

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF NEW YORK**

---

**In re:** :  
 : **Case No. 19-12215 (REL)**  
**GOOD SAMARITAN LUTHERAN HEALTH** : **Chapter 11 (Main Case)**  
**CARE CENTER, INC. d/b/a BETHLEHEM** : **Case No. 19-12216 (REL)**  
**COMMONS CARE CENTER, et al.<sup>1</sup>,** :  
**Debtors.** : **Jointly Administered**  
 :  
----- :  
 :

**DEBTORS' JOINT CHAPTER 11 PLAN OF LIQUIDATION**

**STRADLEY, RONON, STEVENS & YOUNG, LLP**

Deborah A. Reperowitz  
100 Park Avenue, Suite 2000  
New York, NY 10017  
Tel: 212.812.4124  
Fax: 646.682.7180

and

Daniel M. Pereira (admitted *pro hac vice*)  
Mischa S. Wheat (admitted *pro hac vice*)  
2005 Market Street, Suite 2600  
Philadelphia, PA 19103  
Tel: 215.564.8000  
Fax: 215.564.8120

*Counsel to the Debtors and Debtors-in-Possession*

---

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Good Samaritan Lutheran Health Care Center, Inc. d/b/a Bethlehem Commons Care Center (0663) and Kenwood Manor, Inc. (8178).

**TABLE OF CONTENTS**

ARTICLE I. DEFINITIONS AND CONSTRUCTION OF TERMS..... 1

    A.    Definitions ..... 1

    B.    Interpretation: Application of Definitions and Rules of Construction..... 11

ARTICLE II. TREATMENT OF UNCLASSIFIED CLAIMS..... 11

    A.    Establishment of Administrative Expense Claim Bar Date ..... 11

    B.    Administrative Expense Claims ..... 12

    C.    Compensation and Reimbursement Claims..... 13

    D.    Priority Tax Claims ..... 13

    E.    Statutory Fees ..... 13

ARTICLE III. CLASSIFICATION AND TREATMENT  
OF CLAIMS AND EQUITY INTERESTS ..... 14

    A.    Summary ..... 14

    B.    Classification and Treatment of Claims and Equity Interests..... 15

    C.    Separate Plans of Liquidation ..... 19

    D.    Modification of Treatment of Claims and Equity Interests ..... 19

    E.    Cramdown and No Unfair Discrimination ..... 19

ARTICLE IV. MEANS OF IMPLEMENTATION OF THE PLAN ..... 20

    A.    Appointment of the Liquidation Trustee ..... 20

    B.    Creation of the Liquidation Trust ..... 20

    C.    Beneficiaries of the Liquidation Trust ..... 21

    D.    Vesting and Transfer of Assets to the Liquidation Trust ..... 21

    E.    Certain Powers and Duties of the Liquidation Trust and Liquidation Trustee ..... 21

    F.    Federal Income Tax Treatment of the  
Liquidation Trust for the Liquidation Trust Assets ..... 23

    G.    Term of Liquidation Trust..... 23

    H.    Limitation of Liability of the Liquidation Trustee ..... 24

ARTICLE V. ADDITIONAL MEANS FOR IMPLEMENTATION OF THE PLAN ..... 24

    A.    Preservation of Right to Conduct Investigations ..... 24

    B.    Prosecution and Resolution of Retained Causes of Action..... 24

    C.    Effectuating Documents and Further Transactions ..... 24

    D.    Authority to Act..... 25

    E.    Cancellation of Documents..... 25

    F.    Funding of Liabilities and Distributions..... 25

|   |   |    |
|---|---|----|
| G.  | Release of Liens .....  | 25 |
| H.  | Exemption from Securities Laws.....   | 26 |
| I.  | Exemption from Certain Taxes and Fees .....   | 26 |
| J.  | Insurance Policies.....   | 26 |
| K.  | Closing of the Chapter 11 Cases .....   | 26 |
| ARTICLE VI. PROVISIONS GOVERNING DISTRIBUTIONS UNDER THE PLAN ..... |   | 27 |
| A.  | Distribution Record Date.....   | 27 |
| B.  | Method of Payment.....  | 27 |
| C.  | Claims Objection Deadline.....  | 27 |
| D.  | No Distribution Pending Allowance.....  | 27 |
| E.  | Disputed Claims Reserve.....  | 27 |
| F.  | Distribution After Allowance.....   | 28 |
| G.  | Delivery of Distributions .....   | 28 |
| H.  | Unclaimed Distributions .....   | 28 |
| I.  | Set-Off .....   | 28 |
| J.  | Postpetition Interest .....   | 28 |
| K.  | Distributions After Effective Date.....   | 29 |
| L.  | Distributions Free and Clear.....   | 29 |
| M.  | Allocation of Distributions Between Principal and Interest .....  | 29 |
| N.  | Prepayment .....  | 29 |
| ARTICLE VII. EXECUTORY CONTRACTS .....                              |   | 29 |
| A.  | Rejection of Executory Contracts.....   | 29 |
| B.  | Deadline for Filing Proofs of Claim Relating to Executory Contracts Rejected Pursuant to this Plan..... | 29 |
| ARTICLE VIII. INJUNCTION AND EXCULPATION .....                      |   | 30 |
| A.  | Injunction to Protect Estate Assets .....   | 30 |
| B.  | Term of Injunctions or Stays .....  | 30 |
| C.  | Injunction Against Interference with Plan.....  | 31 |
| D.  | Exculpation .....   | 31 |
| E.  | Necessity and Approval of Exculpations and Injunctions .....  | 31 |
| F.  | Compromise and Settlement of Claims, Interests and Controversies.....                                   | 32 |
| ARTICLE IX. CONDITIONS PRECEDENT TO AND.....                        |   | 32 |
| A.  | Conditions Precedent to Confirmation .....  | 32 |
| B.  | Conditions Precedent to the Effective Date.....   | 32 |
| C.  | Establishing the Effective Date.....  | 33 |

|  |   |    |
|--|---|----|
| D.   | Waiver of Conditions to Confirmation and Effective Date ..... | 33 |
| E.   | Effect of Failure of Conditions .....                         | 33 |
| ARTICLE X. RETENTION OF JURISDICTION ..... |   | 33 |
| ARTICLE XI. MISCELLANEOUS PROVISIONS ..... |   | 35 |
| A.   | Amendment or Modification of this Plan .....                  | 35 |
| B.   | Severability .....  | 35 |
| C.   | Revocation or Withdrawal of this Plan .....                   | 36 |
| D.   | Binding Effect.....   | 36 |
| E.   | Notices .....   | 36 |
| F.   | Governing Law .....   | 37 |
| G.   | Withholding and Reporting Requirements .....                  | 37 |
| H.   | Headings .....  | 37 |
| I.   | Exhibits/Schedules.....                                       | 37 |
| J.   | Filing of Additional Documents .....                          | 37 |
| K.   | No Admissions.....  | 37 |
| L.   | Successors and Assigns .....                                  | 37 |
| M.   | Reservation of Rights .....                                   | 37 |
| N.   | Inconsistency .....   | 38 |
| O.   | Dissolution of the Debtors.....                               | 38 |

## ARTICLE I.

### DEFINITIONS AND CONSTRUCTION OF TERMS

#### A. Definitions

For the purposes of this Plan, the following terms shall have the respective meanings as hereinafter set forth. The capitalized terms used in this Plan shall at all times refer to terms defined in this Article I.

**1.1** “Administrative Expense Claim” means any Claim constituting an actual, necessary cost or expense of administering the Chapter 11 Cases under sections 503(b) and 507(a)(2) of the Bankruptcy Code including, (a) any actual and necessary costs and expenses of preserving the Estates, (b) all compensation and reimbursement of expenses under section 330 or 503 of the Bankruptcy Code, (c) any fees or charges assessed against the Estates under section 1930 of chapter 123 of title 28 of the United States Code, and (d) all Claims arising under section 503(b)(9) of the Bankruptcy Code.

**1.2** “Administrative Expense Claim Bar Date” means 5:00 p.m. (ET) on the date that is twenty (20) days after the Effective Date.

**1.3** “Administrative Expense Claim Period” means the period of time from the Petition Date through the Administrative Expense Claim Bar Date.

**1.4** “Allowed” means, with respect to Claims: (a) any Claim, proof of which was timely Filed (or for which Claim, under this Plan, the Bankruptcy Code, or a Final Order of the Bankruptcy Court, a Proof of Claim is not or shall not be required to be filed); (b) any Claim which has been or hereafter is listed by the Debtors in the Schedules as liquidated in amount and not disputed or contingent and for which no Proof of Claim has been Filed; or (c) any Claim expressly allowed pursuant to this Plan or a Final Order of the Bankruptcy Court; **provided** that any Claim described in clauses (a) and (b) shall be considered Allowed only if and to the extent that with respect to such Claim, no objection to the allowance or amount thereof has been interposed within the applicable period fixed by this Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or such objection is interposed and the Claim is subsequently Allowed by a Final Order; **provided, further**, that Claims Allowed solely for purposes of voting on this Plan pursuant to an Order of the Bankruptcy Court shall not be considered “Allowed” Claims hereunder. An Allowed Claim shall be net of any valid setoff exercised with respect to such Claim pursuant to the provisions of the Bankruptcy Code and applicable law. Moreover, any portion of a Claim that is satisfied, released, or waived during the Chapter 11 Cases is not an Allowed Claim. Unless otherwise specified in this Plan, in section 506(b) of the Bankruptcy Code, or by Final Order of the Bankruptcy Court, “Allowed” Claims shall not, for purposes of Distributions under this Plan, include interest on such Claim accruing from and after the Petition Date.

**1.5** “**Approved Budget**” means the budget attached as Exhibit B to the Final DIP Order, as amended, modified, or updated from time to time in accordance with the Postpetition Credit Agreement and Final DIP Order.

**1.6** “**Assets**” means all tangible and intangible assets of every kind and nature of the Debtors and the Estates within the meaning of section 541 of the Bankruptcy Code.

**1.7** “**Avoidance Actions**” means all rights to avoid transfers or distributions and recover any such avoided transfers or distributions for the benefit of the Estates under chapter 5 of the Bankruptcy Code or otherwise, including, Bankruptcy Code sections 506(d), 522, 541, 542, 543, 544, 545, 547, 548, 549, 550, or 553, or otherwise under the Bankruptcy Code or under similar or related state or federal statutes and common law, including, all preference, fraudulent conveyance, fraudulent transfer, and/or other similar avoidance claims, rights, and causes of action, whether or not demand has been made or litigation has been commenced as of the Effective Date to prosecute such Avoidance Actions; **subject however**, to any releases thereof provided in this Plan, the Plan Confirmation Order, the Final DIP Order, the Sale Order, or any other Final Order of the Bankruptcy Court.

**1.8** “**Ballot**” means the ballot on which each Holder of a Claim entitled to vote on the acceptance or rejection of this Plan casts such vote.

**1.9** “**Balloting Agent**” means the proposed balloting agent, Omni Agent Solutions.

**1.10** “**Bankruptcy Code**” means title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.*

**1.11** “**Bankruptcy Court**” or “**Court**” means the United States Bankruptcy Court for the Northern District of New York, having jurisdiction over the Chapter 11 Cases, or if such Court ceases to exercise jurisdiction over the Chapter 11 Cases, such court or adjunct thereof that exercises jurisdiction over the Chapter 11 Cases in lieu of the United States Bankruptcy Court for the Northern District of New York.

**1.12** “**Bankruptcy Rules**” means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, as amended from time to time.

**1.13** “**Beneficiary**” means, with respect to the Liquidation Trust, any Holder of an Allowed Claim that is entitled to receive a Distribution from the Liquidation Trust under the terms hereof.

