

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF MASSACHUSETTS  
(EASTERN DIVISION)**

-----X  
In re: : **Chapter 11**  
:   
: **Case No. 18-11053 (FJB)**  
WACHUSETT VENTURES, LLC, *et al.*, :   
: **(Jointly Administered)**  
Debtors.<sup>1</sup> :   
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**AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF  
THE WV DEBTORS DATED AUGUST 7, 2018**

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Dated: August 7, 2018

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<sup>1</sup> The Debtors, along with the last four digits of each debtor's tax identification number, as applicable, are: Wachusett Ventures, LLC (8587), WV – Crossings East LLC (0809), WV – Crossings West, LLC (1860), WV – Parkway Pavilion, LLC (5082), WV – Brockton SNF, LLC (3855), WV – Concord SNF OPCO, LLC (0813), WV – Rockport SNF OPCO, LLC (3681) and WV – Quincy SNF OPCO, LLC (9951). The Debtors' corporate headquarters is located at 11 Mayor Thomas J. McGrath Highway, Quincy, MA 02169.

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## **INTRODUCTION**

Wachusett Ventures, LLC, WV – Crossings East LLC, WV – Crossings West, LLC, WV – Parkway Pavilion, LLC, WV – Concord SNF OPCO, LLC, WV – Rockport SNF OPCO, LLC and WV – Quincy SNF OPCO, LLC (collectively, the “WV Debtors”), as debtors-in-possession propose this joint plan of reorganization (the “Plan”) for the resolution of the Claims against and Interests in each of the WV Debtors pursuant to chapter 11 of the Bankruptcy Code (as such terms are defined below). **For purposes of clarity, the WV Debtors do not include WV – Brockton SNF, LLC. Furthermore, nothing in this Plan is intended to impact claims against or claims held by WV – Brockton SNF, LLC (except for Congressional and Mercury). The Plan does impact claims against all other Debtors including any claims related to any guaranty by another Debtor of a claim against Brockton.**

Holders of Claims and Interests should refer to the Disclosure Statement (as such terms are defined below) for a discussion of the Debtors’ history, businesses, assets, results of operations, historical financial information and projections of future operations, as well as a summary and description of this Plan.

## **ARTICLE I. DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME, AND GOVERNING LAW**

### **A. Defined Terms**

As used in this Plan, capitalized terms have the meanings ascribed to them below.

1. “*Accrued Professional Compensation*” means, at any given moment, all accrued, contingent, and/or unpaid fees and expenses for services rendered through and including the Effective Date by any Professional in the WV Chapter 11 Cases that the Bankruptcy Court has not denied by Final Order; provided, however, that any such fees and expenses (a) have not been previously paid (regardless of whether a fee application has been Filed for any such amount) and (b) have been applied against any retainer that has been provided to such Professional. To the extent that the Bankruptcy Court or any higher court of competent jurisdiction denies or reduces by a Final Order any amount of a Professional’s fees or expenses, then those reduced or denied amounts shall no longer constitute Accrued Professional Compensation.

2. “*Administrative Claim*” means any Claim for costs and expenses of administration pursuant to sections 503(b), 507(a)(2), or 507(b) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving the WV Estates and operating the businesses of the WV Debtors (b) Accrued Professional Compensation Claims; (c) all fees and charges assessed against the WV Estates pursuant to section 1930 of chapter 123 of the Judicial Code; and (d) all Allowed requests for compensation or expense reimbursement for making a substantial contribution to the WV Chapter 11 Cases pursuant to sections 503(b)(3), (4), and (5) of the Bankruptcy Code.

3. “*Administrative Claims Bar Date*” means the date that is 30 days after the Effective Date for all Administrative Expense Claims other than those arising under section 503(b)(9) of the Bankruptcy Code. For Claims arising under section 503(b)(9) of the Bankruptcy Code the Administrative Claims Bar Date means July 2, 2018.
4. “*Administrative Claims Objection Deadline*” means the date that is 60 days after the Effective Date.
5. “*Affiliate*” has the meaning set forth in section 101(2) of the Bankruptcy Code.
6. “*Allowed*” means as to a Claim or an Interest, a Claim or an Interest allowed under the Plan, under the Bankruptcy Code, as applicable, or by a Final Order.
7. “*Assumed Executory Contract and Unexpired Lease List*” means the list (as may be amended), as determined by the WV Debtors or the Reorganized Debtors, of Executory Contracts and Unexpired Leases (including any amendments or modifications thereto) that will be assumed by the Reorganized Debtors pursuant to the provisions of Article V.A of the Plan. The Connecticut Master Lease and the Massachusetts Master Lease shall be amended and assumed as provided in Article V.J of the Plan and shall be included on any Assumed Executory Contract and Unexpired Lease List.
8. “*Ballot*” means the form or forms distributed to certain Holders of Claims entitled to vote on the Plan by which such parties may indicate acceptance or rejection of the Plan.
9. “*Bankruptcy Code*” means title 11 of the United States Code, 11 U.S.C. §§101-1532, as may be amended from time to time.
10. “*Bankruptcy Court*” means the United States Bankruptcy Court for the District of Massachusetts having jurisdiction over the Chapter 11 Cases or any other court having jurisdiction over the Chapter 11 Cases, including, to the extent of the withdrawal of the reference under 28 U.S.C. § 157, the United States District Court for the District of Massachusetts.
11. “*Bankruptcy Rules*” means the Federal Rules of Bankruptcy Procedure promulgated under section 2075 of the Judicial Code and the general, local, and chambers rules of the Bankruptcy Court.
12. “*Bar Date Order*” means the *Order (A) Establishing Bar Dates for Filing Proofs of Claim, (B) Approving the Form and Manner of Notice Thereof, and (C) Authorizing Payment of Related Publication Expenses* [Docket No. 378].
13. “*Brockton*” means WV – Brockton SNF, LLC.
14. “*Business Day*” means any day, other than a Saturday, Sunday, or “legal holiday” (as defined in Bankruptcy Rule 9006(a)(6)).
15. “*Cash*” means the legal tender of the United States of America.

16. “*Causes of Action*” means any action, claim, cause of action, controversy, demand, right, right of setoff (excluding any setoffs that were exercised prior to the Petition Date), cross claim, counterclaim, claim for breach of duty imposed by law or in equity, action, Lien, indemnity, guaranty, suit, obligation, liability, damage, judgment, account, defense, offset, power, privilege, license, and franchise of any kind or character whatsoever, known, unknown, contingent or non-contingent, matured, or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity, or pursuant to any other theory of law.

17. “*CCP Cure Claims*” means any Claims of the Master Landlords arising as a result of the WV Debtors’ default under the Master Leases.

18. “*CCP Cure Note*” means the forms of note, security agreement and other instruments to be included in the Plan Supplement that provides for the satisfaction of the CCP Cure Claim.

19. “*CCP DIP Financing Orders*” means any and all orders of the Bankruptcy Court approving the postpetition financing from CCP to the WV-Debtors, including, but not limited to, the *Interim Order Pursuant to Bankruptcy Code Sections 105, 361, 362, 363 and 364 of the Code (I) Authorizing the WV-Debtors to Obtain Financing on a Secured and Superpriority Basis: (II) Authorizing Use of Cash Collateral; (III) Granting Adequate Protection, (IV) Scheduling a Final Hearing and (V) Granting Related Relief* [Docket No. 59], *Second Interim Order Pursuant to Bankruptcy Code Sections 105, 361, 362, 363 and 364 of the Code (I) Authorizing the WV-Debtors to Obtain Financing on a Secured and Superpriority Basis: (II) Authorizing Use of Cash Collateral; (III) Granting Adequate Protection, (IV) Scheduling a Final Hearing and (V) Granting Related Relief* [Docket No. 198], *Third Interim Order Pursuant to Bankruptcy Code Sections 105, 361, 362, 363 and 364 of the Code (I) Authorizing the WV-Debtors to Obtain Financing on a Secured and Superpriority Basis: (II) Authorizing Use of Cash Collateral; (III) Granting Adequate Protection, (IV) Scheduling a Final Hearing and (V) Granting Related Relief* [Docket No. 376]; and *Fourth Interim Order Pursuant to Bankruptcy Code Sections 105, 361, 362, 363 and 364 of the Code (I) Authorizing the WV-Debtors to Obtain Financing on a Secured and Superpriority Basis: (II) Authorizing Use of Cash Collateral; (III) Granting Adequate Protection, (IV) Scheduling a Final Hearing and (V) Granting Related Relief* [Docket No. 484].

20. “*CCP DIP Loan Documents*” means the loan documents, security agreements, notes, and other instruments giving rise to or evidencing the postpetition financing by and between CCP Finance, as lender, and the WV-Debtors, as borrower, authorized under the DIP Financing Orders including without limitation the Senior Secured Superpriority Debtor-In-Possession Loan and Security Agreement dated as of April 30, 2018 as amended.

21. “*CCP DIP Payment Note*” means the forms of the note, security agreement and other instruments to be included in the Plan Supplement that provide for the repayment of the CCP Finance DIP Claim.

22. “*CCP Finance*” means CCP Finance II LLC.
23. “*CCP Finance DIP Claim*” means the postpetition Secured Claims of CCP Finance arising under the CCP DIP Loan Documents.
24. “*CCP Finance Prepetition Claims*” means the Secured Claims of CCP Finance.
25. “*CCP Finance Loan Documents*” means the loan documents, security agreements, notes, and other instruments giving rise to or evidencing the CCP Finance Prepetition Claims.
26. “*Chapter 11 Cases*” means (a) when used with reference to a particular Debtor, the case pending for that Debtor under chapter 11 of the Bankruptcy Code and (b) when used with reference to all Debtors, the jointly administered chapter 11 cases pending for the Debtors in the Bankruptcy Court.
27. “*Claim*” means any claim, as such term is defined in section 101(5) of the Bankruptcy Code, against a WV Debtor.
28. “*Claims Register*” means the official register of Claims maintained by Donlin Recano & Company, Inc., the Debtors’ notice, claims, and solicitation agent.
29. “*Closed Facilities*” means the facilities previously operated by WV-Crossings West, LLC and WV Concord SNF OPCO, LLC.
30. “*Class*” means a class of Claims or Interests as set forth in Article III pursuant to section 1122(a) of the Bankruptcy Code.
31. “*CMS*” means Centers for Medicare and Medicaid Services.
32. “*Committee*” means the official committee of unsecured creditors appointed in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code.
33. “*Confirmation*” means the entry of the Confirmation Order on the docket of the WV Chapter 11 Cases.
34. “*Confirmation Date*” means the date upon which the Bankruptcy Court enters the Confirmation Order on the docket of the WV Chapter 11 Cases, within the meaning of Bankruptcy Rules 5003 and 9021.
35. “*Confirmation Hearing*” means the confirmation hearing held by the Bankruptcy Court to consider Confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code, as such hearing may be continued from time to time.
36. “*Confirmation Order*” means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.



37. “*Consummation*” means the occurrence of the Effective Date.
38. “*Connecticut Landlord*” shall mean CCP Camelot 0563 LLC, CCP Nutmeg Pavilion 0567 LLC and CCP Parkway Pavilion 0568 LLC, individually and collectively.
39. “*Connecticut Master Lease*” means the Master Lease and Security Agreement between CCP Camelot 0563 LLC, CCP Nutmeg Pavilion 0567 LLC and CCP Parkway Pavilion 0568 LLC, individually and collectively, as landlord, and WV-Crossings West LLC, WV Crossings East LLC, and WV- Parkway Pavilion LLC, individually and collectively, as tenant, dated March 1, 2016, as amended.
40. “*Convenience Class Claim*” means a claim against a WV Debtor that is in an amount of less than \$100.00.
41. “*Cure Claim*” means a Claim based upon a WV Debtor’s default under an Executory Contract or Unexpired Lease at the time such contract or lease is assumed by a WV Debtor pursuant to section 365 of the Bankruptcy Code.
42. “*Cure Notice*” means a notice of a proposed amount to be paid on account of a Cure Claim in connection with an Executory Contract or Unexpired Lease to be assumed under the Plan pursuant to section 365 of the Bankruptcy Code, which notice shall include (a) procedures for objecting to proposed assumptions of Executory Contracts and Unexpired Leases, (b) Cure Claims to be paid in connection therewith and the procedure and objection deadline relating to the amount of the Cure Claim, and (c) procedures for resolution by the Bankruptcy Court of any related disputes.
43. “*Cuzzupoli Settlement Agreement*” means that certain Agreement, dated February 28, 2017, by and between Wachusett Ventures, LLC, Steven Vera, Raymond A. Dennehy, III, Joel Kirchick, Joseph Cuzzupoli and the Cuzzupoli Family 2011 Irrevocable Trust.
44. “*Debtor*” means one of the Debtors, in its individual capacity as a debtor and debtor in possession in the Chapter 11 Cases.
45. “*Debtors*” means, collectively Wachusett Ventures, LLC, WV – Crossings East LLC, WV – Crossings West, LLC, WV – Parkway Pavilion, LLC, WV – Brockton SNF, LLC, WV – Concord SNF OPCO, LLC, WV – Rockport SNF OPCO, LLC and WV – Quincy SNF OPCO, LLC each as an individual and in their capacity as a debtor in possession.
46. “*Disbursing Agent*” means the Reorganized Debtors or the Entity or Entities selected by the Reorganized Debtors to make or facilitate distributions contemplated under the Plan.
47. “*Disclosure Statement*” means the Amended Disclosure Statement for the Amended Joint Chapter 11 Plan of Reorganization of the WV Debtors, dated August 7, 2018, as amended, supplemented, or modified from time to time, including all exhibits and schedules

thereto and references therein that relate to the Plan, and that is prepared and distributed in accordance with the Bankruptcy Code, the Bankruptcy Rules and any other applicable law.

48. “*Disputed*” means, with respect to any Claim or Interest, any Claim or Interest that is not yet Allowed.

49. “*Distribution Record Date*” means the Effective Date.

50. “*Effective Date*” means the date selected by the WV Debtors, with the consent of the Sabra Entities, which consent shall not be unreasonably withheld, that is a Business Day after the Confirmation Date on which (a) the conditions to the occurrence of the Effective Date have been satisfied or waived pursuant to Article IX.A and Article IX.B and (b) no stay of the Confirmation Order is in effect.

51. “*Entity*” means an entity as such term is defined in section 101(15) of the Bankruptcy Code.

52. “*Estate*” means, as to each Debtor, the estate created for the Debtor in its Chapter 11 Case pursuant to section 541 of the Bankruptcy Code.

