interests to be issued under the Plan (a) are not "restricted securities" as defined in

Rule 144(a)(3) under the Securities Act, and (b) subject to the terms of the New Shareholders Agreement, are freely tradable and transferable by any initial recipient thereof that (1) is not an "affiliate" of the Debtors as defined in Rule 144(a)(1) under the Securities Act, (2) has not been such an "affiliate" within ninety (90) days of such transfer, and (3) is not an Entity that is an "underwriter" as defined in subsection (b) of section 1145 of the Bankruptcy Code.

8. Release of Liens and Claims

To the fullest extent provided under section 1141(c) and other applicable provisions of the Bankruptcy Code, except as otherwise expressly provided herein or in any contract, instrument, release or other agreement or document entered into or delivered in connection with this Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to Article IX hereof, all Liens and Claims against the assets or property of the Debtors or the Estates shall be fully released, canceled, terminated, extinguished and discharged, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Person or Entity. The filing of the Confirmation Order with any federal, state, or local agency or department shall constitute good and sufficient evidence of, but shall not be required to effect, the termination of such Liens or Claims and other interests to the extent provided in the immediately preceding sentence. Any Entity holding such Liens, Claims or interests shall, pursuant to section 1142 of the Bankruptcy Code, promptly execute and deliver to the Reorganized Debtors such instruments of termination, release, satisfaction and/or assignment (in recordable form) as may be reasonably requested by the Reorganized Debtors. For the avoidance of doubt, the release set forth in this Article VI.B.8 shall not apply to any obligations of the Debtors under the Plan or the Confirmation Order.

9. Vesting of Assets in the Reorganized Debtors

Except as otherwise provided in the Plan, the Confirmation Order, the Restructuring Transactions Memorandum, or any agreement, instrument, or other document incorporated herein or therein, or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, all property in each Debtor's Estate, all Causes of Action, and any property acquired by any of the Debtors under the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances. On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its business and may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

For the avoidance of doubt, and notwithstanding anything to the contrary contained in this Plan, the Debtors shall not transfer or be deemed to have transferred to (or otherwise vest in) the Reorganized Debtors any claims or Causes of Action (a) released pursuant to Article XI.D hereof or (b) exculpated pursuant to Article XI.E hereof to the extent of any such exculpation.

10. Effectuating Documents; Further Transactions

Prior to the Effective Date, the Debtors are, and on and after the Effective Date, the Reorganized Debtors, and their respective officers, directors, members, and managers (as applicable), are authorized to and may issue, execute, deliver, file, or record to the extent not inconsistent with any provision of this Plan such contracts, Securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan and the New Equity Interests issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorizations, actions, notices or consents except for those expressly required pursuant to the Plan.

C. Sale Transaction

Following the Petition Date and in parallel with the Plan Transaction, the Debtors shall continue their sale and marketing process and solicit bids for the Sale Transaction. At any point, the Debtors, with the consent of the DIP Lenders, the Omega Secured Parties, and the ABL Lenders may terminate pursuit of the Sale Transaction in accordance with the terms of the Bidding Procedures Order and solely effectuate the Plan Transaction.

If the Sale Transaction occurs, the provisions set forth in this Article VI.C shall govern in lieu of the provisions set forth in Article VI.B:

1. Sale Transaction Restructuring

On or before the Effective Date, the Debtors or Reorganized Debtors, as applicable, shall take all applicable actions set forth in the Restructuring Transactions Memorandum and may take any additional action as may be necessary or appropriate to effectuate the Sale Transaction, and any transaction described in, approved by, contemplated by, or necessary to effectuate the Sale Transaction that are consistent with and pursuant to the terms and conditions of the Plan and Restructuring Transactions Memorandum, which shall be reasonably acceptable to the DIP Lenders and the Omega Secured Parties, and which transactions may include, as applicable: (a) the execution and delivery of appropriate agreements or other documents of merger, amalgamation, consolidation, restructuring, reorganization, conversion, disposition, transfer, arrangement, continuance, dissolution, sale, purchase, or liquidation containing terms that are consistent with the terms of the Plan and Restructuring Transactions Memorandum and that satisfy the applicable requirements of applicable law and any other terms to which the applicable parties may agree; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and Restructuring Transactions Memorandum and having other terms to which the applicable parties agree; (c) the filing of appropriate certificates or articles of incorporation, reincorporation, formation, merger, consolidation, conversion, amalgamation, arrangement, continuance, dissolution, or other certificates or documentation pursuant to applicable law; (d) ; and (d) all other actions that the applicable Reorganized Debtors, with the consent of the DIP Lenders, the Omega Secured Parties, and the ABL Lenders, determine to be necessary or advisable, including making filings or recordings that may be required by applicable law in connection with the Plan. All Holders of Claims and Interests receiving distributions pursuant to the Plan and all other necessary parties in interest, including any and all agents thereof, shall prepare, execute, and deliver any agreements or documents, including any subscription agreements, and take any other actions as the Debtors, with the consent of the DIP Lenders, the Omega Secured Parties, and the ABL Lenders, determine are necessary or advisable to effectuate the provisions and intent of the Plan.

The Confirmation Order shall and shall be deemed to authorize, among other things, all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, including the Sale Transaction, including, for the avoidance of doubt, any and all actions required to be taken under applicable nonbankruptcy law.

2. Sources of Consideration for Plan Distributions

The Debtors shall fund distributions under the Plan pursuant to the Sale Transaction with, as applicable: (a) Cash on hand, including Accounts Receivable; and (b) the Sale Proceeds.

3. Vesting of Assets in the Reorganized Debtors

Except as otherwise provided in the Plan, the Confirmation Order, the Sale Order, the Asset Purchase Agreement, or any agreement, instrument, or other document incorporated herein or therein, or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, but after consummation of the Asset Sale, pursuant to Bankruptcy Code sections 1141(b) and (c), the assets of the Debtors that are not transferred to the Purchaser pursuant to the Asset Purchase Agreement, if any, shall vest in the Reorganized Debtors for the purpose of winding down the Estates, free and clear of all Liens, Claims, charges, or other encumbrances; *provided that*, after funding the Professional Fee Reserve, the collateral, or proceeds of sales of such collateral, of the Reorganized Debtors securing the DIP Claims, ABL Claims, and Omega Term Loan Claims, and Omega Master Lease Claims shall remain subject to the liens and claims of the DIP Lenders, the ABL Lender, and the Omega Secured Parties, as applicable, to the same extent and in the same priority as such liens and claims were enforceable against the Debtors and the Debtors' assets, until such DIP Claims, Omega Term Loan Claims, Omega Master Lease Claims, and ABL Claims are satisfied in accordance with the Plan. On and after the Effective Date, except as otherwise provided for in the Plan, the Confirmation Order, the Sale Order, the DIP Orders, or the Asset Purchase Agreement, the Debtors and the Reorganized Debtors may operate their business and use, acquire, or dispose of property in accordance with a wind-down budget, and compromise or settle any Claims, Interests, or Causes of Action.

4. Corporate Existence

On and after the Effective Date, the Reorganized Debtors shall continue in existence for purposes of (a) winding down the Debtors' business and affairs as expeditiously as reasonably possible; (b) resolving Disputed Claims; (c) making distributions on account of Allowed Claims as provided hereunder; (d) establishing and funding the Distribution Reserve Accounts; (e) enforcing and prosecuting claims, interests, rights, and privileges under the schedule of retained Causes of Action in an efficacious manner and only to the extent the benefits of such enforcement or prosecution are reasonably believed to outweigh the costs associated therewith; (f) filing appropriate tax returns; (g) complying with their continuing obligations under the Asset Purchase Agreement, if any, and the DIP Orders; and (h) administering the Plan in an efficacious manner. The Reorganized Debtors shall be deemed to be substituted as the party-in-lieu of the Debtors in all matters, including (a) motions, contested matters, and adversary proceedings pending in the Bankruptcy Court, (b) DIP Orders, and (c) all matters pending in any courts, tribunals, forums, or administrative proceedings outside of the Bankruptcy Court, in each case without the need or requirement for the Plan Administrator or the Reorganized Debtors to file motions or substitutions of parties or counsel in each such matter.

5. Effectuating Documents; Further Transactions

Prior to the Effective Date, the Debtors and, on and after the Effective Date, the Reorganized Debtors and the officers and members thereof, are authorized to and may issue, execute, deliver, file, or record to the extent not inconsistent with any provision of this Plan such contracts, securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan, without the need for any approvals, authorizations, notice, or consents, except for those expressly required pursuant to the Plan.

6. Release of Liens

Except as otherwise expressly provided herein or in the Confirmation Order, on the Effective Date, all Liens on any property of any Debtors or the Reorganized Debtors shall automatically terminate, all property subject to such Liens shall be automatically released, and all guarantees of any Debtors or the

Reorganized Debtors shall be automatically discharged and released; provided, however, that notwithstanding anything to the contrary set forth in this Plan, subject to the funding of the Professional Fee Reserve, until the DIP Claims are satisfied in accordance with Article IV.D hereof (a) all Liens of the DIP Lenders on any property of any Debtors or the Reorganized Debtors shall remain valid, binding, and in full effect on and after the Effective Date, and (b) the proceeds of sales of any collateral of the Reorganized Debtors securing the DIP Claims shall remain subject to the liens and claims of the DIP Lenders, as applicable, to the same extent as such liens and claims were enforceable against the Debtors and the Debtors' assets, in each case until the DIP Lenders receive their distributions or other treatment in accordance with Article IV.D.

D. Sources of Consideration for Plan Distributions

The Debtors shall fund distributions under the Plan, as applicable, with: (a) the Plan Sponsor Consideration, (b) the Sale Proceeds, and (c) the Debtors' Cash on hand. Each distribution and issuance referred to in Article IX of the Plan shall be governed by the terms and conditions set forth in the Plan applicable to such distribution or issuance and by the terms and conditions of the instruments or other documents evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance. The issuance, distribution, or authorization, as applicable, of certain securities in connection with the Plan, including the New Equity Interests, will be exempt from SEC registration, as described more fully in Article VI.B.7 above.

E. Corporate Action

On the Effective Date, all actions contemplated under the Plan shall be deemed authorized and approved in all respects, including implementation of the Plan Transaction or the Sale Transaction, as applicable, and all other acts or actions contemplated or reasonably necessary or appropriate to promptly consummate the transactions contemplated by the Plan (whether to occur before, on, or after the Effective Date). All matters provided for in the Plan involving the corporate or organizational structure of the Debtors or the Reorganized Debtors, and any corporate, partnership, limited liability company, or other governance action required by the Debtors or the Reorganized Debtors, as applicable, in connection with the Plan shall be deemed to have timely occurred and shall be in effect and shall be authorized and approved in all respects, without any requirement of further action by the equity holders, members, directors, or officers of the Debtors or the Reorganized Debtors, as applicable. On or prior to the Effective Date, as applicable, the appropriate officers of the Debtors or the Reorganized Debtors, as applicable, shall be authorized and, as applicable, directed, to issue, execute, and deliver the agreements, documents, and instruments contemplated under the Plan (or necessary or desirable to effect the transactions contemplated under the Plan) in the name of and on behalf of the Reorganized Debtors. The authorizations and approvals contemplated by this Article VI.E shall be effective notwithstanding any requirements under nonbankruptcy Law.

F. Cancellation of Notes, Interests, Certificates, and Instruments

On the Effective Date, except for the purpose of evidencing a right to a distribution under the Plan and except as otherwise provided in this Plan and the Confirmation Order, all notes, instruments, certificates, credit agreements, indentures, securities and other documents evidencing or governing Claims or Interests (other than those Claims or Interests Reinstated under the Plan) shall be cancelled and the rights of the Holders thereof and obligations of the Debtors thereunder or in any way related thereto shall be deemed satisfied in full, cancelled, discharged, and of no force or effect. Holders of or parties to such cancelled instruments, Securities, and other documentation will have no rights arising from or relating to such instruments, Securities, and other documentation, or the cancellation thereof, except the rights, distributions, and treatment provided for pursuant to this Plan or the Confirmation Order. Nothing

contained herein shall be deemed to cancel, terminate, release or discharge the obligations of the Debtors or any of their counterparts under any Executory Contract or Unexpired Lease to the extent such Executory Contract or Unexpired Lease has been assumed by the Debtors pursuant to a Final Order or hereunder.

G. Preservation of Causes of Action

Unless any Cause of Action against an Entity is expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Final Order, in accordance with Bankruptcy Code section 1123(b), the Debtors shall convey to the Plan Administrator all rights to commence, prosecute, or settle, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, which shall vest in the Plan Administrator pursuant to the terms of the Plan. The Plan Administrator may enforce all rights to commence, prosecute, or settle, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, and the Plan Administrator's rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. The Plan Administrator may, in its reasonable business judgment, pursue such Causes of Action and may retain and compensate professionals in the analysis or pursuit of such Causes of Action to the extent the Plan Administrator deems appropriate, including on a contingency fee basis. No Entity may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any Cause of Action against them as any indication that the Debtors or the Plan Administrator will not pursue any and all available Causes of Action against them. The Debtors and the Plan Administrator expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan; provided that the Debtors, in consultation with the Plan Administrator after the Effective Date, may prosecute any such Cause of Action against any party only in connection with their objection to and resolution of any Claim asserted by such party. Unless any Cause of Action against an Entity is expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Final Order, the Plan Administrator expressly reserves all Causes of Action for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation. The Plan Administrator reserves and shall retain the foregoing Causes of Action notwithstanding the rejection of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan. The Plan Administrator shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action, or to decline to do any of the foregoing, without the consent or approval of any third party or any further notice to, or action, order, or approval of, the Bankruptcy Court.

H. Continuing Effectiveness of Final Orders

Payment authorization granted to the Debtors under any prior Final Order entered by the Bankruptcy Court shall continue in effect after the Effective Date. Accordingly, the Debtors or the Reorganized Debtors may pay or otherwise satisfy any Claim to the extent permitted by, and subject to, the applicable Final Order without regard to the treatment that would otherwise be applicable to such Claim under this Plan.

I. UCC Dissolution

The UCC shall continue in existence until the Effective Date to exercise those powers and perform those duties specified in Bankruptcy Code section 1103 and shall perform such other duties as it may have been assigned by the Bankruptcy Court prior to the Effective Date. Upon the occurrence of the Effective Date, the UCC shall dissolve automatically, whereupon their members, professionals, and agents shall be discharged and released from any duties and responsibilities in the Chapter 11 Cases and under the Bankruptcy Code, except with respect to (a) obligations arising under confidentiality agreements, which

shall remain in full force and effect, (b) prosecuting applications for payment of fees and reimbursement of expenses of its Professionals or attending to any other issues related to applications for payment of fees and reimbursement of expenses of its Professionals, and (c) any motions or motions for other actions seeking enforcement of implementation of the provisions of the Plan.

