

Below is the Order of the Court.



Mary Jo Heston

**Mary Jo Heston
U.S. Bankruptcy Judge**

(Dated as of Entered on Docket date above)

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

In re:

PNW HEALTHCARE HOLDINGS, LLC,
et al.,¹

DEBTORS

Chapter 11
Lead Case No. 19-43754-MJH
(Jointly Administered)

**ORDER CONFIRMING SECOND
AMENDED PLAN OF
REORGANIZATION DATED
DECEMBER 14, 2020**

¹ The Debtors in the above-captioned chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: PNW Healthcare Holdings, LLC (9801); North Auburn Health, LLC *dba* North Auburn Rehabilitation & Health Center (3159); Sequim Health, LLC *dba* Sequim Health & Rehabilitation (7737); Bremerton Health, LLC *dba* Bremerton Convalescent & Rehabilitation Center (3188); Crestwood Convalescent-Port Angeles, LLC *dba* Crestwood Health & Rehabilitation Center (6565); Fir Lane Health-Shelton, LLC *dba* Fir Lane Health & Rehabilitation Center (7798); Forest Ridge Health-Bremerton, LLC *dba* Forest Ridge Health & Rehabilitation Center (4019); Meadow Park Health-St Helen, LLC *dba* Meadow Park Health & Specialty Care Center (9109); Cherrywood Place-Spokane, LLC *dba* Cherrywood Place (7776); Riverside Nursing-Centralia, LLC *dba* Riverside Nursing & Rehabilitation Center (3792); PNW Master Tenant I, LLC (9824); Franklin Hills Health-Spokane, LLC *dba* Franklin Hills Health & Rehabilitation Center (1763); Aldercrest Health-Edmonds, LLC *dba* Aldercrest Health & Rehabilitation Center (3827); PNW Master Tenant II, LLC (5319); Gardens on University-Spokane Valley, LLC *dba* The Gardens on University (1917); Puget Sound Healthcare-Olympia, LLC *dba* Puget Sound Healthcare Center (4419); Care Center East Health-Portland, LLC *dba* Care Center East Health & Specialty Care Center (8950); LaCrosse Health-Coeur d'Alene, LLC *dba* LaCrosse Health & Rehabilitation Center (8594); Ivy Court-Coeur d'Alene, LLC *dba* Ivy Court (3197).

1 On December 14, 2020, a hearing was held before this Court (the “Confirmation
2 Hearing”) to consider confirmation of the *Second Amended Plan of Reorganization Dated*
3 *December 14, 2020* [Docket No. 1110] (the “Plan”), proposed by the jointly administered
4 debtors-in-possession in the above captioned Chapter 11 cases (collectively, the “Debtors”), for
5 the resolution of all Claims against the Debtors, the Estates and their assets. Appearances at the
6 Confirmation Hearing were as noted on the record.

7 The Court has reviewed and considered:

- 8 a) The Plan and the *Disclosure Statement to Accompany First Amended Plan of*
9 *Reorganization Dated November 10, 2020* [Docket No. 910] (the “Disclosure
10 Statement”);
11 b) *The Order (I) Approving Disclosure Statement and (II) Establishing Procedures*
12 *for Plan Solicitation, Notice, and Balloting* [Docket No. 927] (the “Disclosure
13 Statement Order”);
14 c) *The Debtors’ Memorandum in Support of Confirmation of First Amended Plan of*
15 *Reorganization* [Docket. No. 1083] (the “Confirmation Memorandum”),
16 including the proposed Plan revisions attached thereto;
17 d) The Declaration of John Kline Regarding Voting and Tabulation of Ballots Cast
18 on the Plan [Docket. No. 1082] (the “Voting Declaration”);
19 e) The Declaration of Dov Jacobs in support of the Plan [Docket. No. 1084] (the
20 “Jacobs Declaration”);
21 f) The Declaration of Will Masterson in support of the Plan [Docket. No. 1085] (the
22 “Masterson Declaration”);
23 g) The Declaration of Dan Polsky in support of the Plan [Docket. No. 1086] (the
24 “Polsky Declaration”);
25 h) The Declaration of Asher Handler in support of the Plan [Docket. No. 1088] (the
26 “Handler Declaration”);
27 i) The Objection to confirmation of the Plan filed by Cascade Partners LLC, and the
28 declarations presented in support thereof [Docket. No. 1065] (the “Cascade
Partners Objection”);
j) The Limited Objection to confirmation of the Plan filed by Canyon Z LLC and
Canyon NH LLC (together, the “Canyon Landlords”) [Docket. No. 1064] (the
“Canyon Limited Objection”);
k) The Limited Objection to confirmation of the Plan filed by Ziegler Financing
 (“Ziegler”) [Docket. No. 1061] (the “Ziegler Limited Objection”);
l) The *Notice of Plan Supplement* [Docket. No. 1087] (the “Plan Supplement”);
m) All other pleadings and evidence that were submitted by the Plan Proponents and
all other parties, before or at the Plan confirmation hearing;
n) The record in these jointly administered cases and in the pending adversary
proceeding (PNW Healthcare Holdings, LLC, *et al.* v. Canyon Z, LLC, *et al.*,
Adv. No. 20-04048-MJH); and
o) The arguments and representations of counsel at the Confirmation Hearing.