53. “*Exculpated Claim*” means any Claim arising after the Petition Date related to any act or omission derived from, based upon, related to, or arising from the WV Debtors’ restructuring efforts, the WV Chapter 11 Cases, formulation, preparation, dissemination, negotiation, solicitation or filing of the Disclosure Statement, the Plan (including any term sheets related thereto), or any contract, instrument, release, or other agreement or document created or entered into in connection with the Disclosure Statement, the Plan, the filing of the Chapter 11 Cases, the pursuit of Consummation, and the administration and implementation of the Plan, including the Restructuring Transactions, the assumption or rejection of any contract and the distribution of property under the Plan or any other agreement.

54. “*Exculpated Party*” means each of (a) the WV Debtors, (b) the Reorganized Debtors, and (c) the foregoing Entities’ current (as of the date of this Plan) officers, directors, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, Joel Kirchick, Steven Vera, Raymond Dennehy, III, and other professionals retained by the WV Debtors in the WV Chapter 11 Cases.

55. “*Executory Contract*” means a contract to which one or more of the WV Debtors is a party and that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

56. “*Federal Judgment Rate*” means the federal judgment rate in effect as of the Petition Date.

57. “*Fee Claim*” means a Claim for Accrued Professional Compensation.

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

59. “*Final Order*” means, as applicable, an order or judgment of the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter, which has not been reversed, stayed, modified, or amended, and as to which the time to appeal or seek certiorari has expired and no appeal or petition for certiorari has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the order or judgment could be appealed or from which certiorari could be sought or the new trial, reargument, or rehearing shall have been denied, resulted in no modification of such order, or has otherwise been dismissed with prejudice.

60. “*General Bar Date*” means July 2, 2018 at 4:00 p.m. (Eastern Time).

61. “*General Unsecured Claim*” means any Unsecured Claim that is not (a) an Administrative Claim, (b) a Priority Tax Claim, (c) a Priority Non-Tax Claim, (d) a Subordinated Claim, (e) a Fee Claim, (f) a Convenience Class Claim; or (g) an Intercompany Claim.

62. “*Governmental Unit*” means a governmental unit as defined in section 101(27) of the Bankruptcy Code.

63. “*Holder*” means an Entity holding a Claim or an Interest.

64. “*Impaired*” means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is impaired within the meaning of section 1124 of the Bankruptcy Code.

65. “*Intercompany Claim*” means any Claim held by a Debtor against a WV Debtor.

66. “*Intercompany Interest*” means an Interest in a Debtor held by a WV Debtor.

67. “*Interests*” means any equity security in a WV Debtor as defined in section 101(16) of the Bankruptcy Code, including all issued, unissued, authorized, or outstanding shares of capital stock of the WV Debtors together with any warrants, options, or contractual rights to purchase or acquire such equity securities at any time and all rights arising with respect thereto.

68. “*Internal Revenue Code*” means the Internal Revenue Code of 1986, as amended from time to time.

69. “*Judicial Code*” means title 28 of the United States Code, 28 U.S.C. §§ 1-4001.

70. “*Lien*” means a lien as defined in section 101(37) of the Bankruptcy Code.

71. “*Massachusetts Landlord*” means CCP Den-Mar 0542 LLC, CCP Quincy 0537 LLC and CCP Walden 0588 LLC, individually and collectively.

72. “*Massachusetts Master Lease*” means the Master Lease and Security Agreement between CCP Den-Mar 0542 LLC, CCP Quincy 0537 LLC, individually and collectively, as landlord, and WV Rockport SNF OPCO LLC, WV - Quincy SNF OPCO, LLC and WV-Concord SNF OPCO, individually and collectively, as tenant, LLC, dated February 10, 2017 as amended.

73. “*Master Landlords*” means the Connecticut Landlord and the Massachusetts Landlord.

74. “*Master Leases*” means the Connecticut Master Lease and Massachusetts Master Lease.

75. “*Members*” means the members with ownership interests in Wachusett Ventures LLC as of the Petition Date.

76. “*New CCP Note*” means the amended and restated note, security agreement and other instruments to be included in the Plan Supplement that provide for the repayment of the CCP Finance Prepetition Claims.

77. “*New Value Contribution*” means a total of \$50,000.00.

78. “*Other Secured Claim*” means any Secured Claim that is not a CCP Finance Prepetition Claim, a CCP Finance DIP Claim, any Secured Claim of the Master Landlords, or the Quality Secured Claim.

79. “*Person*” means a person as such term as defined in section 101(41) of the Bankruptcy Code.

80. “*Petition Date*” means March 26, 2018.

81. “*Plan*” means this Amended Joint Chapter 11 Plan of Reorganization of the WV Debtors, including the Plan Supplement (as modified, amended, or supplemented from time to time), which is incorporated herein by reference.

82. “*Plan Supplement*” means the compilation of documents and forms of documents, schedules, and exhibits to the Plan, to be Filed by the WV Debtors no later than twenty (20) days before the Confirmation Hearing or as soon as reasonably practicable thereafter, and as may be amended, supplemented, or modified from time to time in accordance with the terms hereof, the Bankruptcy Code, and the Bankruptcy Rules, including the following: (a) the Rejected Executory Contract and Unexpired Lease List; (b) the Assumed Executory Contract and Unexpired Lease List; (c) CCP DIP Payment Note and related material loan documents; (d) New CCP Note and related material loan documents; (e) the CCP Cure Note, and (f) the documents evidencing the Postconfirmation Financing. Any reference to the Plan Supplement in the Plan will include each of the documents identified above. Subject to the consent of the Sabra Entities, the WV Debtors shall have the right to amend the documents contained in, and exhibits to, the Plan Supplement in

accordance with Article X.A hereof, and the Reorganized Debtors shall have the right to amend the documents contained in, and exhibits to, the Plan Supplement in accordance with applicable law.

83. “*Postconfirmation Financing*” means that financing in an amount not to exceed \$500,000 that the Sabra Entities will make available to the WV Debtors for the limited purposes described in Article IV.B., a form of which will be included in the Plan Supplement.

84. “*Priority Non-Tax Claims*” means any Claim, other than an Administrative Claim or a Priority Tax Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

85. “*Priority Tax Claims*” means any Claim of the kind specified in section 507(a)(8) of the Bankruptcy Code, including, without limitation, user fees.

86. “*Professional*” means an Entity: (a) that is employed by a WV Debtor or the Committee pursuant to a Bankruptcy Court order in accordance with sections 327, 363, or 1103 of the Bankruptcy Code and to be compensated for services rendered before or on the Confirmation Date, pursuant to sections 327, 328, 329, 330, 331, and 363 of the Bankruptcy Code; (b) awarded compensation and reimbursement by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code for a WV Debtor; (c) that is employed as or by any healthcare ombudsman appointed in these Chapter 11 Cases.

87. “*Professional Fee Escrow Account*” means an interest-bearing account to hold and maintain an amount of Cash equal to the Professional Fee Reserve Amount funded by the WV Debtors on the Effective Date.

88. “*Professional Fee Reserve Amount*” means the aggregate Accrued Professional Compensation Claims through the Effective Date as estimated in accordance with Article II.A.2(c) hereof.

89. “*Proof of Claim*” means a written Proof of Claim Filed against any of the WV Debtors in the Chapter 11 Cases.

90. “*Pro Rata*” means the proportion that an Claim in a particular Class bears to the aggregate amount of all Allowed Claims and Disputed Claims in that Class.

91. “*Quality*” means Quality Rehabilitative Services.

92. “*Quality Secured Claim*” means the Secured Claim asserted by Quality.

93. “*Reinstated*” means, with respect to Claims and Interests, the treatment provided for in section 1124 of the Bankruptcy Code.

94. “*Rejected Executory Contract and Unexpired Lease List*” means the list (as may be amended), as determined by the WV Debtors or the Reorganized Debtors that will be rejected

by the WV Debtors pursuant to the provisions of Article V.A and which shall be included in the Plan Supplement.

95. “*Rejection Claim*” means a Claim arising from the rejection of an Executory Contract or Unexpired Lease pursuant to section 365 of the Bankruptcy Code.

96. “*Releasing Parties*” means each (i) Holder of Claims against and Interests in the WV Debtors and the Reorganized Debtors who vote to accept the Plan, (ii) each Sabra Entity regardless of whether any such entity votes for the Plan and (iii) Joseph Cuzzopoli, including, without limitation, with respect to any indemnity obligation under the Cuzzopoli Settlement Agreement.

97. “*Reorganized Debtors*” means the WV Debtors or any successor thereto, by merger, consolidation or otherwise, on or after the Effective Date.

98. “*Restructuring Transactions*” means one or more transactions pursuant to section 1123 of the Bankruptcy Code to occur on the Effective Date or as soon as reasonably practicable thereafter, that may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, including (a) the execution and delivery of appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution, or liquidation containing terms that are consistent with the terms of the Plan and that satisfy the applicable requirements of applicable law and any other terms to which the applicable Entities may agree; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable parties agree; (c) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion, or dissolution pursuant to applicable state law; and (d) all other actions that the applicable Entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law.

99. “*Sabra*” means Sabra Health Care REIT, Inc.

100. “*Sabra Entities*” means Sabra, CCP Finance, the Connecticut Landlord and the Massachusetts Landlord.

101. “*Sabra Releasees*” means the Sabra Entities; their parents, affiliates, subsidiaries, and successors; and each of their respective officers, directors, principals, members, partners, shareholders, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors, advisory board members and other professionals, and such persons’ respective heirs, executors, estates, servants, and nominees.

102. “*Secured*” means when referring to a Claim: (a) secured by a Lien on property in which the Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or (b) that is subject to setoff pursuant

to section 553 of the Bankruptcy Code, to the extent of the value of the creditor's interest in the Estate's interest in such property or to the extent of the amount subject to setoff, as applicable,

103. "*Securities Act*" means the Securities Act of 1933, 15 U.S.C. 77a-77aa, together with the rules and regulations promulgated thereunder.

104. "*Security*" means a security as defined in section 2(a)(1) of the Securities Act.

105. "*Subordinated Claims*" means Claims that are subordinated by section 510 of the Bankruptcy Code or otherwise applicable law.

106. "*Treasury Regulations*" means regulations (including temporary and proposed) promulgated under the Internal Revenue Code.

107. "*Unexpired Lease*" means a lease (other than the Connecticut Master Lease and Massachusetts Master Lease) to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

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

109. "*Unsecured Claim*" means any Claim that is neither Secured nor entitled to priority under the Bankruptcy Code or an order of the Bankruptcy Court, including any Claim arising from the rejection of an Executory Contract or Unexpired Lease under section 365 of the Bankruptcy Code.

110. "*U.S. Trustee*" means the United States Trustee for the District of Massachusetts.

111. "*WV Chapter 11 Cases*" means the jointly administered chapter 11 cases pending for the WV Debtors in the Bankruptcy Court.

112. "*WV Debtors*" means Wachusett Ventures, LLC, WV – Crossings East LLC, WV – Crossings West, LLC, WV – Parkway Pavilion, LLC, WV – Concord SNF OPCO, LLC, WV – Rockport SNF OPCO, LLC and WV – Quincy SNF OPCO, LLC. For purposes of clarity, the term WV Debtors does not include Brockton.

113. "*WV Estate*" means the estate created for the WV Debtor in its WV Chapter 11 Case pursuant to section 541 of the Bankruptcy Code.

## **B. Rules of Interpretation**

For purposes of this Plan: (1) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (2) any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means

that the referenced document shall be substantially in that form or substantially on those terms and conditions; (3) any reference herein to an existing document, schedule or exhibit, whether or not Filed, having been Filed or to be Filed shall mean that document, schedule, or exhibit, as it may thereafter be amended, modified, or supplemented; (4) any reference to an Entity as a Holder of a Claim or Interest includes that Entity's successors and assigns; (5) unless otherwise specified, all references herein to "Articles" are references to Articles hereof or hereto; (6) unless otherwise specified, all references herein to exhibits are references to exhibits in the Plan Supplement; (7) unless otherwise specified, the words "herein," "hereof," and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (8) subject to the provisions of any contract, certificate of incorporation, bylaw, instrument, release, or other agreement or document entered into in connection with the Plan, the rights and obligations arising pursuant to the Plan shall be governed by, and construed and enforced in accordance with the applicable federal law, including the Bankruptcy Code and the Bankruptcy Rules; (9) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (10) unless otherwise specified herein, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (11) all references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court's CM/ECF system; (12) all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time, and as applicable to the Chapter 11 Cases, unless otherwise stated; (13) any immaterial effectuating provisions may be interpreted by the Reorganized Debtors in such a manner that is consistent with the overall purpose and intent of the Plan all without further Bankruptcy Court order; and (14) any undefined term used herein that is defined in the Bankruptcy Code shall have the meaning ascribed to such term in the Bankruptcy Code.

**C. Computation of Time**

Unless otherwise specifically stated herein, the provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein.

**D. Governing Law**

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the Commonwealth of Massachusetts, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Plan, any agreements, documents, instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control); provided, however, that corporate governance matters relating to the WV Debtors or the Reorganized Debtors, as applicable, not incorporated in Massachusetts shall be governed by the laws of the state of incorporation of the applicable Debtor or Reorganized Debtor, as applicable.



**E. Reference to Monetary Figures**

All references in the Plan to monetary figures shall refer to currency of the United States of America, unless otherwise expressly provided.

**F. Reference to the WV Debtors or the Reorganized Debtors**

Except as otherwise specifically provided in the Plan to the contrary, references in the Plan to the WV Debtors or the Reorganized Debtors shall mean the WV Debtors and the Reorganized Debtors, as applicable, to the extent the context requires.

**ARTICLE II.  
ADMINISTRATIVE CLAIMS AND OTHER UNCLASSIFIED CLAIMS**

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

**A. Administrative Claims**

**1. Administrative Claims**

Except with respect to Administrative Claims that are Fee Claims and except to the extent that a Holder of an Allowed Administrative Claim and the applicable WV Debtor(s) agree to less favorable treatment with respect to such Holder, each Holder of an Allowed Administrative Claim against a WV Debtor shall be paid in full in Cash on the later of: (a) on or as soon as reasonably practicable after the Effective Date if such Administrative Claim is Allowed as of the Effective Date; (b) on or as soon as reasonably practicable after the date such Administrative Claim is Allowed; and (c) the date such Allowed Administrative Claim becomes due and payable, or as soon thereafter as is practicable; provided, however, that Allowed Administrative Claims that arise in the ordinary course of the WV Debtors' business, including any Allowed Administrative Claims owing to any governmental taxing authorities or CMS, shall be paid in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to such transactions.