J. Exemption from Certain Transfer Taxes

Pursuant to Bankruptcy Code section 1146(a), any transfers of property pursuant hereto shall not be subject to any stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, personal property tax, sales tax, use tax, privilege tax, or other similar tax or governmental assessment in the United States, and the Confirmation Order shall direct and be deemed to direct the appropriate federal, state or local government officials or agents to forgo the collection of any such tax or governmental assessment and to accept for filing and recordation instruments or other documents pursuant to such transfers of property without the payment of any such tax or governmental assessment. Such exemption specifically applies, without limitation, to (a) the creation of any mortgage, deed of trust, lien or other security interest; (b) the assuming and assigning any contract, lease or sublease; (c) any transaction authorized by this Plan; (d) any sale of an Asset by the Plan Administrator in furtherance of the Plan, including but not limited to any sale of personal or real property; and (e) the making or delivery of any deed or other instrument of transfer under, in furtherance of or in connection with this Plan.

K. Plan Administrator

On and after the Effective Date, the Plan Administrator shall act for the Reorganized Debtors in the same fiduciary capacity as applicable to a board of managers, directors, officers, or other Governing Body, subject to the provisions hereof (and all certificates of formation, membership agreements, and related documents are deemed amended by the Plan to permit and authorize the same). On the Effective Date, the authority, power, and incumbency of the persons acting as managers, officers, directors, sale director, or Governing Body of the Reorganized Debtors shall be deemed to have resigned, solely in their capacities as such, and the Plan Administrator shall be appointed as the sole manager, sole director, and sole officer of the Reorganized Debtors, and shall succeed to the powers of the Reorganized Debtors' managers, directors, officers, and other Governing Bodies without any further action required on the part of any such Debtor, the equity holders of the Debtors, the officers, directors, managers, or Governing Body, as applicable, of the Debtors, or the members of any Debtor. From and after the Effective Date, the Plan Administrator shall be the sole representative of, and shall act for, the Reorganized Debtors. The foregoing shall not limit the authority of the Reorganized Debtors or the Plan Administrator, as applicable, to continue the employment of any former manager or officer, including pursuant to any transition services agreement entered into on or after the Effective Date by and between the Reorganized Debtors and the Purchaser. The Plan Administrator shall use commercially reasonable efforts to operate in a manner consistent with the Wind-Down Budget.

L. Dissolution of the Debtors

Subject in all respects to the terms of this Plan and the Asset Purchase Agreement, as applicable, and as further addressed in the Restructuring Transactions Memorandum, the Debtors shall be dissolved as soon as practicable on or after the Effective Date, but in no event later than the closing of the Chapter 11 Cases.

As of the Effective Date, the Plan Administrator shall act as the sole officer, director, manager, and Governing Body, as applicable, of the Reorganized Debtors with respect to their affairs. Subject in all respects to the terms of this Plan, the Plan Administrator shall have the power and authority to take any action necessary to wind down and dissolve any of the Debtors, and shall: (a) file a certificate of dissolution

for any of the Debtors, together with all other necessary corporate and company documents, to effect the dissolution of each Debtor under the applicable laws of its state of formation; and (b) complete and file all final or otherwise required federal, state, and local tax returns and shall pay taxes required to be paid for any of the Debtors, and pursuant to Bankruptcy Code section 505(b), request an expedited determination of any unpaid tax liability of any of the Debtors or their Estates for any tax incurred during the administration of such Debtor's Chapter 11 Case, as determined under applicable tax laws. The filing by the Plan Administrator of any of the Debtors' certificate of dissolution shall be authorized and approved in all respects without further action under applicable law, regulation, order, or rule.

ARTICLE VII.
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Rejection of Executory Contracts and Unexpired Leases

On the Effective Date, all Executory Contracts and Unexpired Leases of the Debtors will be rejected by the Debtors in accordance with, and subject to, the provisions and requirements of Bankruptcy Code sections 365 and 1123, except for : (1) the Assumed Executory Contracts and Unexpired Leases ; (2) Executory Contracts and Unexpired Leases that have been previously assumed or rejected by the Debtors pursuant to a Final Order; or (3) Executory Contracts and Unexpired Leases that are the subject of a motion to assume filed on or before the Confirmation Date. Without amending or altering any prior order of the Bankruptcy Court approving the assumption or rejection of any Executory Contract or Unexpired Lease, entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such assumptions or rejections pursuant to Bankruptcy Code sections 365(a) and 1123 and effective on the occurrence of the Effective Date or, as to rejected Executory Contracts and Unexpired Leases, on such later date as may be identified on the Rejected Executory Contract and Unexpired Lease List or other motion or notice to reject.

To the extent any provision in any Executory Contract or Unexpired Lease assumed or assumed and assigned (as applicable) pursuant to this Plan or any prior order of the Bankruptcy Court (including, without limitation, any "change of control" provision) prohibits, restricts or conditions, or purports to prohibit, restrict or condition, or is modified, breached or terminated, or deemed modified, breached or terminated by, (1) the commencement of these Chapter 11 Cases or the insolvency or financial condition of any Debtor at any time before the closing of its respective Chapter 11 Case, (2) any Debtor's or any Reorganized Debtor's assumption or assumption and assignment (as applicable) of such Executory Contract or Unexpired Lease, or (3) the Confirmation or Consummation of this Plan, then such provision shall be deemed modified such that the transactions contemplated by this Plan shall not entitle the non-debtor party thereto to modify or terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights or remedies with respect thereto, and any required consent under any such contract or lease shall be deemed satisfied by the Confirmation of the Plan.

Each Executory Contract and Unexpired Lease assumed and/or assigned pursuant to this Plan shall revest in and be fully enforceable by the applicable Reorganized Debtor or the applicable assignee in accordance with its terms and conditions, except as modified by the provisions of this Plan, any order of the Bankruptcy Court approving its assumption and/or assignment, or applicable law. The inclusion or exclusion of a contract or lease on any schedule or exhibit shall not constitute an admission by any Debtor that such contract or lease is an Executory Contract or Unexpired Lease or that any Debtor has any liability thereunder. Notwithstanding anything to the contrary in the Plan, the Debtors or the Reorganized Debtors, as applicable, with the consent of the DIP Lenders, the Omega Secured Parties, and the ABL Lenders, reserve the right to alter, amend, modify, or supplement the Assumed Executory Contracts and Unexpired Leases List and the Rejected Executory Contracts and Unexpired Leases List at any time up to forty-five (45) days after the Effective Date.

B. Cure of Defaults; Assignment of Executory Contracts and Unexpired Leases

Any defaults under each Executory Contract and Unexpired Lease to be assumed, or assumed and assigned, pursuant to this Plan shall be satisfied by the Plan Sponsor or the Purchaser, pursuant to and to the extent required by Bankruptcy Code section 365(b)(1), by payment of the applicable default amount in Cash on the Effective Date or on such other terms as the Bankruptcy Court may order or the parties to such Executory Contracts or Unexpired Leases may otherwise agree in writing (the "Cure Claim Amount").

In the event of an assumption, or an assumption and assignment, of an Executory Contract or Unexpired Lease under this Plan, at least seven (7) days prior to the deadline to object to the Plan, the Debtors shall File and serve upon counterparties to such Executory Contracts and Unexpired Leases, a notice (each, an "Assumption Notice") of the proposed assumption, or proposed assumption and assignment, which will: (1) list the applicable Cure Claim Amount, if any; (2) if applicable, identify the party to which the Executory Contract or Unexpired Lease will be assigned; (3) describe the procedures for filing objections thereto; and (4) explain the process by which related disputes will be resolved by the Bankruptcy Court. The Filing and service of any such Assumption Notice shall not obligate the Debtors to assume or assume and assign any Executory Contract or Unexpired Lease set forth in such Assumption Notice.

Any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption, or proposed assumption and assignment under this Plan, or any related cure amount, must be Filed, served and actually received by the Debtors and the Plan Sponsor on or prior to the later of (1) the deadline to object to the Plan or (2) seven (7) days after the filing and service of an Assumption Notice that first identifies such Executory Contract or Unexpired Lease. Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption, or proposed assumption and assignment, or cure amount will be deemed to have consented to such matters and will be deemed to have forever released and waived any objection to such proposed assumption, proposed assumption and assignment, and cure amount. The Confirmation Order shall constitute an order of the Bankruptcy Court approving each proposed assumption, or proposed assumption and assignment, of Executory Contracts and Unexpired Leases pursuant to Bankruptcy Code sections 365 and 1123 as of the Effective Date.

In the event of a dispute regarding (1) the amount of any Cure Claim Amount, (2) the ability of any Debtor or assignee to provide "adequate assurance of future performance" (within the meaning of Bankruptcy Code section 365) under the Executory Contract or Unexpired Lease to be assumed, or assumed and assigned, or (3) any other matter pertaining to assumption or assignment, the applicable payment of the Cure Claim Amount required by Bankruptcy Code section 365(b)(1) shall be made following the entry of a Final Order resolving the dispute and approving such assumption, or assumption and assignment. If such objection is sustained by Final Order of the Bankruptcy Court, the Plan Sponsor may elect the Debtors to reject such Executory Contract or Unexpired Lease in lieu of assuming it. The Debtors (with the consent of the Plan Sponsor) or the Reorganized Debtors, as applicable, shall be authorized to effect such rejection by filing a written notice of rejection with the Bankruptcy Court and serving such notice on the applicable counterparty within thirty (30) days of the entry of such Final Order.

Subject to any cure claims Filed with respect thereto, assumption or assumption and assignment of any Executory Contract or Unexpired Lease pursuant to this Plan shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time prior to the effective date of assumption or assumption and assignment, in each case as provided in section 365 of the Bankruptcy Code. Any Proofs of Claim filed with respect to an Executory Contract or Unexpired Lease that has been assumed or assumed and assigned by Final Order shall be deemed disallowed and expunged (subject to any

cure claims Filed with respect thereto), without further notice to or action, order, or approval of the Bankruptcy Court.

With respect to any Executory Contract or Unexpired Lease assumed and assigned pursuant to this Plan, upon and as of the Effective Date, the Plan Sponsor or its assignee shall be deemed to be substituted as a party thereto for the applicable Debtor party to such assigned Executory Contract or Unexpired Lease and, accordingly, the Debtors and the Reorganized Debtors shall be relieved, pursuant to and to the extent set forth in Bankruptcy Code section 365(k), from any further liability under such assigned Executory Contract or Unexpired Lease.

C. Rejection Bar Date

If the rejection of an Executory Contract or Unexpired Lease pursuant to Article VII.A gives rise to a Claim by the other party or parties to such contract or lease, such Claim shall be forever barred and shall not be enforceable against the Debtors, Reorganized Debtors, or their Estates, or their respective successors or properties unless a Proof of Claim is Filed with the Claims and Noticing Agent and served on counsel for the Reorganized Debtors or the Plan Administrator by the Rejection Bar Date. Any Proofs of Claim not Filed and served by the Rejection Bar Date will be forever barred from assertion against the Debtors, Reorganized Debtors, and their Estates. Unless otherwise Ordered by the Bankruptcy Court, all Claims arising from the rejection of Executory Contracts and Unexpired Leases shall be treated as Class 7 (General Unsecured Claims) under the Plan.

D. Extension of Time to Assume or Reject

Notwithstanding anything to the contrary set forth in Article VII of this Plan, in the event of a dispute as to whether a contract is executory or a lease is unexpired, the right of the Reorganized Debtors to move to assume or reject such contract or lease shall be extended until the date that is thirty (30) days after entry of a Final Order by the Bankruptcy Court determining that the contract is executory or the lease is unexpired. Any deemed assumption provided for in Article VII.A of this Plan shall not apply to any such contract or lease, and any such contract or lease shall be assumed or rejected only upon motion of the Reorganized Debtors or the filing of a notice following the Bankruptcy Court's determination that the contract is executory or the lease is unexpired.

E. Modifications, Amendments, Supplements, Restatements, or Other Agreements

Unless otherwise provided in this Plan, each Executory Contract or Unexpired Lease that is assumed by the Debtors or the Reorganized Debtors pursuant to this Plan shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and all rights related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing has been previously rejected or repudiated or is rejected or repudiated hereunder. Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

F. Indemnification and Reimbursement

Any obligations of the Debtors pursuant to their organizational documents, including amendments, entered into any time prior to the Effective Date, to indemnify, reimburse, or limit the liability of any Person pursuant to the Debtors' operating agreements, bylaws, policy of providing employee indemnification,

applicable state law or specific agreement in respect of any claims, demands, suits, causes of action, or proceedings against such Persons based upon any act or omission related to such Persons' service with, for or on behalf of the Debtors prior to the Effective Date with respect to all present and future actions, suits and proceedings relating to the Debtors shall survive confirmation of the Plan and except as set forth herein, remain unaffected thereby, and shall not be discharged, irrespective of whether such defense, indemnification, reimbursement or limitation of liability accrued or is owed in connection with an occurrence before or after the Petition Date; *provided, however*, that all related monetary obligations shall be limited solely to available insurance coverage. This provision for indemnification obligations shall not apply to or cover any Claims, suits or actions against a Person that result in a final order determining that such Covered Person is liable for fraud, willful misconduct, gross negligence, bad faith, self-dealing or breach of the duty of loyalty.

G. Insurance Policies

Notwithstanding anything contained in the Plan or the Confirmation Order to the contrary, unless specifically rejected by order of the Bankruptcy Court or under the Plan, all Insurance Policies shall be assumed under the Plan as executory contracts, and nothing in the Plan or the Confirmation Order shall alter the rights and obligations of the Debtors or the insurers under the Insurance Policies (which rights and obligations shall be determined under the applicable Insurance Policies and applicable non-bankruptcy law relating thereto) or modify the coverage thereunder, and all of the Insurance Policies shall continue in full force and effect according to their terms and conditions; *provided*, *however*, in the event the underlying claim arose prior to the Petition Date, the Reorganized Debtors shall have no obligation to fund any self-insured retention.

H. Nonoccurrence of Effective Date

In the event that the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to Bankruptcy Code section 365(d)(4), unless such deadline(s) have expired.

I. Contracts and Leases Entered Into After the Petition Date

Contracts and leases entered into after the Petition Date by any Debtor, including any Executory Contracts and Unexpired Leases assumed by such Debtor, will be performed by the applicable Debtor or the Reorganized Debtors in the ordinary course of their business. Accordingly, such contracts and leases (including any assumed Executory Contracts and Unexpired Leases) will survive and remain unaffected by entry of the Confirmation Order.

ARTICLE VIII.
PLAN ADMINISTRATOR

A. The Plan Administrator

The rights, powers, privileges, obligations, and compensation of the Plan Administrator shall be set forth in the Plan Administrator Agreement, which shall be filed as part of the Plan Supplement.

B. Wind-Down

On and after the Effective Date, the Plan Administrator will be authorized and directed to implement the Plan and any applicable orders of the Bankruptcy Court in accordance with the Wind-Down

Budget, and the Plan Administrator shall have the power and authority to take any action necessary to wind down and dissolve the Debtors' Estates in accordance with the Wind-Down Budget.