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1 transactions contemplated by the Plan. No other or further notice was or is required. That notice
2 fully and adequately described the requested relief, was reasonable and appropriate, and complied
3 in all regards with due process. That notice also complied with the applicable provisions of: (i)
4 the Bankruptcy Code; (ii) the Federal Rules of Bankruptcy Procedure, including Bankruptcy
5 Rules 2002, 3017, 3018, and 3019; (iii) the Local Bankruptcy Rules of the United States
6 Bankruptcy Court for the Western District of Washington; and (iv) all relevant Orders of this
7 Court, including the Disclosure Statement Order

8 4. The Plan has been proposed in good faith, and not be any means forbidden by law.

9 5. The documents identified in the Plan Supplement, were filed as required and were
10 modified and supplemented in accordance with the Plan.

11 6. The Debtors conducted their solicitation of acceptances or rejections of the Plan
12 and the related distribution and tabulation of ballots with respect to that solicitation in good faith.
13 In addition, the solicitation, distribution, and tabulation complied with the Disclosure Statement
14 Order; all applicable provisions of the Bankruptcy Rules (including Bankruptcy Rules 3017 and
15 3018); all applicable provisions of the Bankruptcy Code (including sections 1125 and 1126); and
16 all other applicable laws, rules, and regulations. Among other things, the Debtors transmitted the
17 Plan and Disclosure Statement to all known persons holding Claims or Interests that are impaired
18 under the Plan who are entitled to vote on the Plan. As evidenced by the Voting Declaration and
19 summary of Ballots, the procedures by which ballots were received and tabulated were fair,
20 properly conducted in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Local
21 Bankruptcy Rules of this Court and the Disclosure Statement Order

22 7. At least fifty percent in number and two thirds in dollar amount of the Claims for
23 which valid ballots were received in each Voting Class of Creditors voted to accept the Plan. At
24 least two thirds in amount of membership interests held of the Interests for which valid ballots
25 were received from holders of Interests in Class 4A voted to accept the Plan.

26 8. The Plan has been accepted in writing by each Voting Class entitled to vote on
27 confirmation of the Plan.

1 9. The Plan does not discriminate unfairly, and is fair and equitable, as to each Class
2 of Claims or Interests deemed to reject the Plan.

3 10. Each holder of a Claim or Interest in an impaired Class will receive or retain under
4 the Plan on account of such Claim or Interest property of a value, as of the Effective Date of the
5 Plan, that is not less than the amount that such holder would so receive or retain if the Debtors
6 were liquidated under chapter 7 of Bankruptcy Code. The value of distributions to each holder of
7 a Claim or Interest have a value that is not less than such holder would receive or retain if the
8 Debtors were liquidated.

9 11. Based on the treatment provided to unsecured creditors pursuant to the Plan, the
10 holders of Allowed Class 3A and 3B Claims are to receive payment in full, with interest, on
11 account of their Claims. All other Creditors are to receive payment in full on account of their
12 Claims or have agreed, or are deemed to have agreed, to accept different treatment on account of
13 their Allowed Claims.