Except as otherwise provided in this Article II.A, requests for payment of Administrative Claims against a WV Debtor must be Filed and served on the Reorganized Debtors pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order no later than the Administrative Claims Bar Date; provided, however, that governmental taxing authorities and CMS shall not be required to make a request for payment of Administrative Claims prior to the Administrative Claims Bar Date. **Holders of Administrative Claims against a WV Debtor that are required to, but do not, File and serve a request for payment of such Administrative Claims by such date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the WV Debtors or their property and such Administrative Claims shall be deemed discharged as of the Effective**

**Date.** Objections to such requests, if any, must be Filed and served on the Reorganized Debtors and the requesting party no later than the Administrative Claims Objection Deadline.

2. Professional Compensation

a. Fee Claims

Professionals asserting a Fee Claim against a WV Debtor for services rendered before the Effective Date must File and serve on the WV Debtors and such other Entities who are designated by the Bankruptcy Rules, the Confirmation Order, or any other applicable order of the Bankruptcy Court, an application for final allowance of such Fee Claim no later than 30 days after the Effective Date. Objections to any Fee Claim must be Filed and served on the Reorganized Debtors and the requesting party no later than 60 days after the Effective Date. To the extent necessary, the Plan and the Confirmation Order shall amend and supersede any previously entered order regarding the payment of Fee Claims.

b. Professional Fee Escrow Account

On the Effective Date, the WV Debtors shall establish and fund the Professional Fee Escrow Account with Cash equal to the aggregate Professional Fee Reserve Amount for all Professionals. The Professional Fee Escrow Account shall be maintained in trust for the Professionals, with all such funds remaining property of the WV Debtors' estates until they are paid to the applicable professionals upon Court approval of such professional's fee applications. The amount of Accrued Professional Compensation Claims owing to the Professionals shall be paid in Cash to such Professionals from funds held in the Professional Fee Escrow Account when such Claims are Allowed by a Final Order. Allowed Accrued Professional Compensation Claims shall be paid first from amounts in the Professional Fee Escrow Account and then by the Reorganized Debtors. When all Allowed Professional Compensation Claims are paid in full in Cash, amounts remaining in the Professional Fee Escrow Account, if any, shall revert to the Reorganized Debtors.

c. Professional Fee Reserve Amount

To receive payment for unbilled fees and expenses incurred through and including the Effective Date, the Professionals shall estimate their Accrued Professional Compensation Claims prior to and as of the Confirmation Date, along with an estimate of fees and expenses to be incurred through and including the Effective Date, and shall deliver such estimate to the WV Debtors no later than five days prior to the anticipated Confirmation Date; provided, however, that such estimate shall not be considered an admission with respect to the fees and expenses of such Professional. If a Professional does not provide an estimate, the WV Debtors may estimate the unbilled fees and expenses of such Professional. The total amount so estimated as of the Confirmation Date shall comprise the Professional Fee Reserve Amount.

d. Post-Effective Date Fees and Expenses

Except as otherwise specifically provided in the Plan, from and after the Effective Date, the Reorganized Debtors shall, in the ordinary course of business and without any further notice to or action, order or approval of the Bankruptcy Court pay in Cash the reasonable legal, professional, or other fees and expenses related to implementation and Consummation of the Plan incurred by the Reorganized Debtors following the Effective Date. Upon the Effective Date, any requirement that Professionals comply with section 327 through 331 and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate and the Reorganized Debtors may employ and pay any Professional for services rendered or expenses incurred after the Effective Date in the ordinary course of business without any further notice to any party or action, order, or approval of the Bankruptcy Court.

**B. Priority Tax Claims**

Except to the extent that a Holder of an Allowed Priority Tax Claim against a WV Debtor agrees to a less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each Allowed Priority Tax Claim, each holder of an Allowed Priority Tax Claim due and payable on or before the Effective Date shall receive, at the option of the WV Debtors or Reorganized Debtors, one of the following treatments: (1) Cash in an amount equal to the amount of such Allowed Priority Tax Claim, plus interest at the rate determined under applicable nonbankruptcy law and to the extent provided for by section 511 of the Bankruptcy Code, payable on the or as soon as practicable following the Effective Date; (2) Cash in an aggregate amount of such Allowed Priority Tax Claim payable in installment payments over a period of time not to exceed five years after the Petition Date, pursuant to section 1129(a)(9)(C) of the Bankruptcy Code, plus interest at the rate determined under applicable nonbankruptcy law and to the extent provided for by section 511 of the Bankruptcy Code; or (3) such other treatment as may be agreed upon by such holder and the WV Debtors or otherwise determined upon an order of the Bankruptcy Court. For purposes of clarity the WV Debtors shall satisfy any unpaid pre-petition user fees owed to the Commonwealth of Massachusetts or the State of Connecticut in accordance with the terms of any pre- or post-petition agreements regarding such user fees.

**C. Statutory Fees**

Notwithstanding anything to the contrary herein, all fees due and payable pursuant to section 1930 of Title 28 of the U.S. Code prior to the Effective Date shall be paid by the WV Debtors on the Effective Date. After the Effective Date, the Reorganized Debtors shall pay any and all such fees when due and payable, and shall file with the Bankruptcy Court quarterly reports in a form reasonably acceptable to the U.S. Trustee. Each and every one of the WV Debtors shall remain obligated to pay quarterly fees to the Office of the U.S. Trustee until the earliest of that particular WV Debtor's case being closed, dismissed or converted to a case under chapter 7 of the Bankruptcy Code.

### **ARTICLE III. CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS**

#### **A. Classification of Claims and Interests**

Pursuant to section 1122 of the Bankruptcy Code, set forth below is a designation of Classes of Claims and Interests. All Claims and Interests, except for Administrative Claims and Priority Tax Claims, are classified in the Classes set forth in this Article III. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim also is classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and has not been paid, released, or otherwise satisfied before the Effective Date.

#### **B. Summary of Classification**

The classification of Claims and Interests against each WV Debtor (as applicable) pursuant to the Plan is as set forth below. The Plan shall apply as a separate Plan for each of the WV Debtors. Although for purposes of administrative convenience and efficiency the Plan has been filed as a joint plan for each of the WV Debtors and presents together Classes of Claims against, and Interests in, the WV Debtors, the Plan does not provide for the substantive consolidation of any of the WV Debtors. All of the potential Classes for the WV Debtors are set forth herein. If there are no Holders in a particular Class or Classes, such Classes shall be treated as set forth in Article III.E hereof.

The following chart summarizes the classification of Claims and Interests pursuant to the Plan:

<b>Class</b>	<b>Claim/Interest</b>	<b>Status</b>	<b>Voting Rights</b>
1	Priority Non-Tax Claims	Unimpaired	Deemed to Accept
2a	Other Secured Claims	Unimpaired	Deemed to Accept
2b	Quality Secured Claim	Impaired	Entitled to Vote
3	CCP Finance DIP Claim	Impaired	Entitled to vote
4	CCP Finance Prepetition Claim	Impaired	Entitled to vote
5	CCP Cure Claim	Impaired	Entitled to vote
6	General Unsecured Claims	Impaired	Entitled to vote
7	Intercompany Claims	Unimpaired	Deemed to Accept
8	Subordinated Claims	Impaired	Deemed to Reject
9	Convenience Class Claims	Unimpaired	Deemed to Accept
10	Intercompany Interests	Unimpaired	Deemed to Accept
11	Interests (Other than Class 10 Intercompany Interests)	Impaired	Deemed to Reject

**C. Treatment of Claims and Interests**

To the extent a Class contains Allowed Claims or Allowed Interests with respect to a particular WV Debtor, the treatment provided to each Class for distribution purposes is specified below:

3. Class 1 – Priority Non-Tax Claims

- a. *Classification:* Class 1 consists of Priority Non-Tax Claims.
- b. *Treatment:* Except to the extent that a Holder of an Allowed Priority Non-Tax Claim agrees to a less favorable treatment, in exchange for full and final satisfaction, settlement, release and discharge of each Allowed Priority Non-Tax Claim, each Holder of such Allowed Priority Non-Tax Claim shall be paid in full in Cash on or as reasonably practicable after the later of (i) the Effective Date, (ii) the date on which such Priority Non-Tax Claim against the WV Debtors becomes an Allowed Priority Non-Tax Claim, (iii) such other date as may be ordered by the Bankruptcy Court, or (iv) when due and payable in the ordinary course of business. For the avoidance of doubt, all Allowed Priority Non-Tax Claims of the Massachusetts Executive Office of Health and Human Services and the State of Connecticut – Department of Revenue Services shall be paid in the ordinary course of business pursuant to agreements in place.
- c. *Voting:* Class 1 is Unimpaired by the Plan, and each Holder of a Class 1 Priority Non-Tax Claim is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Class 1 Priority Non-Tax Claims are not entitled to vote to accept or reject the Plan.

4. Class 2a – Other Secured Claims

- a. *Classification:* Class 2a consists of Other Secured Claims.
- b. *Treatment:* Except to the extent that a Holder of an Allowed Other Secured Claim agrees to a less favorable treatment, the Other Secured Claims shall be reinstated to the extent such claims are valid, perfected and enforceable as of the Petition Date. No distribution shall be made on account of Other Secured Claims which are contingent, unliquidated or otherwise not Allowed.
- c. *Voting:* Class 2a is Unimpaired by the Plan, and each Holder of a Class 2a Other Secured Claim is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Class 2a Other Secured Claims are not entitled to vote to accept or reject the Plan.

5. Class 2b – Quality Secured Claim

- a. *Classification:* Class 2b consists of the Quality Secured Claim.
- b. *Treatment:* Holders of Claims in Class 2b shall be treated as a Class 6 (General Unsecured Claims) and any liens of Quality shall be discharged, extinguished, expunged and released in their entirety.
- c. *Voting:* Class 2b is Impaired by the Plan and entitled to vote.

6. Class 3 – CCP Finance DIP Claim

- a. *Classification:* Class 3 consists of the Claims of CCP Finance arising under the CCP DIP Loan Documents.
- b. *Treatment:* Except to the extent that a Holder of an Allowed CCP Finance DIP Claim agrees to a less favorable treatment, the CCP Finance DIP Claim shall be deemed Allowed in an amount equal to: (i) the principal balance owed under the CCP DIP Loan Documents as of the Effective Date; (ii) any accrued and unpaid interest owed under the CCP DIP Loan Documents as of the Effective Date; and (iii) any accrued and unpaid fees and expenses owed to CCP Finance or the Master Landlords under the CCP Loan Documents, the CCP Finance Loan Documents, or the Master Leases. Such amounts shall not be subject to offset, defense, counterclaim, reduction, or credit of any kind whatsoever, provided, however, that the amount of any fees and expenses shall be subject to review as provided, or in a manner similar to that provided, in the CCP DIP Financing Orders, or as provided by other order of the Court. The CCP Finance DIP Claim shall be paid in accordance with the terms of the CCP DIP Payment Note, the form of which will be included in the Plan Supplement and which shall be an amendment and restatement of the CCP DIP Loan Documents.

The principal terms of the CCP DIP Payment Note are summarized as follows:

- Obligors: All Reorganized Debtors except for Wachusett Ventures, LLC, which will be a guarantor.
- Anticipated Principal Balance on Effective Date: \$2,175,000.
- Interest Rate: 6%.
- Amortization: Interest only through 8/31/19 then fully amortizing with a maturity date of 11/30/22.

- Security: CCP Finance shall retain a first priority Lien on all assets of Reorganized Debtors, pledge of equity interests in all Reorganized Debtors with Members of Wachusett Ventures, LLC executing such documents as will be required to effect the pledge of their interests without becoming personally liable for any obligations of Reorganized Debtors.
- Covenants: The CCP DIP Payment Note shall contain financial and performance covenants in form reasonably acceptable to CCP Finance regarding eligible accounts receivable, limitations on accounts receivable over 120 days, and other provisions similar to the provisions in the CCP Finance Loan Documents.
- CCP Financing Orders. CCP Finance shall remain entitled to all of the benefits and protections afforded under the DIP Financing Orders that are applicable after the Effective Date, including without limitation the provision for release and indemnification provided pursuant thereto, which release and indemnification provisions shall also be incorporated into the Confirmation Order.
- Other Terms: The Reorganized Debtors' obligations to the Sabra Entities, including without limitation under the CCP DIP Payment Note, the New CCP Note, the Master Leases (as assumed and amended) and the CCP Cure Claim Note shall be fully secured by all assets of the Reorganized Debtors with a first priority security interest.

Such obligations shall also be cross-collateralized and cross-defaulted in a manner similar to the documentation in place on the Petition Date and all pre-petition liens granted to any Sabra Entity shall survive for purposes of securing the obligations of the Reorganized Debtors. For the avoidance of doubt, the terms of the CCP DIP Payment Note, the New CCP Note and the Master Leases (as amended and assumed) shall govern in the case of conflict with the terms of the Plan or Confirmation Order. The Reorganized Debtors' agreements with the Sabra Entities shall also contain provisions making the sale of any membership interest by Steven Vera, or a material reduction of his hours committed to the business, a change in control which will constitute an event of default unless consented to by CCP Finance. The personal guarantees of Steven Vera, Joel Kirchick and Raymond Dennehy to any Sabra Entity shall be terminated on the Effective Date.

- c. *Voting*: Class 3 is Impaired. Therefore, Holders of Class 3 CCP Finance DIP Claims are entitled to vote to accept or reject the Plan.

7. Class 4 – CCP Finance Prepetition Claim

- a. *Classification:* Class 4 consists of the CCP Finance Prepetition Claim.
- b. *Treatment:* Except to the extent that a Holder of an Allowed CCP Finance Prepetition Claim agrees to a less favorable treatment, the CCP Finance Prepetition Claim shall be deemed Allowed in an amount equal to: (i) the principal balance due under the CCP Finance Loan Documents as of the Effective Date; and (ii) any accrued and unpaid interest due under the CCP Finance Loan Documents as of the Effective Date. Such amounts shall not be subject to offset, defense, counterclaim, reduction, or credit of any kind whatsoever. The CCP Finance Prepetition Claim shall be paid in accordance with the terms of the New CCP Note, the form of which will be included in the Plan Supplement.