As soon as practicable after the Effective Date, the Plan Administrator shall: (1) cause the Debtors and the Reorganized Debtors, as applicable, to comply with, and abide by, the terms of the Plam Support Agreement or the Asset Purchase Agreement, as applicable, and any other documents contemplated thereby; (2) to the extent applicable, file a certificate of dissolution or equivalent document, together with all other necessary corporate and company documents, to effect the dissolution of the Debtors under the applicable laws of their state of incorporation or formation (as applicable); and (3) take such other actions in accordance with the Wind-Down Budget as the Plan Administrator may determine to be necessary or desirable to carry out the purposes of the Plan. Any certificate of dissolution or equivalent document may be executed by the Plan Administrator without need for any action or approval by the shareholders, board of directors or managers, or Governing Body of any Reorganized Debtor. From and after the Effective Date, except with respect to the Reorganized Debtors as set forth herein, the Debtors (1) for all purposes shall be deemed to have withdrawn their business operations from any state in which the Debtors were previously conducting, or are registered or licensed to conduct, their business operations, and shall not be required to file any document, pay any sum, or take any other action to effectuate such withdrawal, (2) shall be deemed to have canceled pursuant to this Plan all Interests, and (3) shall not be liable in any manner to any taxing authority for franchise, business, license, or similar taxes accruing on or after the Effective Date. Notwithstanding the Debtors' dissolution, the Debtors shall be deemed to remain intact solely with respect to the preparation, filing, review, and resolution of applications for Professional Fee Claims.

The filing of the final monthly report (for the month in which the Effective Date occurs) and all subsequent quarterly reports shall be the responsibility of the Plan Administrator.

The Debtors shall include in the Plan Supplement a Wind-Down Budget.

C. Dissolution of the Reorganized Debtors

Upon a certification to be Filed with the Bankruptcy Court by the Plan Administrator of all distributions having been made and completion of all its duties under the Plan and entry of a final decree closing the last of the Chapter 11 Cases, the Reorganized Debtors shall be deemed to be dissolved without any further action by the Reorganized Debtors, including the filing of any documents with the secretary of state for the state in which the Reorganized Debtors is formed or any other jurisdiction. The Plan Administrator, however, shall have authority to take all necessary actions to dissolve the Reorganized Debtors in and withdraw the Reorganized Debtors from applicable state(s).

ARTICLE IX.
PROVISIONS GOVERNING DISTRIBUTIONS

A. Distributions on Allowed Claims

Distributions to be made on account of Claims that are Allowed Claims as of the Effective Date or become Allowed Claims thereafter shall be made by the Distribution Agent pursuant to the terms and conditions of the Plan and the Plan Administrator Agreement. Notwithstanding any other provision of the Plan to the contrary, no Distribution shall be made on account of any Allowed Claim or portion thereof that (1) has been satisfied after the Petition Date; (2) is listed in the Schedules as contingent, unliquidated, disputed or in a zero amount, and for which a Proof of Claim has not been timely Filed; or (3) is evidenced by a Proof of Claim that has been amended by a subsequently Filed Proof of Claim.

B. Distribution Agent

The Distribution Agent shall make all Distributions required under the Plan, subject to the terms and provisions of the Plan and the Plan Administrator Agreement. If the Distribution Agent is an independent third party designated to serve in such capacity, such Distribution Agent shall receive, without further Court approval, reasonable compensation from the Plan Administrator Assets for distribution services rendered pursuant to the Plan and reimbursement of reasonable out-of-pocket expenses. No Distribution Agent shall be required to give any bond or surety or other security for the performance of its duties. The Distribution Agent shall be authorized and directed to rely upon the Debtors' Books and Records and the Reorganized Debtors' representatives and professionals in determining Allowed Claims entitled to Distributions under the Plan in accordance with the terms and conditions of the Plan.

C. Delivery of Distributions and Undeliverable or Unclaimed Distributions

1. Delivery of Distributions in General

Distributions to Holders of Allowed Claims shall be made by the Distribution Agent (a) at the addresses set forth on the Proofs of Claim Filed by such Holders (or at the last known addresses of such Holders if no Proof of Claim is Filed or if the Debtors have been notified of a change of address), (b) at the addresses set forth in any written notices of address changes delivered to the Distribution Agent after the date of any related Proof of Claim, after sufficient evidence of such addresses as may be requested by the Distribution Agent is provided, (c) at the addresses reflected in the Schedules if no Proof of Claim has been Filed and the Distribution Agent has not received a written notice of a change of address, (d) at the addresses set forth in the other records of the Debtors or the Distribution Agent at the time of the Distribution, or (e) in the case of the Holder of a Claim that is governed by an agreement and is administered by an agent or servicer, at the addresses contained in the official records of such agent or servicer.

In making Distributions under the Plan, the Distribution Agent may rely upon the accuracy of the claims register maintained by the Claims and Noticing Agent in the Chapter 11 Cases, as modified by any Final Order of the Bankruptcy Court disallowing Claims in whole or in part.

2. Undeliverable Distributions and Unclaimed Property.

In the event that any distribution to any holder of Allowed Claims or Allowed Interests (as applicable) is returned as undeliverable, no further distribution to such holder shall be made unless and until the Distribution Agent is notified in writing of the then-current address of such holder, at which time all currently-due, missed distributions shall be made to such holder as soon as reasonably practicable thereafter without interest; provided that such distributions shall be deemed unclaimed property under Bankruptcy Code section 347(b) at the expiration of one year from the Effective Date. After such date, all unclaimed property or interests in property shall revert to the Reorganized Debtors automatically and without need for a further order by the Bankruptcy Court (notwithstanding any applicable federal, provincial, or state escheat, abandoned, or unclaimed property laws to the contrary), and the Claim of any holder of Claims and Interests to such property or Interest in property shall be discharged and forever barred.

D. Timing of Distributions

Unless otherwise provided herein, on each Distribution Date, each Holder of a Claim and Holder of an Interest entitled to a Distribution under the Plan shall receive such Distributions in accordance with Article IX hereof. In the event that any payment or act under this Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the

required date. The Plan Administrator shall have no obligation to recognize any transfer of Claims or Interests occurring on or after the Effective Date.

E. Means of Cash Payment

Cash payments made pursuant to the Plan shall be in U.S. dollars and shall be made at the option and in the sole discretion of the Distribution Agent by (1) checks drawn on or (2) wire transfers from a domestic bank selected by the Distribution Agent. In the case of foreign creditors, Cash payments may be made, at the option of the Distribution Agent, in such funds and by such means as are necessary or customary in a particular jurisdiction; *provided* that the Distribution Agent receives a signed receipt or otherwise verifiable record of any such Cash payment.

F. Interest on Claims

Unless otherwise specifically provided for in the DIP Orders, the Plan, or the Confirmation Order, or required by applicable law, postpetition interest shall not accrue or be paid on any Claims, and no Holder shall be entitled to interest accruing on or after the Petition Date on any Claim. Except as otherwise specifically provided for in the Plan, or the Confirmation Order, or required by applicable law, interest shall not accrue or be paid upon any Disputed Claim in respect of the period from the Petition Date to the date a final Distribution is made thereon if and after such Disputed Claim becomes an Allowed Claim.

G. No Creditor to Receive More than Payment in Full

Notwithstanding any other provision hereof, no Holder of an Allowed Claim shall receive more than full payment of its applicable Allowed Claim, including any interest, costs or fees that may be payable with respect thereto under or pursuant to the Plan.

H. Withholding and Reporting Requirements

In accordance with Bankruptcy Code section 346 and in connection with the Plan and all Distributions hereunder, the Distribution Agent shall, to the extent applicable, comply with all withholding and reporting requirements imposed by any federal, state, provincial, local, or foreign taxing authority. The Distribution Agent shall be authorized to take any and all actions necessary and appropriate to comply with such requirements.

All Distributions hereunder shall be subject to withholding and reporting requirements. As a condition of making any Distribution under the Plan, each Person and Entity holding an Allowed Claim is required to provide any information necessary in writing, including returning W-9 statements, to effect the necessary information reporting and withholding of applicable taxes with respect to Distributions to be made under the Plan as the Distribution Agent may request. The Distribution Agent shall be entitled in its sole discretion to withhold any Distributions to a Holder of an Allowed Claim who fails to provide tax identification or social security information within the timeframe requested in writing by the Distribution Agent to such Holder of an Allowed Claim, which timeframe shall not be less than thirty (30) days. **Unless the Distribution Agent agrees otherwise in its sole discretion, all Distributions to any Holder of an Allowed Claim that fails to timely respond to a request for tax information deemed necessary or appropriate by the Distribution Agent shall be waived and forfeited and the applicable Claim shall be deemed Disallowed without further order of the Bankruptcy Court.**

Notwithstanding any other provision of the Plan, each Person and Entity receiving a Distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of tax obligations on account of any such Distribution.

I. Setoffs

Except as expressly provided in the DIP Orders and this Plan, including pursuant to Article XI hereof, each Reorganized Debtor may, pursuant to section 553 of the Bankruptcy Code, set off and/or recoup against any Distributions to be made on account of any Allowed Claim, any and all claims, rights, and Causes of Action that such Reorganized Debtor may hold against the holder of such Allowed Claim to the extent such setoff or recoupment is either (1) agreed in amount among the relevant Reorganized Debtor(s) and the holder of the Allowed Claim or (2) otherwise adjudicated by the Bankruptcy Court or another court of competent jurisdiction; *provided*, that neither the failure to effectuate a setoff or recoupment nor the allowance of any Claim hereunder shall constitute a waiver or release by a Reorganized Debtor or its successor of any and all claims, rights, and Causes of Action that such Reorganized Debtor or its successor may possess against the applicable holder. In no event shall any holder of a Claim be entitled to recoup such Claim against any claim, right, or Causes of Action of the Debtors or the Reorganized Debtors, as applicable, unless such holder actually has performed such recoupment and provided notice thereof in writing to the Debtors in accordance with Article XVII.D hereof on or before the Effective Date, notwithstanding any indication in any Proof of Claim or otherwise that such holder asserts, has, or intends to preserve any right of recoupment.

J. Procedure for Treating and Resolving Disputed, Contingent, and/or Unliquidated Claims

1. Objection Deadline; Prosecution of Objections

Except as set forth in the Plan with respect to Professional Fee Claims and Administrative Expense Claims, all objections to Claims must be Filed and served on the Holders of such Claims by the Claims Objection Deadline, as the same may be extended by the Bankruptcy Court from time to time upon motion and notice by the Plan Administrator. If an Objection has not been Filed to a Proof of Claim or the Schedules have not been amended with respect to a Claim that (a) was Scheduled by the Debtors but (b) was not Scheduled as contingent, unliquidated and/or disputed, by the Claims Objection Deadline, as the same may be extended by order of the Bankruptcy Court, the Claim to which the Proof of Claim or Scheduled Claim relates shall be treated as an Allowed Claim if such Claim has not been Allowed earlier. Notice of any motion for an Order extending the Claims Objection Deadline shall be required to be given only to those Persons or Entities that have requested notice in the Chapter 11 Cases in accordance with Bankruptcy Rule 2002.

Notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, on and after the Effective Date, the Plan Administrator shall have the authority to: (a) File, withdraw or litigate to judgment Objections to and requests for estimation of Claims; (b) settle or compromise any Disputed Claim without any further notice to or action, order or approval by the Bankruptcy Court; and (c) administer and adjust the Claims register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court; *provided, however*, that the objection to and settlement of Professional Fee Claims shall not be subject to this Article IX.J, but rather shall be governed by Article IV.C hereof. In the event that any Objection Filed by the Debtors remains pending as of the Effective Date, the Plan Administrator shall be deemed substituted for the Debtors, as applicable, as the objecting party.

The Bankruptcy Court shall retain jurisdiction to estimate any such Claim, including during the litigation of any Objection to such Claim or during the appeal relating to such Objection. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount shall constitute a maximum limitation on such Claim for all purposes under the Plan (including for purposes of Distributions), and the Plan Administrator may elect to pursue any supplemental proceedings to object to any ultimate Distribution on such Claim.

2. No Distributions Pending Allowance

Notwithstanding any other provision of the Plan, if any portion of a Claim or Interest is a Disputed Claim or Interest, as applicable, no payment or distribution provided hereunder shall be made on account of such Claim or Interest unless and until such Disputed Claim or Interest becomes an Allowed Claim or Interest; provided that if only the Allowed amount of an otherwise valid Claim or Interest is Disputed, such Claim or Interest shall be deemed Allowed in the amount not Disputed and payment or distribution shall be made on account of such undisputed amount.

3. Distributions After Allowance

To the extent that a Disputed Claim or Interest ultimately becomes an Allowed Claim or Interest, distributions (if any) shall be made to the holder of such Allowed Claim or Interest in accordance with the provisions of the Plan. As soon as reasonably practicable after the date that the order or judgment of the Bankruptcy Court Allowing any Disputed Claim or Interest becomes a Final Order, the Distribution Agent shall provide to the holder of such Claim or Interest the distributions (if any) to which such holder is entitled under the Plan as of the Effective Date, without any interest to be paid on account of such Claim or Interest.

4. De Minimis Interim Distributions

The Distribution Agent shall not be required to make any interim distributions to Holders of Allowed Claims aggregating less than $50.00; *provided, however*, that Holders of Allowed Claims shall be entitled to final distributions regardless of their amount. Cash that otherwise would be payable under the Plan to Holders of Allowed Claims and Holders of Allowed Interests but for this Article IX.J.4 shall remain Plan Administrator Assets to be used in accordance with the Plan Administrator Agreement.

5. Fractional Dollars

Notwithstanding any other provision of the Plan, the Distribution Agent shall not be required to make Distributions or payments of fractions of dollars. Whenever any payment of a fraction of a dollar under the Plan would otherwise be called for, the actual payment shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars being rounded down.

6. Allocation of Distributions Between Principal and Interest

To the extent that any Allowed Claim entitled to a Distribution under the Plan is composed of indebtedness and accrued but unpaid interest thereon, such Distribution shall, for all income tax purposes, be allocated to the principal amount of the Claim first and then, to the extent the consideration exceeds the principal amount of the Claim, to the portion of such Claim representing accrued but unpaid interest.

7. Distribution Record Date

The Distribution Agent shall have no obligation to recognize the transfer of or sale of any participation in any Allowed Claim that occurs after the close of business on the Distribution Record Date. Instead, the Distribution Agent shall be entitled to recognize and deal for all purposes under the Plan with only those record Holders stated on the official Claims register or the Debtors' Books and Records, as applicable, as of the close of business on the Distribution Record Date.

ARTICLE X.
CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THE PLAN

A. Conditions Precedent to Confirmation

The following are conditions precedent to confirmation of the Plan, each of which must be satisfied or waived:

1. The Combined Disclosure Statement and Plan, Plan Supplement(s), the and the Confirmation Order, and Definitive Documents shall be in form and substance reasonably acceptable to the Debtors and the DIP Lenders.

2. There shall be no default or Event of Default (as defined in the DIP Credit Agreement) under the DIP Orders or the DIP Credit Agreement.

3. The Confirmation Order shall have been entered by the Bankruptcy Court.

B. Conditions Precedent to Effective Date

The following are conditions precedent to the occurrence of the Effective Date, each of which must be satisfied or waived:

1. The Debtors shall have paid or reimbursed all reasonable and documented fees and expenses of the DIP Lenders and the Prepetition Secured Parties in connection with the Plan Transaction or Sale Transaction, as applicable.

2. All amounts necessary to pay the Professional Fee Claims shall have been placed in the Professional Fee Reserve pending approval of the Professional Fee Claims by the Bankruptcy Court.

3. Each document or agreement constituting the Definitive Documents shall be in form and substance consistent with the Plan.

4. All governmental approvals and consents that are legally required for the consummation of the Plan Transaction or the Sale Transaction, as applicable, shall have been obtained, not be subject to unfulfilled conditions and be in full force and effect, and all applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, shall have expired.