14 12. Taking into account the funding to be provided by the Plan Sponsor, the
15 Reorganized Debtors have or will have sufficient cash: (i) on the Effective Date to make all
16 payments and distributions required to be made on, or as soon as practicable after, the Effective
17 Date, and (ii) on the required dates to make all distributions required pursuant to the Plan.

18 13. The identity and affiliations of the individuals proposed to serve, after
19 confirmation of the Plan, as a director or officer of the Reorganized Debtors, were adequately
20 disclosed.

21 14. Confirmation of the Plan is not likely to be followed by the liquidation, or the need
22 for further financial reorganization, of the Reorganized Debtors.

23 15. The Canyon Limited Objection and the Ziegler Limited Objection were limited to
24 specific requests for provisions in the Plan or this Order, and were not objections to Confirmation
25 of the Plan. The Ziegler Limited Objection has been resolved by the terms of the Plan and/or of
26 this Order, as reflected on the record at the Confirmation Hearing. The Canyon Limited
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1 Objection has been resolved by the terms of the Plan and/or of this Order, as reflected on the
2 record at the Confirmation Hearing.

3 16. All fees payable under 28 U.S.C. § 1930 have been paid or the Plan provides for
4 the payment of such fees on or as soon as practicable after the Effective Date.

5 17. Based on the statements of the parties in open court, and all other related
6 pleadings, exhibits, and other relevant documents, each of the conditions precedent to the
7 Effective Date, as set forth in the Plan, is reasonably likely to be satisfied or waived in accordance
8 with the Plan.

9 18. To the extent that any of the following Conclusions of Law are determined to be
10 Findings of Fact, they are incorporated herein by this reference.

11 **CONCLUSIONS OF LAW**

12 19. To the extent that any of the foregoing Findings of Fact are determined to be
13 Conclusions of Law, they are incorporated herein by this reference.

14 20. This Court has jurisdiction over confirmation of the Plan and venue is proper in
15 this Court.

16 21. Confirmation of the Plan is governed by section 1129(a) of the Bankruptcy Code.

17 22. The Plan satisfies all requirements for confirmation set forth in Bankruptcy Code
18 Section 1129(a), as more specifically set forth below:

19 (a) The Plan satisfies the requirements of section 1129(a)(1) because it
20 complies with all applicable provisions of the Bankruptcy Code.

21 (b) The Plan satisfies the requirements of section 1129(a)(2) because the
22 Debtors have complied with all applicable provisions of the Bankruptcy Code.

23 (c) The Plan satisfies the requirements of section 1129(a)(3) because it was
24 proposed in good faith and not by any means forbidden by law.

25 (d) The Plan appropriately provides for approval as reasonable by this Court,
26 as to all payments for services in connection with the Cases, satisfying the requirements of
27 section 1129(a)(4).

1 (e) The Plan complies with section 1129(a)(5) because the identities and
2 affiliations of the officers and managers of the Reorganized Debtors have been adequately
3 disclosed, and the appointment or continuance of such individuals is in the best interests of
4 the Estates, consistent with the interests of Creditors and equity holders, and consistent
5 with public policy.

6 (f) Section 1129(a)(6) is not applicable to the Plan, in that the Plan does not
7 propose any rates or rate changes. To the extent that any Federal or State regulatory
8 bodies have jurisdiction or authority regarding rates billed by the Debtors, the Plan does
9 not purport to alter or modify such jurisdiction or authority.

10 (g) The Plan complies with section 1129(a)(7) because, with respect to each
11 Impaired Class of Claims and Equity Interests, each holder of an Allowed Claim or Equity
12 Interest in each such Impaired Class has accepted or is deemed to have accepted the Plan,
13 or will receive or retain under the Plan on account of such Claim or Equity Interest
14 property of a value, as of the Effective Date, that is not less than the amount that such
15 holder would receive or retain if the Debtors were liquidated on the Effective Date under
16 chapter 7 of the Bankruptcy Code.