The principal terms of the New CCP Note are summarized as follows:

- Obligors: All Reorganized Debtors except for Wachusett Ventures, LLC, which will be a guarantor.
- Anticipated Principal Balance on Effective Date: \$2,697,186 plus accrued and unpaid interest from the Petition Date.
- Interest Rate: 6%.
- Amortization: Interest only through 11/30/2022 then fully amortizing with a maturity date of 2/28/2026.
- Security: CCP Finance shall retain a first priority Lien on all assets of Reorganized Debtors, pledge of equity interests in all Reorganized Debtors with Members of Wachusett Ventures, LLC executing such documents as will be required to effect the pledge of their interests without becoming personally liable for any obligations of Reorganized Debtors.
- Covenants: The New CCP Note shall contain financial and performance covenants in form reasonably acceptable to CCP Finance regarding eligible accounts receivable, limitations on accounts receivable over 120 days, and other provisions similar to the provisions in the CCP Finance Loan Documents.
- CCP Financing Orders. CCP Finance shall remain entitled to all of the benefits and protections afforded under the DIP Financing Orders that are applicable after the Effective Date, including without limitation the provision for release and indemnification



provided pursuant thereto, which release and indemnification provisions shall also be incorporated into the Confirmation Order.

- Other Terms: The Reorganized Debtors' obligations to the Sabra Entities, including without limitation under the CCP DIP Payment Note, the New CCP Note, the Master Leases (as assumed and amended) and the CCP Cure Claim Note shall be fully secured by all assets of the Reorganized Debtors with a first priority security interest.

Such obligations shall also be cross-collateralized and cross-defaulted in a manner similar to the documentation in place on the Petition Date and all pre-petition liens granted to any Sabra Entity shall survive for purposes of securing the obligations of the Reorganized Debtors. For the avoidance of doubt, the terms of the CCP DIP Payment Note, the New CCP Note and the Master Leases (as amended and assumed) shall govern in the case of conflict with the terms of the Plan or Confirmation Order. The Reorganized Debtors' agreements with the Sabra Entities shall also contain provisions making the sale of any membership interest by Steven Vera, or a material reduction of his hours committed to the business, a change in control which will constitute an event of default unless consented to by CCP Finance. The personal guarantees of Steven Vera, Joel Kirchick and Raymond Dennehy to any Sabra Entity shall be terminated on the Effective Date.

- c. *Voting*: Class 4 is Impaired. Therefore, Holders of Class 4 CCP Finance Prepetition Claims are entitled to vote to accept or reject the Plan.

8. Class 5 - CCP Cure Claims

- a. *Classification*: Class 5 consists of the CCP Cure Claims arising out of the assumption of the Master Leases.
- b. *Treatment*: The CCP Cure Claims shall be satisfied by the execution and delivery of the CCP Cure Note which shall be in the amount of \$1,347,249. The amount of the CCP Cure Note represents a settlement of all amounts due in connection with the assumption of the Master Leases, as part of the settlement and amendment of the Master Leases as more fully set forth in Article V.J.

The principal terms of the CCP Cure Note are summarized as follows:

- Obligors: All Reorganized Debtors except for Wachusett Ventures, LLC, which will be a guarantor.

- Anticipated Principal Balance on Effective Date: \$1,347,429
- Interest Rate: 6% to be accrued.
- Maturity Date: The CCP Cure Note shall have a maturity date of 2/28/2026. Provided no event of default has occurred and is continuing as of the Maturity Date, any sums due including principal and interest shall be forgiven.
- Security: The Master Landlords shall retain a first priority Lien on all assets of Reorganized Debtors, pledge of equity interests in all Reorganized Debtors with Members of Wachusett Ventures, LLC executing such documents as will be required to effect the pledge of their interests without becoming personally liable for any obligations of Reorganized Debtors.
- CCP Financing Orders. CCP Finance and the Master Landlords shall remain entitled to all of the benefits and protections afforded under the DIP Financing Orders that are applicable after the Effective Date, including without limitation the provision for release and indemnification provided pursuant thereto, which release and indemnification provisions shall also be incorporated into the Confirmation Order.
- Other Terms: The Reorganized Debtors' obligations to the Sabra Entities, including without limitation under the CCP DIP Payment Note, the New CCP Note, the Master Leases (as assumed and amended) and the CCP Cure Claim Note shall be fully secured by all assets of the Reorganized Debtors with a first priority security interest.

Such obligations shall also be cross-collateralized and cross-defaulted in a manner similar to the documentation in place on the Petition Date and all pre-petition liens granted to any Sabra Entity shall survive for purposes of securing the obligations of the Reorganized Debtors. For the avoidance of doubt, the terms of the CCP DIP Payment Note, the New CCP Note and the Master Leases (as amended and assumed) shall govern in the case of conflict with the terms of the Plan or Confirmation Order. The Reorganized Debtors' agreements with the Sabra Entities shall also contain provisions: (i) making the sale of any membership interest by Steven Vera, or a material reduction of his hours committed to the business, a change in control which will constitute an event of default unless consented to by CCP Finance. The personal guarantees of Steven Vera, Joel Kirchick and Raymond Dennehy to any Sabra Entity shall be terminated on the Effective Date.

- c. *Compromise and Settlement.* Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the determination of the amount of and the proposed treatment of, the CCP Cure Claim under the Plan as a settlement of all amounts due in connection with the assumption of the Master Leases.
- d. *Voting:* Class 5 is Impaired. Therefore, Holders of Class 5 CCP Cure Claims are entitled to vote to accept or reject the Plan.

9. Class 6 – General Unsecured Claims

- a. *Classification:* Class 6 consists of General Unsecured Claims.
- b. *Treatment:* Except to the extent that a Holder of an Allowed General Unsecured Claim agrees to a less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each General Unsecured Claim, each Holder of such Allowed General Unsecured Claim shall receive a Pro Rata share of (i) \$300,000 payable upon the Effective Date (consisting of \$250,000 from escrowed funds held by the Master Landlords plus \$50,000 of the New Value Contribution), (ii) \$100,000 payable on January 2, 2019, and (iii) \$100,000 payable on September 1, 2019. Payments will be made as soon as reasonably practicable after, the latest of (i) the dates set forth in the preceding sentence, (ii) the distribution date following the date a general unsecured claim becomes an allowed general unsecured claim, or (iii) the date a general unsecured claim becomes payable pursuant to any agreement between the Reorganized Debtor and the holder of such general unsecured claim.
- c. *Voting:* Class 6 is Impaired. Therefore, Holders of Class 6 General Unsecured Claims are entitled to vote to accept or reject the Plan.

10. Class 7- Intercompany Claims

- a. *Classification:* Class 7 consists of Intercompany Claims.
- b. *Treatment:* No distribution shall be made on account of Allowed Intercompany Claims. Subject to any limitations imposed under the agreements with the Sabra Entities, to preserve the WV Debtors' corporate structure, on the Effective Date, or as soon thereafter as practicable, all Allowed Intercompany Claims shall be reinstated in full or in part or cancelled or discharged in full or in part, in each case, to the extent determined appropriate by the Reorganized Debtors. The WV Debtors and the Reorganized Debtors will be entitled to transfer funds between and among themselves as they determine to be necessary or appropriate to enable the Reorganized Debtors to satisfy their obligations under the Plan.

Except as set forth herein, any changes in intercompany account balances resulting from such transfers will be accounted for and settled in accordance with the WV Debtors' historical intercompany account settlement practices.

- c. *Voting:* Class 7 is Unimpaired by the Plan, and each Holder of a Class 7 Intercompany Claim is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Class 7 Intercompany Claims are not entitled to vote to accept or reject the Plan

11. Class 8 – Subordinated Claims

- a. *Classification:* Class 8 consists of Subordinated Claims.
- b. *Treatment:* Holders of Allowed Subordinated Claims shall not receive any distribution on account of such Subordinated Claims. On the Effective Date, Allowed Subordinated Claims shall be discharged, canceled, released, and extinguished.
- c. *Voting:* Class 8 is Impaired and Holders of Class 8 Subordinated Claims are conclusively presumed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Class 8 Subordinated Claims are not entitled to vote to accept or reject the Plan.

12. Class 9 – Convenience Class Claims

- a. *Classification:* Class 9 consists of Convenience Class Claims.
- b. *Treatment:* Except to the extent that a Holder of an Allowed Convenience Class Claim agrees to a less favorable treatment, in exchange for full and final satisfaction, settlement, release, and discharge of each Convenience Class Claim, each Holder of such Allowed Convenience Class Claim shall receive one of the following treatments, in the sole discretion of the applicable WV Debtor or Reorganized Debtor: (i) the WV Debtors or the Reorganized Debtors shall pay such Allowed Convenience Class Claim in the ordinary course of business or (ii) the WV Debtors or the Reorganized Debtors shall pay such Convenience Class Claim in full in Cash upon the later of (A) the Effective Date, (B) the date on which such Convenience Class Claim against the WV Debtors becomes an Allowed Convenience Class Claim, (C) or such other date as may be ordered by the Bankruptcy Court.
- c. *Voting:* Class 9 is Unimpaired by the Plan, and each Holder of a Class 9 Convenience Class Claim is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore,

Holders of Class 9 Convenience Class Claims are not entitled to vote to accept or reject the Plan.

13. Class 10 – Intercompany Interests

- a. *Classification:* Class 10 consists of Intercompany Interests.
- b. *Treatment:* No distribution shall be made on account of Allowed Intercompany Interests. To preserve the WV Debtors' corporate structure, on the Effective Date all Allowed Intercompany Interests shall be reinstated in full.
- c. *Voting:* Class 10 is Unimpaired by the Plan, and each Holder of a Class 10 Intercompany Interest is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Class 10 Intercompany Interests are not entitled to vote to accept or reject the Plan.

14. Class 11 – Interests (Other than Class 10 Intercompany Interests)

- a. *Classification:* Class 11 consists of Interests (other than Class 10 Intercompany Interests)
- b. *Treatment:* No distribution shall be made on account of Allowed Interests.
- c. *Voting:* Class 11 is Impaired and Holders of Class 11 Interests (Other than Class 10 Intercompany Interests) are conclusively presumed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Class 11 Interests (Other than Class 10 Intercompany Interests) are not entitled to vote to accept or reject the Plan.

**D. Special Provisions Governing Claims**

Except as otherwise provided in the Plan, nothing under the Plan shall affect the WV Debtors' or the Reorganized Debtors' rights in respect of any Claims, including legal and equitable defenses to or setoffs or recoupments against any such Claims.

**E. Elimination of Vacant Classes**

Any Class of Claims or Interests that does not have a Holder of an Allowed Claim or Allowed Interest or a Claim or Interest temporarily Allowed by the Bankruptcy Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

**F. Acceptance or Rejection of the Plan**

1. Voting Classes

Classes 2b, 3, 4, 5, and 6 are Impaired under the Plan and entitled to vote to accept or reject the Plan.

2. Failure to Vote

If Holders of Claims in a particular Impaired Class of Claims were given the opportunity to vote to accept or reject the Plan, but no Holders of Claims in such Impaired Class of Claims voted to accept or reject the Plan, the WV Debtors reserve the right to seek a judicial determination at the Confirmation Hearing that such Class of Claims be deemed to have accepted the Plan.

3. Presumed Acceptance of the Plan

Classes 1, 2a, 7, 9 and 10 are Unimpaired under the Plan, and the Holders in such Classes are deemed to have accepted the Plan and are not entitled to vote to accept or reject the Plan.

4. Presumed Rejection of the Plan

Classes 8 and 11 are Impaired and shall receive no distribution under the Plan. The Holders in such Classes are deemed to have rejected the Plan and are not entitled to vote to accept or reject the Plan.

**G. Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code**

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by an Impaired Class of Claims. The WV Debtors shall seek Confirmation pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests.

**H. Controversy Concerning Impairment**

If a controversy arises as to whether any Claims or Interests or any Class of Claims or Interests is Impaired, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

**I. Subordinated Claims**

Except as expressly provided herein, the allowance, classification, and treatment of all Allowed Claims and Interests and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating

thereto, whether arising under general principles of equitable subordination, section 510 of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Reorganized Debtors reserve the right to re-classify any Allowed Claim or Interest in accordance with any contractual, legal, or equitable subordination relating thereto. The WV Debtors or Reorganized Debtors, as appropriate, shall provide notice to any party whose claim the WV Debtors or Reorganized Debtors seek to reclassify.

#### **ARTICLE IV. MEANS FOR IMPLEMENTATION OF PLAN**

##### **A. Sources of Cash for Plan Distributions**

All consideration necessary for the Reorganized Debtors to make payments or distributions pursuant hereto shall be obtained from Cash from the WV Debtors, including Cash from business operations, and the New Value Contribution, borrowing contemplated and provided for in the Plan, and the release of certain escrow funds by the Master Landlords as provided in Article V.J. Further, the WV Debtors and the Reorganized Debtors will be entitled to transfer funds between and among themselves as they determine to be necessary or appropriate to enable the Reorganized Debtors to satisfy their obligations under the Plan. Except as set forth herein, any changes in intercompany account balances resulting from such transfers will be accounted for and settled in accordance with the WV Debtors' historic intercompany account settlement practices and will not violate the terms of the Plan.

##### **B. Postconfirmation Financing**

The Sabra Entities or an affiliate thereof shall provide the Reorganized Debtors with Postconfirmation Financing in the form of a line of credit in the amount of \$500,000, or such lesser amount as may be required to bridge any cash flow shortages needed to fund any short-term cash flow shortfalls projected and disclosed in the Plan Supplement. The terms and conditions of such Postconfirmation Financing, including the interest and payment terms, shall be reflected in the documentation included in the Plan Supplement. Such financing shall be documented in form and substance acceptable to the Sabra Entities, fully secured by all assets of the Reorganized Debtors with a first priority security interest, and cross-collateralized and cross-defaulted with all other obligations due to the Sabra Entities under the Plan. At the option of the Sabra Entities and the WV Debtors, the repayment of the Postconfirmation Financing may be incorporated into the New CCP Note or the CCP DIP Payment Note.

##### **C. Restructuring Transactions**

On the Effective Date, or as soon as reasonably practicable thereafter, the Reorganized Debtors may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by or necessary to effectuate the Restructuring Transactions under and in connection with the Plan, including: (1) the execution and delivery of appropriate agreements or other documents of merger, consolidation, conversion to alternative corporate form including to a C Corp, or reorganization containing terms that are consistent with the terms of the Plan and that satisfy the requirements of applicable law; (2) the execution and

delivery of appropriate instruments of transfer, assignment, assumption or delegation of any property, right, liability, duty or obligation on terms consistent with the terms of the Plan; and (3) the filing of appropriate certificates of incorporation, merger or consolidation with the appropriate governmental authorities pursuant to applicable law.

**D. Corporate Existence and Form; other Restructuring Matters**

Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, each WV Debtor shall continue to exist after the Effective Date as a Reorganized Debtor and as a separate corporation, limited liability company, partnership, or other form of entity, as the case may be or as its Member(s) elect to change it to with all the powers of a corporation, limited liability company, partnership, or other form of entity, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable WV Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and by-laws (or other analogous formation or governing documents) in effect before the Effective Date, except to the extent such certificate of incorporation and bylaws (or other analogous formation or governing documents) are amended by the Plan or otherwise amended in accordance with applicable law. After the Effective Date, each Reorganized Debtor may amend and restate its new certificate of incorporation and other constituent documents as permitted by relevant state corporate law.