5. The Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings, or documents that are necessary to implement and effectuate the Plan.

6. All conditions precedent to the consummation of the Plan Transaction or the Sale Transaction, as applicable contained in all documents in connection with the Plan Transaction or the Sale Transaction, as applicable shall be satisfied or waived pursuant to the terms of the applicable documents in connection with the Plan Transaction or the Sale Transaction.

7. Such other conditions precedent that are customary and otherwise requested to the Effective Date, as are customary and otherwise reasonably requested by the Omega Secured Parties, the DIP Lenders, and the ABL Lenders.

8. The Bankruptcy Court shall have entered the Confirmation Order, and the Confirmation Order shall not be stayed, modified, or vacated, and shall not be subject to any pending appeal, and the appeals period for the Confirmation Order shall have expired.

C. Establishing the Effective Date

The calendar date to serve as the Effective Date shall be a Business Day of, on, or promptly following the satisfaction or waiver of all conditions to the Effective Date, which date will be selected by the Debtors. On or within two (2) Business Days of the Effective Date, the Debtors shall File and serve a notice of occurrence of the Effective Date. Such notice shall contain, among other things, the Administrative Expense Claim Bar Date, the Professional Fee Claims Bar Date, and the Rejection Bar Date with respect to Executory Contracts or Unexpired Leases rejected pursuant to the Plan.

D. Waiver of Conditions

Each of the conditions to Confirmation and the occurrence of the Effective Date set forth in Article X hereof may be waived in whole or in part by the Debtors without any other notice to other parties-in-interest or the Bankruptcy Court. The failure to satisfy or waive any condition to Confirmation or the occurrence of the Effective Date may be asserted by the Debtors regardless of the circumstances giving rise to the failure of such condition to be satisfied. The failure of any party to exercise any of its foregoing rights shall not be deemed a waiver of any of its other rights, and each such right shall be deemed an ongoing right that may be asserted thereby at any time.

E. Consequences of Non-Occurrence of Effective Date

If the Effective Date does not occur within ninety (90) days following the Confirmation Date, or by such later date after notice and hearing, as is proposed by the Debtors, then upon motion by the Debtors and upon notice to such parties-in-interest as the Bankruptcy Court may direct, (1) the Plan shall be null and void in all respects; (2) any settlement of Claims shall be null and void without further order of the Bankruptcy Court; and (3) the time within which the Debtors may assume and assign or reject all Executory Contracts shall be extended for a period of thirty (30) days after such motion is granted.

ARTICLE XI.
EFFECTS OF CONFIRMATION

A. Compromise and Settlement of Claims and Controversies

Pursuant to Bankruptcy Code section 1123 and Bankruptcy Rule 9019 and in consideration for the classification, Distributions, releases, and other benefits provided pursuant to the Combined Disclosure Statement and Plan, on the Effective Date, the provisions of the Combined Disclosure Statement and Plan shall constitute a good faith compromise and settlement of all Claims, Interests, and controversies resolved pursuant to the Combined Disclosure Statement and Plan or relating to the contractual, legal and subordination rights that a Holder of a Claim or Interest may have with respect to any Claim or Interest, or any Distribution to be made on account of such Claim or Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and Interests and is fair, equitable and reasonable.

The Debtors expressly reserve the right (with Court approval, following appropriate notice and opportunity for a hearing) to compromise and settle any and all Claims against it and claims that it may

have against other Persons and Entities at any time up to and including the Effective Date. After the Effective Date, such right shall pass to the Reorganized Debtors or the Plan Administrator, as applicable, and shall be governed by the terms of the Plan and the Plan Administrator Agreement.

B. Binding Effect

The Combined Disclosure Statement and Plan shall be binding upon and inure to the benefit of the Debtors, all present and former Holders of Claims and Interests, whether or not such Holders shall receive or retain any property or interest in property under the Combined Disclosure Statement and Plan, and their respective successors and assigns, including, but not limited to, all other parties-in-interest in the Chapter 11 Cases.

C. Discharge of the Debtors

To the fullest extent provided under section 1141(d)(1)(A) and other applicable provisions of the Bankruptcy Code, except as otherwise expressly provided by this Plan or the Confirmation Order, effective as of the Effective Date, all consideration distributed under this Plan shall be in exchange for, and in complete satisfaction, settlement, discharge, and release of, all Claims, Interests and Causes of Action of any kind or nature whatsoever against the Debtors or any of their respective assets or properties, including any interest accrued on such Claims or Interests from and after the Petition Date, and regardless of whether any property shall have been abandoned by order of the Bankruptcy Court, distributed or retained pursuant to this Plan on account of such Claims, Interests or Causes of Action.

Except as otherwise expressly provided by this Plan or the Confirmation Order, upon the Effective Date, the Debtors and their Estates shall be deemed discharged and released under and to the fullest extent provided under sections 524 and 1141(d)(1)(A) and other applicable provisions of the Bankruptcy Code from any and all Claims of any kind or nature whatsoever, including, but not limited to, demands and liabilities that arose before the Confirmation Date, and all debts of the kind specified in Bankruptcy Code sections 502(g), 502(h), or 502(i). Such discharge shall void any judgment obtained against the Debtors or the Reorganized Debtors at any time, to the extent that such judgment relates to a discharged Claim.

Except as otherwise expressly provided by this Plan or the Confirmation Order, upon the Effective Date: (1) the rights afforded herein and the treatment of all Claims and Interests shall be in exchange for and in complete satisfaction, settlement, discharge, and release of all Claims and Interests of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against the Debtors or any of their respective assets, property, or Estates; (2) all Claims and Interests shall be satisfied, discharged, and released in full, and each of the Debtor's liability with respect thereto shall be extinguished completely without further notice or action; and (3) all Entities shall be precluded from asserting against the Debtors, the Estates, the Reorganized Debtors, each of their respective successors and assigns, and each of their respective assets and properties, any such Claims or Interests, whether based upon any documents, instruments or any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date or otherwise.

D. Releases

1. Debtor Release

Effective as of the Effective Date, pursuant to Bankruptcy Code section 1123(b), for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions and services of the Released Parties in facilitating the expeditious reorganization of the Debtors and implementation of the restructuring contemplated by the Plan, the adequacy of which is hereby

confirmed, on and after the Effective Date, each Released Party is conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged by each and all of the Debtors, the Reorganized Debtors, and their Estates, in each case on behalf of themselves and their respective successors, assigns, and representatives (including any Plan Administrator that may be appointed), and any and all other Entities who may purport to assert any claim or Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Claims, Interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of any of the Debtors or their Estates, whether known or unknown, foreseen or unforeseen, matured or unmatured, existing or hereafter arising, in law, equity, contract, tort, or otherwise, that the Debtors, the Reorganized Debtors, their Estates or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to (including the formulation, preparation, dissemination, negotiation, entry into, or filing of, as applicable), or in any manner arising from, in whole or in part, the Debtors (including the management, ownership, or operation thereof), the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, the decision to file the Chapter 11 Cases, any intercompany transactions, the Chapter 11 Cases, the Plan (including the Plan Supplement), the Disclosure Statement, the DIP Facility, the DIP Documents, the ABL Credit Agreement, the Omega Term Loan Credit Agreement, the Omega Master Lease, the pursuit of Confirmation and Consummation, the pursuit of Asset Sales, the Asset Purchase Agreement, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, but not, for the avoidance of doubt, any legal opinion effective as of the Effective Date requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan, or upon any other act, omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct, fraud or gross negligence. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release (a) any obligations arising on or after the Effective Date of any party or Entity under the Plan, the Plan Transaction, the Sale Transaction, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan as set forth in the Plan; or (b) any retained Causes of Action.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtor Release, which includes by reference each of the related provisions and definitions contained in the Plan, and further, shall constitute the Bankruptcy Court's finding that the Debtor Release is: (a) in exchange for the good and valuable consideration provided by the Released Parties, including the Released Parties' contributions to facilitating the Plan Transaction or the Sale Transaction, as applicable, and implementing the Plan; (b) a good faith settlement and compromise of the Claims released by the Debtor Release; (c) in the best interests of the Debtors and all Holders of Claims and Interests; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for hearing; and (f) a bar to any of the Debtors, the Reorganized Debtors, or the Debtors' Estates asserting any Claim or Cause of Action of any kind whatsoever released pursuant to the Debtor Release.

2. Third-Party Releases

Effective as of the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions and services of the Released Parties in facilitating the expeditious reorganization of the Debtors and implementation of the restructuring contemplated by the Plan, pursuant to section 1123(b) of the Bankruptcy Code, in each case except for Claims arising under, or preserved by, the Plan, to the fullest extent permissible under applicable Law, each Releasing Party (other than the Debtors or the Reorganized Debtors), in each case on behalf of itself and its respective successors, assigns, and representatives, and any and all other entities who may purport to assert any Claim, Cause of Action, directly or derivatively, by, through, for, or because of a Releasing Party, is deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged each Debtor, Reorganized Debtor, and each other Released Party from any and all claims, interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, including any derivative claims, asserted or assertable on behalf of any of the Debtors, their Estates or their Affiliates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to (including the formulation, preparation, dissemination, negotiation, entry into, or filing of, as applicable), or in any manner arising from, in whole or in part, the Debtors (including the management, ownership or operation thereof), the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, the decision to file the Chapter 11 Cases, any intercompany transactions, the Chapter 11 Cases, the Plan (including the Plan Supplement), the Disclosure Statement, the DIP Facility, the DIP Documents, the Disclosure Statement, the DIP Facility, the DIP Documents, the ABL Credit Agreement, the Omega Term Loan Credit Agreement, the Omega Master Lease, the pursuit of Confirmation and Consummation, the pursuit of Asset Sales, the Asset Purchase Agreement, the administration and implementation of the Plan, including the issuance or distribution of Securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, but not, for the avoidance of doubt, any legal opinion effective as of the Effective Date requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan, or upon any other act, omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct, fraud or gross negligence. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any obligations arising on or after the Effective Date of any party or Entity under the Plan, the Plan Transaction, the Sale Transaction, or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan as set forth in the Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Third-Party Release, which includes by reference each of the related provisions and definitions contained in this Plan, and, further, shall constitute the Bankruptcy Court's finding that the Third-Party Release is: (a) consensual; (b) essential to the confirmation of the Plan; (c) given in exchange for the good and valuable consideration provided by the Released Parties, including the Released Parties' contributions to facilitating the Plan Transaction or the Sale Transaction and implementing the Plan; (d) a good faith settlement and compromise of the Claims released by the Third-Party Release; (e) in the best interests of the Debtors and their Estates; (f) fair, equitable, and reasonable; (g) given and made after due notice and opportunity for hearing; and (h)

a bar to any of the Releasing Parties asserting any claim or Cause of Action of any kind whatsoever released pursuant to the Third-Party Release.

E. Exculpation and Limitation of Liability

Effective as of the Effective Date, the Exculpated Parties shall neither have nor incur any liability to any Entity for any claims or Causes of Action arising prior to or on the Effective Date for any act taken or omitted to be taken in connection with, or related to, formulating, negotiating, preparing, disseminating, implementing, administering, confirming or effecting the Confirmation or Consummation of this Plan, the Disclosure Statement, the Definitive Documents or any contract, instrument, release or other agreement or document created or entered into in connection with this Plan or any other postpetition act taken or omitted to be taken in connection with the restructuring of the Debtors, the approval of the Disclosure Statement or Confirmation or Consummation of this Plan; *provided, however*, that the foregoing provisions of this exculpation shall not operate to waive, release or otherwise impair: (1) any Causes of Action expressly set forth in and preserved by this Plan or the Plan Supplement; (2) any Causes of Action arising from willful misconduct, actual fraud or gross negligence of such applicable Exculpated Party as determined by Final Order of the Bankruptcy Court or any other court of competent jurisdiction; (3) any of the indebtedness or obligations of the Debtors and/or the Reorganized Debtors under this Plan and the contracts, instruments, releases, indentures, and other agreements and documents delivered under or in connection with the Plan or assumed pursuant to this Plan or assumed pursuant to Final Order of the Bankruptcy Court, (4) the rights of any Entity to enforce this Plan and the contracts, instruments, releases, indentures, and other agreements or documents delivered under or in connection with this Plan or assumed pursuant to this Plan or assumed pursuant to Final Order of the Bankruptcy Court; and/or (5) any objections with respect to any Professional's final fee application or accrued Professional Fee Claims in these Chapter 11 Cases; *provided, further*, that each Exculpated Party shall be entitled to rely upon the advice of counsel concerning its respective duties pursuant to, or in connection with, the above referenced documents, actions or inactions.

The foregoing exculpation shall be effective as of the Effective Date without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Person. Notwithstanding the foregoing, nothing in this Article XI.E shall or shall be deemed to prohibit the Debtors or the Reorganized Debtors from asserting and enforcing any claims, obligations, suits, judgments, demands, debts, rights, Causes of Action or liabilities they may have against any Person that is based upon an alleged breach of a confidentiality or non-compete obligation owed to the Debtors or the Reorganized Debtors, in each case unless otherwise expressly provided for in this Plan.

F. Injunction

Except as otherwise expressly provided in the Plan, or for obligations issued or required to be paid pursuant to the Plan or the Confirmation Order, all Entities who have held, hold, or may hold claims or interests that have been released, discharged, or are subject to exculpation are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Reorganized Debtors, the Exculpated Parties, or the Released Parties: (1) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such claims or interests; (2) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such claims or interests; (3) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with respect to any

such claims or interests; (4) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such claims or interests unless such holder has Filed a motion requesting the right to perform such setoff on or before the Effective Date, and notwithstanding an indication of a claim or interest or otherwise that such holder asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (5) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such claims or interests released or settled pursuant to the Plan.