17 (h) All impaired Voting Classes have voted to accept the Plan and the Plan
18 therefore satisfies the requirements of section 1129(a)(8), except as to the Classes that are
19 expressly deemed to reject the Plan, as to which the Plan satisfies the requirements of
20 section 1129(b).

21 (i) Pursuant to sections 1124, 1126 and 1129(a)(8) of the Bankruptcy Code,
22 Classes 1C (other Secured Claims), 2 (Priority Claims), and 4B (Interests in subsidiaries
23 of PNW Holdings) are unimpaired under the Plan and, accordingly, pursuant to section
24 1125(f) of the Bankruptcy Code, such Classes are conclusively deemed to have accepted
25 the Plan. The Plan provides that holders of Claims in Class 3C (intercompany Claims),
26 and Equity Interests in Classes 4C (Equity Interests in Cornerstone Healthcare Services,
27 LLC) and Class 4D (Equity Interests in CRN Pool, LLC) are deemed to have rejected the
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1 Plan pursuant to section 1125(g). As indicated in the Voting Declaration, holders of
2 Allowed Claims in Classes 1A, 3A, 3B, and 4A voted to accept the Plan. No votes were
3 cast in Class 1(B), and such Class is therefore deemed eliminated from the Plan for
4 purposes of voting to accept or reject the Plan, as provided in Section 6.2 of the Plan.
5 Notwithstanding the lack of compliance with section 1129(a)(8) with respect to Classes
6 3C, 4C, and 4D, which are deemed to reject, the Plan is confirmable because, as more
7 fully set forth in below, the Plan satisfies section 1129(b) of the Bankruptcy Code with
8 respect to such Classes.

9 (j) The treatment of administrative and priority Claims under the Plan satisfies
10 the requirements of section 1129(a)(9).

11 (k) The Plan satisfies the requirements of section 1129(a)(10) because at least
12 one Class of Claims that is Impaired under the Plan has voted to accept the Plan, without
13 including any acceptance of the Plan by any insider. Specifically, Classes 1A, 3A, and 3B
14 all voted to accept the Plan, without including any acceptance of the Plan by any insider.

15 (l) Section 1129(a)(11) is satisfied because the Plan is feasible, in that
16 Confirmation is not likely to be followed by the liquidation or the need for further
17 reorganization of the Reorganized Debtors.

18 (m) The Plan satisfies the requirements of section 1129(a)(12) because it
19 provides for payment of all required fees to the United States Trustee.

20 (n) The Debtors have no retiree benefits obligations. Accordingly, section
21 1129(a)(13) of the Bankruptcy Code is satisfied.

22 (o) The Debtors are limited liability companies and, therefore, section
23 1129(a)(14) of the Bankruptcy Code does not apply.

24 (p) The Debtors are limited liability companies and, therefore, section
25 1129(a)(15) of the Bankruptcy Code does not apply.

26 (q) Section 1129(a)(16) of the Bankruptcy Code only applies to non-profit
27 corporations and therefore does not apply to the Plan.

1 23. Pursuant to section 1129(b)(1) of the Bankruptcy Code, the Plan is confirmable
2 notwithstanding the fact that Classes 3C, 4C, and 4D are impaired and are deemed to have
3 rejected the Plan. Other than the requirement in section 1129(a)(8) of the Bankruptcy Code that
4 all Classes be unimpaired or accept the Plan, all of the requirements of section 1129(a) of the
5 Bankruptcy Code have been met. The Plan does not discriminate unfairly and is fair and
6 equitable with respect to the holders of Claims in Class 3C and the Equity Interests in Classes 4C
7 and 4D. Class 3C consists exclusively of claims as to which the holder is a Debtor, and at the
8 discretion of the Reorganized Debtors, such claims may either be extinguished or continue to be
9 carried on the books of the Reorganized Debtors. Because the decision to extinguish or preserve
10 such claims is at the discretion of the holders, the Plan does not discriminate unfairly, and is fair
11 and equitable. As to Classes 4C and 4D, which consist of the equity interests in Cornerstone
12 Healthcare Services, LLC and CRN Pool, LLC, no holder of any Claim or Equity Interest junior
13 to Class 4C or Class 4D will receive or retain any property under the Plan on account of such
14 junior Claim or Equity Interest. Accordingly, the Plan does not unfairly discriminate and is fair
15 and equitable and satisfies section 1129(b) of the Bankruptcy Code.