On account of the New Value Contribution, holders of Class 11 Allowed Interests (other than preservation of Class 10 Intercompany Interests) shall obtain the Interests in the Reorganized Debtors.

**E. Vesting of Assets in Reorganized Debtors and Avoidance of Liens**

Except as otherwise provided in the Plan or any agreement, instrument or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, pursuant to section 1141(c) of the Bankruptcy Code, all property in each WV Estate, all Causes of Action and any property acquired by any of the WV Debtors pursuant to the Plan will vest in each respective Reorganized Debtor, free and clear of all Claims and Interests, except for (a) the existing Lien securing the WV Debtors' obligations under the CCP DIP Loan, the CCP Finance Loan Documents and the Master Leases, (b) the existing Lien of parties who lease equipment to the WV Debtors to the extent such leases are Executory Contracts assumed by the WV Debtors, (c) any Other Secured Claims specifically reinstated under this Plan, and (d) any Lien or security interest granted by a WV Debtor under or pursuant to this Plan. On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its business and may use, acquire, or dispose of property and compromise or settle any claims, Interests or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

**F. Cancellation of Existing Indebtedness and Securities**

Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, on the Effective Date: (i) the



obligations of the WV Debtors under any certificate, share, loan agreement, guaranty, note, bond, indenture, purchase right, option, warrant, or other instrument or document, directly or indirectly, evidencing or creating any indebtedness or obligation of or ownership interest in the WV Debtors giving rise to any Claim or Interest (except such certificates, notes, or other instruments or documents evidencing indebtedness or obligations of the WV Debtors that are specifically Reinstated pursuant to the Plan) shall be cancelled solely as to the WV Debtors and the Reorganized Debtors, and the Reorganized Debtors shall not have any continuing obligations thereunder; and (ii) the obligations of the WV Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the shares, certificates, loan agreement, guaranty, notes, bonds, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of the WV Debtors (except such agreements, certificates, notes, or other instruments evidencing indebtedness or obligations of the WV Debtors that are specifically Reinstated pursuant to the Plan) shall be released and discharged; provided, however, notwithstanding Confirmation or the occurrence of the Effective Date, any such indenture or agreement that governs the rights of the Holder of a Claim shall continue in effect solely for purposes of enabling Holders of Allowed Claims to receive distributions under the Plan as provided herein; provided, further, however, that the preceding proviso shall not affect the discharge of Claims or Interests pursuant to the Bankruptcy Code, the Confirmation Order, or the Plan or result in any expense or liability to the Reorganized Debtors, except to the extent set forth in or provided for under this Plan.

For the avoidance of doubt, the WV Debtors' obligations under the CCP DIP Loan, the CCP Finance Loan Documents and the Master Leases shall not be canceled, released or discharged under this section but shall be treated in accordance with the treatment set forth in Article III.

#### **G. Corporate Action**

Upon the Effective Date, or as soon thereafter as is reasonably practicable, all actions contemplated by the Plan shall be deemed authorized and approved in all respects. All matters provided for in the Plan involving the corporate structure of the Reorganized Debtors, and any corporate action required by the WV Debtors or the Reorganized Debtors in connection with the Plan shall be deemed to have occurred and shall be in effect, without any requirement of further action by the Security holders, directors or officers of the WV Debtors or the Reorganized Debtors.

#### **H. Directors and Officers of the Reorganized Debtors**

As of the Effective Date, the current members of each of the WV Debtors shall continue as members (or shareholders) and Steven Vera shall serve as chief executive pursuant to a new employment agreement.

To the extent any such managing member, director or officer is an "insider" as such term is defined in section 101(31) of the Bankruptcy Code, the nature of any compensation to be paid to such director or officer will also be disclosed. Each such director and officer shall serve from

and after the Effective Date pursuant to the terms of the By-Laws and other constituent documents of the Reorganized Debtors.

**I. Effectuating Documents; Further Transactions**

On and after the Effective Date, the Reorganized Debtors and the officers and members of the boards thereof, are authorized to and may issue, execute, deliver, file, or record such contracts, Securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement and further evidence the terms and conditions of the Plan, in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorization or consents except those expressly required pursuant to the Plan.

**J. Senior Management**

The WV Debtors' existing senior management team shall remain in their current capacities as officers of the Reorganized Debtors but except as may be provided in any employment agreement each shall have no obligation to remain in such position(s).

**K. Exemption from Certain Taxes and Fees**

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant hereto shall not be subject to any stamp tax or other similar tax or governmental assessment in the United States, and the Confirmation Order shall direct and be deemed to direct the appropriate state or local governmental officials or agents to forgo the collection of any such tax or governmental assessment and to accept for filing and recordation instruments or other documents pursuant to such transfers of property without the payment of any such tax or governmental assessment. Such exemption specifically applies, without limitation, to (i) the creation of any mortgage, deed of trust, lien, or other security interest, (ii) the making or assignment of any lease or sublease, (iii) any restructuring transaction authorized by the Plan, or (iv) the making or delivery of any deed or other instrument of transfer under, in furtherance of or in connection with the Plan, including: (a) any merger agreements; (b) agreements of consolidation, restructuring, disposition, liquidation or dissolution; (c) deeds; (d) bills of sale; or (e) assignments executed in connection with any restructuring transaction occurring under the Plan.

**L. Indemnification Provisions and Tax Payments.**

As of the Effective Date, each Reorganized Debtor's articles of organization, membership agreement, certificate of incorporation and/or bylaws (or other formation documents) shall provide, to the extent not satisfied by any available insurance coverage, for the indemnification, defense, reimbursement, exculpation, and/or limitation of liability of, and advancement of fees and expenses to, current (as of July 30, 2018) members, directors, officers or employees who were employed as directors, officers or employees of such WV Debtor, on or after the Petition Date, against any claims or Causes of Action whether direct or derivative, liquidated or unliquidated, fixed, or contingent, disputed or undisputed, matured or unmatured,

known or unknown, foreseen or unforeseen, asserted or unasserted, and none of the Reorganized Debtors shall amend and/or restate its membership agreement or bylaws (or other formation documents) before or after the Effective Date to terminate or materially adversely affect any of the Reorganized Debtors' obligations or such directors', officers', members' or employees' rights.

The membership agreement(s), articles of organization and other similar documents of the WV Debtors shall be amended to provide the Members with the broadest indemnification rights provided by law and shall require distributions for any tax payments that they may be required to make as a result of their ownership interests.

**M. Preservation of Causes of Action**

In accordance with section 1123(b) of the Bankruptcy Code, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action belonging to the WV Debtors, whether arising before or after the Petition Date, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date, except as otherwise expressly provided in the Plan. For the avoidance of doubt, the preservation of Causes of Action described in the preceding sentence includes, but is not limited to, the WV Debtors' (i) right to object to Administrative Claims, (ii) right to object to other Claims, (iii) right to object to Subordinated Claims, and (iv) right to prosecute any other potential claims, Causes of Action, charges, suits or rights of recovery under state, federal, or other applicable law such as (but not limited to) claims arising under title 11 of the U.S. Code and applicable law, including without limitation sections 502(d), 510, 542 through 551, and 553 of title 11 and any similar state laws, violations of state and/or federal securities laws, breach of contract, breach of fiduciary duty (including aiding and abetting any such breach), and common law claims such as quantum meruit and unjust enrichment. The Reorganized Debtors may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors in their respective discretion. The WV Debtors and the Reorganized Debtors expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan.

The Reorganized Debtors reserve and shall retain the applicable Causes of Action notwithstanding the rejection or repudiation of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan. The applicable Reorganized Debtor through its authorized agents or representatives, shall retain and may exclusively enforce any and all such Causes of Action. The Reorganized Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

**N. Satisfied Claims of Congressional Bank and Mercury**

All liens and claims of Congressional Bank and Mercury SNF, LLC against the WV Debtors shall be discharged by the Plan to the extent not previously released in accordance with that *Order (1) Approving Settlement by and Among Debtor WV-Brockton SNF, LLC, Congressional Bank, and Mercury SNF, LLC, (2) Authorizing the Transfer of Operations at the Brockton Facility, and (3) Authorizing Brockton's Use Of Cash Collateral* [Docket No. 405].

**O. Avoidance of Liens Asserted By Quality**

The Plan constitutes a request for entry of an order avoiding the Liens asserted by Quality and the Confirmation Order shall avoid such Liens.

**P. Dissolution of Certain Non-Debtor Affiliates**

The WV Debtors or Reorganized Debtors shall be authorized to take any actions necessary to dissolve on the Effective Date the following non-debtor affiliates of the WV Debtors under applicable state law: Wachusett Healthcare Management Company, WV-Concord SNF PROPCO, LLC, WV-Rockport SNF PROPCO, LLC, WV-Quincy SNF PROPCO, LLC.

**Q. Potential Dissolution of Closed Facilities**

The WV Debtors, with the consent of the Sabra Entities may dissolve the entities that operated the Closed Facilities.

**R. CCP DIP Financing Orders**

The provisions of the CCP DIP Financing Orders regarding the perfection, validity and enforceability of the security interests for the CCP DIP Loan Documents and the CCP Finance Loan Documents and the releases and indemnifications of the Sabra Entities by the WV Debtors shall be deemed incorporated by reference in the Plan and the Confirmation Order.

**ARTICLE V.  
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

**A. Assumption and Rejection of Executory Contracts and Unexpired Leases**

On the Effective Date, except as otherwise provided herein, or in any contract, instrument, release, indenture, or other agreement or document entered into in connection with the Plan, Executory Contracts and Unexpired Leases, including those listed on the Assumed Executory Contract and Unexpired Lease List, shall be deemed assumed as of the Effective Date, unless such Executory Contract or Unexpired Lease: (i) was assumed or rejected prior to the Effective Date by the WV Debtors; (ii) previously expired or terminated pursuant to its own terms; (iii) is the subject of a motion to reject Filed on or before the Effective Date; (iv) is

identified as an executory Contract or Unexpired Lease on the Rejected Executory Contracts and Unexpired Lease List, or (v) is the subject of a dispute regarding the Cure Claim.

For the avoidance of doubt, the Master Leases shall be assumed, as amended, and all security interests granted under the Master Leases shall survive and be binding against the Reorganized Debtors. The terms of Article V.J shall govern the assumption and cure of the Master Leases.

Entry of the Confirmation Order shall constitute a Bankruptcy Court order approving the assumptions or rejections of such Executory Contracts or Unexpired Leases as set forth in the Plan, the Rejected Executory Contract and Unexpired Leases List, or the Assumed Executory Contract and Unexpired Leases List pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Unless otherwise indicated, assumptions or rejections of Executory Contracts and Unexpired Leases pursuant to the Plan are effective as of the Effective Date. Solely with respect to the those Executory Contracts or Unexpired Leases that have not been rejected by way of a separate order prior to the Confirmation of the Plan, on the later of (i) ten days after the entry Confirmation Order, or (ii) the WV Debtors' filing of a notice determining to reject an Executory Contract or Unexpired Lease, the WV Debtors shall serve a separate notice to each counterparty whose Executory Contract or Unexpired Lease is being rejected, informing the counterparty of such rejection and notifying them that they have 30 days from service of that notice to file their rejection damages claims, attaching a proof of claim form, and providing instructions as to where such form should be sent.

Each Executory Contract or Unexpired Lease assumed pursuant to the Plan or by Bankruptcy Court order but not assigned to a third party before the Effective Date shall re-vest in and be fully enforceable by the applicable contracting Reorganized Debtor in accordance with its terms, except as such terms may have been modified by the provisions of the Plan or any order of the Bankruptcy Court authorizing and providing for its assumption under applicable federal law. Any motions to assume Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by the Bankruptcy Court on or after the Effective Date by a Final Order.

**B. Claims Based on Rejection of Executory Contracts or Unexpired Leases**

In accordance with the Bar Date Order, Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, if any, must be filed with the Bankruptcy Court by the later of (a) the General Bar Date, or (b) the date provided in (i) the order authorizing the Debtors to reject such executory contract or unexpired lease, or (ii) if no such date is provided, then 4:00 p.m. (Eastern Time) on the date that is 30 days after the date on which the Debtors provide notice of such rejection pursuant to the following paragraph.

Solely with respect to the those Executory Contracts or Unexpired Leases that have not been rejected by way of a separate order prior to the Confirmation of the Plan, on the later of (i) ten days after the entry Confirmation Order, or (ii) the WV Debtors' filing of a notice determining to reject an Executory Contract or Unexpired Lease, the WV Debtors shall serve a separate notice to each counterparty whose Executory Contract or Unexpired Lease is being

rejected, informing the counterparty of such rejection and notifying them that they have 30 days from service of that notice to file their rejection damages claims, attaching a proof of claim form, and providing instructions as to where such form should be sent.

Unless otherwise ordered by the Bankruptcy Court, any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed within the time period set forth in this section will be automatically disallowed, forever barred from assertion and shall not be enforceable against the WV Debtors or the Reorganized Debtors, the Estates, or their property without the need for any objection by the Reorganized Debtors or further notice to, or action, order or approval of the Bankruptcy Court. Allowed Claims arising from the rejection of the WV Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims and shall be treated in accordance with Article III of the Plan, as applicable.

**Rejection Claims for which a Proof of Claim is not timely Filed will be forever barred from assertion against the WV Debtors, their WV Estates, the Reorganized Debtors and their respective property unless otherwise ordered by the Bankruptcy Court or as otherwise provided herein. Such Rejection Claims shall, as of the Effective Date, be subject to the discharge and permanent injunction set forth in Article VIII hereof.**

**C. Cure of Defaults for Assumed Executory Contracts and Unexpired Leases**

Any monetary defaults under each Executory Contract and Unexpired Lease as reflected on the Assumed Executory Contract and Unexpired Leases List shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the default amount in Cash on the Effective Date, subject to the limitations described below, or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree. In the event of a dispute regarding (i) the amount of the Cure Claim, (ii) the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed, or (iii) any other matter pertaining to assumption, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order or orders resolving the dispute and approving the assumption or by mutual agreement between WV Debtors and the applicable counterparty. At least 20 days before the Confirmation Hearing, the WV Debtors shall distribute, or cause to be distributed, Cure Notices of proposed assumption and proposed amounts of Cure Claims to the applicable third parties. Any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption or related cure amount must be Filed, served, and actually received by the WV Debtors at least seven days before the Confirmation Hearing. If any outstanding objections remain unresolved following the Confirmation Hearing, the WV Debtors' rights are reserved to reject any contract or lease subject to such objection at any time prior to entry of an order of the Court authorizing the assumption of such contract or lease. Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption or cure amount will be deemed to have assented to such assumption or cure amount; provided, however, the WV Debtors shall have the right to alter, amend, modify or supplement the Assumed Executory Contracts and Unexpired Lease List or Rejected Executory Contracts and Unexpired Lease List, as applicable, as identified in the Plan Supplement, through and including the Effective Date. To the extent that the WV Debtors

alter, amend, modify or supplement the lists of Executory Contracts and Unexpired Lease included in the Plan Supplement, the WV Debtors will provide notice to each counterparty to an affected Executory Contract or Unexpired Lease within five days of such decision.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan and payment of the Cure Amount or otherwise shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time before the date of the WV Debtors or Reorganized Debtors assume such Executory Contract or Unexpired Lease. Any Proofs of Claim Filed with respect to an Executory Contract or Unexpired Lease that has been assumed shall be deemed disallowed and expunged, without further notice to or action, order or approval of the Bankruptcy Court.