ARTICLE XII.
RETENTION OF JURISDICTION

A. Retention of Jurisdiction

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, following the Effective Date, the Bankruptcy Court shall retain such jurisdiction over the Chapter 11 Cases as is legally permissible, including, without limitation, such jurisdiction as is necessary to ensure that the interests and purposes of the Combined Disclosure Statement and Plan are carried out. The Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of the Chapter 11 Cases and the Combined Disclosure Statement and Plan pursuant to, and for the purposes of, Bankruptcy Code sections 105(a) and 1142 and for, among other things, the following purposes:

1. To the extent not otherwise determined by the Combined Disclosure Statement and Plan, to determine (a) the allowance, classification, or priority of Claims upon objection by any party-in-interest entitled to File an objection, or (b) the validity, extent, priority, and nonavoidability of consensual and nonconsensual Liens and other encumbrances against assets of the Estates or the Reorganized Debtors;

2. To issue injunctions or take such other actions or make such other orders as may be necessary or appropriate to restrain interference with the Combined Disclosure Statement and Plan or its execution or implementation by any Person or Entity, to construe and to take any other action to enforce and execute the Combined Disclosure Statement and Plan, the Confirmation Order, or any other order of the Bankruptcy Court, to issue such orders as may be necessary for the implementation, execution, performance, and Consummation of the Combined Disclosure Statement and Plan and all matters referred to herein, and to determine all matters that may be pending before the Bankruptcy Court in the Chapter 11 Cases on or before the Effective Date with respect to any Person or Entity;

3. To protect the assets or property of the Estates or the Reorganized Debtors, including Causes of Action, from claims against, or interference with, such assets or property, including actions to quiet or otherwise clear title to such property or to resolve any dispute concerning Liens or other encumbrances on any assets of the Estates or the Reorganized Debtors;

4. To determine any and all applications for allowance of Professional Fee Claims;

5. To determine any Priority Tax Claims, Other Priority Claims, or Administrative Expense Claims entitled to priority under Bankruptcy Code section 507(a);

6. To resolve disputes concerning any reserves with respect to Disputed Claims or the administration thereof;

7. To resolve any dispute arising under or related to the implementation, execution, Consummation, or interpretation of the Combined Disclosure Statement and Plan and the making of Distributions hereunder;

8. To modify the Combined Disclosure Statement and Plan under Bankruptcy Code section 1127, remedy any defect, cure any omission, or reconcile any inconsistency in the Combined Disclosure Statement and Plan or the Confirmation Order so as to carry out their intent and purposes;

9. To issue such orders in aid of Consummation of the Combined Disclosure Statement and Plan and the Confirmation Order notwithstanding any otherwise applicable non-bankruptcy law, with respect to any Person or Entity, to the full extent authorized by the Bankruptcy Code;

10. To enter and implement such Orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, or vacated;

11. To determine any and all motions related to the rejection, assumption, or assignment of Executory Contracts or Unexpired Leases or determine any issues arising from the deemed rejection of Executory Contracts and Unexpired Leases set forth in Article VII.A hereof;

12. Except as otherwise provided herein, to determine all applications, motions, adversary proceedings, contested matters, actions, and any other litigated matters instituted in and prior to the closing of the Chapter 11 Cases;

13. Enforce the terms and conditions of this Combined Disclosure Statement and Plan, the Confirmation Order, and the Definitive Documents;

14. To enter one or more final decrees closing the Chapter 11 Cases;

15. To hear and determine any tax disputes concerning the Debtors and to determine and declare any tax effects under this Plan; *provided, however*, that nothing herein shall be construed to confer jurisdiction upon the Bankruptcy Court to make determinations as to federal tax liabilities and federal tax treatment, except as provided under 11 U.S.C. § 505;

16. To enforce, interpret, and determine any disputes arising in connection with any stipulations, orders, judgments, injunctions, exculpations, and rulings entered in connection with the Chapter 11 Cases (whether or not the Chapter 11 Cases has been closed);

17. To resolve any disputes concerning whether a Person or Entity had sufficient notice of the Chapter 11 Cases, the Bar Date, the Governmental Bar Date, the Rejection Bar Date, the Administrative Expense Claim Bar Date, the Professional Fee Claim Bar Date, and/or the Confirmation Hearing for the purpose of determining whether a Claim, or Interest is released, satisfied and/or enjoined hereunder or for any other purpose;

18. To ensure that Distributions to Holders of Allowed Claims and Interests entitled to a Distribution under the Plan are accomplished pursuant to the provisions of the Plan;

19. To determine any other matters that may arise in connection with or related to the Combined Disclosure Statement and Plan, the Confirmation Order or any contract, instrument, release, indenture or other agreement or document created or implemented in connection with the Combined Disclosure Statement and Plan; and

20. To hear any other matter not inconsistent with the Bankruptcy Code.

B. Alternative Jurisdiction

In the event that the Bankruptcy Court is without jurisdiction to resolve any matter, then the District Court or such other administrative tribunal or court of competent jurisdiction shall hear and determine such matter. If the District Court does not have jurisdiction, then the matter may be brought before any court having jurisdiction with regard thereto.

C. Failure of Court to Exercise Jurisdiction

If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under, or related to the Chapter 11 Cases, including the matters set forth in Article XII.A hereof, the provisions of Article XII.A hereof shall have no effect upon and shall not control, prohibit, or limit the exercise of jurisdiction by any other court having jurisdiction with respect to such matter.

ARTICLE XIII.
MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN

A. Modifications and Amendments

Alterations, amendments, or modifications of the Combined Disclosure Statement and Plan may be proposed in writing by the Debtors, at any time before the Confirmation Date; *provided that* the Combined Disclosure Statement and Plan, as altered, amended or modified, satisfies the conditions of Bankruptcy Code sections 1122 and 1123, and the Debtors shall have complied with Bankruptcy Code section 1125. Additionally, after the Confirmation Date and prior to substantial consummation of the Plan, the Debtors may, under Bankruptcy Code section 1127(b), institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Combined Disclosure Statement and Plan or the Confirmation Order, and such matters as may be necessary to carry out the purpose and effect of the Combined Disclosure Statement and Plan so long as such proceedings do not adversely affect the treatment of Holders of Claims under the Combined Disclosure Statement and Plan; *provided, however*, that prior notice of such proceedings shall be served in accordance with the Bankruptcy Rules or order of the Bankruptcy Court.

B. Effect of Confirmation on Modifications

Entry of a Confirmation Order shall mean that all modifications or amendments to the Plan since the solicitation thereof are approved pursuant to Bankruptcy Code section 1127(a) and do not require additional disclosure or re-solicitation under Bankruptcy Rule 3019.

C. Revocation or Withdrawal of the Plan

The Debtors reserves the right to revoke or withdraw the Plan before the Confirmation Date. If the Debtors revoke or withdraw the Plan, or if Confirmation or Consummation of the Plan does not occur, then (1) the Plan shall be null and void in all respects, (2) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain any Claim or Class of Claims), assumption or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void, and (3) nothing contained in the Plan, and no acts taken in preparation for Consummation of the Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against, or any Interests in, the Debtors or any other Person or Entity,

(ii) prejudice in any manner the rights of such Debtor or any other Person or Entity, or (iii) constitute an admission of any sort by the Debtors or any other Person or Entity.

ARTICLE XIV.
CONFIRMATION AND VOTING PROCEDURES

A. Confirmation Procedure

1. Confirmation Hearing

On August [•], 2024, the Bankruptcy Court entered the Solicitation Procedures Order, conditionally approving the Disclosure Statement on a final basis and authorizing the Debtors to solicit acceptances of the Plan. The Confirmation Hearing has been scheduled for October 22, 2024 at [__]:[00] [a].m. (prevailing Eastern Time) to consider confirmation of the Plan pursuant to Bankruptcy Code section 1129. The Confirmation Hearing may be continued from time to time without further notice other than the announcement by the Debtors in open court of the adjourned date(s) at the Confirmation Hearing or any continued hearing or as indicated in any notice Filed with the Bankruptcy Court.

The Confirmation Hearing will be held in person before the Honorable Paul M. Baisier at the United States Bankruptcy Court for the Northern District of Georgia, Courtroom 1202, The Richard B. Russell Federal Building and United States Courthouse, 75 Ted Turner Drive, SW, Atlanta, GA 30303. Parties or counsel unable to appear in person may appear virtually via Judge Baisier's Virtual Hearing Room, which can be accessed via the following link, https://www.zoomgov.com/j/1617069079?pwd=WG16TGpyM1Z6dFZ6YVlrUkZwQ2RiZz09, or via telephone by calling:

Dial-in Number: 833-568-8864
Meeting ID: 161 706 9079

2. Procedure for Objections

Any objection to confirmation of the Plan must (a) be in writing, (b) conform to the Bankruptcy Rules, the Local Rules, and any orders of the Bankruptcy Court, (c) set forth the name and address of the objecting party and the nature and amount of Claims or Interests held or asserted by the objecting party, (d) state, with particularity, the legal and factual basis for the objection and, if practicable, a proposed modification to the Plan (or related materials) that would resolve such objection, and (e) be Filed with the Bankruptcy Court on the following parties: (i) LaVie Care Centers, LLC, 1040 Crown Pointe Parkway, Suite 600, Atlanta, GA 30338; (ii) counsel to the Debtors, McDermott Will & Emery LLP, 1180 Peachtree St. NE, Suite 3350, Atlanta, Georgia 30309 (Attn: Daniel M. Simon) and 444 West Lake Street, Suite 4000, Chicago, IL 60606 (Attn: Emily C. Keil, Jake Jumbeck, and Catherine Lee); (iii) counsel to the Committee, Troutman Pepper Hamilton Sanders LLP, 600 Peachtree St. NE, Suite 3000, Atlanta, GA 30308 (Attn: Matthew R. Brooks and Pierce E. Rigney) and 3000 Two Logan Square, Eighteenth and Arch St., Philadelphia, PA 19103 (Attn: Francis J. Lawall) and 875 Third Avenue, New York, NY 10022 (Attn: Deborah Kovsky-Apap) and; (iv) the United States Trustee of the Northern District of Georgia, 362 Richard B. Russell Building, 75 Ted Turner Drive, S.W., Atlanta, GA 30303 (Attn: Jonathan S. Adams) **by [•].m. (prevailing Eastern Time) on [•], 2024 Unless an objection is timely Filed, it may not be considered by the Bankruptcy Court at the Confirmation Hearing.**

B. Statutory Requirements for Confirmation

1. General Requirements

The Bankruptcy Court will confirm the Plan only if it meets all the applicable requirements of Bankruptcy Code section 1129, as discussed herein. Among other requirements, the Plan (a) must be accepted by all Impaired Classes of Claims and Interests or, if rejected by an Impaired Class, the Plan must not "discriminate unfairly" against and be "fair and equitable" with respect to such Class; and (b) must be feasible. The Bankruptcy Court must also find that (a) the Plan has classified Claims and Interests in a permissible manner; (b) the Plan complies with the technical requirements of chapter 11 of the Bankruptcy Code; and (c) the Plan has been proposed in good faith.

2. Classification of Claims and Interests

Bankruptcy Code section 1123 provides that a plan must classify the claims and interests of a debtor's creditors and equity interest holders. In accordance with Bankruptcy Code section 1123, Article V of the Plan divides Claims and Interests into Classes and sets forth the treatment for each Class (other than those Claims which, pursuant to Bankruptcy Code section 1123(a)(1), need not be and have not been classified). A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim also is placed in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and such Claim has not been paid, released, or otherwise settled prior to the Effective Date.

The Debtors are also required, under Bankruptcy Code section 1122, to classify Claims and Interests into Classes that contain Claims or Interests that are substantially similar to the other Claims or Interests in such Class. In accordance with Bankruptcy Code section 1122, the Plan creates separate Classes to deal respectively with secured Claims, unsecured Claims, and Interests. The Debtors believe that the Plan's classifications place substantially similar Claims or Interests in the same Class and thus, meet the requirements of Bankruptcy Code section 1122.[17]

The Bankruptcy Code also requires that a plan provide the same treatment for each Claim or Interest of a particular Class unless a Holder agrees to a less favorable treatment of its Claim or Interest. The Debtors believe that the Plan complies with such standard. If the Bankruptcy Court finds otherwise, however, it could deny confirmation of the Plan if the Holders of Claims or Interests affected do not consent to the treatment afforded them under the Plan.

3. Confirmation Pursuant to Bankruptcy Code Sections 1129(a)(10) and 1129(b)

In the event that any impaired class of claims or interests does not accept a plan, a debtor nevertheless may move for confirmation of the plan. A plan may be confirmed, even if it is not accepted by all impaired classes, if the plan has been accepted by at least one impaired class of claims, determined

[17] It is possible that a Holder of a Claim or Interest may challenge the Debtors' classification of Claims or Interests and that the Bankruptcy Court may find that a different classification is required for the Plan to be confirmed. If such a situation develops, the Debtors intend, in accordance with the terms of the Plan, to make such permissible modifications to the Plan as may be necessary to permit its Confirmation. Any such reclassification could adversely affect Holders of Claims by changing the composition of one or more Classes and the vote required of such Class or Classes for approval of the Plan.

without including any acceptance of the plan by any insider holding a claim in that class, and the plan meets the "cramdown" requirements set forth in Bankruptcy Code section 1129(b). Bankruptcy Code section 1129(b) requires that a court find that a plan (a) "does not discriminate unfairly" and (b) is "fair and equitable," with respect to each non-accepting impaired class of claims or interests.

If any Impaired Class rejects the Plan, the Debtors reserve the right to seek to confirm the Plan utilizing the "cramdown" provision of Bankruptcy Code section 1129(b). To the extent that any Impaired Class rejects the Plan or is deemed to have rejected the Plan, the Debtors may request Confirmation of the Plan, as it may be modified from time to time, under Bankruptcy Code section 1129(b). The Debtors reserve the right to alter, amend, modify, revoke, or withdraw the Plan or any Plan Supplement document, including the right to amend or modify the Plan or any Plan Supplement document to satisfy the requirements of Bankruptcy Code section 1129(b).

The Debtors believe that the requirements of Bankruptcy Code section 1129(b) are satisfied. The Bankruptcy Code does not provide a standard for determining when "unfair discrimination" exists; courts typically examine the facts and circumstances of each particular case to determine whether unfair discrimination exists. At a minimum, however, the unfair discrimination standard prevents creditors and interest holders with similar legal rights from receiving materially different treatment under a proposed plan without sufficient justifications for doing so. The Debtors believe that, under the Plan, all Impaired Classes of Claims or Interests are treated in a manner that is consistent with the treatment of other Classes of Claims or Interests that are similarly situated, if any, except where there is sufficient justification for different treatment. Accordingly, the Debtors believe that the Plan does not discriminate unfairly as to any Impaired Class of Claims or Interests.

The Bankruptcy Code provides a nonexclusive definition of the phrase "fair and equitable." To determine whether a plan is "fair and equitable," the Bankruptcy Code establishes "cramdown" tests for secured creditors, unsecured creditors, and equity holders, as follows:

- Secured Creditors. Either (i) each impaired secured creditor retains its liens securing its secured claim and receives on account of its secured claim deferred cash payments having a present value at least equal to the amount of its allowed secured claim as of the effective date, (ii) each impaired secured creditor realizes the "indubitable equivalent" of its allowed secured claim, or (iii) the property securing the claim is sold free and clear of liens with such liens to attach to the proceeds of the sale and the treatment of such liens on proceeds to be as provided in clause (i) or (ii) above.

- Unsecured Creditors. Either (i) each impaired unsecured creditor receives or retains under the plan property of a value as of the effective date equal to the amount of its allowed claim, or (ii) the holders of claims and interests that are junior to the claims of the dissenting class will not receive any property under the plan on account of such junior claim or interest.

- Interests. Either (i) each holder of an equity interest will receive or retain under the plan property of a value equal to the greater of the allowed amount of any fixed liquidation preference to which such holder is entitled, the fixed redemption price to which such holder is entitled or the value of such interest, or (ii) the holder of any Interest that is junior to such non-accepting class will not receive or retain any property under the plan on account of such junior interest.

The Debtors submit that if the Debtors "cramdown" the Plan pursuant to Bankruptcy Code section 1129(b), the Plan is structured so that it does not "discriminate unfairly" and satisfies the "fair and equitable" requirement. With respect to the unfair discrimination requirement, all Classes under the Plan

are provided treatment that is substantially equivalent to the treatment that is provided to other Classes that have equal rank. With respect to the fair and equitable requirement, no Class under the Plan will receive more than 100 percent of the amount of Allowed Claims or Interests in that Class. The Debtors believe that the Plan and the treatment of all Classes of Claims or Interests under the Plan satisfy the foregoing requirements for nonconsensual Confirmation of the Plan.