**1.14** “**Business Day**” means any day other than a Saturday, Sunday, or any other day on which commercial banks in New York, New York are required or authorized to close by law or executive order.

**1.15** “**Cash**” means legal tender of the United States of America and

equivalents thereof.

**1.16** “**Causes of Action**” means all claims, actions (including the Avoidance Actions), causes of action, choses in action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, third-party claims, counterclaims, and crossclaims of any Debtor and/or any of the Estates against any Person, based in law or equity, including, under the Bankruptcy Code, whether direct, indirect, derivative, or otherwise and whether asserted or unasserted, and any and all commercial tort claims against any Person, subject however, to any releases provided in this Plan, the Plan Confirmation Order, the Final DIP Order, the Sale Order, or any other Final Order of the Bankruptcy Court.

**1.17** “**Chapter 11 Cases**” means the cases under chapter 11 of the Bankruptcy Code commenced by the Debtors, styled as *Good Samaritan Lutheran Health Care Center, Inc. d/b/a Bethlehem Commons Care Center, et al.*, which are jointly administered under Case No. 19-12215 (REL) and currently pending in the Bankruptcy Court.

**1.18** “**Claim**” has the meaning set forth in section 101(5) of the Bankruptcy Code.

**1.19** “**Claims Agent**” means Omni Agent Solutions.

**1.20** “**Claims Objection Deadline**” means the date that is one hundred and eighty (180) days after the Effective Date or such later date as may be approved by the Bankruptcy Court.

**1.21** “**Class**” means any group of substantially similar Claims classified by this Plan pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code.

**1.22** “**Clerk**” means the clerk of the Bankruptcy Court.

**1.23** “**Collateral**” means any property or interest in property of the Debtors or the Estates subject to a Lien to secure the payment or performance of a Claim, which Lien is not subject to any Avoidance Action or otherwise waived.

**1.24** “**Compensation and Reimbursement Claim**” means a Claim for compensation for services rendered or reimbursement of expenses incurred through and including the Effective Date pursuant to Bankruptcy Code sections 330, 331, 503(b)(2), 503(b)(3), 503(b)(4), or 503(b)(5), including Claims of any Professional seeking an award by the Bankruptcy Court of compensation for service rendered or reimbursement of expenses incurred through and including the Effective Date.

**1.25** “**Creditor**” means any Person that is the Holder of an Allowed Claim against any of the Debtors.

**1.26** “**Debtors**” means, collectively, Good Samaritan Lutheran Health Care

Center, Inc. d/b/a Bethlehem Commons Care Center and Kenwood Manor, Inc.

**1.27** “**Debtors’ Facilities**” means the SNF and the KM Home.

**1.28** “**Debtors in Possession**” means the Debtors in their capacity as debtors in possession in the Chapter 11 Cases pursuant to sections 1101, 1107(a), and 1108 of the Bankruptcy Code.

**1.29** “**DIP Financing Motion**” means the Debtors’ *Motion for Entry of Interim and Final Orders (I) Authorizing Debtors-In-Possession to Obtain Postpetition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, and 507, (II) Granting Liens, Security Interests and Superpriority Claims, (III) Authorizing Use of Cash Collateral and Granting Adequate Protection; (IV) Modifying the Automatic Stay; and (V) Scheduling a Final Hearing* [Docket No. 22].

**1.30** “**DIP Lender**” means Amalgamated Bank.

**1.31** “**DIP Orders**” means, collectively, the Interim DIP Order and the Final DIP Order.

**1.32** “**Disputed**” means any Claim that is or hereafter may be listed on the Schedules as disputed, contingent, or unliquidated, or which is objected to in whole or in part prior to the Claims Objection Deadline and has not been allowed in whole or in part by settlement or Final Order.

**1.33** “**Disputed Claims Reserve**” has the meaning set forth in Article VI.E. of this Plan.

**1.34** “**Distribution**” means Cash, property, interests in property or other value distributed to Holders of Allowed Claims, or their designated agents, or Beneficiaries, as applicable, under or pursuant to this Plan and/or the Liquidation Trust Agreement.

**1.35** “**Distribution Record Date**” means the record date for purposes of making Distributions under the Plan on account of Allowed Claims, which date shall be the Effective Date.

**1.36** “**Docket**” means the docket maintained by the Clerk in the Chapter 11 Cases.

**1.37** “**DOH**” means the New York State Department of Health.

**1.38** “**Effective Date**” means the date on which the conditions specified in Article IX.B of this Plan have been satisfied or waived and the transactions contemplated hereunder have been consummated.

**1.39** “**Entity**” means an entity as defined in section 101(15) of the Bankruptcy



Code.

**1.40** “**Equity Interest**” means any equity or membership interest in any Debtor to the extent permitted by the New York Not-For-Profit Corporation Law.

**1.41** “**Estates**” means the estates of the Debtors created upon the commencement of the Chapter 11 Cases, including all of the Debtors’ Assets.

**1.42** “**Exculpated Parties**” means the Debtors, the Debtors’ directors and officers, and the Debtors’ Professionals, including Stradley, Ronon, Stevens & Young, LLP and Omni Agent Solutions.

**1.43** “**Executory Contract**” means any executory contract or unexpired lease as of the Petition Date between the Debtors and any other Person or Persons.

**1.44** “**Facilities Purchasers**” means collectively Delmar SNF Operations Associates, LLC and Delmar AH Operations Associates, LLC, the purchasers of the SNF and the KM Home, respectively.

**1.45** “**File**”, “**Filed**”, or “**Filing**” means file, filed, or filing with the Bankruptcy Court (or with the Claims Agent, to the extent permitted by an Order of the Bankruptcy Court) in the Chapter 11 Cases.

**1.46** “**Final DIP Order**” means the *Final Order (I) Authorizing Debtors-In-Possession to Obtain Postpetition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364 and 507, (II) Granting Liens, Security Interests and Superpriority Claims, (III) Authorizing Use of Cash Collateral and Granting Adequate Protection; and (IV) Modifying the Automatic Stay*, entered by the Bankruptcy Court on February 3, 2020 [Docket No. 120], as the same may be amended or modified from time to time.

**1.47** “**Final Order**” means an Order of the Bankruptcy Court or a Court of competent jurisdiction to hear appeals from the Bankruptcy Court, that has not been reversed, stayed, modified, or amended and as to which the time to appeal, to petition for certiorari, or to move for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall then be pending; **provided, however**, that the possibility that a motion under Rule 59 or 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or applicable state court rules of civil procedure, may be Filed with respect to such order shall not cause such order not to be a Final Order.

**1.48** “**General Bar Date**” means June 9, 2020 at 5:00 p.m. (ET), the deadline for each Person or Entity, including, individuals, partnerships, corporations, joint ventures, and trusts, as well as Governmental Units, to file a proof of Claim against any of the Debtors for a Claim that arose prior to the Petition Date, including a Claim against any Debtor for the value of goods sold to the Debtors in the ordinary course of business and received by the Debtors within twenty (20) days before the Petition Date.

**1.49** “**General Unsecured Claim**” means any Claim against the Debtors that arose or is deemed or determined by the Bankruptcy Code or Bankruptcy Court, as the case may be, to have arisen before the Petition Date and that is not: (i) a Secured Claim, (ii) a Priority Tax Claim, (iii) a Priority Non-Tax Claim or any other Claim entitled to priority under the Bankruptcy Code or any order of the Bankruptcy Court, or (iv) any Claim that constitutes an Equity Interest. For the avoidance of doubt, General Unsecured Claims shall include Rejection Damages Claims.

**1.50** “**Good Samaritan**” means Good Samaritan Lutheran Health Care Center, Inc. d/b/a Bethlehem Commons Care Center.

**1.51** “**Good Samaritan Contribution**” means the portion of the Liquidation Trust Assets attributable to contributions by Good Samaritan including (i) \$6,000,000 of the Purchase Price attributable to the sale of the SNF and the SNF Real Estate, (ii) the Retained Causes of Action held by Good Samaritan, and (iii) all other Assets (including any Cash) of Good Samaritan contributed to the Liquidation Trust Assets by Good Samaritan.

**1.52** “**Governmental Unit**” has the meaning set forth in section 101(27) of the Bankruptcy Code.

**1.53** “**Holder**” means the legal or beneficial holder of any Claim or Equity Interest.

**1.54** “**Insurance Policies**” means all insurance policies of the Debtors.

**1.55** “**Compensation Procedures Order**” means the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals*, entered by the Bankruptcy Court on March 19, 2020 [Docket No. 152].

**1.56** “**Interim DIP Order**” means the *Interim Order (I) Authorizing Debtors-In-Possession to Obtain Postpetition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364 and 507, (II) Granting Liens, Security Interests and Superpriority Claims, (III) Authorizing Use of Cash Collateral and Granting Adequate Protection; (IV) Modifying the Automatic Stay; and (V) Scheduling a Final Hearing*, entered by the Bankruptcy Court on December 20 2019 [Docket No. 50].

**1.57** “**IRC**” means the Internal Revenue Code of 1986, as amended.

**1.58** “**IRS**” means the Internal Revenue Service.

**1.59** “**Kenwood**” means Kenwood Manor, Inc.

**1.60** “**Kenwood Contribution**” means the portion of the Liquidation Trust Assets attributable to contributions by Kenwood including (i) \$1,500,000 of the Purchase Price attributable to the sale of the KM Home and the KM Real Estate, (ii) the Retained Causes of Action held by Kenwood, and (iii) all other Assets (including any Cash) of Kenwood contributed

to the Liquidation Trust Assets by Kenwood.

**1.61** “**KM Home**” means the 66-bed New York State Department of Health-certified adult home operated by Kenwood in Delmar, New York.

**1.62** “**Lien**” means any mortgage, pledge, deed of trust, assessment, security interest, lease, lien, adverse claim, levy, charge, right of first refusal or surrender right, or other encumbrance of any kind, including any “lien” as defined in section 101(37) of the Bankruptcy Code.

**1.63** “**Liquidation Trust**” means the trust established on the Effective Date as described in Article IV of this Plan and in accordance with the Liquidating Trust Agreement.

**1.64** “**Liquidation Trust Advisors**” means any firm(s) or individual(s) retained by the Liquidation Trustee to serve as the Liquidation Trustee’s legal counsel or provide other professional services in connection with the performance of the Liquidation Trustee’s duties and responsibilities under this Plan and the Liquidation Trust Agreement.

**1.65** “**Liquidation Trust Agreement**” means the trust agreement, in form and substance acceptable to the Debtors, to be executed by the Debtors and the Liquidation Trustee as of the Effective Date establishing the Liquidation Trust described in Article IV of this Plan.

**1.66** “**Liquidation Trust Assets**” means (i) the Liquidation Trust Funding Amount, (ii) the Retained Causes of Action, and (iii) all other Assets (including any Cash) of the Debtors and the Estates as of the later of the Effective Date or the closing of the Sale, but specifically excluding (a) all Sale Assets, and (b) any Cause of Action or Claim released, sold or assigned pursuant to the terms of this Plan, the Plan Confirmation Order, the Final DIP Order, the Sale Order, or any other Final Order of the Bankruptcy Court.

**1.67** “**Liquidation Trust Funding Amount**” means the aggregate amount of Cash held by the Debtors including, the amount remaining from the Sale, after (a) payment of (i) all Allowed Secured Claims, and (ii) all Allowed Administrative Expense Claims, and (b) funding (i) the Professional Fee Reserve, and (ii) the Wind Down Reserve, and which, on or as soon as reasonably practicable after the Effective Date, shall be transferred to the Liquidation Trust to be used to fund (x) litigation of Retained Causes of Action assigned to the Trust, (y) the Liquidation Trust Operating Reserve, as necessary or appropriate to pay all Liquidation Trust Operating Expenses, and (z) Distributions to Beneficiaries in accordance with this Plan and the Liquidation Trust Agreement. The Debtors expect that the Liquidation Trust Funding Amount will be approximately \$985,000.00.