For the avoidance of doubt, the Master Leases shall be assumed, as amended, and all security interests granted under the Master Leases shall survive and be binding against the Reorganized Debtors. The terms of Article V.J shall govern the assumption and cure of the Master Leases.

Further, for the avoidance of doubt, as of the Effective Date, and in accordance with 11 U.S.C. § 365, the WV Debtors will assume their Medicare Provider Agreements, identified by CMS Certification Number(s) 075195, 075196, 225456, and 225263 (the “WV Medicare Provider Agreements”). As of same date, the Reorganized Debtors accept automatic assignment of the WV Debtors’ Medicare Provider Agreement under 42 C.F.R. § 489.18, including all benefits and burdens. Thereafter, the WV Medicare Provider Agreements shall be governed exclusively by the Medicare statute, regulations, policies and procedures, and without regard to bankruptcy law. These include, but are not limited to, adjustment of all payments to the Reorganized Debtors, as the owners of the WV Medicare Provider Agreements, to account for all prior overpayments and underpayments, including those relating to the pre-petition periods. For purposes of clarity CMS Certification Number(s) 075267 and 225170 were terminated by the WV Debtors prior to the Petition Date.

Notwithstanding anything to the contrary in the Plan, any of its exhibits, the Plan Supplement, or the Confirmation Order, CMS’ right of recoupment and CMS’ administration of the WV Medicare Provider Agreements and federal Medicare laws and regulations, will not be impacted by the confirmation of the Plan.

**D. Insurance Policies**

All of the WV Debtors’ insurance policies and any agreements, documents, or instruments relating thereto, are treated as and deemed to be Executory Contracts under the Plan. On the Effective Date, the WV Debtors shall be deemed to have assumed all insurance policies and any agreements, documents, and instruments related thereto.

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

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and Executory Contracts and Unexpired Leases related thereto, if any, including easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan.

Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the WV Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

**F. Retirement Plans**

Except as otherwise provided in this Plan, the WV Debtors' health care plans (including medical plans, dental plans, vision plans, prescription plans, health savings accounts and spending accounts), retiree benefit programs, defined contribution plans, severance plans, discretionary bonus plans, performance-based incentive plans, long-term incentive plans, retentions plans, workers' compensation programs and life, disability, accidental death and dismemberment, directors and officers liability, and other insurance plans are treated as Executory Contracts under this Plan and shall, on the Effective Date be deemed assumed by the WV Debtors in accordance with sections 365(a) and 1123(b)(2) of the Bankruptcy Code. The Plan Supplement shall list the agreements, plans, programs and other documents described in the preceding sentence. On and after the Effective Date, all Claims submitted for payment in accordance with the foregoing benefit programs, whether submitted prepetition or postpetition, shall be processed and paid in the ordinary course of business of the applicable Reorganized Debtors, in a manner consistent with the terms and provisions of those benefit programs. Notwithstanding any other provision of this Plan, the cure obligations, if any, related to the assumptions of each of the collective bargaining agreements or modified collective bargaining agreements, shall be satisfied by the applicable Reorganized Debtors by payment, in the ordinary course.

**G. Reservation of Rights**

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on the Rejected Executory Contract and Unexpired Lease List, nor anything contained in the Plan, shall constitute an admission by the WV Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that any Reorganized Debtor has any liability thereunder. If, prior to the Effective Date, there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the WV Debtors, Reorganized Debtors, as applicable, shall have 30 days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.



**H. Nonoccurrence of Effective Date**

In the event that the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting unexpired leases pursuant to section 365(d)(4) of the Bankruptcy Code.

**I. Contracts and Leases Entered Into After the Petition Date**

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

**J. Assumption, Amendment and Settlement Relating to Master Leases and CCP Cure Claim**

Notwithstanding the other provisions of this Article, the provisions of Article V. J. shall govern the assumption of the Master Leases. In settlement of all obligations under the Master Leases, including the CCP Cure Claim, the Master Leases will be amended and assumed as provided herein, and all cure obligations shall be deemed satisfied pursuant to the treatment provided in Article III with respect to the CCP Cure Claim. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the settlement of all issues in connection with the assumption of the Master Leases, including the provisions of this Article V. J., the provisions of Article III with respect to the CCP Cure Claim and the Releases granted pursuant to Article VIII.D.

The Master Leases shall be amended and restated as a single Master Lease in form and substance acceptable to the Master Landlords and the WV Debtors (the "Master Lease"):

- i. Term: The term of the Master Lease will be from the Effective Date to February 28, 2026.
- ii. Tenants: The Tenants under the Master Lease shall be WV-Crossings East, LLC, WV Parkway Pavilion LLC, WV-Quincy SNF Opco, LLC, and WV – Rockport SNF OPCO, LLC.
- iii. Guarantors: The remaining WV Debtors shall guaranty the obligations under the Master Lease.
- iv. Minimum Rent. The minimum rent under the lease as of the Effective Date shall be \$157,125 per month, exclusive of escrows for tax and capital expenditures discussed below. Such rent shall be increased annually by the Escalator. The minimum rent will be subject to temporary reduction in the event of closure of the facility located in Rockport, MA as described below. Notwithstanding the foregoing, the Master Landlords agree that the WV Debtors may defer the Minimum Rent payment due on January 2, 2019 to January 2, 2020.

- v. Closed Facilities. As of the Effective Date, the WV Debtors will have no further economic obligations for the Closed Facilities.
- vi. Security Deposit. As of the Effective Date, the WV Debtors will have no further obligations to fund security deposits.
- vii. Escalator: Amounts due as rent under the existing Master Leases or otherwise subject to adjustment under the existing Master Leases shall be subject to an annual escalator of 2.0%. The first escalation will occur twelve (12) months after the Effective Date.
- viii. Real Estate Tax Escrow: The initial monthly estimated amount to be paid by the tenants in respect of real estate taxes shall be \$42,050 per month as of the Effective Date, subject to (i) adjustment as required under the Master Lease and (ii) reduction if the Rockport, MA facility is closed. In addition, the WV Debtors shall pay an additional \$5,091 a month to reimburse the Master Landlords for real estate taxes paid on the properties in the amount of \$305,439.
- ix. Capital Expenditure Escrow. The amount to be paid by the tenants in respect of capital expenditure reserve shall be \$16,583 per month as of the Effective Date, subject to (i) annual increase by the Escalator and (ii) reduction if the Rockport, MA facility is closed. Notwithstanding the foregoing, the Master Landlords agree to waive the requirement of the Capital Expenditure Escrow.
- x. Provider Tax / User Fee Escrow: The Master Landlords may require the tenants to make such periodic deposits as are necessary to ensure the timely payment of any provider taxes or user fees in connection with the leased premises.
- xi. Existing Escrow Funds: The WV Debtors acknowledge that any escrow funds paid under the Master Leases (whether for insurance, real estate taxes, or capital expenditures) are property of the Master Landlords and the WV Debtors have no ownership or rights therein. Notwithstanding the Master Landlords' ownership of such funds, the Master Landlords agree to release up to \$250,000 from such escrow funds to the WV Debtors on the Effective Date to provide for payments required under the Plan.
- xii. Initial Capital Budget. The Master Landlords have approved an initial capital expenditure budget of approximately \$108,000 relating to the facilities owned in Connecticut. The Master Landlords agree to advance additional funds, to the extent the escrow funds set forth above are not sufficient for such budget. The Minimum Rent then payable under the Master Lease shall increase by the product of the amount of such additional funds, as and when funded, multiplied by 7.5%.
- xiii. Rockport Facility. The amendments will provide that the Master Landlords will seek to transition the facility in Rockport MA operated by WV-Rockport SNF OPCO, LLC to another operator, subject to all applicable state laws. If such transition has not occurred by June 30, 2019, then the WV Debtors will have the right to seek a wind-down and closure of the Rockport facility subject to compliance with state laws. If no transition has occurred by June 30, 2019 and the wind-down process has commenced, the WV Debtors will be entitled to a temporary reduction of the minimum rent by \$20,000, with such reduction to cease upon completion of the wind-down or a transition.
- xiv. Purchase Option. The Master Lease will provide the WV Debtors the option to purchase the leased property (real and personal).

- xv. Noncompetition Provisions. The Master Lease will include non-compete provisions for the WV Debtors, and any member or any affiliate thereof which shall be prohibited from owning, operating, or managing a competing facility within ten (10) miles of the currently leased locations and from diverting any patients to a competing facility.
- xvi. Security: The Reorganized Debtors' obligations to the Sabra Entities, including without limitation under the CCP DIP Payment Note, the New CCP Note, the Master Leases (as assumed and amended) and the CCP Cure Claim Note shall be fully secured by all assets of the Reorganized Debtors with a first priority security interest.
- xvii. Lease Renewal: The Reorganized Debtors and the Master Landlords shall negotiate in good faith regarding a fair market value Master Lease renewal option acceptable to both parties.
- xviii. Other terms. Such obligations shall also be cross-collateralized and cross-defaulted in a manner similar to the documentation in place on the Petition Date and all pre-petition liens granted to any Sabra Entity shall survive to purposes of securing the obligations of the Reorganized Debtors. For the avoidance of doubt, the terms of the CCP DIP Payment Note, the New CCP Note and the Master Leases (as amended and assumed) shall govern in the case of conflict with the terms of the Plan or Confirmation Order. The Reorganized Debtors' agreements with the Sabra Entities shall also contain provisions making the sale of any membership interest by Steven Vera, or a material reduction of his hours committed to the business, a change in control which will constitute an event of default unless consented to by CCP Finance in its sole discretion. The personal guarantees of Steven Vera, Joel Kirchick and Raymond Dennehy to any Sabra Entity shall be terminated on the Effective Date.
- xix. Members Income Tax Escrow. The Sabra Entities and the Members have reached an agreement in principle to address certain potential future tax consequences affecting the Members as a result of the obligations of the WV Debtors to the Sabra Entities under the Master Lease and the debt obligations under the Plan. The Master Landlords have agreed that upon payment of the Minimum Rent by the WV-Debtors each month, the Master Landlords will set aside \$10,000 each month in a special escrow fund held by the Master Landlords for such purposes. Such payments shall commence with the first Minimum Rent payment after the Effective Date, and shall continue for 45 months. No further escrow shall be required after the 45<sup>th</sup> month. The Sabra Entities and the Members shall agree on the terms and conditions of the release of any such funds for the benefit of Members, and such terms shall be reflected in the Master Lease or other document included in the Plan Supplement. Such escrow funds shall remain property of the Master Landlords, and shall be held until the earlier of (i) the payment of all indebtedness to the Sabra Entities; or (ii) the end of the term of the Master Lease. At the end of such period, any funds not used for such purposes shall be deemed released to the Master Landlords without further restriction or limitation.

**K. Cuzzupoli Settlement Agreement**

The WV Debtors and Mr. Cuzzupoli have agreed that the Cuzzupoli Settlement Agreement is not an executory contract which is subject to the provisions of section 365 of the Bankruptcy Code; provided, however, the parties agree that the WV Debtors shall not be bound, or have any further obligations, under the confidentiality provisions contained therein and the Debtors shall be discharged from all obligations thereunder as of the Effective Date. Article VIII sets forth the releases and exculpations affecting Mr. Joseph Cuzzupoli.

**ARTICLE VI.  
PROVISIONS GOVERNING DISTRIBUTIONS**

**A. Timing and Calculation of Amounts to be Distributed**

Unless otherwise provided in the Plan, on the Effective Date (or if a Claim is not an Allowed Claim on the Effective Date, on the date that such Claim becomes an Allowed Claim), or, in each case, as soon as reasonably practicable thereafter, each Holder of an Allowed Claim shall receive the full amount of the distributions that the Plan provides for Allowed Claims in each applicable Class. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Article VII of the Plan. Except as otherwise provided in the Plan, Holders of Claims shall not be entitled to interest, dividends or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date. The WV Debtors shall have no obligation to recognize any transfer of Claims or Interests occurring on or after the Distribution Record Date.

**B. Disbursing Agent**

Except as otherwise provided in the Plan, all distributions under the Plan shall be made by the Disbursing Agent on the Effective Date. To the extent the Disbursing Agent is one or more of the Reorganized Debtors, the Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court.

**C. Rights and Powers of Disbursing Agent**

1. Powers of Disbursing Agent

The Disbursing Agent shall be empowered to: (i) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan; (ii) make all distributions contemplated hereby; (iii) employ professionals to represent it with respect to its responsibilities; and (iv) exercise such other powers as may be vested in the Disbursing

Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions hereof.

2. Expenses Incurred On or After the Effective Date

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and out-of-pocket expenses incurred by the Disbursing Agent on or after the Effective Date (including taxes) and any reasonable compensation and out-of-pocket expense reimbursement claims (including reasonable attorney fees and expenses) made by the Disbursing Agent shall be paid in Cash by the Reorganized Debtors.

**D. Delivery of Distributions and Undeliverable or Unclaimed Distributions**

a. Delivery of Distributions

Subject to this Article VI, distributions under the Plan on account of Allowed Claims shall not be subject to levy, garnishment, attachment, or like legal process, so that each Holder of an Allowed Claim shall have and receive the benefit of the distributions in the manner set forth in the Plan. The WV Debtors, the Reorganized Debtors, and the Disbursing Agent, as applicable, shall not incur any liability whatsoever on account of any distributions under the Plan except for gross negligence or willful misconduct.

b. Minimum Distributions

Notwithstanding any other provision of this Plan, Cash payments of fractions of dollars shall not be made. Whenever any distribution to a holder of a Claim would otherwise call for distribution of Cash in a fractional dollar amount, the actual distribution of such Cash shall be rounded to the nearest whole dollar (up or down), with half dollars (or less) being rounded down. The Disbursing Agent shall not be required to make any Cash payment of less than \$0.50 with respect to any unless a written request therefor is made to the applicable Disbursing Agent not later than one year after the Effective Date.

c. Undeliverable Distributions and Unclaimed Property.