4. Best Interests of Creditors Test and Liquidation Analysis

i. Best Interests of Creditors Test

Even if a plan is accepted by the Holders of each Class of Claims and Interests, the "best interests" test, as set forth in Bankruptcy Code section 1129(a)(7), requires that each Holder of an Impaired Claim or Interest either (a) accept the Plan or (b) receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the value such Holder would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.

To calculate the probable distribution to holders of each impaired class of claims and interests if the debtor were liquidated under chapter 7, a court must first determine the aggregate dollar amount that would be generated from the debtor's assets if the Chapter 11 Cases were converted to chapter 7 cases under the Bankruptcy Code. To determine if a plan is in the best interests of each impaired class, the present value of the distributions from the proceeds of a liquidation of the debtor's unencumbered assets and properties, after subtracting the amounts attributable to the costs, expenses, and administrative expense claims associated with a chapter 7 liquidation, must be compared with the value offered to such impaired classes under the plan. If the hypothetical liquidation distribution to holders of claims or interests in any impaired class is greater than the distributions to be received by such parties under the plan, then such plan is not in the best interests of the holders of claims or interests in such impaired class.

To make these findings, the Bankruptcy Court must (a) estimate the cash liquidation proceeds that a chapter 7 trustee would generate if the Chapter 11 Cases were converted to a chapter 7 case and the Assets of the Debtors' Estates were liquidated; (b) determine the liquidation distribution that each non-accepting Holder of a Claim or Interest would receive from such liquidation proceeds under the priority scheme dictated in chapter 7; and (c) compare such Holder's liquidation distribution to the distribution under the Plan that such Holder would receive if the Plan were confirmed and consummated.

The Debtors believe that in a chapter 7 liquidation, there would be additional costs and expenses that would be incurred as a result of the ineffectiveness associated with replacing existing management and professionals in a chapter 7 case. Accordingly, the Debtors believe that anticipated recoveries to each Class of Impaired Claims under the Plan implies a greater or equal recovery to Holders of Claims in Impaired Classes than the recovery available to them in a chapter 7 liquidation. Accordingly, the Debtors believe that the "best interests" test promulgated by Bankruptcy Code section 1129 is satisfied.

ii. Liquidation Analysis

The Debtors believe that liquidation under chapter 11 is more beneficial to the Holders of Claims than a liquidation under chapter 7 because the Plan allows the Estates to be promptly administered by the Plan Administrator in accordance with the Plan.

Costs of liquidation under chapter 7 of the Bankruptcy Code would include the compensation of counsel and other professionals retained by the chapter 7 trustee, all unpaid expenses incurred by the Debtors in their Chapter 11 Cases (such as compensation of attorneys, financial advisors and accountants that are allowed in the chapter 7 case), litigation costs, and claims arising from the operations of the Debtors

during the pendency of the Chapter 11 Cases. Moreover, a chapter 7 trustee would be entitled to statutory fees relating to the Distribution of the Debtors' already monetized Assets.

The Debtors, with the assistance of their advisors, prepared the Liquidation Analysis, attached hereto as **Exhibit A**, that summarizes the Debtors' best estimate of recoveries by Holders of Claims and Interests if the Chapter 11 Cases were converted to a case under chapter 7 of the Bankruptcy Code. As set forth in the Liquidation Analysis, if the Chapter 11 Cases were to be converted to a chapter 7 case, the benefits of this Plan would not be available and the Debtors would incur the additional costs of a chapter 7 trustee, as well as the costs of counsel and other professionals retained by the chapter 7 trustee. These costs would reduce potential distribution to Allowed Impaired Claims on a dollar-for-dollar basis. Conversion also would likely result in no recovery for unsecured creditors or, if there were any distribution to unsecured creditors, would delay the ultimate distribution. Accordingly, the Debtors believe that Holders of Allowed Claims would receive less than anticipated under the Plan if the Chapter 11 Cases were converted to chapter 7 cases.

5. Feasibility

Bankruptcy Code section 1129(a)(11) requires that confirmation of a plan not be likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors (unless such liquidation or reorganization is proposed in the Plan).

The Debtors believe that the Plan satisfies this requirement. For purposes of determining whether the Plan meets this requirement, the Debtors, in consultation with their financial advisors, have analyzed their ability to meet the obligations that they will incur or assume under the Plan if the Plan Transaction occurs.

As part of that analysis, for purposes of the Plan Transaction, the Debtors have prepared consolidated projected financial results (the "Financial Projections") for each fiscal year following the Effective Date through [2025]. These Financial Projections, and the assumptions on which they are based, are attached to this Combined Disclosure Statement and Plan as **Exhibit B**. All holders of Claims who are entitled to vote to accept or reject the Plan are urged to examine carefully, in consultation with professional financial advisors, all of the assumptions on which the Financial Projections are based.

The Financial Projections have not been audited by a certified public accountant and have not necessarily been prepared in accordance with generally accepted accounting principles. The Debtors' management and advisors have prepared the Financial Projections. While the Financial Projections have been presented with numerical specificity, the Financial Projections are necessarily based on a variety of estimates and assumptions which, though considered reasonable by management, may not be realized and are inherently subject to significant business, economic, competitive, industry, regulatory, and market and financial uncertainties and contingencies, many of which will be beyond the Reorganized Debtors' control. The Debtors caution that they cannot make any representations as to the accuracy of the Financial Projections or to the Reorganized Debtors' ability to achieve the projected results. Some assumptions will inevitably differ from actual conditions. Furthermore, events and circumstances occurring after the date on which the Financial Projections were prepared may differ from any assumed facts and circumstances and may affect financial results in a materially adverse or materially beneficial manner. The Financial Projections, therefore, should not be relied upon as a guarantee or other assurance of the actual results that will occur.

C. Acceptance or Rejection of the Plan

1. Presumed Acceptances by Vacant Classes

Any Class or sub-Class of Claims that is not occupied as of the date of the Confirmation Hearing by at least one Allowed Claim, or at least one Claim temporarily Allowed under Bankruptcy Rule 3018, shall not be included for purposes of (a) voting on the acceptance or rejection of the Plan and (b) determining acceptance or rejection of the Plan by such Class under Bankruptcy Code section 1129(a)(8).

2. Presumed Acceptances to Accept Plan

Pursuant to Bankruptcy Code section 1126(f), only the Holders of Claims in Classes Impaired by the Plan and receiving a payment or Distribution under the Plan may vote on the Plan. Classes 1, 2 and 3 and certain Holders of Claims in Classes 8 and 9 are Unimpaired by the Plan. Therefore, under Bankruptcy Code section 1126(f), such Holders of Claims are conclusively presumed to accept the Plan and the votes of Holders of such Claims shall not be solicited.

3. Class Deemed to Reject Plan

Pursuant to Bankruptcy Code section 1124, a Class of Claims or Interests may be Impaired if the Plan alters the legal, equitable or contractual rights of the Holders of such Claims or Interests treated in such Class. Holders of Claims and Interests in Classes 10 and 11 and certain Holders of Claims in Classes 8 and 9 are not entitled to receive or retain any property under the Plan. Under Bankruptcy Code section 1126(g), such Holders are deemed to reject the Plan, and the votes of such Holders of Claims and Interests shall not be solicited.

4. Impaired Classes of Claims Entitled to Vote

Because Claims in Classes 4, 5, 6, and 7 are Impaired under the Plan and Holders of such Claims may receive or retain property under the Plan, Holders of Claims in such Classes are entitled to vote and shall be solicited with respect to the Plan. **ACCORDINGLY, A BALLOT FOR ACCEPTANCE OR REJECTION OF THE PLAN IS BEING PROVIDED ONLY TO HOLDERS OF CLAIMS IN CLASSES 4, 5, 6, AND 7.**

For the Plan to be accepted by an Impaired Class of Claims, a majority in number (*i.e.*, more than half) and at least two-thirds in dollar amount of the Claims voting (of each Impaired Class of Claims) must vote to accept the Plan. At least one Impaired Class of Creditors, excluding the votes of Insiders, must actually vote to accept the Plan.

D. Voting Procedures

1. Eligibility to Vote on the Plan

Unless otherwise ordered by the Bankruptcy Court, only Holders of Allowed Claims in Classes 4, 5, 6, and 7 may vote on the Plan. Further, subject to the tabulation procedures that were approved by the Solicitation Procedures Order, to vote on the Plan, you must hold an Allowed Claim in Classes 4, 5, 6, or 7, or be the Holder of a Claim in such Class that has been temporarily Allowed for voting purposes only under Bankruptcy Rule 3018(a). **IF YOU ARE ENTITLED TO VOTE ON THE PLAN, YOU ARE URGED TO COMPLETE, DATE, SIGN, AND PROMPTLY SUBMIT YOUR BALLOT. PLEASE**

BE SURE TO COMPLETE THE BALLOT PROPERLY AND LEGIBLY IDENTIFY THE EXACT AMOUNT OF YOUR CLAIM AND THE NAME OF THE CREDITOR.

2. Solicitation Packages and Notice

All Holders of Allowed Claims in Classes 4, 5, 6, or 7 will receive (a) a letter urging the Holders of Allowed Claims to vote in favor of the Plan, (b) a copy of the solicitation and voting procedures, (c) notice of the Confirmation Hearing (the "Confirmation Hearing Notice") setting forth: (i) the deadline to vote on the Plan, (ii) the deadline to object to confirmation of the Plan, (iii) procedures for filing objections and responses to confirmation of the Plan, and (iv) the time, date, and place of the Confirmation Hearing, (d) the Combined Disclosure Statement and Plan, (e) the Solicitation Procedures Order (excluding exhibits), (f) a Ballot, including instructions on how to complete the Ballot, and (g) such other materials as the Bankruptcy Court may direct to include in the Solicitation Package. All other Creditors and parties-in-interest not entitled to vote on the Plan will receive a non-voting status notice, which will include (a) instructions for obtaining copies of the Combined Disclosure Statement and Plan (including the exhibits), the Solicitation Procedures Order, and all other materials in the Solicitation Package (other than Ballots) from the Claims and Noticing Agent, (b) disclosure regarding the settlement, release, exculpation, and injunction language set forth in Article XI of the Plan, and instructions for opting out of the Third-Party Releases, (c) notice of the deadline to object to the Plan, and (d) notice of the Confirmation Hearing.

IF YOU ARE A HOLDER OF A CLAIM ENTITLED TO VOTE ON THE PLAN AND YOU DID NOT RECEIVE A BALLOT, YOU RECEIVED A DAMAGED BALLOT, OR YOU LOST YOUR BALLOT, OR IF YOU HAVE ANY QUESTIONS CONCERNING THE PLAN OR PROCEDURES FOR VOTING ON THE PLAN, PLEASE CONTACT THE CLAIMS AND NOTICING AGENT BY (A) CLICKING THE "SUBMIT AN INQUIRY" OPTION AT HTTPS://VERITAGLOBAL.NET/LAVIE/INQUIRY, (B) CALLING (877) 709-4750 (TOLL-FREE, U.S. OR CANADA) OR (424) 236-7230 (INTERNATIONAL), OR (C) WRITING TO THE FOLLOWING ADDRESS: LAVIE CARE CENTERS BALLOT PROCESSING, C/O KCC D/B/A VERITA, 222 N. PACIFIC COAST HIGHWAY, SUITE 300, EL SEGUNDO, CA 90245.

THE CLAIMS AND NOTICING AGENT IS NOT AUTHORIZED TO, AND WILL NOT, PROVIDE LEGAL ADVICE. IF YOU BELIEVE YOU REQUIRE LEGAL ADVICE, YOU SHOULD CONSULT WITH AN ATTORNEY.

3. Voting Deadlines

For your Ballot to count, you must either (a) complete an electronic ballot at https://veritaglobal.net/lavie or (b) complete, date, sign, and deliver by first class mail, overnight courier, messenger, or hand delivery to the following address: LaVie Care Centers Ballot Processing, c/o KCC d/b/a Verita, 222 N. Pacific Coast Highway, Suite 300, El Segundo, CA 90245. **BALLOTS SENT BY FACSIMILE TRANSMISSION OR E-MAIL ARE NOT ALLOWED AND WILL NOT BE COUNTED.**

(i) Ballots must be submitted electronically, or the Claims and Noticing Agent must physically receive original ballots by mail or overnight delivery, on or before **October 14, 2024, at 4:00 p.m. (prevailing Eastern Time)**. Subject to the tabulation procedures approved by the Solicitation Procedures Order, you may not change your vote once a ballot is submitted electronically or once the Claims and Noticing Agent receives your original paper ballot.

(ii) Subject to the tabulation procedures approved by the Solicitation Procedures Order, any ballot that is timely and properly submitted electronically or received physically will be

counted and will be deemed to be cast as an acceptance, rejection or abstention, as the case may be, of the Plan.

ARTICLE XV.
CERTAIN RISK FACTORS TO BE CONSIDERED PRIOR TO VOTING

THE PLAN AND ITS IMPLEMENTATION ARE SUBJECT TO CERTAIN RISKS, INCLUDING, BUT NOT LIMITED TO, THE RISK FACTORS SET FORTH BELOW. HOLDERS OF CLAIMS WHO ARE ENTITLED TO VOTE ON THE PLAN SHOULD READ AND CAREFULLY CONSIDER THE RISK FACTORS, AS WELL AS THE OTHER INFORMATION SET FORTH IN THE COMBINED DISCLOSURE STATEMENT AND PLAN AND THE DOCUMENTS DELIVERED TOGETHER HEREWITH OR REFERRED TO OR INCORPORATED BY REFERENCE HEREIN, BEFORE DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN. THESE FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND ITS IMPLEMENTATION

A. General Bankruptcy Law and Plan Considerations

1. The Plan May Not be Accepted

The Debtors can make no assurances that the requisite acceptances to the Plan will be received, and the Debtors may need to obtain acceptances to an alternative plan of reorganization or liquidation for the Debtors, or otherwise, may be forced to liquidate under chapter 7 of the Bankruptcy Code. There can be no assurance that the terms of any such alternative restructuring arrangement or plan would be similar to or as favorable to Holders of Allowed Claims as those proposed in the Plan.

2. The Plan May Not be Confirmed

Even if the Debtors receive the requisite acceptances, there is no assurance that the Bankruptcy Court, which may exercise substantial discretion as a court of equity, will confirm the Plan. Even if the Bankruptcy Court determined that the Plan and the balloting procedures and results were appropriate, the Bankruptcy Court could still decline to confirm the Plan if it finds that any of the statutory requirements for Confirmation had not been met. Moreover, there can be no assurance that modifications to the Plan will not be required for confirmation or that such modifications would not necessitate the resolicitation of votes. If the Plan is not confirmed, it is unclear what distributions Holders of Allowed Claims ultimately would receive with respect to their Claims in a subsequent plan of liquidation.

3. Distributions to Holders of Allowed Claims Under the Plan May be Inconsistent with Projections

Projected Distributions are based upon good faith estimates of the total amount of Claims and Interests ultimately Allowed and the Plan Administrator Assets available for Distribution. There can be no assurance that the estimated Claim amounts set forth in herein are correct. These estimated amounts are based on certain assumptions with respect to a variety of factors, including, but not limited to, the resolution of objections Filed to certain Claims. Both the actual amount of Allowed Claims in a particular Class and the Plan Administrator Assets available for Distribution may differ from the Debtors' estimates due to, among other things, the successful prosecution and liquidation of Causes of Action. If the total amount of Allowed Claims in a Class is higher than the Debtors' estimates, or the funds available for Distribution to such Class are lower than the Debtors' estimates, the percentage recovery to Holders of Allowed Claims in such Class will be less than projected.