**1.68** “**Liquidation Trust Operating Expenses**” means the overhead and other operational expenses of the Liquidation Trust including, but not limited to, (i) reasonable compensation for the Liquidation Trustee in accordance with the Liquidation Trust Agreement, (ii) costs and expenses incurred by the Liquidation Trustee in administering the Liquidation Trust, (iii) Statutory Fees that may become payable after the Effective Date to the U.S. Trustee, and (iv) any fees and expenses payable to the Liquidation Trust Advisors.

**1.69** “**Liquidation Trust Operating Reserve**” means the reserve established by the Liquidation Trustee (from the Liquidation Trust Funding Amount) deemed necessary by the Liquidation Trustee to satisfy anticipated Liquidation Trust Operating Expenses.

**1.70** “**Liquidation Trustee**” means the Person to be disclosed in the Plan Supplement who will be selected by the Debtors to administer the Liquidation Trust, and who shall have such rights, duties, and obligations as set forth herein and in the Liquidation Trust Agreement.

**1.71** “**Local Rules**” means the Local Bankruptcy Rules for the Northern District of New York, as amended from time to time.

**1.72** “**Order**” means an order, opinion, or judgment of the Bankruptcy Court as entered on the Docket.

**1.73** “**Person**” means an individual, a corporation, a partnership, an association, a joint stock company, a joint venture, an estate, a trust, an unincorporated association or organization, a governmental unit or any agency or subdivision thereof or any other entity.

**1.74** “**Petition Date**” means December 12, 2019, the date on which these Chapter 11 Cases were commenced.

**1.75** “**Plan**” means this joint chapter 11 plan of liquidation, including 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 through the Effective Date.

**1.76** “**Plan Confirmation Date**” means the date on which the Clerk of the Bankruptcy Court enters the Plan Confirmation Order on the Docket.

**1.77** “**Plan Confirmation Order**” means an order entered by the Bankruptcy Court approving and confirming this Plan under sections 1125 and 1129 of the Bankruptcy Code.

**1.78** “**Plan Documents**” means the Disclosure Statement, this Plan, the Plan Supplement, and all other exhibits and schedules attached to the foregoing, as same may be amended, modified or supplemented from time to time..

**1.79** “**Plan Supplement**” means the appendix of schedules and exhibits to be Filed at least ten (10) days prior to the Plan Confirmation Hearing containing, among other things, the Liquidation Trust Agreement, as may be amended, modified, and/or supplemented.

**1.80** “**Postpetition Credit Agreement**” means that certain *Debtor-in-Possession Credit Agreement* executed January 10, 2020, by and among the Debtors and the DIP Lender, together with all schedules and exhibits thereto, as the same may be amended, modified, or supplemented from time to time.

**1.81** “**Postpetition Credit Documents**” means the Postpetition Credit Agreement, the Approved Budget, the DIP Orders, and all documents, instruments, guaranties, and agreements executed and delivered in connection therewith, as the same may be amended, modified, or supplemented from time to time.

**1.82** “**Priority Non-Tax Claim**” means a Claim that is entitled to priority in right of payment under Bankruptcy Code section 507(a), other than a Priority Tax Claim or an Administrative Expense Claim.

**1.83** “**Priority Tax Claim**” means a Claim that is entitled to priority under section 507(a)(8) of the Bankruptcy Code.

**1.84** “**Pro Rata Share**” means with respect to any Distribution on account of any Allowed Claim, the ratio that the amount of such Allowed Claim bears to the aggregate amount of all Allowed Claims in the same Class.

**1.85** “**Professional**” means any professional person employed by the Debtors in the Chapter 11 Cases pursuant to section 327, 333, 363, 1103 of the Bankruptcy Code or otherwise pursuant to an Order of the Bankruptcy Court.

**1.86** “**Professional Fee Reserve**” means a reserve account established as of the later of the Effective Date or the closing of the Sale in an amount necessary to satisfy in full any outstanding Allowed Compensation and Reimbursement Claims, which reserve shall be held by the Debtors and used for the payment of Allowed Compensation and Reimbursement Claims in accordance with the Compensation Procedures Order and not otherwise paid as of the Effective Date.

**1.87** “**Purchase Prices**” means the aggregate amount the Purchasers have agreed to pay the Debtors to acquire the Sale Assets, which amount is \$7,500,000.00.

**1.88** “**Purchasers**” means, collectively, the purchasers of the Sale Assets under the Sale Agreements.

**1.89** “**Rejection Damages Claim**” means any Claim under section 502(g) of the Bankruptcy Code arising from, or relating to, the rejection of an Executory Contract pursuant to section 365(a) of the Bankruptcy Code by the Debtors, as limited, in the case of a rejected employment contract or unexpired lease, by section 502(b) of the Bankruptcy Code.

**1.90** “**Retained Causes of Action**” means all Causes of Action, including Avoidance Actions, belonging to the Debtors and **not** (a) purchased by and transferred to the Purchasers under the Sale Documents, or (b) released by this Plan, the Plan Confirmation Order, the Final DIP Order, the Sale Order, or any other Final Order of the Bankruptcy Court, including claims against any and all parties, other than insiders of the Debtors, that are identified on the Debtors’ statements of financial affairs as having received a transfer within 90 days of the Petition Date.

**1.91** “**Sale**” means each closing transaction pursuant to which the Purchasers acquire the Sale Assets in accordance with the Sale Documents.

**1.92** “**Sale Agreements**” means (i) the Asset Purchase Agreements, as amended by the Amendments to Asset Purchase Agreement, (ii) the Purchase and Sale Agreements, and (iii) the Receivership Agreements, copies of which are attached to the Sale Order as Exhibit A.

**1.93** “**Sale Assets**” means all Assets to be transferred, conveyed, sold, and assigned by the Debtors to the Purchasers under the Sale Agreements.

**1.94** “**Sale Documents**” means the Sale Agreements, the Sale Order, and all documents, instruments, and agreements executed and delivered in connection therewith, as the same may be amended, modified, or supplemented from time to time.

**1.95** “**Sale Order**” means the *Order (A) Approving the Sale of Substantially All of the Debtors’ Assets Free and Clear of Liens, Claims, Encumbrances and Other Interests Pursuant to the Sale Agreements, (B) Allowing the Appointment by the New York State Department of Health of the Purchasers to Serve as Receivers Pursuant to the Receivership Agreements, and (C) Granting Related Relief*, entered by the Court on March 13, 2020 [Docket No. 150].

**1.96** “**Sale Motion**” means the Debtors’ *Motion for Entry of an Order (A) Approving the Sale of Substantially All of the Debtors’ Assets Free and Clear of Liens, Claims, Encumbrances and Other Interests, (B) Allowing the Appointment by the New York State Department of Health of the Purchasers to Serve as Receivers, and (C) Granting Related Relief*, which the Debtors Filed on February 22, 2020 [Docket No. 108].

**1.97** “**Schedules**” means the schedules of assets and liabilities and statements of financial affairs Filed by the Debtors pursuant to section 521 of the Bankruptcy Code and Bankruptcy Rule 1007(b), as such schedules or statements may be amended or supplemented from time to time.

**1.98** “**Secured Claim**” means a Claim (i) that is secured by a Lien on any Assets, which Lien is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable state law, or a Claim that is subject to a valid right of setoff against amounts owed to the Debtors; (ii) to the extent of the value of the Holder’s interest in the Estates’ interest in such Assets or to the extent of the amount subject to a valid right of setoff, as applicable; and (iii) the amount of which (A) is undisputed by the Debtors or (B) if disputed by the Debtors, such dispute is settled by written agreement between the Debtors or the Liquidation Trustee and the Holder of such Claim or determined, resolved, or adjudicated by Final Order.

**1.99** “**SNF**” means the 120-bed nonprofit skilled nursing facility operated by Good Samaritan in Delmar, New York.

**1.100** “**Statutory Fees**” means any and all fees payable to the U.S. Trustee pursuant to section 1930 of title 28 of the United States Code and any interest due with respect thereto.

**1.101** “**Subordinated Other Claim**” means any Claim asserted against any Debtor that is subordinated pursuant to either sections 510(b) or 510(c) of the Bankruptcy Code.

**1.102** “**U.S. Trustee**” means the Office of the United States Trustee for the Northern District of New York.

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

**1.104** “**Unclaimed Distribution Deadline**” means ninety (90) days from the date the Liquidation Trustee makes a Distribution.

**1.105** “**Wind Down Reserve**” means a reserve established by the Debtors, on the later of the Effective Date or the closing of the Sale from Cash on hand to fund the cost to wind-down the Debtors and prepare and file final tax returns, in an amount not to exceed \$15,000.00.

## **B. Interpretation: Application of Definitions and Rules of Construction**

Wherever from the context it appears appropriate, each term stated in either 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. Unless otherwise specified, all section, article, schedule, or exhibit references in this Plan are to the respective section in, article of, Schedule to, or Exhibit to this Plan. The words "herein," "hereof," "hereto," "hereunder," and other words of similar import refer to this Plan as a whole and not to any particular section, subsection or clause contained in this Plan. The rules of construction contained in section 102 of the Bankruptcy Code shall apply to the construction of this Plan. A term used herein that is not defined herein, but that is used in the Bankruptcy Code, shall have the meaning ascribed to that term in the Bankruptcy Code. The headings in this Plan are for convenience of reference only and shall not limit or otherwise affect the provisions of this Plan. Any reference to the "Liquidation Trustee" shall be deemed to include a reference to the "Liquidation Trust" and any reference to the "Liquidation Trust" shall be deemed to include a reference to the "Liquidation Trustee" unless the context otherwise requires. Bankruptcy Rule 9006 shall apply to all computations of time periods prescribed or allowed by this Plan unless otherwise set forth herein or provided by the Bankruptcy Court.

## **ARTICLE II.**

### **TREATMENT OF UNCLASSIFIED CLAIMS**

#### **A. Establishment of Administrative Expense Claim Bar Date**

Except as otherwise provided herein, on or before 5:00 p.m., prevailing Eastern

time, on the Administrative Expense Claim Bar Date, each holder of an Administrative Expense Claim shall file with the Claims Agent a request for payment of Administrative Expense Claim by (a) mailing, hand delivering or delivering by courier service such request for payment of Administrative Expense Claim to the Claims Agent at Good Samaritan Lutheran Health Care Center Claims Processing, c/o Omni Agent Solutions, 5955 De Soto Ave., Suite 100, Woodland Hills, CA 91367, or (b) by online submission at <https://cases.omniagentsolutions.com/goodsamaritanhealth/>.

The request for payment of an Administrative Expense Claim will be timely only if it is *actually received* by the Claims Agent by 5:00 p.m., prevailing Eastern time, on the Administrative Expense Claim Bar Date. Except by online submission at <https://cases.omniagentsolutions.com/goodsamaritanhealth/>, requests for payment of Administrative Expense Claims may **not** be delivered electronically, including by facsimiles, telecopy, or e-mail transmission.

Notwithstanding anything herein, no Professionals retained pursuant to an Order of the Bankruptcy Court shall be required to file a request for payment of any Administrative Expense Claim on or before the Administrative Expense Claim Bar Date for fees and expenses arising under sections 330, 331 or 503(b)(2-5) of the Bankruptcy Code, as such Professional will instead file final fee applications as required by the Bankruptcy Code and Bankruptcy Rules and in accordance with the Compensation Procedures Order.