In the event that any distribution to any Holder is returned as undeliverable, no distribution to such Holder shall be made unless and until the Disbursing Agent has determined the then-current address of such Holder, at which time such distribution shall be made to such Holder without interest; provided, however, that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of one year from the later of (i) the Effective Date and (ii) the date of the distribution. After such date, all unclaimed property or interests in property shall revert to the Reorganized Debtors automatically and without need for a further order by the Bankruptcy Court (notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary), and the Claim of any Holder to such property or Interest in property shall be discharged and forever barred.

**E. Manner of Payment**

1. All distributions of Cash under the Plan shall be made by the Disbursing Agent on behalf of the applicable WV Debtor (or WV Debtors).
2. At the option of the Disbursing Agent, any Cash payment to be made hereunder may be made by check or wire transfer or as otherwise required or provided in applicable agreements.

**F. Compliance with Tax Requirements**

In connection with the Plan, to the extent applicable, the Reorganized Debtors shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Reorganized Debtors and the Disbursing Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Reorganized Debtors reserve the right to allocate all distributions made under the Plan in compliance with applicable wage garnishments, alimony, child support, and other spousal awards, liens, and encumbrances.

**G. Allocations**

Distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest.

**H. Setoffs and Recoupment**

The WV Debtors or the Reorganized Debtors may, but shall not be required to, setoff against or recoup from any Claims of any nature whatsoever that the WV Debtors or the Reorganized Debtors may have against the claimant, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the WV Debtors or the Reorganized Debtors of any such Claim it may have against the Holder of such Claim. The WV Debtors shall provide notice to the Holder of any Claim against which the WV Debtors intend to exercise their right of setoff and such Holder shall have the right to challenge in the Bankruptcy Court or any other court of appropriate jurisdiction any right of setoff proposed to be exercised by the WV Debtors.

**I. Claims Paid or Payable by Third Parties**

1. Claims Paid by Third Parties

The WV Debtors or the Reorganized Debtors, as applicable, shall reduce in full a Claim to the extent that the Holder of such Claim receives payment in full on account of such Claim from a party that is not a WV Debtor or a Reorganized Debtor, as applicable, and the WV Debtors or the Reorganized Debtors, as applicable shall provide notice to such Holder of any such reduction. Subject to the last sentence of this paragraph, to the extent a Holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a WV Debtor or a Reorganized Debtor, as applicable, on account of such Claim, such Holder shall, within two weeks of receipt thereof, repay or return the distribution to the applicable Reorganized Debtor to the extent the Holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan. The failure of such Holder to timely repay or return such distribution shall result in the Holder owing the applicable Reorganized Debtor annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the two-week grace period specified above until the amount is repaid. The foregoing provision shall not apply to any Claims held by the Sabra Entities.

2. Claims Payable by Third Parties

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the WV Debtors' insurance policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy.

3. Applicability of Insurance Policies

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any Cause of Action that the WV Debtors, the Reorganized Debtors, or any Entity may hold against any other Entity, including insurers under any policies of insurance, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

**ARTICLE VII.  
PROCEDURES FOR RESOLVING CONTINGENT,  
UNLIQUIDATED, AND DISPUTED CLAIMS**

**A. Prosecution of Objections to Claims**

The WV Debtors or the Reorganized Debtors shall have authority to File, settle, compromise, withdraw or litigate to judgment any objections to Claims, other than Fee Claims, as permitted under the Plan (which Fee Claims shall be subject to objection by any Person with standing to object). From and after the Effective Date, the Reorganized Debtors may settle or compromise any Disputed Claim without notice to or action, order or approval of the Bankruptcy Court; provided, however, that, to the extent a party other than the WV Debtors or the Reorganized Debtors has objected to a Claim, the WV Debtors or the Reorganized Debtors, as

applicable, must obtain the consent of such objecting party to any settlement or compromise of the Disputed Claim.

Unless otherwise ordered by the Bankruptcy Court, all objections to Claims shall be served and filed on or before 360 days after the Effective Date, as may be extended before or after the running of the 360 days by order of the Bankruptcy Court after notice and a hearing.

**B. Claims Administration Responsibilities**

The WV Debtors or the Reorganized Debtors, as applicable, may, in their discretion, File with the Bankruptcy Court (or any other court of competent jurisdiction) an objection to the allowance of any Claim or any other appropriate motion or adversary proceeding with respect thereto, and the WV Debtors and the Reorganized Debtors shall have the right to compromise, settle, withdraw or litigate to judgment any objections to Claims for which a Proof of Claim is Filed.

**C. Estimation of Claims**

Before or after the Effective Date, the WV Debtors or the Reorganized Debtors may (but are not required to) at any time request that the Bankruptcy Court estimate any Disputed Claim that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party previously has objected to such Claim or Interest or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim or Interest, including during the litigation of any objection to any Claim or Interest or during the appeal relating to such objection. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim or Interest, that estimated amount shall constitute either the Allowed amount of such Claim or Interest or a maximum limitation on such Claim or Interest for all purposes under the Plan (including for purposes of distributions), as determined by the Bankruptcy Court, and the relevant Reorganized Debtor may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim or Interest.

**D. Adjustment to Claims Without Objection**

Any Claim or Interest that has been paid or satisfied, or any Claim or Interest that has been amended or superseded, cancelled, or otherwise expunged (including pursuant to the Plan), may be adjusted (including on the Claims Register, to the extent applicable) by the Reorganized Debtors without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

**E. Disallowance of Claims**

Any Claims held by Entities from which property is recoverable under section 542, 543, 550, or 553 of the Bankruptcy Code or that is a transferee of a transfer avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, and Holders of such Claims may



not receive any distributions on account of such Claims until such time as such Causes of Action against that Entity have been settled or a Bankruptcy Court order with respect thereto has been entered and all sums due, if any, to the WV Debtors by that Entity have been turned over or paid to the Reorganized Debtors. All Claims Filed on account of an indemnification obligation to a director, officer, or employee shall be deemed satisfied as of the Effective Date to the extent such indemnification obligation is assumed (or honored or reaffirmed, as the case may be) pursuant to the Plan, without any further notice to or action, order, or approval of the Bankruptcy Court.

**F. No Distributions Pending Allowance**

If an objection to a Claim or portion thereof is Filed, no payment or distribution provided under the Plan shall be made on account of such Claim or portion thereof unless and until such Disputed Claim becomes an Allowed Claim

**G. Distributions After Allowance**

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions (if any) shall be made to the Holder of such Allowed Claim in accordance with the provisions of the Plan. As soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Disbursing Agent shall provide to the Holder of such Claim the distribution (if any) to which such Holder is entitled under the Plan as of the Effective Date, without any interest to be paid on account of such Claim unless required under applicable bankruptcy law.

**ARTICLE VIII.  
SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS**

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

Pursuant to sections 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of substantially all Claims, Interests, and controversies relating to the contractual, legal, and equitable rights that a Holder of a Claim may have against the WV Debtors or Reorganized Debtors through the Effective Date with respect to any Allowed Claim or Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the WV Debtors, their WV Estates, and Holders, and is fair, equitable, and reasonable.

In accordance with the provisions of the Plan, pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019(a), without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Reorganized Debtors may compromise and settle claims against them and Causes of Action held by them against other Entities.

**B. Discharge of Claims and Termination of Interests**

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in any contract, instrument or other agreement or document created pursuant to the Plan, the distributions, rights and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims *(including any Intercompany Claims resolved or compromised after the Effective Date by the Reorganized Debtors)*, Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the WV Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims or Interests relate to services performed by employees of the WV Debtors before the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim based upon such debt, right, or Interest is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Interest has accepted the Plan. Any default by the WV Debtors with respect to any Claim or Interest that existed immediately before or on account of the filing of the Chapter 11 Cases shall be deemed cured on the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the Effective Date occurring.

**C. Release of Liens**

Except as otherwise provided in the Plan or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the WV Estates shall be fully released and discharged, and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtors.

**D. WV Debtor Releases**

Effective as of the Effective Date, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, the adequacy of which is hereby confirmed, on and after the Effective Date, the Sabra Releasees are deemed released and discharged by each and all of the WV Debtors, the Reorganized Debtors, and their WV Estates, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other related entities who may purport to assert any Cause of Action, directly or derivatively, by, through, for, or because of the foregoing entities, from any and all Claims, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative

claims, asserted or assertable on behalf of any of the WV Debtors, the Reorganized Debtors, or their WV Estates, as applicable, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that the WV Debtors, the Reorganized Debtors, or their WV Estates or affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim against, or Interest in, a WV Debtor or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the WV Debtors, the purchase, sale, or rescission of any security of the WV Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any WV Debtor and any Sabra Entity, the WV Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the CCP Finance Loan Documents, the CCP DIP Loan Documents, the Restructuring Transactions, the WV Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Plan, the Disclosure Statement, the Plan Supplement, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Plan, the Disclosure Statement, the filing of the WV Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date.

Notwithstanding anything to the contrary in the foregoing or in this Plan, the releases set forth above do not release any post-Effective Date obligations of any party or Entity under the Plan, any Restructuring Transaction, or any document, instrument, or agreement (including those set forth in the Plan Supplement).

The foregoing release shall be in addition to any release or indemnification granted under the CCP DIP Financing Orders.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the WV Debtor Release, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that the WV Debtor Release is: (1) in exchange for the good and valuable consideration provided by the Sabra Releasees, (2) a good-faith settlement and compromise of such claims released by the WV Debtor Release; (3) in the best interests of the WV Debtors and all holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the WV Debtors or Reorganized Debtors or their respective WV Estates asserting any claim, Cause of Action, or liability related thereto, of any kind whatsoever, against any of the Sabra Releasees, their property, released pursuant to the WV Debtor Release.

#### **E. Releases by the Releasing Parties**

Except as otherwise expressly provided in the Plan, the Plan Supplement, or related documents or obligations issued pursuant to the Plan, as of the Effective Date of the Plan, to the fullest extent permitted by applicable law, each of the Releasing Parties shall be deemed to have

expressly, unconditionally, irrevocably, generally, and individually and collectively, released, acquitted, and discharged (a) the WV Debtors, (b) the Reorganized Debtors, and (c) the foregoing entities' predecessors, successors and assigns, subsidiaries, Affiliates, and current (as of July 30, 2018) officers, directors, principals, members, partners, shareholders, employees, agents (other than third-party vendors performing services for the WV Debtors), financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors, advisory board members, Joel Kirchick, Steven Vera, Raymond Dennehy, III, and other professionals, and such Persons' respective heirs, executors, estates, servants, and nominees ((a),(b) and (c) collectively, the "Released Parties") from any and all actions, claims, interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative claims asserted on behalf of a WV Debtor, whether known or unknown, foreseen or unforeseen, matured or unmatured, existing or hereafter arising, in law, equity, contract, tort, by statute or otherwise, that such Releasing Party (whether individually or collectively) ever had, now has, or hereafter can, shall, or may have, based on or relating to, or in any manner arising from, in whole or in part, the WV Debtors, the WV Debtors' restructuring, the WV Chapter 11 Cases, the purchase, sale, or rescission of the purchase or sale of any Security of the WV Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the restructuring of Claims and Interests before or during the Chapter 11 Cases, the negotiation, formulation, or preparation of the Plan, the Plan Supplement, the Restructuring Transactions, the Disclosure Statement, or related agreements, instruments, or other documents, or any other act or omission, transaction, agreement, event, or other occurrence relating to the WV Debtors, taking place on or before the Confirmation Date of the Plan.

For the avoidance of doubt, all claims of Joseph Cuzzupoli, Congressional Bank and Mercury SNF, LLC against the Released Parties are released, acquitted, and discharged. Specifically, all claims that Joseph Cuzzupoli may have under the Cuzzupoli Settlement Agreement are released, acquitted, and discharged.

**F. Exculpation**

Except as otherwise specifically provided in the Plan or Plan Supplement, no Exculpated Party shall have or incur, and each Exculpated Party is hereby released and exculpated from, any (i) Exculpated Claim and (ii) any obligation, Cause of Action, or liability for any Exculpated Claim, except for those that result from any such act or omission that is determined in a Final Order to have constituted fraud, gross negligence, or willful misconduct; provided, however, that the foregoing "Exculpation" shall have no effect on the liability of any Entity for acts or omissions occurring after the Effective Date.

For the avoidance of doubt, Joseph Cuzzupoli shall release and exculpate the Exculpated Parties from, any (i) Exculpated Claim and (ii) any obligation, Cause of Action, or liability for any Exculpated Claim.

**G. Injunction**

**From and after the Effective Date, all Entities are permanently enjoined from commencing or continuing in any manner, any Cause of Action released or to be released pursuant to the Plan or the Confirmation Order.**

**From and after the Effective Date, to the extent of the releases and exculpation granted in Article VIII hereof, all Entities shall be permanently enjoined from commencing or continuing in any manner against the WV Debtors or Reorganized Debtors and the Exculpated Parties and their assets and properties, as the case may be, any suit, action, or other proceeding, on account of or respecting any Claim, demand, liability, obligation, debt, right, Cause of Action, Interest, or remedy released or to be released or exculpated pursuant to Article VIII hereof. Except as otherwise expressly provided in the Plan, the Plan Supplement, or related documents, or in obligations issued pursuant to the Plan, all Entities who have held, hold, or may hold Claims or Interests that have been released pursuant to Article VIII.E discharged pursuant to Article VIII.B, or are subject to exculpation pursuant to Article VIII.F are permanently enjoined, from and after the Effective Date, from taking any of the following actions: (i) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests; (ii) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims or Interests; (iii) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or estate of such Entities on account of or in connection with or with respect to any such Claims or Interests; and (iv) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests released or settled pursuant to the Plan.**

**The rights afforded in the Plan and the treatment of all Claims and Interests herein shall be in exchange for and in complete satisfaction of Claims and Interests of any nature that arose before the Effective Date whatsoever, including any interest accrued on claims from and after the Petition Date, against the WV Debtors or any of their assets, property, or Estates. On the Effective Date, all such Claims against the WV Debtors shall be fully released and discharged, and the Interests shall be cancelled.**

**Except as otherwise expressly provided for herein or in obligations issued pursuant hereto from and after the Effective Date, all Claims against the WV Debtors shall be fully released and discharged and the WV Debtors' liability with respect thereto shall be extinguished completely, including any liability of the kind specified under section 502(g) of the Bankruptcy Code. Except as expressly set forth herein, all Entities shall be precluded from asserting against the WV Debtors, the WV Debtors' Estates, the Reorganized Debtors, each of their respective successors and assigns, and each of their assets and properties, any other claims or interests based upon any documents, instruments, or any act or omission, transaction, or other activity of any kind or nature that occurred before the Effective Date.**

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

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order), shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

## **I. Police Powers Exceptions**

As to the United States of America, its agencies, departments, or agents (collectively, the "United States"), nothing in the Plan or Confirmation Order shall limit or expand the scope of discharge, release or injunction to which the Debtors or Reorganized Debtors are entitled to under the Bankruptcy Code, if any. The discharge, release and injunction provisions contained in the Plan and Confirmation Order are not intended and shall not be construed to bar the United States from, subsequent to the Confirmation Order, pursuing any police or regulatory action.