4. The Disposition of Causes of Action May Impact Unsecured Creditor Recoveries

Depending on any defenses or counterclaims set forth by the counterparties involved with any Causes of Action and the resolution of any appeal(s), the anticipated proceeds associated with the Causes of Action and available to unsecured creditors may be impacted.

5. Objections to Classifications of Claims

The Debtors believe that all Claims and Interests have been appropriately classified in the Plan. To the extent that the Bankruptcy Court finds that a different classification is required for the Plan to be confirmed, the Debtors would seek to (a) modify the Plan to provide for whatever classification might be required for Confirmation and (b) use the acceptances received from any Holder of Claims pursuant to this solicitation for the purpose of obtaining the approval of the Class or Classes of which such Holder ultimately is deemed to be a member. Any such reclassification of Claims, although subject to the notice and hearing requirements of the Bankruptcy Code, could adversely affect the Class in which such Holder was initially a member, or any other Class under the Plan, by changing the composition of such Class and the vote required for approval of the Plan. There can be no assurance that the Bankruptcy Court, after finding that a classification was inappropriate and requiring a reclassification, would approve the Plan based upon such reclassification. Except to the extent that modification of classification in the Plan requires resolicitation, the Debtors will, in accordance with the Bankruptcy Code and the Bankruptcy Rules, seek a determination by the Bankruptcy Court that acceptance of the Plan by any Holder of Claims pursuant to this solicitation will constitute a consent to the Plan's treatment of such Holder, regardless of the Class as to which such Holder is ultimately deemed to be a member. The Debtors believe that under the Bankruptcy Rules, it would be required to resolicit votes for or against the Plan only when a modification adversely affects the treatment of the Claim or Interest of any Holder.

The Bankruptcy Code also requires that the Plan provide the same treatment for each Claim or Interest of a particular Class unless the Holder of a particular Claim or Interest agrees to a less favorable treatment of its Claim or Interest. The Debtors believe that the Plan complies with the requirement of equal treatment. To the extent that the Bankruptcy Court finds that the Plan does not satisfy such requirement, the Bankruptcy Court could deny confirmation of the Plan. Issues or disputes relating to classification and/or treatment could result in a delay in the confirmation and consummation of the Plan and could increase the risk that the Plan will not be consummated.

6. Failure to Consummate the Plan

Article X of the Plan provides for certain conditions that must be satisfied (or waived) prior to confirmation and for certain other conditions that must be satisfied (or waived) prior to the Effective Date. As of the date hereof, there can be no assurance that any or all of the conditions in the Plan will be satisfied (or waived). Accordingly, there can be no assurance that the Plan will be confirmed by the Bankruptcy Court. Further, if the Plan is confirmed, there can be no assurance that the Plan will go effective.

7. Releases, Exculpation, and Injunction Provisions May Not be Approved

Article XI of the Plan contains certain releases, exculpations, and injunction language. Parties are urged to read these provisions carefully to understand how Confirmation and Consummation of the Plan will affect any Claim, Interest, right, or action regarding the Debtors and certain third parties.

THE PLAN SHALL BIND ALL HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE DEBTORS TO THE FULLEST EXTENT AUTHORIZED OR PROVIDED UNDER THE

APPLICABLE PROVISIONS OF THE BANKRUPTCY CODE AND ALL OTHER APPLICABLE LAW.

There can be no assurance that the releases, exculpation, and injunction provisions, as provided in Article XI.D, Article XI.E, and Article XI.F hereof, will be granted. Failure of the Bankruptcy Court to grant such relief may result in a plan of reorganization or liquidation that differs from the Plan or the Plan not being confirmed.

B. Risks Associated with Forward Looking Statements

The financial information contained in this Combined Disclosure Statement and Plan has not been audited. In preparing this Combined Disclosure Statement and Plan, the Debtors relied on financial data derived from their Books and Records that was available at the time of such preparation. Although the Debtors have used their reasonable business judgment to ensure the accuracy of the financial information provided in this Combined Disclosure Statement and Plan, and while the Debtors believe that such financial information fairly reflects the financial condition of the Debtors, the Debtors are unable to warrant or represent that the financial information contained herein and attached hereto is without inaccuracies.

C. Alternatives to Confirmation and Consummation of the Plan

The Debtors believe that the Plan affords the Holders of Claims the potential for a better realization on the Debtors' assets than a chapter 7 liquidation, and therefore, is in the best interests of such Holders. If, however, the Plan is not confirmed, the theoretical alternatives include (1) formulation of an alternative plan or plans of reorganization or liquidation under chapter 11, or (2) liquidation of the Debtors under chapter 7 of the Bankruptcy Code. Each of these possibilities is discussed in turn below.

1. Alternative Plan(s) of Reorganization

If the requisite acceptances are not received or if the Plan is not confirmed, the Debtors could attempt to formulate and propose a different plan or plans of reorganization. With respect to an alternative reorganization plan, the Debtors have explored various other alternatives in connection with the development and formulation of the Plan. The Debtors believe that the Plan enables creditors to realize the greatest possible value under the circumstances, and that, as compared to any alternative plan of liquidation, has the greatest chance to be confirmed and consummated.

2. Liquidation under Chapter 7

If the Plan is not confirmed, the Debtors' Chapter 11 Cases could be converted to a liquidation case under chapter 7 of the Bankruptcy Code. In a case under chapter 7 of the Bankruptcy Code, a trustee would be appointed to promptly liquidate the assets of the Debtors. It is impossible to predict precisely how the proceeds of the liquidation would be distributed to Holders of Claims and Interests. The Debtors believe that in a liquidation under chapter 7 of the Bankruptcy Code, before creditors received any distributions, additional administrative expenses would likely be required in the appointment of a trustee and attorneys, accountants, and other professionals to assist such trustee, which could cause a substantial diminution in the value of the estate. The assets available for distribution to the Holders of Claims and Interests would be reduced by such additional expenses. Further, it is unclear whether a chapter 7 trustee could appropriately maximize the value of the Causes of Action. Therefore, the Debtors believe that the Plan enables Holders of Claims and Interests to realize the greatest possible value under the circumstances, and that, as compared to a chapter 7 liquidation, provides the best opportunity for unsecured creditor recoveries.

ARTICLE XVI.
CERTAIN FEDERAL INCOME TAX CONSEQUENCES

A. Overview

The following discussion is a summary of certain material U.S. federal income tax consequences of the Plan to the Debtors and to certain holders (which solely for purposes of this discussion means the beneficial owner for U.S. federal income tax purposes) of Claims. The following summary does not address the U.S. federal income tax consequences to Holders of Claims or Interests not entitled to vote on the Plan. This summary is based on the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), Treasury Regulations promulgated and proposed thereunder (the "Treasury Regulations"), judicial decisions, and published administrative rules and pronouncements of the Internal Revenue Service, all as in effect on the date hereof and all of which are subject to change or differing interpretations, possibly with retroactive effect. No legal opinions have been requested or obtained from counsel with respect to any of the tax aspects of the Plan and no rulings have been or will be requested from the Internal Revenue Service with respect to any of the issues discussed below. The discussion below is not binding upon the Internal Revenue Service or the Bankruptcy Courts. No assurance can be given that the Internal Revenue Service would not assert, or that a court would not sustain, a different position than any position discussed herein.

This summary does not address non-U.S., state, local, or non-income tax consequences of the Plan (including such consequences with respect to the Debtor), nor does it purport to address all aspects of U.S. federal income taxation that may be relevant to a Holder in light of its individual circumstances or to a Holder that may be subject to special tax rules (such as persons who are related to the Debtors within the meaning of the Internal Revenue Code, U.S. Holders whose functional currency is not the U.S. dollar, U.S. expatriates, certain former citizens or long-term residents of the United States, broker-dealers, banks, mutual funds, insurance companies, financial institutions, retirement plans, small business investment companies, regulated investment companies, real estate investment trusts, tax-exempt organizations, controlled foreign corporations, passive foreign investment companies, partnerships (or other entities treated as partnerships or other pass-through entities), beneficial owners of partnerships (or other entities treated as partnerships or other pass-through entities), subchapter S corporations, Holders of Claims as part of a straddle, hedge, conversion transaction, or other integrated investment, persons using a mark-to-market method of accounting, and Holders of Claims who are themselves in bankruptcy). Furthermore, this summary assumes that a Holder of a Claim holds only Claims in a single Class and holds such a Claim only as a "capital asset" (within the meaning of section 1221 of the Internal Revenue Code). This summary also assumes that the Claims against the Debtors will be respected for U.S. federal income tax purposes in accordance with their form, and that the Claims constitute interests in the Debtors "solely as a creditor" for purposes of section 897 of the Internal Revenue Code (and thus are not subject to withholding under the Foreign Investment in Real Property Tax Act). This discussion does not address the U.S. federal income tax consequences to Holders (a) whose Claims are unimpaired or otherwise entitled to payment in full under the Plan, or (b) that are deemed to accept or deemed to reject the Plan. Additionally, this discussion does not address any consideration being received other than in a person's capacity as a Holder of a Claim.

For purposes of this discussion, the term "U.S. Holder" means a Holder of a Claim (including a beneficial owner of a Claim), that is, for U.S. federal income tax purposes, (1) an individual citizen or resident of the United States, (2) a corporation, or other entity treated as a corporation, created or organized in or under the laws of the United States or any state thereof or the District of Columbia, (3) a trust if (a) a court within the United States is able to exercise primary jurisdiction over the trust's administration and one or more U.S. persons (within the meaning of section 7701(a)(30) of the Internal Revenue Code) have the authority to control all substantial decisions of the trust or (b) such trust has made a valid election under applicable Treasury Regulations to be treated as a U.S. person for U.S. federal income tax purposes, or (4)

an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source.

For purposes of this discussion, a "Non-U.S. Holder" is any Holder of a Claim that is neither a U.S. Holder nor a partnership (or other entity treated as a partnership or other passthrough entity for U.S. federal income tax purposes). In the case of a Holder that is classified as a partnership for U.S. federal income tax purposes, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partner or the partnership. If you are a partner (or other beneficial owner) of a partnership (or other entity treated as a partnership or other pass-through entity) that is, or will be, a Holder of a Claim, then you should consult your own tax advisors.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO YOU. ALL HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE U.S. FEDERAL, STATE, LOCAL, NON-U.S., NON-INCOME, AND OTHER TAX CONSEQUENCES OF THE PLAN.

B. Certain U.S. Federal Income Tax Consequences to the Debtors, the Reorganized Debtors, and Holders of Existing Equity Interests

Debtors are currently treated as a partnership or as an entity that is disregarded as separate from its parent for U.S. federal income tax purposes. Accordingly, the U.S. federal income tax consequences of consummating the Plan will generally not be borne by the Debtors, but by their partners (i.e., the Holders of equity in the Debtors).

In general, absent an exception, a taxpayer will realize and recognize cancelation of indebtedness income ("COD Income") upon satisfaction of its outstanding indebtedness for total consideration less than the amount of such indebtedness. The amount of COD Income, in general, is the excess of (1) the adjusted issue price of the indebtedness satisfied, over (2) the sum of (a) the amount of any cash paid, (b) the issue price of any new indebtedness of the debt issued, and (c) the fair market value of any other consideration given in satisfaction of such indebtedness at the time of the exchange; except to the extent that payment of the indebtedness would have given rise to a deduction.

Under section 108 of the Tax Code, a taxpayer is not required to include COD Income in gross income (1) if the taxpayer is under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of debt occurs pursuant to that case (the "Bankruptcy Exception"), or (2) to the extent that the taxpayer is insolvent immediately before the discharge (but only to the extent of the taxpayer's insolvency) (the "Insolvency Exception"). Instead, as a consequence of such exclusion, a taxpayer-debtor must reduce its tax attributes by the amount of COD Income that it excluded from gross income. In general, tax attributes will be reduced in the following order: (1) net operating losses; (2) most tax credits, including minimum tax credit carryovers; (3) capital loss carryovers; (4) tax basis in assets (but not below the amount of liabilities to which the debtor remains subject); (5) passive activity loss and credit carryovers; and (6) foreign tax credits. Alternatively, the taxpayer can elect first to reduce the basis of its depreciable assets pursuant to section 108(b)(5) of the Tax Code.

Under section 108(d)(6) of the Tax Code, when an entity that is a flow-through entity (such as the Debtors) realizes COD Income, its partners are treated as receiving their allocable share of such COD Income and the Bankruptcy Exception and the Insolvency Exception (and related attribute reduction) are applied at the partner level rather than at the entity level. Accordingly, the Holders of equity in the Debtors will be treated as receiving their allocable share, if any, of the COD Income realized by the Debtors. If a

Holder has suspended loss with respect to its equity interest in the Debtors, the allocation of COD Income may allow some or all of such suspended losses to be used to offset the COD Income.

C. Tax Consequences to U.S. Holders of Certain Allowed Claims

1. Gain or Loss Recognition

A U.S. Holder of Allowed Claims that receives Cash will be treated as receiving payment in a taxable exchange under section 1001 of the Internal Revenue Code. Other than with respect to any amounts received that are attributable to accrued but untaxed interest or original issue discount ("OID"), each U.S. Holder of such Claims should recognize gain or loss equal to the difference between the (a) sum of the Cash received in exchange for the Claim, and (b) such U.S. Holder's adjusted basis, if any, in such Claim. A U.S. Holder's ability to deduct any loss recognized on the exchange of its Claims will depend on such U.S. Holder's own circumstances and may be restricted under the Internal Revenue Code.

HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE RECOGNITION OF GAIN OR LOSS, FOR FEDERAL INCOME TAX PURPOSES, ON THE SATISFACTION OF THEIR CLAIMS.

2. Accrued Interest

A portion of the payment received by Holders of Allowed Claims may be attributable to accrued interest on such Claims or OID. Such amount should be taxable to that U.S. Holder as interest income if such accrued interest has not been previously included in the Holder's gross income for United States federal income tax purposes. Conversely, U.S. Holders of Claims may be able to recognize a deductible loss to the extent any accrued interest on the Claims was previously included in the U.S. Holder's gross income but was not paid in full by the Debtors.

If the payment does not fully satisfy all principal and interest on Allowed Claims, the extent to which payment will be attributable to accrued interest is unclear. Under the Plan, the aggregate consideration to be distributed to Holders of Allowed General Unsecured Claims will be allocated first to the principal amount of Allowed Claims, with any excess allocated to unpaid interest that accrued on such Claims, if any. Certain legislative history indicates that an allocation of consideration as between principal and interest provided in a chapter 11 plan may be binding for U.S. federal income tax purposes, but certain Treasury Regulations generally treat payments as allocated first to any accrued but unpaid interest and then as a payment of principal. Thus, the Internal Revenue Service could take the position that the payment received by the U.S. Holder should be allocated in some way other than as provided in the Plan.

HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE ALLOCATION OF CONSIDERATION RECEIVED IN SATISFACTION OF THEIR CLAIMS AND THE FEDERAL INCOME TAX TREATMENT OF ACCRUED INTEREST.