## **B. Administrative Expense Claims**

Except to the extent that a Holder of an Allowed Administrative Expense Claim agrees to less favorable treatment, each Holder, if any, of an Allowed Administrative Expense Claim (other than Compensation and Reimbursement Claims and Statutory Fees) whose Claim has not been assumed or paid by the Purchasers in connection with the Sale or otherwise satisfied prior to the Effective Date shall receive Cash in an amount equal to the unpaid amount of such Allowed Administrative Expense Claim on or as soon as practical after the later of (i) the Effective Date, (ii) the date on which such Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or (iii) the closing of the Sale. To be eligible to receive Distributions under this Plan on account of an Administrative Expense Claim that is not otherwise expressly Allowed by this Plan, a request for payment of an Administrative Expense Claim incurred during the Administrative Expense Claim Period must have been or be Filed on or before the Administrative Expense Claim Bar Date. Any Administrative Expense Claim that is not timely asserted by the Administrative Expense Claim Bar Date in accordance herewith shall be deemed disallowed under this Plan and shall be forever barred against the Debtors, the Estates, the Liquidation Trust, or any of their Assets or property, and the Holder thereof shall be enjoined from commencing or continuing any action, employment of process, or act to collect, offset, recoup, or recover such Administrative Expense Claim. Excluding Compensation and Reimbursement Claims, Priority Tax Claims, and Statutory Fees, the Debtors estimate that as of the Effective Date, outstanding Administrative Expense Claims to be paid from Purchase Price will total approximately \$500,000.00



### **C. Compensation and Reimbursement Claims**

All Professionals seeking allowance and payment of Compensation and Reimbursement Claims shall (i) File their respective final applications for allowance of compensation for services rendered and reimbursement of expenses incurred in the Chapter 11 Cases by the date that is thirty (30) days after the Effective Date and (ii) be paid, from the Professional Fee Reserve, (a) the unpaid amounts Allowed by the Bankruptcy Court within five (5) Business Days after the date that such Claim is Allowed by Order of the Bankruptcy Court or as soon thereafter as practicable but in no event later than five (5) Business Days after the later of the Effective Date or the closing of the Sale, or (b) upon such other terms as may be mutually agreed upon between the Holder of such Allowed Compensation and Reimbursement Claim and the Debtors. Any Compensation and Reimbursement Claim that is not timely asserted in accordance herewith shall be deemed disallowed under this Plan and shall be forever barred against the Debtors, the Estates, the Liquidation Trust, or any of their Assets or property, and the Holder thereof shall be enjoined from commencing or continuing any action, employment of process or act to collect, offset, recoup or recover such Claim. Any funds remaining in the Professional Fee Reserve after payment of all Allowed Compensation and Reimbursement Claims shall be remitted to the Liquidation Trustee. The Debtors estimate that the amount necessary to fund the Professional Fee Reserve and pay all outstanding Compensation and Reimbursement Claims will be approximately \$200,000.00.

### **D. Priority Tax Claims**

Each Holder of an Allowed Priority Tax Claim, if any, shall receive in full satisfaction of such Allowed Priority Tax Claim, in accordance with section 1129(a)(9)(C) of the Bankruptcy Code, regular installment payments in Cash over a period ending not later than five (5) years after the Petition Date of a total value, as of the Effective Date, equal to the Allowed amount of such Priority Tax Claim, payable from Cash on hand of the Debtors as of the Effective Date or from the Liquidation Trust. These Allowed Claims may be prepaid at any time. On the Effective Date, any Liens securing any Allowed Priority Tax Claim shall be deemed released, terminated, and extinguished, 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. The Debtors estimate that Priority Tax Claims against Good Samaritan total in the aggregate \$5,138.62 and that Priority Tax Claims against Kenwood total in the aggregate \$4,968.88.

### **E. Statutory Fees**

The Debtors have paid all Statutory Fees as they have become due and payable. The Facilities Purchasers will be liable for all Statutory Fees coming due from and after their anticipated appointment by the DOH to serve as receivers of the Debtors' Facilities. The Debtors estimate that the total outstanding Statutory Fees due from the Debtors' Estates as of the later of the Effective Date or the appointment of the Facilities Purchasers as receivers will aggregate \$0

**ARTICLE III.**

**CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS**

**A. Summary**

This Plan constitutes a separate chapter 11 plan of liquidation for each Debtor, and Claims against and Equity Interests in a particular Debtor are classified separately from Claims against and Equity Interests in the other Debtor. In accordance with section 1123(a)(1) of the Bankruptcy Code, the Debtors have not classified Administrative Expense Claims, Compensation and Reimbursement Claims, Priority Tax Claims, or Statutory Fees.

The following table classifies Claims against and Equity Interests in each Debtor for all purposes, including voting, confirmation and Distribution pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. The Plan deems a Claim or Equity Interest to be classified in a particular Class only to the extent that the Claim or Equity 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 Equity Interest qualifies within the description of such different Class. A Claim or Equity Interest is in a particular Class only to the extent that any such Claim or Equity Interest is Allowed in that Class and has not been paid or otherwise settled prior to the Effective Date. Each Class set forth below is treated hereunder as a distinct Class for voting and Distribution purposes.

Claims, other than Administrative Expense Claims, Compensation and Reimbursement Claims, Priority Tax Claims, and Statutory Fees, are classified as follows:

| <b>Class</b> | <b>Type</b>                                       | <b>Status Under Plan</b> | <b>Voting Status</b> |
|--------------|---|--------------------------|----------------------|
| <b>1</b>     | Secured Claims against Good Samaritan and Kenwood | Unimpaired               | Deemed to Accept     |
| <b>2</b>     | Priority Non-Tax Claims against Good Samaritan    | Unimpaired               | Deemed to Accept     |
| <b>3</b>     | General Unsecured Claims against Good Samaritan   | Impaired                 | Entitled to Vote     |
| <b>4</b>     | Subordinated Other Claims against Good Samaritan  | Impaired                 | Deemed to Reject     |
| <b>5</b>     | Equity Interests in Good Samaritan                | Impaired                 | Deemed to Reject     |
| <b>6</b>     | Priority Non-Tax Claims against Kenwood           | Unimpaired               | Deemed to Accept     |
| <b>7</b>     | General Unsecured Claims against Kenwood          | Impaired                 | Entitled to Vote     |
| <b>8</b>     | Subordinated Other Claims against Kenwood         | Impaired                 | Deemed to Reject     |
| <b>9</b>     | Equity Interests in Kenwood                       | Impaired                 | Deemed to Reject     |

**B. Classification and Treatment of Claims and Equity Interests**

**1. Class 1 - Secured Claims against Good Samaritan and Kenwood**

**(a) Classification**

Class 1 consists of all Secured Claims against Debtors, if any.

**(b) Impairment and Voting**

Class 1 is Unimpaired. Holders of Allowed Class 1 Secured Claims are deemed to have accepted the Plan and, thus, are not entitled to vote to accept or reject the Plan.

**(c) Treatment**

Except to the extent that a Holder of an Allowed Secured Claim agrees to a less favorable or different treatment, each Holder of an Allowed Secured Claim will receive, on, or as soon as reasonably practicable after the later of (x) the Effective Date, (y) the closing of the Sale, or (z) the date such Claim becomes an Allowed Secured Claim, (i) the Collateral securing such Allowed Secured Claim, or (ii) such other treatment as renders such Holder's Allowed Secured Claim Unimpaired in accordance with section 1124(1) or (2) of the Bankruptcy Code; **provided, however**, that any deficiency Claims of Holders of Class 1 Secured Claims shall not constitute Class 1 Secured Claims and shall be treated as Class 3 or Class 7 General Unsecured Claims. The Holder of an Allowed Secured Claim that is secured by a lien or mortgage against any of the Sale Assets shall retain such lien or mortgage until the closing of the Sale, and upon the closing of the Sale such lien and/or mortgage shall attach to the proceeds of the Sale until such time as the Holder of the Allowed Secured Claim receives payment in accordance with this paragraph.

The Debtors estimate that Allowed Secured Claims will total in the aggregate approximately **\$5,800,000.00**.

**2. Class 2-Priority Non-Tax Claims against Good Samaritan**

**(a) Classification**

Class 2 consists of all Priority Non-Tax Claims against Good Samaritan.

**(b) Impairment and Voting**

Class 2 is Unimpaired. Holders of Allowed Priority Non-Tax Claims in Class 2 shall be deemed to have accepted the Plan and, thus, are not entitled to vote to accept or to reject the Plan.

**(c) Treatment**

Except to the extent that a Holder of an Allowed Priority Non-Tax Claim against Good Samaritan agrees to a less favorable or different treatment, the Holder of an Allowed

Priority Non-Tax Claim shall receive, as soon as reasonably practicable after the later of (x) the Effective Date, (y) the closing of the Sale, or (z) the date such Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim, payment in full from the Good Samaritan Contribution to the Liquidation Trust Assets in full satisfaction, settlement, and release of, and in exchange for, such Allowed Priority Non-Tax Claim. The Debtors estimate that Allowed Priority Non-Tax Claims against Good Samaritan will total **\$411,000.00**

**3. Class 3 - General Unsecured Claims against Good Samaritan**

**(a) Classification**

Class 3 consists of all General Unsecured Claims against Good Samaritan.

**(b) Impairment and Voting**

Class 3 is Impaired, and Holders of Allowed General Unsecured Claims in Class 3 are entitled to vote to accept or to reject the Plan.

**(c) Treatment**

Except to the extent that a Holder of an Allowed General Unsecured Claim has agreed to a less favorable or different treatment of such Allowed General Unsecured Claim, the Holder of an Allowed General Unsecured Claim against Good Samaritan shall receive, in full and final satisfaction, settlement, release, and discharge of each Allowed General Unsecured Claim, such Holder's Pro Rata Share of the Good Samaritan Contribution to the Liquidation Trust until all Allowed General Unsecured Claims in Class 3 are paid in full or the Good Samaritan Contribution to the Liquidation Trust Assets is exhausted; **provided, however**, that Distributions to Holders of Allowed General Unsecured Claims against Good Samaritan shall be subject and subordinate to (i) payment in full of all Liquidation Trust Operating Expenses and/or reservation in the Liquidation Trust Operating Reserve for such Liquidation Trust Operating Expenses as the Liquidation Trustee deems reasonable and appropriate, and (ii) payment in full of all Allowed Priority Tax Claims and Allowed Priority Non-Tax Claims against Good Samaritan. The Debtors estimate that Allowed General Unsecured Claims against Good Samaritan will total **\$10,610,000.00** and that Holders of Allowed General Unsecured Claims in Class 3 will receive a pro rata Distribution equaling approximately **4.1%** of their Claims.

**4. Class 4 - Subordinated Other Claims against Good Samaritan**

**(a) Classification**

Class 4 consists of all Subordinated Other Claims against Good Samaritan, if any. The Debtors do not believe that there are any Subordinated Other Claims against Good Samaritan.

**(b) Impairment and Voting**

Class 4 is Impaired because Holders of Allowed Subordinated Other Claims in Class 4 will receive no Distribution under the Plan. Class 4 shall be deemed to reject the Plan.

**(c) Treatment**

Holders of Allowed Claims in Class 4, if any, shall receive no Distribution or property on account of their Class 4 Allowed Claims.

**5. Class 5 - Equity Interests in Good Samaritan**

**(a) Classification**

Class 5 consists of all Equity Interests in Good Samaritan. Because the Debtors are not-for-profit corporations, the Debtors do not have any shareholders. However, Class 5 shall consist of all Equity Interests, if any, in Good Samaritan as defined in the Plan to include any membership interests under New York Not-For-Profit law.

**(b) Impairment and Voting**

Class 5 is Impaired because Holders of Equity Interests will receive no Distribution under the Plan. Class 5 shall be deemed to reject the Plan.