16 24. The principal purpose of the Plan is not the avoidance of taxes or the avoidance of
17 the application of Section 5 of the Securities Act of 1933 (the "Securities Act"). Therefore,
18 section 1129(d) of the Bankruptcy Code is satisfied.

19 25. As required by section 1122(a) of the Bankruptcy Code, each Class of Claims and
20 Interests contains only Claims or Interests that are substantially similar to the other Claims or
21 Interests within that Class. Valid reasons exist for separately classifying the various Classes of
22 Claims and Interests created under the Plan. The Plan therefore satisfies sections 1122 and
23 1123(a)(1).

24 26. As required by sections 1123(a)(2) and 1123(a)(3) of the Bankruptcy Code, the
25 Plan specifies the Classes that are and are not impaired.

26 27. The Plan provides the same treatment for each Claim or Interest within a particular
27 Class unless the holder of a particular Claim or Interest has agreed to a less favorable treatment

1 with respect to such Claim or Interest. The Plan therefore satisfies the requirements of section
2 1123(a)(4).

3 28. The Plan provides adequate means for its implementation, and therefore satisfies
4 the requirements of section 1123(a)(5).

5 29. The Plan satisfies the requirements of section 1123(a)(6) of the Bankruptcy Code
6 with regard to voting of equity securities.

7 30. The Plan as modified pursuant hereto is not a material modification of (i) the *First*
8 *Amended Plan Of Reorganization Dated November 10, 2020* (the "First Amended Plan"), as
9 served on all known holders of Claims and Interests. Thus, all holders of Claims and Equity
10 Interests in Voting Classes are (i) not affected by such modifications, (ii) consented to such
11 modifications or (iii) were fully and adequately informed of the possibility of such modifications
12 prior to voting on the Plan. As a result, no further notice of such modifications is required under
13 the circumstances, and no further solicitation or re-solicitation of votes from any Class is
14 required.

15 31. The identities and affiliations of all persons proposed to serve as a manager or an
16 officer of any of the Reorganized Debtors have been disclosed at or before the Confirmation
17 Hearing and the selection of each such director, manager, or officer is consistent with the interests
18 of Creditors, equity security holders, and public policy. The Plan, therefore, satisfies the
19 requirements of section 1123(a)(7) of the Bankruptcy Code.

20 32. Pursuant to section 1125(d) of the Bankruptcy Code, the transmittal of Plan
21 solicitation packages, the solicitation of acceptances of the Plan and distribution of stock in the
22 Reorganized Debtors pursuant to the Plan are not and will not be governed by or subject to any
23 otherwise applicable law, rule or regulation governing the solicitation or acceptance of a plan of
24 reorganization or the offer, issuance, sale or purchase of securities. Accordingly, the Debtors, the
25 Reorganized Debtors and their respective directors, officers, employees, agents and professionals
26 (acting in such capacity) are entitled to the protection of section 1125(e) of the Bankruptcy Code.

1 33. Pursuant to section 1145(a)(1) of the Bankruptcy Code, the offering, issuance and
2 distribution of equity interests pursuant to the Plan shall be exempt from section 5 of the
3 Securities Act and any state or local law requiring registration prior to the offering, issuance,
4 distribution or sale of securities.

5 34. Pursuant to and to the fullest extent permitted by section 1145 of the Bankruptcy
6 Code, the resale of equity interests issued pursuant to the Plan and any other securities issuable
7 pursuant to the Plan shall be exempt from section 5 of the Securities Act and any state or local
8 law requiring registration prior to the offering, issuance, distribution or sale of securities.