3. Market Discount

Under the "market discount" provisions of the Internal Revenue Code, some or all of any gain realized by a U.S. Holder of a Claim who exchanges the Claim for an amount may be treated as ordinary income (instead of capital gain), to the extent of the amount of "market discount" on the debt instruments constituting the exchanged Claim. In general, a debt instrument is considered to have been acquired with "market discount" if it is acquired other than on original issue and if its U.S. Holder's adjusted tax basis in the debt instrument is less than (a) the sum of all remaining payments to be made on the debt instrument, excluding "qualified stated interest" or (b) in the case of a debt instrument issued with original issue

discount, its adjusted issue price, in each case, by at least a de minimis amount (equal to 0.25% of the sum of all remaining payments to be made on the debt instrument, excluding qualified stated interest, multiplied by the number of remaining whole years to maturity).

Any gain recognized by a U.S. Holder on the taxable disposition of Allowed Claim (determined as described above) that were acquired with market discount should be treated as ordinary income to the extent of the market discount that accrued thereon while the Allowed Claims were considered to be held by the U.S. Holder (unless the U.S. Holder elected to include market discount in income as it accrued).

D. Tax Consequences to Non-U.S. Holders of Certain Allowed Claims

The following discussion includes only certain U.S. federal income tax consequences of the payments to Non-U.S. Holders for Claims. The discussion does not include any non-U.S. tax considerations. The rules governing the U.S. federal income tax consequences to Non-U.S. Holders are complex. Each Non-U.S. Holder should consult its own tax advisor regarding the U.S. federal, state, and local and the foreign tax consequences of the payments to such Non-U.S. Holder.

Whether a Non-U.S. Holder realizes gain or loss on the payment of a Claim and the amount of such gain or loss is generally determined in the same manner as set forth above in connection with U.S. Holders.

1. Gain or Loss Recognition

Any gain realized by a Non-U.S. Holder on the exchange of its Claim generally will not be subject to U.S. federal income taxation unless (a) the Non-U.S. Holder is an individual who was present in the United States for 183 days or more during the taxable year in which the exchange occurs or who otherwise meets the so-called "substantial presence test" under Section 7701(b)(3) of the Internal Revenue Code, or (b) such gain is effectively connected with the conduct by such non-U.S. Holder of a trade or business in the United States (and if an income tax treaty applies, such gain is attributable to a permanent establishment maintained by such Non-U.S. Holder in the
United States).

If the first exception applies, to the extent that any gain is taxable, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such non-U.S. Holder's gains allocable to U.S. sources exceed losses allocable to U.S. sources during the taxable year of the exchange.

If the second exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to any gain realized on the exchange if such gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States in the same manner as a U.S. Holder. To claim an exemption from withholding tax, such Non-U.S. Holder will be required to provide a properly executed IRS Form W-8ECI (or such successor form as the IRS designates). In addition, if such a Non-U.S. Holder is a corporation, it may be subject to a branch profits tax equal to 30 percent (or such lower rate provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

2. Accrued Interest

The United States generally imposes a 30% U.S. federal withholding tax on payments of interest to Non-U.S. Holders. Subject to the discussion below of an interest effectively connected with the conduct of a trade or business within the United State, a Non-U.S. Holder will not be subject to the 30% U.S. federal withholding tax with respect to payments of interest on the notes, provided that:

(a) it does not own, actually or constructively, 10% or more of the total combined voting power of all classes of our stock entitled to vote;

(b) it is not a "controlled foreign corporation" with respect to which we are, directly or indirectly, a "related person"; and

(c) it provides its name and address, and certify, under penalties of perjury, that it is not a U.S. person (on a properly executed IRS Form W-8BEN or W- 8BEN-E (or other applicable form)), or it holds its notes through certain foreign intermediaries and the foreign intermediaries satisfy the certification requirements of applicable Treasury Regulations.

If you cannot satisfy the requirements described above, you will be subject to the 30% U.S. federal withholding tax with respect to payments of interest on the notes, unless you provide us (or other applicable withholding agent) with a properly executed IRS Form W-8BEN or W- 8BEN-E or other applicable form claiming an exemption from or reduction in withholding under the benefit of an applicable U.S. income tax treaty.

If such interest is effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States, provided the Non-U.S. Holder provides a properly executed IRS Form W-8ECI (or successor form) to the withholding agent, the Non-U.S. Holder (x) generally will not be subject to withholding tax, but (y) will be subject to U.S. federal income tax in the same manner as a U.S. Holder (unless an applicable income tax treaty provides otherwise), and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to such Non-U.S. Holder's effectively connected earnings and profits that are attributable to the accrued but untaxed interest at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty)).

3. FATCA

Under the Foreign Account Tax Compliance Act ("FATCA"), foreign financial institutions and certain other foreign entities must report certain information with respect to their U.S. account Holders and investors or be subject to withholding on the receipt of "withholdable payments." For this purpose, "withholdable payments" are generally U.S. source payments of interest on certain types of obligations. FATCA withholding may apply even if the applicable payment would not otherwise be subject to U.S. federal nonresident withholding tax. U.S. Holders that hold Claims through foreign financial institutions and Non-U.S. Holders are encouraged to consult their tax advisors regarding the possible implications of these rules on their Claim.

E. Information Reporting and Back-Up Withholding

Information reporting requirements may apply to payments under the Plan. Additionally, under the backup withholding rules, a Holder of a Claim may be subject to backup withholding (currently at a rate of 24%) with respect to payments made pursuant to the Plan unless that Holder: (a) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates that fact; or (b) timely provides a correct taxpayer identification number and certifies under penalty of perjury that the taxpayer identification number is correct and that the Holder is not subject to backup withholding (generally in the form of a properly executed IRS Form W-9 for a U.S. Holder, and, for a Non-U.S. Holder, in the form of a properly executed applicable IRS Form W-8 (or otherwise establishes such Non-U.S. Holder's eligibility for an exemption)). Backup withholding is not an additional tax but is, instead, an

advance payment that may be refunded to the extent it results in an overpayment of tax; *provided* that the required information is timely provided to the IRS.

The Debtors, or the applicable agent, will withhold all amounts required by law to be withheld from payments of interest and comply with all applicable information reporting requirements.

THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF A CLAIM IN LIGHT OF SUCH HOLDER'S CIRCUMSTANCES AND INCOME TAX SITUATION. ALL HOLDERS OF CLAIMS AGAINST THE DEBTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTION CONTEMPLATED BY THE PLAN, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL, OR FOREIGN TAX LAWS, AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

ARTICLE XVII.
MISCELLANEOUS PROVISIONS

A. Terminations of Injunctions or Stays

Unless otherwise provided herein or in the Confirmation Order, all injunctions or stays provided for in the Chapter 11 Cases under Bankruptcy Code sections 105 or 362 or otherwise, and extant on the Confirmation Date, shall remain in full force and effect until the Effective Date.

B. Severability of Provisions

If, prior to Confirmation, any term or provision of the Combined Disclosure Statement and Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, then the Bankruptcy Court, at the request of the Debtors, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Combined Disclosure Statement and Plan shall remain in full force and effect and shall in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Combined Disclosure Statement and Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

C. Payment of Statutory Fees

All fees payable through the Effective Date pursuant to 28 U.S.C. § 1930 shall be paid on or as soon as practicable after the Effective Date. The Debtors, prior to the Effective Date, and the Reorganized Debtors, from and after the Effective Date, shall pay Statutory Fees to the U.S. Trustee in accordance with 28 U.S.C. § 1930 until the Chapter 11 Cases are closed or converted and/or the entry of a final decree. Quarterly fees shall continue to accrue for the Debtors and be timely paid until the Chapter 11 Cases are closed, dismissed or converted. In addition, the Plan Administrator shall File post-confirmation quarterly reports or any pre-confirmation monthly operating reports not Filed as of the Confirmation Hearing in conformance with the U.S. Trustee Guidelines. The U.S. Trustee shall not be required to File a request for payment of its quarterly fees, which shall be deemed an Administrative Expense Claim against the Debtors and their Estates.

D. Service of Documents

All notices, requests and demands (each, a "Notice") to or upon the Debtors, the Reorganized Debtors, or the Plan Administrator, as applicable, to be effective shall be in writing and, unless otherwise expressly provided herein, shall be (i) served by (a) certified mail, return receipt requested, (b) hand delivery, (c) overnight delivery service, (d) first class mail, or (e) facsimile transmission; (ii) deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed; and (iii) addressed as follows:

Debtors	**Counsel to Debtors**
LaVie Care Centers, LLC c/o Ankura Consulting Group, LLC 485 Lexington Avenue, 10th Floor New York, NY 10017 Attention: M. Benjamin Jones, Chief Restructuring Officer Email: Ben.Jones@ankura.com	McDermott Will & Emery LLP 1180 Peachtree St. NE, Suite 3350 Atlanta, Georgia 30309 Attention: Daniel M. Simon Telephone: (404) 260-8535 Facsimile: (404) 393-5260 Email: dsimon@mwe.com -and- McDermott Will & Emery LLP 444 West Lake Street, Suite 4000 Chicago, Illinois 60606-0029 Attention: Emily C. Keil; Jake Jumbeck, and Catherine Lee Telephone: (312) 372-2000 Facsimile: (312) 984-7700 Email: ekeil@mwe.com jjumbeck@mwe.com clee@mwe.com
Counsel to the UCC	**Counsel to the Omega Secured Parties**
Troutman Pepper Hamilton Sanders LLP 600 Peachtree Street, NE, Suite 3000 Atlanta, Georgia 30308 Attention: Matthew R. Brooks Email: matthew.brooks@troutman.com -and- 3000 Two Logan Square Eighteenth and Arch Streets Philadelphia, Pennsylvania 19103-2799 Attention: Francis J. Lawall Email: francis.lawall@troutman.com -and- 875 Third Avenue New York, New York 10022 Attention: Deborah Kovsky-Apap Email: deborah.kovsky@troutman.com	Scroggins & Williamson, P.C. 4401 Northside Parkway, Suite 450 Atlanta, Georgia 30327 Attention: Matthew W. Levin Email: mlevin@swlawfirm.com -and- Goodwin Proctor LLP The New York Times Building 620 Eighth Avenue New York, New York 10018 Attention: Robert J. Lemons Email: rlemons@goodwinlaw.com -and- Ferguson Braswell Fraser Kubasta PC 2500 Dallas Parkway, Suite 600 Plano, Texas 75093

	Attention: Leighton Aiken Email: laiken@fbfk.law
Counsel to the DIP Lenders	**Counsel to the ABL Secured Parties**
DLA Piper LLP 1900 N. Pearl St., Suite 2200 Dallas, Texas 75201 Attention: James Muenker Email: james.muenker@us.dlapiper.com	Proskauer Rose LLP One International Place Boston, Massachusetts 02110-2600 Attention: Charles A. Dale Email: cdale@proskauer.com -and- Proskauer Rose LLP Eleven Times Square New York, New York 10036-8299 Attention: Dylan J. Marker Email: dmarker@proskauer.com -and- Vedder Price PC 222 North LaSalle Street Chicago, Illinois 60601 Attention: Kathryn L. Stevens Email: kstevens@vedderprice.com

A Notice is deemed to be given and received (a) if sent by personal delivery or courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, or (b) if sent by electronic mail, when the sender receives an email from the recipient acknowledging receipt, provided that an automatic "read receipt" does not constitute acknowledgment of an email for purposes of this Section. Any party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any element of a party's address that is not specifically changed in a Notice will be assumed not to be changed. Sending a copy of a Notice to a party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the Notice to that party. The failure to send a copy of a Notice to legal counsel does not invalidate delivery of that Notice to a party.

E. 2002 Service List

After the Effective Date, any Entities or Persons that want to continue to receive notice in these Chapter 11 Cases must File a renewed request to receive documents pursuant to Bankruptcy Rule 2002 no later than thirty (30) days after the Effective Date; *provided, however*, that the U.S. Trustee shall be excused from this requirement and shall remain on the Bankruptcy Rule 2002 service list. To the extent a renewed request is not timely Filed with the Bankruptcy Court, the Plan Administrator is authorized to limit notice and not include such Entities or Persons on any post-Effective Date Bankruptcy Rule 2002 service list.

F. Filing of Additional Documents

On or before substantial consummation of the Plan, the Debtors shall File with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

G. Plan Supplement(s)

Exhibits to the Combined Disclosure Statement and Plan not attached hereto shall be Filed in one or more Plan Supplements by the Plan Supplement Filing Date. Any Plan Supplement (and amendments thereto) Filed by the Debtors shall be deemed an integral part of the Combined Disclosure Statement and Plan and shall be incorporated by reference as if fully set forth herein. Substantially contemporaneously with their Filing, the Plan Supplements may be viewed at the Debtors' case website (https://veritaglobal.net/lavie) or the Bankruptcy Court's website (https://ecf.ganb.uscourts.gov/). Unless otherwise ordered by the Bankruptcy Court, to the extent any exhibit or document in the Plan Supplement is inconsistent with the terms of any part of the Combined Disclosure Statement and Plan that does not constitute the Plan Supplement, the Plan Supplement shall control. The documents considered in the Plan Supplement are an integral part of the Combined Disclosure Statement and Plan and shall be deemed approved by the Bankruptcy Court pursuant to the Confirmation Order.

H. Votes Solicited in Good Faith

Upon entry of the Confirmation Order, the Debtors will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and pursuant to Bankruptcy Code section 1125(e), the Debtors and each of their respective Affiliates, agents, representatives, members, principals, shareholders, officers, directors, employees, advisors, and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code and, therefore, no such parties will have any liability for the violation of any applicable law, rule, or regulation governing the solicitation of votes on the Plan.

I. Closing of Chapter 11 Cases

The Plan Administrator shall, promptly after the full administration of the Chapter 11 Cases, file with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and any applicable order necessary to close the Chapter 11 Cases.

J. No Admissions

Notwithstanding anything herein to the contrary, nothing contained in the Combined Disclosure Statement and Plan shall be deemed as an admission by any Entity with respect to any matter set forth herein.

K. Inconsistency

In the event of any inconsistency among the Combined Disclosure Statement and Plan and any other instrument or document created or executed pursuant to the Combined Disclosure Statement and Plan, the provisions of the Combined Disclosure Statement and Plan shall govern.

L. Request for Expedited Determination of Taxes

The Debtors, the Reorganized Debtors, and the Plan Administrator, as applicable, shall have the right to request an expedited determination under Bankruptcy Code section 505(b) with respect to tax returns filed, or to be filed, for any and all taxable periods ending after the Petition Date through the Effective Date.

M. Reservation of Rights

Except as expressly set forth herein, the Combined Disclosure Statement and Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order. None of the Filing of the Combined Disclosure Statement and Plan, any statement or provision contained herein, or the taking of any action by the Debtors with respect to the Combined Disclosure Statement and Plan shall be or shall be deemed to be an admission or waiver of any rights of the Debtors, Holders of Claims or Interests before the Effective Date.

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Dated: July 23, 2024

LaVie Care Centers, LLC, *et al.*
Debtors and Debtors-in-Possession

MCDERMOTT WILL & EMERY LLP

/s/ Daniel M. Simon

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Counsel for Debtors and Debtors-in-Possession

EXHIBIT A

Liquidation Analysis

[TO COME]

EXHIBIT B

Financial Projections

[TO COME]

EXHIBIT C

Debtors' Corporate Structure

[TO COME]