**(c) Treatment**

On the Effective Date, all membership interests, if any, in Good Samaritan shall be cancelled, deemed terminated, and of no further force and effect, and the Holders of Equity Interests shall not receive or retain any Distribution or property on account of such Equity Interests.

**6. Class 6 - Priority Non-Tax Claims against Kenwood**

**(a) Classification**

Class 6 consists of all Priority Non-Tax Claims against Kenwood.

**(b) Impairment and Voting**

Class 6 is Unimpaired. Holders of Allowed Priority Non-Tax Claims in Class 6 shall be deemed to have accepted the Plan and, thus, are not entitled to vote to accept or to reject the Plan.

**(c) Treatment**

Except to the extent that a Holder of an Allowed Priority Non-Tax Claim against Kenwood agrees to a less favorable or different treatment, the Holder of an Allowed Priority Non-Tax Claim shall receive, as soon as reasonably practicable after the later or (x) the Effective

Date, (y) the closing of the Sale, or (z) the date such Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim, payment in full from the Kenwood Contribution to the Liquidation Trust Assets in full satisfaction, settlement, and release of, and in exchange for, such Allowed Priority Non-Tax Claim. The Debtors estimate that Allowed Priority Non-Tax Claims against Kenwood will total in the aggregate between approximately **\$72,000.00**.

**7. Class 7 - General Unsecured Claims against Kenwood**

**(a) Classification**

Class 7 consists of all General Unsecured Claims against Kenwood.

**(b) Impairment and Voting**

Class 7 is Impaired, and Holders of Allowed General Unsecured Claims in Class 7 are entitled to vote to accept or to reject the Plan.

**(c) Treatment**

Except to the extent that a Holder of an Allowed General Unsecured Claim has agreed to a less favorable or different treatment of such Allowed General Unsecured Claim, the Holder of an Allowed General Unsecured Claim against Kenwood shall receive, in full and final satisfaction, settlement, release, and discharge of each Allowed General Unsecured Claim, such Holder's Pro Rata Share of the Kenwood Contribution to the Liquidation Trust until all Allowed General Unsecured Claims in Class 7 are paid in full or the Kenwood Contribution to the Liquidation Trust Assets is exhausted; **provided, however**, that Distributions to Holders of Allowed General Unsecured Claims against Kenwood shall be subject and subordinate to (i) payment in full all Liquidation Trust Operating Expenses and/or reservation in the Liquidation Trust Operating Reserve for such Liquidation Trust Operating Expenses as the Liquidation Trustee deems reasonable and appropriate, and (ii) payment in full all Allowed Priority Tax Claims and Allowed Priority Non-Tax Claims against Kenwood. The Debtors estimate that Allowed General Unsecured Claims against Kenwood will total approximately **\$3,220,000.00** and that Holders of Allowed General Unsecured Claims in Class 7 will receive a Distribution equaling approximately **2.4%** of their Allowed Claims.

**8. Class 8 - Subordinated Other Claims against Kenwood**

**(a) Classification**

Class 8 consists of all Subordinated Other Claims against Kenwood, if any. The Debtors do not believe that there are any Subordinated Other Claims against Kenwood.

**(b) Impairment and Voting**

Class 8 is Impaired because Holders of Allowed Subordinated Other Claims in Class 8 will receive no Distribution under the Plan. Class 8 shall be deemed to reject the Plan.

**(c) Treatment**

Holders of Allowed Claims in Class 8 shall receive no Distribution or property on account of their Class 8 Allowed Claims.

**9. Class 9 - Equity Interests**

**(a) Classification**

Class 9 consists of all Equity Interests in Kenwood. Because the Debtors are not-for-profit corporations, the Debtors do not have any shareholders. However, Class 9 shall consist of all Equity Interests, if any, in Kenwood as defined in the Plan to include any membership interests under New York Not-For-Profit law.

**(b) Impairment and Voting**

Class 9 is Impaired. Because Holders of Equity Interests will receive no Distribution under the Plan, Class 9 shall be deemed to reject the Plan.

**(c) Treatment**

On the Effective Date, all membership interests, if any, in Kenwood shall be cancelled, deemed terminated, and of no further force and effect, and the Holders of Equity Interests shall not receive or retain any Distribution or property on account of such Equity Interests.

**C. Separate Plans of Liquidation**

The Plan constitutes a separate chapter 11 plan of liquidation for each Debtor.

**D. Modification of Treatment of Claims and Equity Interests**

To the extent that the Holder of a Claim or Equity Interest agrees to the modification of its treatment under the Plan, the Debtors reserve the right to amend the Plan to reflect such agreed upon modification.

**E. Cramdown and No Unfair Discrimination**

In the event that any impaired Class of Claims or Equity Interests rejects this Plan or is deemed to have rejected this Plan, the Debtors hereby request, without any delay in the occurrence of the Plan Confirmation Hearing or Effective Date, that the Bankruptcy Court confirm this Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to such non-accepting Class, in which case this Plan shall constitute a motion for such relief.

## ARTICLE IV.

### MEANS OF IMPLEMENTATION OF THE PLAN

#### **A. Appointment of the Liquidation Trustee**

The Liquidation Trustee shall be selected by the Debtors, and shall be identified by the Debtors prior to the Plan Confirmation Hearing in the Plan Supplement. At the Plan Confirmation Hearing, the Bankruptcy Court shall consider and, if appropriate, ratify the selection of the Liquidation Trustee. All compensation for the Liquidation Trustee shall be paid from the Liquidation Trust Assets, as may be reserved by the Liquidation Trustee in the Liquidation Trust Operating Reserve, in accordance with the Liquidation Trust Agreement. The Liquidation Trust Agreement shall be effective on the Effective Date. The Liquidation Trustee shall not be required to provide a bond, surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court. On the Effective Date, all Beneficiaries of the Liquidation Trust shall be deemed to have ratified and become bound by the terms and conditions of the Liquidation Trust Agreement. In the event that the Liquidation Trustee resigns or is removed, terminated, or otherwise unable to serve as the Liquidation Trustee, then a successor shall be appointed as set forth in the Liquidation Trust Agreement. Any successor Liquidation Trustee appointed shall be bound by and comply with the terms of this Plan, the Plan Confirmation Order, and the Liquidation Trust Agreement.

#### **B. Creation of the Liquidation Trust**

On the Effective Date, without any further action by the Bankruptcy Court, the Liquidation Trust shall be vested with all Liquidation Trust Assets and the Liquidation Trustee shall be vested with all of the powers, rights and duties conferred pursuant to the Plan, the Confirmation Order and the Liquidation Trust Agreement. The Liquidation Trust shall be established for the primary purpose of liquidating the Liquidation Trust Assets and for making Distributions in accordance with this Plan and the Liquidation Trust Agreement, with no objective to continue or engage in the conduct of business, except only in the event and to the extent necessary to, and consistent with, the liquidating purpose of the Liquidation Trust. Notwithstanding the establishment of the Liquidation Trust and the appointment of the Liquidation Trustee as of the Effective Date, the reorganized Debtors shall continue their involvement with the operations of the Debtors consistent with this Plan and the Receivership Agreements. For the avoidance of doubt, the Liquidation Trustee shall have no interest or involvement in the Debtors' businesses, provided, however, that following the closing of the Sale, the net proceeds of the Sale shall constitute Liquidation Trust Assets and shall be administered by the Liquidation Trustee consistent with the Plan, the Confirmation Order and the Liquidation Trust Agreement.

Upon the creation of the Liquidation Trust and at all times thereafter, the Liquidation Trustee shall segregate or otherwise separately earmark the Good Samaritan Contribution and the Kenwood Contribution to the Liquidation Trust, including each Debtors' pro rata share of the Sale proceeds, for the purpose of ensuring that appropriate Distributions are made from the Liquidation Trust to the respective Creditors of each Debtor in accordance with the terms of this Plan.



**C. Beneficiaries of the Liquidation Trust**

The Holders of Allowed Unsecured Claims entitled to Distributions hereunder shall be the Beneficiaries of the Liquidation Trust. Such Beneficiaries shall be bound by the Liquidation Trust Agreement. The interests of the Beneficiaries in the Liquidation Trust shall be uncertificated and shall be nontransferable, except upon death of the interest holder or by operation of law.

**D. Vesting and Transfer of Assets to the Liquidation Trust**

Pursuant to section 1141(b) of the Bankruptcy Code, the Liquidation Trust Assets shall vest in the Liquidation Trust free and clear of all Claims and Liens; **provided, however,** that the Liquidation Trustee may abandon or otherwise not accept any Liquidation Trust Assets that the Liquidation Trustee believes, in good faith, to have no value, or to be unduly burdensome to the Liquidation Trust. Any Liquidation Trust Assets that the Liquidation Trustee so abandons or does not accept shall not be property of the Liquidation Trust. All Liquidation Trust Assets that vest in the Liquidation Trust shall be free and clear of all Liens, Claims, encumbrances, and interests, except as otherwise specifically provided in this Plan or in the Plan Confirmation Order. For the avoidance of doubt, the Liquidation Trustee shall have no interest or involvement in the Debtors' businesses, provided, however, that following the closing of the Sale, the net proceeds of the Sale shall constitute Liquidation Trust Assets and shall be administered by the Liquidation Trustee consistent with the Plan, the Confirmation Order and the Liquidation Trust Agreement.

**E. Certain Powers and Duties of the Liquidation Trust and Liquidation Trustee**

**1. General Powers of the Liquidation Trustee**

The Liquidation Trustee shall have the power, authority and duty to act as specifically authorized by the Liquidation Trust Agreement, this Plan, and any applicable law, in the discharge of his/her obligations, including to conserve and protect the Liquidation Trust or to confer on the Beneficiaries the benefits intended to be conferred upon them by the Liquidation Trust Agreement, this Plan, and any applicable law. The powers, rights, and responsibilities of the Liquidation Trustee shall be specified in the Liquidation Trust Agreement and shall include the authority, power, and responsibility to: (a) receive, manage, invest, supervise, and protect Liquidation Trust Assets; (b) pay taxes or other obligations incurred by the Liquidation Trust and issue to employees or other Persons, and/or file with the appropriate Governmental Units, applicable tax and wage returns and forms relating to the Liquidation Trust, but not relating to the operation of the Debtors' businesses; (c) retain and compensate, without further order of the Bankruptcy Court, the employees, professionals, and consultants to advise and assist in the administration, prosecution and distribution of Liquidation Trust Assets, but not the operation of the Debtors' businesses; (d) calculate and implement Distributions of Liquidation Trust Assets; (e) investigate, prosecute, compromise, and settle, in accordance with the specific terms of the Liquidation Trust Agreement and without further order of the Court, Retained Causes of Action vested in the Liquidation Trust; (f) resolve issues involving Claims in accordance with this Plan, including the power to object

to Claims, and to subordinate and recharacterize Claims by objection, motion, or adversary proceeding; (g) review and, if appropriate, object to Administrative Expense Claims and Compensation and Reimbursement Claims; (h) pay Statutory Fees to the extent provided pursuant to Article II.D. of this Plan; and (i) take action pursuant to such other powers as may be vested in or assumed by the Liquidation Trustee pursuant to this Plan, the Liquidation Trust Agreement, or Bankruptcy Court Order, or as may be necessary and proper to carry out the provisions of this Plan. For the avoidance of doubt, the Liquidation Trustee shall have no interest or involvement in the Debtors' businesses until the closing of the Sale, following which, the net proceeds of the Sale shall constitute Liquidation Trust Assets and shall be administered by the Liquidation Trustee consistent with the Plan, the Confirmation Order and the Liquidation Trust Agreement.