9 35. Execution of all documents and agreements necessary to implement the Plan,
10 including, without limitation, those contained in the Plan Supplement, which are incorporated into
11 and are a part of the Plan, and all other relevant and necessary documents and agreements are in
12 the best interests of the Debtors, the Reorganized Debtors, and holders of Claims and Interests
13 and have been negotiated in good faith and at arm's-length. The Debtors have exercised
14 reasonable business judgment in determining to enter into all such documents and agreements and
15 have provided sufficient and adequate notice of such documents and agreements to parties in
16 interest.

17 36. Pursuant to section 363, Bankruptcy Rule 9019, and any other applicable laws, and
18 as consideration for the distributions and other benefits provided under the Plan, all settlements
19 and compromises of Claims and Interests embodied in the Plan constitute good faith compromises
20 and settlements of Claims and Interests, and such compromises and settlements are fair, equitable,
21 reasonable, appropriate in light of the relevant facts and circumstances underlying such
22 compromises and settlements, and are in the best interests of the Debtors, the Estates, and holders
23 of Claims and Interests.

24 37. All provisions of the Plan not specifically addressed are appropriate and consistent
25 with the applicable provisions of the Bankruptcy Code, and the Plan satisfies all requirements
26 under the Bankruptcy Code and all applicable Rules for Confirmation.

1 separate Order, on (i) the Effective Date or as soon as practicable thereafter, (ii) as due in the
2 ordinary course of business or (iii) on such other terms as the parties to such executory contracts
3 or unexpired lease may otherwise agree. In the event that a timely Objection to said Cure
4 Amount is presented, the parties shall attempt to negotiate a resolution, failing which the dispute
5 shall promptly be resolved by the Court.

6 Claims and Interests

7 50. Any request for allowance of an Administrative Claim pursuant to Bankruptcy
8 Code section 503, other than an application for compensation by a professional pursuant to
9 Bankruptcy Code sections 327-331, shall be filed and served on counsel for the Reorganized
10 Debtors no later than (i) thirty days following the Effective Date, or (ii) such later date as this
11 Court shall order upon application made no later than thirty days following the effective date.
12 Any Administrative Claim (including, without limitation, the holders of any Claims for federal,
13 state or local taxes), other than for compensation as a professional pursuant to Bankruptcy Code
14 sections 327-331, which is not filed prior to the foregoing deadline shall be forever barred and the
15 holder thereof shall be prohibited from asserting any such Claim against any of the Debtors, the
16 Reorganized Debtors or any of their property or receiving any payment or other Distribution on
17 account of such Claim.

18 Settlements, Compromises, Releases, and Discharge

19 51. Any and all compromises or settlements of Claims or Interests reflected in the Plan
20 or this order are hereby approved.

21 52. Except as otherwise specifically provided in the Plan, the distributions, rights, and
22 treatments that are provided in the Plan shall be in full and complete satisfaction, discharge, and
23 release of any and all Claims or Interests in accordance with the Plan. Except as otherwise
24 specifically provided in the Plan or this order, upon the occurrence of the Effective Date this order
25 shall act as a discharge of any and all Claims against and all debts and liabilities of the
26 Reorganized Debtors, as provided in sections 524 and 1141 of the Bankruptcy Code, and such
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1 discharge shall void any judgment against each Reorganized Debtor at any time obtained to the
2 extent that it relates to a discharged Claim or terminated Interest.

3 53. The exculpation provisions set forth in Article 12 of the Plan are essential
4 provisions of the Plan and are hereby approved and authorized in their entirety.

5 *Notices of Confirmation and Effective Date*

6 54. In accordance with Bankruptcy Rules 2002 and 3020(c), the Debtors shall serve a
7 notice of confirmation (the "Confirmation Notice") to all entities having been served with the
8 notice of the Confirmation Hearing; provided, however, that no notice or service of any kind shall
9 be required to be mailed or made upon any entity to whom the Debtors mailed a notice of the
10 Confirmation Hearing but received such notice returned marked "undeliverable as addressed,"
11 "moved, left no forwarding address," "forwarding order expired," or similar reason, unless the
12 Debtors have been informed in writing by such Entity, or are otherwise aware, of that Entity's
13 new address.