Accordingly, notwithstanding anything contained in the Plan or Confirmation Order to the contrary, nothing in the Plan or Confirmation Order shall discharge, release, impair or otherwise preclude: (1) any liability to the United States that is not a "claim" within the meaning of section 101(5) of the Bankruptcy Code; (2) any Claim of the United States arising on or after the Confirmation Date; (3) any valid right of setoff or recoupment of the United States against any of the Debtors; or (4) any liability of the Debtors or Reorganized Debtors under police or regulatory statutes or regulations to any Governmental Unit (as defined by section 101(27) of the Bankruptcy Code) as the owner, lessor, lessee or operator of property that such entity owns, operates or leases after the Confirmation Date. Nor shall anything in this Confirmation Order or the Plan: (i) enjoin or otherwise bar the United States or any Governmental Unit from asserting or enforcing, outside the Bankruptcy Court, any liability described in the preceding sentence; or (ii) divest any court, commission, or tribunal of jurisdiction to determine whether any liabilities asserted by the United States or any Governmental Unit are discharged or otherwise barred by this Confirmation Order, the Plan, or the Bankruptcy Code.

Nothing in the Confirmation Order or the Plan shall release or exculpate any non-debtor, from any liability to the United States, including but not limited to any liabilities arising under the Internal Revenue Code, the environmental laws, or the criminal laws against the such non-debtor, nor shall anything in this Confirmation Order or the Plan enjoin the United States from bringing any claim, suit, action or other proceeding against any non-debtor for any liability whatsoever; provided, however, that the foregoing sentence shall not limit the scope of discharge granted to the Debtors under sections 524 and 1141 of the Bankruptcy Code.

Nothing contained in the Plan or Confirmation Order shall be deemed to determine the tax liability of any person or entity, including but not limited to the Debtors and the Reorganized Debtors, nor shall the Plan or Confirmation Order be deemed to have determined the federal tax treatment of any item, distribution, or entity, including the federal tax consequences of this Plan, nor shall anything in this Plan or Confirmation Order be deemed to have conferred jurisdiction upon the Bankruptcy Court to make determinations as to federal tax liability and federal tax treatment except as provided under 11 U.S.C. § 505.

**ARTICLE IX.**  
**CONDITIONS PRECEDENT TO CONSUMMATION OF THE PLAN**

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

It shall be a condition to the Effective Date of the Plan that the following conditions shall have been satisfied or waived pursuant to the provisions of Article IX.B hereof:

1. The Bankruptcy Court shall have entered the Confirmation Order.
2. Any amendments, modifications, or supplements to the Plan (including the Plan Supplement), if any, shall be reasonably acceptable to the WV Debtors.
3. All actions, documents, certificates, and agreements necessary to implement this Plan shall have been effected or executed and delivered to the required parties and, to the extent required, Filed with the applicable Governmental Units in accordance with applicable laws.
4. The Professional Fee Escrow Account shall have been established and funded.

**B. Waiver of Conditions**

The conditions to Consummation set forth in Article IX may be waived only by the Person whom is entitled to satisfaction of such condition, without notice, leave, or order of the Bankruptcy Court or any formal action other than proceeding to confirm or consummate the Plan.

**C. Effect of Failure of Conditions**

If the Consummation of the Plan does not occur within thirty (30) days of entry of the Confirmation Order, the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (i) constitute a waiver or release of any claims or Causes of Action by the WV Debtors, any Holders, or any other Entity; (ii) prejudice in any manner the rights of the WV Debtors, any Holders, or any other Entity; or (iii) constitute an admission, acknowledgment, offer, or undertaking by the WV Debtors, any Holders, or any other Entity in any respect.

**ARTICLE X.**  
**MODIFICATION, REVOCATION OR WITHDRAWAL OF THE PLAN**

**A. Modifications and Amendments**

Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and those restrictions on modifications set forth in the Plan and except as otherwise specifically provided herein, the WV Debtors reserve the right to modify the Plan as to material terms and seek Confirmation consistent with the Bankruptcy

Code and, as appropriate, not re-solicit votes on such modified Plan. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and those restrictions on modifications set forth in the Plan, the WV Debtors expressly reserve their rights to alter, amend or modify materially the Plan with respect to such WV Debtor, one or more times, after Confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan

**B. Effect of Confirmation on Modifications**

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

**C. Revocation or Withdrawal of Plan**

The WV Debtors reserve the right to revoke or withdraw the Plan before the Confirmation Date and to file subsequent plans of reorganization. If the WV Debtors revoke or withdraw the Plan, or if Confirmation or Consummation does not occur, then: (i) the Plan shall be null and void in all respects; (ii) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of the Claims or Interests or Class of Claims or Interests), assumption or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; and (iii) nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims or Interests; (b) prejudice in any manner the rights of such WV Debtor, any Holder, or any other Entity; or (c) constitute an admission, acknowledgement, offer, or undertaking of any sort by such WV Debtor, any Holder or any other Entity.

**D. Reservation of Rights of Members**

The Members of Wachusett Ventures, LLC reserve the right not to proceed with the proposed contribution of New Value or the restructuring transactions under the Plan, including any retention of a membership interest, if they are not able to resolve the issues with the Sabra Entities regarding the Tax Indemnification provision in Article IV.I.

**ARTICLE XI.  
RETENTION OF JURISDICTION**

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, except as set forth in the Plan, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:



1. allow, disallow, determine, liquidate, classify, estimate, or establish the priority, Secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the Secured or unsecured status, priority, amount, or allowance of Claims or Interests;
2. decide and resolve all matters related to the determination of a whether a Claim shall be deemed a Subordinated Claim in connection with the Plan;
3. decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals (including Fee Claims) authorized pursuant to the Bankruptcy Code or the Plan;
4. resolve any matters related to: (a) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which a WV Debtor is party or with respect to which a WV Debtor may be liable, and to hear, determine and, if necessary, liquidate, any Claims arising therefrom, including Cure Claims pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed; (c) the Reorganized Debtors amending, modifying, or supplementing, after the Effective Date, pursuant to Article V, the Executory Contracts and Unexpired Leases to be assumed or rejected or otherwise; and (d) any dispute regarding whether a contract or lease is or was executory, expired, or terminated;
5. ensure that distributions to Holders of Allowed Claims and Interests are accomplished pursuant to the provisions of the Plan;
6. adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving a WV Debtor, or the WV Estates that may be pending on the Effective Date;
7. adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;
8. adjudicate, decide, and resolve any and all Causes of Action arising under the Bankruptcy Code, including without limitation sections 502(d), 510, 542-551 and 553;
9. enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan, the Plan Supplement, or the Disclosure Statement;
10. resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with Consummation, including interpretation or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

11. issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan;

12. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the releases, injunctions, and other provisions contained in Article VIII, and enter such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions;

13. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by the Holder of a Claim for amounts not timely repaid;

14. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

15. determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan or the Disclosure Statement;

16. enter an order or Final Decree concluding or closing any of the WV Chapter 11 Cases;

17. adjudicate any and all disputes arising from or relating to distributions under the Plan;

18. consider any modifications of the Plan, to cure any defect or omission or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;

19. determine requests for the payment of Claims entitled to priority pursuant to section 507 of the Bankruptcy Code;

20. hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan or the Confirmation Order, including disputes arising in connection with the implementation of the agreements, documents, or instruments executed in connection with the Plan;

21. hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

22. hear and determine all disputes involving the existence, nature, scope, or enforcement of any exculpations, discharges, injunctions, and releases granted in connection with and under the Plan, including under Article VIII;

23. enforce all orders previously entered by the Bankruptcy Court, resolve any cases, controversies, suits, or disputes that may arise in connection with any Entity's rights arising from or obligations incurred in connection with the Plan; and

24. hear any other matter not inconsistent with the Bankruptcy Code.

For the avoidance of doubt, the Bankruptcy Court shall not retain jurisdiction over any Causes of Action arising under state or other federal law (other than Causes of Action arising under the Bankruptcy Code) brought by the Reorganized Debtors in a state or other federal court of competent jurisdiction; provided, however, that nothing herein limits the jurisdiction of the Bankruptcy Court to interpret and enforce the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan, the Plan Supplement or the Disclosure Statement, without regard to whether the controversy with respect to which such interpretation or enforcement relates may be pending in any state or other federal court of competent jurisdiction.

## **ARTICLE XII. MISCELLANEOUS PROVISIONS**

### **A. Immediate Binding Effect**

Subject to Article IX.A and except as otherwise ordered by the Bankruptcy Court, and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan and the Plan Supplement shall be immediately effective and enforceable and deemed binding upon the WV Debtors, the Reorganized Debtors, and any and all Holders of Claims or Interests (irrespective of whether their Claims or Interests are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges, and injunctions described in the Plan, each Entity acquiring property under the Plan, and any and all non-WV Debtor parties to Executory Contracts and Unexpired Leases with the WV Debtors.

### **B. Additional Documents**

On or before the Effective Date, the WV Debtors may File with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The WV Debtors or Reorganized Debtors, as applicable, and all Holders receiving distributions pursuant to the Plan and all other parties in interest may, 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 the Plan.

### **C. Statutory Committee and Cessation of Fee and Expense Payment**

On the Effective Date, any Committee appointed in the Chapter 11 Cases shall dissolve and members thereof shall be released and discharged from all rights and duties from or related

to the Chapter 11 Cases. The Reorganized Debtors shall no longer be responsible for paying any fees or expenses incurred by any statutory committees after the Effective Date.

**D. Reservation of Rights**

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court enters the Confirmation Order, and the Confirmation Order shall have no force or effect if the Effective Date does not occur. None of the Filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by any WV Debtor with respect to the Plan, the Disclosure Statement, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any WV Debtor with respect to the Holders before the Effective Date.

**E. Successors and Assigns**

The rights, benefits, and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor, or assign, Affiliate, officer, director, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

**F. Notices**

To be effective, all notices, requests, and demands to or upon the WV Debtors shall be in writing (including by facsimile transmission), and unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed to the following:

**If to the Debtors:**

Wachusett Ventures, LLC  
c/o Steven Vera  
11 Mayor Thomas J. McGrath Highway  
Quincy, MA 02169

**With copies to:**

NIXON PEABODY LLP  
100 Summer Street  
Boston, MA 02110  
Telephone: (617) 345-1000  
Facsimile: (617) 345-1300  
Attn: Richard C. Pedone  
Email: [rpedone@nixonpeabody.com](mailto:rpedone@nixonpeabody.com)

-and-

NIXON PEABODY LLP  
55 West 46<sup>th</sup> Street  
New York, NY 10036  
Telephone: (212) 940-3000  
Facsimile: (212) 940-3111  
Attn: Christopher M. Desiderio  
Email: [cdesiderio@nixonpeabody.com](mailto:cdesiderio@nixonpeabody.com)

After the Effective Date, the Reorganized Debtors may, in their sole discretion, notify Entities that, in order to continue to receive documents pursuant to Bankruptcy Rule 2002, such Entity must File a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Reorganized Debtors are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have Filed such renewed requests.

**G. Entire Agreement**

Except as otherwise indicated, the Plan and the Plan Supplement supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

**H. Exhibits**

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are Filed, copies of such exhibits and documents shall be available upon written request to the WV Debtors' counsel at the address above or by downloading such exhibits and documents from the website of the Debtors' notice and claims agent at <https://www.donlinrecano.com/Clients/wv> or the Bankruptcy Court's website at <http://www.mab.uscourts.gov>. To the extent any exhibit or document is inconsistent with the terms of the Plan, unless otherwise ordered by the Bankruptcy Court, the non-exhibit or non-document portion of the Plan shall control.

**I. Severability of Plan Provisions**

If, before Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the 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 Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan is: (i) valid and enforceable pursuant to its terms; (ii) integral to the Plan and may not be

deleted or modified without the consent of the parties thereto; and (iii) non-severable and mutually dependent.

**J. Votes Solicited in Good Faith**

Upon entry of the Confirmation Order, the WV Debtors will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and pursuant to section 1125(e), 1125(g), and 1126(b) of the Bankruptcy Code, the WV Debtors and each of their respective Affiliates, agents, representatives, members, principals, shareholders, officers, directors, employees, advisors, and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the issuance of Securities offered under the Plan and any previous plan and, therefore, no such parties, individuals, or the Reorganized Debtors will have any liability for the violation of any applicable law, rule, or regulation governing the solicitation of votes on the Plan or the offer of the Securities offered under the Plan or any previous plan.

**K. Closing of WV Chapter 11 Cases**

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

**L. Conflicts**

Except as otherwise provided in the Plan or Confirmation Order, to the extent that any provision of the Disclosure Statement, the Plan Supplement, or any other document referenced in the Plan (or any exhibits, schedules, appendices, supplements, or amendments to any of the foregoing), conflicts with or is in anyway inconsistent with the Plan, then the Plan shall govern and control. Except as otherwise provided in the Plan or Confirmation Order, to the extent any provision of the Disclosure Statement, the Plan, the Plan Supplement, or any other document referenced in the Plan (or any exhibits, schedules, appendices, supplements, or amendments to any of the foregoing) are in any way inconsistent with the Confirmation Order, the Confirmation Order shall govern and control.

Dated: August 7, 2018

**WACHUSETT VENTURES, LLC  
WV – CROSSINGS EAST LLC  
WV – CROSSINGS WEST, LLC  
WV – PARKWAY PAVILION, LLC  
WV – CONCORD SNF OPCO, LLC  
WV – ROCKPORT SNF OPCO, LLC  
WV – QUINCY SNF OPCO, LLC**

By: Steven Vera

Name: Steven Vera

Title: Chief Operating Officer