## **2. Books and Records**

On the Effective Date, the Liquidation Trust shall: (a) have access to all books, records, and files of the Debtors and the Estates that are necessary for the administration of the Liquidation Trust; and (b) to the extent that any of such books, records, and files are not necessary to the operation of the Debtors' businesses and do not constitute Sale Assets, provide for the retention and storage of such books, records, and files until such time as the Liquidation Trust determines, in accordance with the Liquidating Trust Agreement, that retention of same is no longer necessary or beneficial.

To the extent any of the books, records, and files of the Debtors have been transferred in connection with the Sale, the Liquidation Trustee shall have access to such books, records and files at no material cost to the Liquidation Trust.

## **3. Investments of Cash**

The Liquidation Trust may invest Cash (including any earnings thereon or proceeds therefrom) as permitted by section 345 of the Bankruptcy Code or in other prudent investments, provided that such investments are permitted to be made by a liquidating trust within the meaning of Treasury Regulation section 301.7701-4(d), as reflected therein, or under applicable IRS guidelines, rulings, or other controlling authorities.

## **4. Costs and Expenses of Administration of the Liquidation Trust**

All Liquidation Trust Operating Expenses shall be the responsibility of and paid by the Liquidation Trust in accordance with the Liquidation Trust Agreement from the Liquidation Trust Operating Reserve.

## **5. Reporting**

In no event later than ninety (90) calendar days following the Effective Date and on a quarterly basis thereafter until all Cash in the Liquidation Trust has been released or paid out in accordance with this Plan, the Liquidation Trustee shall File a report setting forth the amounts, recipients, and dates of all Distributions made by the Liquidation Trustee under this Plan through each applicable reporting period.

#### **F. Federal Income Tax Treatment of the Liquidation Trust for the Liquidation Trust Assets**

For federal income tax purposes, it is intended that the Liquidation Trust be classified as a liquidating trust under section 301.7701-4 of the Treasury regulations and that such trust be owned by its Beneficiaries. Accordingly, for federal income tax purposes, it is intended that the Beneficiaries be treated as if they had received a distribution from the Estates of an undivided interest in each of the Liquidation Trust Assets (to the extent of the value of their respective share in the applicable assets) and then contributed such interests to the Liquidation Trust, and the Liquidation Trust's Beneficiaries will be treated as the grantors and owners thereof.

The Liquidation Trust shall be responsible for filing all federal, state, and local tax returns for the Liquidation Trust. The Liquidation Trust shall comply with all withholding and reporting requirements imposed by any federal, state, or local taxing authority, and all distributions made by the Liquidation Trust shall be subject to any such withholding and reporting requirements. The Liquidation Trustee shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements including, requiring that, as a condition to the receipt of a Distribution, a Creditor holding an Allowed Claim complete the appropriate IRS Form W-8 or IRS Form W-9, as applicable to each Creditor. Notwithstanding any other provision of this Plan, (a) each Creditor holding an Allowed Claim that is to receive a Distribution from the Liquidation Trust shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed on such Creditor by any Governmental Unit, including income and other tax obligations, on account of such Distribution, and (b) no Distribution shall be made to or on behalf of such Creditor pursuant to this Plan unless and until such Creditor has made arrangements satisfactory to the Liquidation Trustee to allow it to comply with its tax withholding and reporting requirements. Any property to be distributed by the Liquidation Trust shall, pending the implementation of such arrangements, be treated as an undeliverable Distribution to be held by the Liquidation Trustee, until such time as the Liquidation Trustee is satisfied with the Creditor's arrangements for any withholding tax obligations.

#### **G. Term of Liquidation Trust**

The Liquidation Trustee shall be discharged and the Liquidation Trust shall be terminated at such time as (i) all Disputed Claims have been resolved, (ii) all of the Liquidation Trust Assets have been liquidated, (iii) all duties and obligations of the Liquidation Trustee under the Liquidation Trust Agreement have been fulfilled, (iv) all Distributions required to be made by the Liquidation Trust under this Plan and the Liquidation Trust Agreement have been made, and (v) the Chapter 11 Cases have been closed; **provided, however,** that in no event shall the Liquidation Trust be dissolved later than three (3) years from the Effective Date unless the Bankruptcy Court, upon motion within the six-month period prior to the third anniversary (or the end of any extension period approved by the Bankruptcy Court), determines that a fixed period extension (not to exceed one (1) year, together with any prior extensions, without a favorable letter ruling from the Internal Revenue Service that any further extension would not adversely affect the status of the Liquidation Trust as a liquidating trust for federal income tax purposes) is necessary to facilitate or complete the recovery and liquidation of the Liquidation Trust Assets.

#### **H. Limitation of Liability of the Liquidation Trustee**

The Liquidation Trust shall indemnify the Liquidation Trustee and his or her professionals against any losses, liabilities, expenses (including attorneys' fees and disbursements), damages, taxes, suits, or claims that the Liquidation Trustee or his or her professionals may incur or sustain by reason of being or having been a Liquidation Trustee or professionals of the Liquidation Trust for performing any functions incidental to such service; **provided, however,** the foregoing shall not relieve the Liquidation Trustee or his or her professionals from liability for bad faith, willful misconduct, reckless disregard of duty, criminal conduct, gross negligence, fraud, or self-dealing.

### **ARTICLE V.**

#### **ADDITIONAL MEANS FOR IMPLEMENTATION OF THE PLAN**

##### **A. Preservation of Right to Conduct Investigations**

The preservation for the Liquidation Trust of any and all rights to conduct investigations pursuant to Bankruptcy Rule 2004 is necessary and relevant to the liquidation and administration of the Liquidation Trust Assets. Accordingly, any and all rights to conduct investigations pursuant to Bankruptcy Rule 2004 held by the Debtors prior to the Effective Date shall vest with the Liquidation Trust and shall continue until dissolution of the Liquidation Trust.

##### **B. Prosecution and Resolution of Retained Causes of Action**

From and after the Effective Date, prosecution and settlement of all Retained Causes of Action shall be the sole responsibility of the Liquidation Trust pursuant to this Plan and the Plan Confirmation Order. From and after the Effective Date, the Liquidation Trust shall have exclusive rights, powers, and interests of the Estates to pursue, settle, or abandon such Retained Causes of Action as the sole representative of the Estates pursuant to section 1123(b)(3) of the Bankruptcy Code. All Retained Causes of Action that are not expressly released or waived under this Plan are reserved and preserved and vest in the Liquidation Trust in accordance with this Plan. No Person may rely on the absence of a specific reference in this Plan or the Plan Supplement to any Retained Cause of Action against it as any indication that the Debtors or Liquidation Trustee will not pursue any and all available Retained Causes of Action against such Person. The Liquidation Trustee expressly reserves all Retained Causes of Action, except for any Retained Causes of Action against any Person that are expressly released or waived under this Plan, 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 Retained Causes of Action upon, after, or as a consequence of confirmation or consummation of this Plan.

##### **C. Effectuating Documents and Further Transactions**

Upon entry of the Plan Confirmation Order, the Debtors and the Liquidation Trustee shall be authorized to execute, deliver, file, or record such contracts, instruments,

releases, consents, certificates, resolutions, programs, and other agreements, instruments, and/or documents, and take such acts and actions as may be reasonably necessary or appropriate to effectuate, implement, consummate, and/or further evidence the terms and conditions of this Plan and any transactions described in or contemplated by this Plan. The Debtors or Liquidation Trustee, as applicable, may, and all Holders of Allowed Claims or Equity Interests receiving Distributions pursuant to this Plan, at the request or direction of the Debtors or Liquidation Trustee, as applicable, shall, from time to time, prepare, execute, and deliver any agreements or documents, and take any other actions as may be necessary or advisable to effectuate the provisions and intent of this Plan.

**D. Authority to Act**

Prior to, on, or after the Effective Date (as appropriate), all matters expressly provided for under this Plan that would otherwise require approval of the directors, officers, members, managers or owners, direct or indirect, of the Debtors shall be deemed to have occurred and shall be in effect prior to, on, or after the Effective Date (as applicable) pursuant to applicable law, without any further vote, consent, approval, authorization, or other action by such directors, officers, members, managers or owners of the Debtors or notice to, order of, or hearing before, the Bankruptcy Court.

**E. Cancellation of Documents**

On the Effective Date, except to the extent otherwise provided in this Plan, any and all notes, instruments, debentures, certificates, cards, and other documents evidencing Claims against and Equity Interests in the Debtors shall be deemed automatically extinguished, cancelled, and of no further effect with the Debtors having no continuing obligations thereunder, and shall be deemed rejected and terminated, **provided, however**, that valid liens or mortgages against any Sale Assets shall remain in full force and effect until the closing of the Sale, and upon the closing of the Sale such valid liens and mortgages shall attach to the proceeds of the Sale until such time as the Holder of the Allowed Secured Claim secured by such valid liens or mortgages receives payment in accordance with the terms of this Plan.

**F. Funding of Liabilities and Distributions**

On the Effective Date, the Debtors and the Debtors' Estates shall transfer the Liquidation Trust Assets to the Liquidation Trust to be utilized, administered, and distributed by the Liquidation Trustee in accordance with the terms and conditions of this Plan, the Plan Confirmation Order and the Liquidation Trust Agreement. To the extent the Sale has not closed as of the Effective Date, on the date of the closing of the Sale or as soon thereafter as practical, the Sale proceeds shall be transferred to the Liquidation Trust.

**G. Release of Liens**

Except as otherwise provided in this Plan, the Sale Order, or in any contract, instrument, release, or other agreement or document created pursuant to this Plan, on the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be deemed fully released and discharged without any further action of any party, including, but not limited to, further order of the Bankruptcy Court or

filing updated schedules or statements typically filed pursuant to the Uniform Commercial Code or other applicable law, **provided, however**, that valid liens or mortgages against any Sale Assets shall remain in full force and effect until the closing of the Sale, and upon the closing of the Sale such valid liens and mortgages shall attach to the proceeds of the Sale until such time as the Holder of the Allowed Secured Claim secured by such valid liens or mortgages receives payment in accordance with the terms of this Plan.

#### **H. Exemption from Securities Laws**

Under section 1145 of the Bankruptcy Code, the issuance of beneficial interests in the Liquidation Trust under this Plan shall be exempt from registration under the Securities Act of 1933, as amended, and all applicable state and local laws requiring registration of securities.

#### **I. Exemption from Certain Taxes and Fees**

Pursuant to section 1146(a) of the Bankruptcy Code, the making or delivery of any instrument or transfer from a Debtor to the Liquidation Trust, or to any other Person pursuant to this Plan, shall not be subject to any document recording tax, mortgage tax, mortgage recording tax, stamp tax, real estate tax, transfer tax, conveyance fee, intangibles or other similar tax or governmental assessment, and the Plan Confirmation Order shall direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the forgoing instruments or other documents without the payment of any such tax or governmental assessment.

#### **J. Insurance Policies**

Nothing in this Plan, the Plan Confirmation Order, or the Liquidation Trust Agreement alters the rights and obligations of the Debtors (and their Estates) and the Debtors' insurers (and third-party claims administrators) under the Insurance Policies or modifies the coverage or benefits provided thereunder or the terms and conditions thereof or diminishes or impairs the enforceability of the Insurance Policies. All of the Debtors' and their Estates' rights under any Insurance Policy to which the Debtors and/or the Debtors' Estates may be beneficiaries shall vest with the Liquidation Trust for the benefit of the Beneficiaries of the Liquidation Trust and all of the beneficiaries of such policies.

#### **K. Closing of the Chapter 11 Cases**

When all Liquidation Trust Assets have been liquidated and converted into Cash and such Cash has been distributed in accordance with the Liquidation Trust Agreement and the Plan Confirmation Order, the Liquidation Trustee shall seek authority from the Bankruptcy Court to close the Chapter 11 Cases in accordance with the Bankruptcy Code, Bankruptcy Rules, and Local Rules.