14 55. Promptly following occurrence of the Effective Date, the Reorganized Debtors
15 shall give notice of the occurrence of the Effective Date (the "Effective Date Notice"), which
16 shall be served consistent with the provisions of the previous paragraph regarding the Effective
17 Date. In the Effective Date Notice, the Reorganized Debtors shall give notice consistent with the
18 provisions of the Plan and this Order of the applicable bar dates for (i) any claims for rejection of
19 executory contracts under the Plan, (ii) any claims for allowance of administrative expenses
20 incurred prior to the Effective Date of the Plan, and (iii) all applications for compensation of
21 professional persons for services rendered prior to the Effective Date. Any claims of the kind
22 specified in subparagraphs (i), (ii) or (iii) foregoing shall, if not timely filed, be forever barred.

23 56. Mailing of the Confirmation Notice and the Effective Date Notice in the time and
24 manner set forth above shall constitute good and sufficient notice under the particular
25 circumstances and in accordance with the requirements of Bankruptcy Rules 2002 and 3020(c),
26 and no other or further notice of confirmation or of the applicable bar dates is necessary.

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The GUC Trust

57. The GUC Trust Agreement, as attached to the Plan Supplement, is hereby approved.

Miscellaneous

58. The headings contained herein are for reference purposes only and shall not affect in any way the meaning or interpretation of this order

59. Pursuant to sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding the entry of this order or the occurrence of the Effective Date, this Court shall retain jurisdiction as provided in the Plan over all matters arising out of, or related to, the Cases and the Plan to the fullest extent permitted by applicable law, including, without limitation, jurisdiction over those matters set forth in Article XVI of the Plan.

60. Notwithstanding Bankruptcy Rule 3020(e) and the possible applicability of Bankruptcy Rules 6004(h), 7062 and/or 9014, or otherwise, the terms and conditions of this order shall be immediately effective and enforceable upon its entry, and this order shall not be stayed for any period.

61. The Debtors are authorized to consummate the Plan at any time after the entry of this order, subject to the satisfaction or waiver of the conditions precedent to the Effective Date set forth in the Plan. On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127 of the Bankruptcy Code.

62. In the event of any inconsistency between the provisions of the Plan or any related documents and this order, the provisions of this order shall control.

///End of Order///

Presented by:

FOLEY & LARDNER LLP

By: /s/ Ashley M. McDow

Ashley M. McDow, WSBA# 38900
Attorneys for Debtors and Debtors in Possession

[Signatures continued on next page]

1 **Approved as to form;**
2 **Notice of presentation waived:**

3 TROUTMAN PEPPER HAMILTON SANDERS LLP

4 /s/ Donald J. Detweiler (via email authorization)

5 Donald J. Detweiler

6 Attorneys for
7 Official Committee of Unsecured Creditors

8 **Approved as to form;**
9 **Notice of presentation waived:**

10 CARLTON FIELDS, P.A.

11 /s/ David L. Gay (via email authorization)

12 David L. Gay

13 Attorneys for Creditor
14 Ziegler Financing Corporation

15 **Approved as to form;**
16 **Notice of presentation waived:**

17 GREENBERG TRAURIG, LLP

18 /s/ Nancy A. Peterman (via email authorization)

19 Nancy A. Peterman

20 Attorneys for Creditors
21 Canyon Z, LLC and Canyon NH, LLC

22 **Approved as to form;**
23 **Notice of presentation waived:**

24 LESLIE COHEN LAW PC

25 /s/ Leslie Cohen (via email authorization)

26 Leslie Cohen

27 Attorneys for Equity Holder
28 Cascade Partners LLC

[Signatures continued on next page]

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**Approved as to form;
Notice of presentation waived:**

WALLER LANSDEN DORTCH & DAVIS, LLP

/s/ Tyler N. Layne (via email authorization)
Tyler N. Layne

Attorneys for Creditor
MidCap Funding IV Trust

**Approved as to form;
Notice of presentation waived:**

BACKENROTH, FRANKEL & KRINSKY, LLP

/s/ Abraham Backenroth (via email authorization)
Abraham Backenroth

Attorneys for Plan Sponsor
Cornerstone 18 Operations, LLC