## **ARTICLE VI.**

### **PROVISIONS GOVERNING DISTRIBUTIONS UNDER THE PLAN**

#### **A. Distribution Record Date**

As of the close of business on the Distribution Record Date, the various transfer registers for each of the Classes of Claims or Equity Interests as maintained by the Debtors or their agents shall be deemed closed, and there shall be no further changes in the record Holders of any of the Claims or Equity Interests. The Debtors or the Liquidation Trustee shall have no obligation to recognize any ownership transfer of the Claims or Equity Interests occurring after the Distribution Record Date. The Debtors, the Liquidation Trustee, or any party responsible for making Distributions shall be entitled to recognize and deal for all purposes under this Plan only with those record Holders stated on the transfer ledgers as of the close of business on the Distribution Record Date, to the extent applicable.

#### **B. Method of Payment**

Unless otherwise expressly agreed, in writing, all Cash payments to be made pursuant to this Plan shall be made by check drawn on a domestic bank or an electronic wire transfer.

#### **C. Claims Objection Deadline**

The Liquidation Trustee, and any other party in interest to the extent permitted pursuant to section 502(a) of the Bankruptcy Code, shall File and serve any objection to any Claim no later than the Claims Objection Deadline; **provided, however**, the Claims Objection Deadline may be extended by the Bankruptcy Court from time to time upon motion and notice by the Liquidation Trustee for cause.

#### **D. No Distribution Pending Allowance**

Notwithstanding any other provision of this Plan or the Liquidation Trust Agreement, no Distribution of Cash or other property shall be made with respect to any portion of a Disputed Claim unless and until all objections to such Claim are resolved by Final Order or as otherwise permitted by this Plan or the Liquidation Trust Agreement.

#### **E. Disputed Claims Reserve**

On any date that Distributions are to be made under the terms of this Plan, the Liquidation Trustee shall establish a reserve of Cash or property (the "**Disputed Claims Reserve**") equal to 100% of the Cash or property that would be distributed on such date on account of Disputed Claims as if each such Disputed Claim were an Allowed Claim but for the pendency of a dispute with respect thereto. Such Cash or property in the Disputed Claims Reserve shall be held in trust for the benefit of the Holders of all such Disputed Claims pending determination of their entitlement thereto.

**F. Distribution After Allowance**

Within the later of (i) seven (7) Business Days after such Claim becomes an Allowed Claim and (ii) sixty (60) days after the expiration of the Claims Objection Deadline, the Liquidation Trustee shall distribute all Cash or other property, including any interest, dividends or proceeds thereof, to which a Holder of an Allowed Claim is then entitled.

**G. Delivery of Distributions**

Except as provided herein, Distributions to Holders of Allowed Claims shall be made: (i) at the addresses set forth on the respective proofs of Claim Filed by such Holders; (ii) at the addresses set forth in any written notices of address changes delivered to the Liquidation Trustee after the date of any related proof of Claim; or (iii) at the address reflected in the Schedules if no proof of Claim is Filed and the Liquidation Trustee has not received a written notice of a change of address.

If the Distribution to the Holder of any Claim is returned to the Liquidation Trustee as undeliverable, no further Distribution shall be made to such Holder unless and until the Liquidation Trustee is notified in writing of such Holder's then current address. Undeliverable Distributions shall remain in the possession of the Liquidation Trustee until the earlier of (i) such time as a Distribution becomes deliverable, or (ii) such undeliverable Distribution becomes an Unclaimed Distribution pursuant to Article VI.H. of this Plan.

The Liquidation Trustee shall make reasonable efforts to update or correct contact information for recipients of undeliverable Distributions; **provided, however**, nothing contained in this Plan shall require the Liquidation Trustee to locate any Holder of an Allowed Claim.

**H. Unclaimed Distributions**

Any Cash or other property to be distributed under this Plan shall revert to the Liquidation Trustee if it is not claimed by the Holder within ninety (90) days after the date of such Distribution. If such Cash or other property is not claimed on or before such date, the Distribution made to such Holder shall be deemed to be reduced to zero and such returned, undeliverable, or unclaimed Distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code.

**I. Set-Off**

Except as otherwise provided herein, the Debtors and Liquidation Trustee, as applicable, retain the right to reduce any Claim by way of setoff in accordance with the Debtors' books and records. Rights of a setoff and recoupment of any Entity or Person are preserved for the purpose of asserting such rights as a defense to any Claims or Causes of Action of the Debtors, their Estates, or the Liquidation Trustee and regardless of whether such Entity or Person is the Holder of an Allowed Claim.

**J. Postpetition Interest**

Interest shall not accrue on any Claims, and no Holder of a Claim shall be entitled to interest accruing on or after the Petition Date. No prepetition Claim shall be Allowed to the



extent it is for postpetition interest or other similar charges, except to the extent permitted for Holders of Secured Claims under section 506(b) of the Bankruptcy Code.

**K. Distributions After Effective Date**

For Disputed Claims that have not been Allowed as of the Effective Date, any Distributions made after the Effective Date to Holders of such Disputed Claims (which later become Allowed Claims after the Effective Date) shall be deemed to have been made on the Effective Date.

**L. Distributions Free and Clear**

Except as may be otherwise provided in this Plan, all Distributions hereunder shall be free and clear of any Liens, Claims, encumbrances, and other interests.

**M. Allocation of Distributions Between Principal and Interest**

To the extent that any Allowed Claim entitled to a Distribution under this Plan comprises indebtedness and accrued but unpaid interest thereon, such Distribution shall 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 accrued but unpaid interest.

**N. Prepayment**

Except as otherwise provided herein or the Plan Confirmation Order, the Debtors and the Liquidation Trustee, as applicable, shall have the right to prepay, without penalty, all or any portion of an Allowed Claim.

**ARTICLE VII.**

**EXECUTORY CONTRACTS**

**A. Rejection of Executory Contracts**

On the Effective Date, all Executory Contracts not previously assumed and/or assigned, not subject to a pending motion to assume and/or assign as of the Effective Date, or not rejected before the Effective Date, will be deemed rejected. The Plan Confirmation Order shall constitute an order approving such rejection as of the Effective Date. Notwithstanding the foregoing, all Insurance Policies, to the extent they are Executory Contracts, shall be deemed assumed on the Effective Date.

Unless otherwise specified, each Executory Contract assumed or rejected by the Debtors shall include any and all modifications, amendments, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affects such Executory Contract.

**B. Deadline for Filing Proofs of Claim Relating to Executory Contracts Rejected Pursuant to this Plan**

If the rejection by the Debtors, pursuant to this Plan or otherwise, of an

Executory Contract gives rise to a Rejection Damages Claim, a proof of Claim must be filed with the Claims Agent: (a) by first class United States mail, hand delivery or overnight courier to Good Samaritan Lutheran Health Care Center Claims Processing, c/o Omni Agent Solutions, 5955 De Soto Ave., Suite 100, Woodland Hills, CA 91367; or (b) by online submission at <https://cases.omniagentsolutions.com/goodsamaritanhealth/> on or before the later of (i) the General Bar Date or (ii) thirty (30) days after the effective date of rejection of an executory contract or unexpired lease. Any proofs of Claim with respect to a Rejection Damages Claim not filed within such time shall be forever barred from assertion against the Debtors, the Estates, the Liquidation Trust, the Liquidation Trust Assets, and their property and such Persons holding such Claims will not receive and will be barred from receiving any Distributions on account of such untimely Rejection Damages Claims, absent further order of the Bankruptcy Court. All Rejection Damages Claims will be treated as General Unsecured Claims under this Plan and, to the extent they are deemed Allowed General Unsecured Claims, will receive the treatment afforded Allowed General Unsecured Claims.

## **ARTICLE VIII.**

### **INJUNCTION AND EXCULPATION**

#### **A. Injunction to Protect Estate Assets**

**From and after the Effective Date, all Persons and Entities who have held, hold, or may hold Claims or rights giving rise to any equitable relief against the Debtors or the Assets or any Equity Interests in the Debtors arising prior to the Effective Date are permanently enjoined from taking any of the following actions against the Debtors, the Estates, the Liquidation Trust, the Liquidation Trustee, or any of their respective property or assets (collectively, the "Estate Assets") on account of any such Claims or Equity Interests: (a) commencing or continuing, in any manner or in any place, any action or proceeding seeking to collect or to recover in any manner against, or assert control or dominion over, the Estate Assets; (b) enforcing, attaching, collecting, or recovering in any manner against the Estate Assets any judgment, award, decree or order; (c) creating, perfecting, or enforcing any Lien or encumbrance against the Estate Assets; and (d) asserting a setoff unless such setoff was formally asserted in a timely Filed proof of claim or in a pleading Filed with the Bankruptcy Court prior to entry of the Plan Confirmation Order or right of subrogation of any kind against any debt, liability, or obligation due to the Debtors, except as otherwise set forth in Article VII.I. of this Plan; provided, however, that such Persons and Entities shall not be precluded from exercising their rights pursuant to and consistent with the terms of this Plan, the Plan Confirmation Order, or the Liquidation Trust Agreement.**

#### **B. Term of Injunctions or Stays**

**Unless otherwise provided in this Plan or Plan Confirmation Order, all injunctions or stays provided for under this Plan and ordered in the Plan Confirmation Order or pursuant to sections 105 or 362 of the Bankruptcy Code arising under or entered during the Chapter 11 Cases, or otherwise, and in existence**

on the Plan Confirmation Date, shall remain in full force and effect until the later of the Effective Date and the date indicated in the order providing for such injunction or stay and to the extent consistent with the terms and provisions of this Plan or the Plan Confirmation Order, as applicable.

**C. Injunction Against Interference with Plan**

Upon the Bankruptcy Court's entry of the Plan Confirmation Order, all Holders of Claims and Equity Interests, and other parties in interest, along with their respective present or former employees, agents, officers, directors, or principals shall be enjoined from taking any actions to interfere with the Debtors', the Liquidation Trust's, the Liquidation Trustee's, and their respective affiliates', employees', advisors', officers', directors', members', managers', and agents' implementation or consummation of this Plan.

**D. Exculpation**

Except as otherwise specifically provided in this Plan, the Exculpated Parties shall not have or incur any liability for any Claim, action, proceeding, Cause of Action, Avoidance Action, suit, account, controversy, agreement, promise, right to legal remedies, right to equitable remedies, or right to payment arising or accruing on or after the Petition Date, whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, Disputed, undisputed, secure, or unsecured and whether asserted or assertable directly or derivatively, in law, equity, or otherwise to one another or to any Claim Holder or Equity Interest Holder, or any other party in interest, or any of their respective agents, employees, representatives, advisors, attorneys, or affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of the Chapter 11 Cases, the negotiation, solicitation, Filing, and confirmation of this Plan, the pursuit of confirmation this Plan, the consummation of this Plan, the administration of this Plan, or the property to be liquidated and/or distributed under this Plan, except for their willful misconduct or gross negligence as determined by a Final Order of a court of competent jurisdiction, and in all respects shall be entitled to rely reasonably upon the advice of counsel with respect to their duties and responsibilities under this Plan.

**E. Necessity and Approval of Exculpations and Injunctions**

The exculpations and injunctions set forth in Article IX of this Plan are not severable and are integral consideration and critical parts of this Plan, and the Exculpated Parties have relied on the efficacy and conclusive effects of such exculpations and injunctions and on the Bankruptcy Court's retention of jurisdiction to enforce such exculpations and injunctions. Pursuant to Bankruptcy Code sections 1123(a)(5), 1123(b)(3), and 1123(b)(6), as well as Bankruptcy Rule 9019, entry of the Plan Confirmation Order shall constitute the Bankruptcy

**Court's approval of the exculpations and injunctions set forth in Article VIII of this Plan and shall constitute the Bankruptcy Court's finding that such exculpations and injunctions are: (i) in exchange for the good, valuable, and reasonably equivalent consideration provided by the Exculpated Parties; (ii) in the best interests of the Debtors, the Estates, and Creditors; (iii) fair, equitable, and reasonable; and (iv) a bar to the assertion of any Claims or Causes of Action which are subject to such exculpations and injunctions.**

**F. Compromise and Settlement of Claims, Interests and Controversies**

Pursuant to sections 363 and 1123(b) of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the Distributions and other benefits provided pursuant to this Plan, the provisions of this Plan shall constitute a good faith compromise of all Claims, Equity Interests and controversies relating to the contractual, legal and subordination rights that a Holder of a Claim or Equity Interest may have with respect to any Allowed Claim or Equity Interest, or any Distribution to be made on account of such Allowed Claim or Equity Interest. The entry of the Plan Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Equity 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, the Estates, and Holders of Claims and Equity Interests and is fair, equitable, and reasonable.

**ARTICLE IX.**

**CONDITIONS PRECEDENT TO AND  
OCCURRENCE OF CONFIRMATION AND THE EFFECTIVE DATE**

**A. Conditions Precedent to Confirmation**

Confirmation of this Plan shall not occur, and the Plan Confirmation Order shall not be entered, until each of the following conditions precedent have been satisfied or waived:

1. The Plan Confirmation Order shall be in form and substance reasonably satisfactory to the Debtors.
2. The Plan Supplement and any other exhibits or schedules incorporated as part of this Plan shall be in form and substance acceptable to the Debtors.
3. The Liquidation Trust Agreement shall have been executed.

**B. Conditions Precedent to the Effective Date**

This Plan shall not become effective unless and until the following conditions shall have been satisfied or waived:

1. The Plan Confirmation Order shall have become a Final Order in full force and effect with no stay thereof then in effect, and shall be in form and substance reasonably acceptable to the Debtors.

2. All actions, documents, and agreements necessary to implement this Plan, including, all actions, documents, and agreements necessary to implement any transactions contemplated under this Plan, including the Liquidation Trust Agreement, shall have been effected or executed.
3. The absence of any pending or threatened government action or any law that has the effect of or actually does prevent consummation of any transaction contemplated under this Plan.

**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 the Effective Date, which date will be selected by the Debtors. The Debtors shall promptly file a “Notice of Effective Date” on the Docket. In the event that the Sale does not close prior to the Effective Date, upon the closing of the Sale, the Debtors shall promptly file a “Notice of Sale Closing” on the Docket.

**D. Waiver of Conditions to Confirmation and Effective Date**

Each of the conditions to the Effective Date may be waived, in whole or in part, by the Debtors without notice or an Order of the Bankruptcy Court.

**E. Effect of Failure of Conditions**

If each condition to the Effective Date has not been satisfied or duly waived within ninety (90) days after the Plan Confirmation Date, then upon motion by any party in interest, made before the time that each of the conditions has been satisfied or duly waived by the Debtors, and upon notice to such parties in interest as the Bankruptcy Court may direct, the Plan Confirmation Order may be vacated by the Bankruptcy Court; provided, however, that notwithstanding the Filing of such motion, the Plan Confirmation Order shall not be vacated if each of the conditions to the Effective Date is either satisfied or duly waived by the Debtors before any Order granting such relief becomes a Final Order. If the Plan Confirmation Order is vacated pursuant to this Article IX, this Plan shall be deemed null and void in all respects and nothing contained herein shall (i) constitute a waiver or release of any Claims by or against the Debtors, or (ii) prejudice in any manner the rights of the Debtors.

**ARTICLE X.**

**RETENTION OF JURISDICTION**

Notwithstanding the entry of the Plan Confirmation Order and the occurrence of the Effective Date, following the Effective Date, until there is substantial consummation of the Plan the Bankruptcy Court shall retain jurisdiction over all matters arising in, arising under, and related to the Chapter 11 Cases as is legally permissible, including, such jurisdiction as is necessary to ensure that the interests and purposes of this Plan and the Liquidation Trust Agreement are carried out. The Bankruptcy Court shall retain jurisdiction

over all matters arising in, arising under, and related to the Chapter 11 Cases, this Plan, and the Liquidation Trust Agreement for, among other things, the following purposes:

1. To hear and determine any objections to Claims and to address any issues relating to Disputed Claims;
2. To enter and implement such Orders as may be appropriate in the event the Plan Confirmation Order is for any reason stayed, revoked, modified, or vacated;
3. To issue such Orders in aid of execution and consummation of this Plan and the Liquidation Trust Agreement;
4. To consider any amendments to or modifications of this Plan and the Liquidation Trust Agreement, to cure any defect or omission, or reconcile any inconsistency in any Order of the Bankruptcy Court, including, the Plan Confirmation Order;
5. To hear and determine all requests for compensation and reimbursement of expenses under section 330 or 503 of the Bankruptcy Code;
6. To hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of this Plan and the Liquidation Trust Agreement, including the releases, exculpations, and injunctions provided hereunder;
7. To hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;
8. To hear any other matter not inconsistent with the Bankruptcy Code;
9. To enter a final decree closing the Chapter 11 Cases;
10. To ensure that Distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of this Plan and the Liquidation Trust Agreement;
11. To decide or resolve any motions, adversary proceedings, contested or litigated matters arising out of, under, or related to, the Chapter 11 Cases, including, but not limited, those brought by the Liquidation Trustee on behalf of the Liquidation Trust;
12. To issue injunctions, enter and implement other Orders, or take such other actions as may be necessary or appropriate to restrain interference by any Person or Entity with the occurrence of the Effective Date or enforcement of this Plan and the Liquidation Trust Agreement;

13. To approve, as may be necessary or appropriate, any Claims settlement entered into or offset exercised by the Liquidation Trust;

14. To resolve any dispute or matter arising under or in connection with the Liquidation Trust, including any request for an extension of the term of the Liquidation Trust;

15. To determine any other matters that may arise in connection with or related to this Plan, the Plan Confirmation Order, the Liquidation Trust Agreement, or any contract, instrument, release, indenture or other agreement or document created or implemented in connection with this Plan or the Liquidation Trust Agreement;

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 have been closed);

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

18. To resolve any other matter or for any purpose specified in this Plan, the Plan Confirmation Order, the Liquidation Trust Agreement, or any other document entered into in connection with any of the foregoing.

## **ARTICLE XI.**

### **MISCELLANEOUS PROVISIONS**

#### **A. Amendment or Modification of this Plan**

This Plan or any exhibits hereto may be amended, modified, or supplemented by the Debtors in the manner provided for by section 1127 of the Bankruptcy Code or as otherwise permitted by law without additional disclosure pursuant to section 1125 of the Bankruptcy Code. In addition, after the Plan Confirmation Date, the Debtors or Liquidation Trustee, as applicable, may institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in, this Plan or the Plan Confirmation Order with respect to such matters as may be necessary to carry out the purposes and effects of this Plan. The Debtors may, in consultation with the Creditors' Committee, make appropriate technical adjustments and modifications to this Plan prior to the Effective Date without further order or approval of the Bankruptcy Court.

#### **B. Severability**

This Plan is not severable. Nevertheless, if, prior to the entry of the Plan Confirmation Order, any term or provision of this Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, 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 this Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Plan Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

**C. Revocation or Withdrawal of this Plan**

The Debtors reserve the right to revoke or withdraw this Plan before the Plan Confirmation Date. If the Debtors revoke or withdraw this Plan before the Plan Confirmation Date, then this Plan shall be deemed null and void. In such event, nothing contained herein shall constitute or be deemed a waiver or release of any Claims by or against the Debtors or the Liquidation Trustee or to prejudice in any manner the rights of the Debtors or the Liquidation Trustee in any further proceedings involving the Debtors.

**D. Binding Effect**

This Plan shall be binding upon and inure to the benefit of the Debtors, the Holders of Claims, and the Holders of Equity Interests, and their respective successors and assigns.

**E. Notices**

All notices to or requests of the Debtors or Liquidation Trustee by parties in interest in connection with this Plan shall be in writing and delivered either by (a) certified mail, return receipt requested, postage prepaid, (b) hand delivery, or (c) overnight delivery, all charges prepaid and shall be deemed to have been given when received by:

If to the Debtors:

Good Samaritan Lutheran Health Care Center, Inc., *et al.*  
c/o Stradley, Ronon, Stevens & Young, LLP  
100 Park Avenue, Suite 2000  
New York, NY 10017  
Attn: Deborah A. Reperowitz

Good Samaritan Lutheran Health Care Center, Inc., *et al.*  
c/o Stradley, Ronon, Stevens & Young, LLP  
2005 Market Street, Suite 2600  
Philadelphia, PA 19103  
Attn: Daniel Pereira

If to the Liquidation Trustee:

[TBD]



**F. Governing Law**

Except to the extent the Bankruptcy Code, Bankruptcy Rules, or other federal law is applicable, or to the extent an exhibit to this Plan provides otherwise, the rights and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without giving effect to the principles of conflicts of law of such jurisdiction.

**G. Withholding and Reporting Requirements**

In connection with the consummation of this Plan, the Debtors and the Liquidation Trustee shall comply with all withholding and reporting requirements imposed by any federal, state, or local taxing authority and all Distributions hereunder shall be subject to any such withholding and reporting requirements. All Beneficiaries, as a condition to receiving any Distribution, shall provide the Liquidation Trustee with a completed and executed Form W-9.

**H. Headings**

Headings are used in this Plan for convenience and reference only, and shall not constitute a part of this Plan for any other purpose.

**I. Exhibits/Schedules**

The Plan Documents are an integral part of this Plan, and are hereby incorporated by reference and made a part thereof.

**J. Filing of Additional Documents**

On or before substantial consummation of this Plan, the Debtors or Liquidation Trustee, as applicable, shall File such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan; provided that the Plan Supplement shall be Filed at least ten (10) days prior to the Plan Confirmation Hearing.

**K. No Admissions**

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

**L. Successors and Assigns**

The rights, benefits, and obligations of any Person or Entity named or referred to in this Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor, or assign of such Person or Entity.

**M. Reservation of Rights**

Except as expressly set forth herein, this Plan shall have no force or effect unless the Bankruptcy Court shall enter the Plan Confirmation Order. None of the Filing of this Plan, any

statement or provision contained herein, or the taking of any action by the Debtors with respect to this Plan shall be or shall be deemed to be an admission or waiver of any rights or Causes of Action of the Debtors, Holders of Claims, or Holders of Equity Interests before the Effective Date.

**N. Inconsistency**

In the event of any inconsistency among this Plan, the Liquidation Trust Agreement, or any other instrument or document created or executed pursuant to this Plan, the provisions of this Plan shall govern; provided that in the event of any inconsistency among this Plan and the Plan Confirmation Order, the provisions of the Plan Confirmation Order shall govern.

**O. Dissolution of the Debtors**

At such time following the Effective Date and the distribution of all of the Debtors' and the Estates' property pursuant to the terms of this Plan, as determined by the Debtors' remaining management, the Debtors' remaining management and/or counsel for the Debtors shall take all appropriate steps to dissolve the Debtors for all purposes under applicable state law. Any funds remaining in the Wind Down Reserve after the dissolution is complete shall be remitted to the Liquidation Trustee.

Dated: April 10, 2020

**STRADLEY, RONON, STEVENS & YOUNG,  
LLP**

By: /s/ Deborah A. Reperowitz  
Deborah A. Reperowitz

*Counsel for the Debtors and Debtors in  
Possession*