

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

	X	
	:	Chapter 11
In re:	:	
	:	Case No. 18-11053 (FJB)
WACHUSETT VENTURES, LLC, et al.,	:	
	:	Jointly Administered
Debtors.¹	:	

**NOTICE OF FILING OF SECOND AMENDED DISCLOSURE STATEMENT FOR
SECOND AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF THE
WV DEBTORS, DATED AUGUST 13, 2018**

PLEASE TAKE NOTICE THAT on August 7, 2018, the WV Debtors filed the *First Amended Disclosure Statement for Amended Joint Chapter 11 Plan of Reorganization of the WV Debtors Dated August 7, 2018* [Docket No. 597] (the “First Amended Disclosure Statement”).

PLEASE TAKE FURTHER NOTICE THAT that on August 10, 2017, the following objections were filed to the First Amended Disclosure Statement (collectively, the “Objections”): (i) *Objection of Joseph Cuzzupoli To First Amended Disclosure Statement For Joint Chapter 11 Plan Of Reorganization Of The WV Debtors Dated August 7, 2018* [Docket No. 603]; (ii) *United States Trustee’s Objection to First Amended Disclosure Statement For Amended Joint Plan Of Reorganization* [Docket No. 604]; and (iii) *Objection Of Massachusetts Executive Office Of Health And Human Services To First Amended Disclosure Statement For Joint Chapter 11 Plan Of Reorganization Of The WV Debtors Dated August 7, 2018* [Docket No. 606].

¹ 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 36 Washington Street, Suite 395, Wellesley Hills, MA 02481.

PLEASE TAKE FURTHER NOTICE THAT attached hereto as **Exhibit A** is the *Second Amended Disclosure Statement for Second Amended Joint Chapter 11 Plan of Reorganization of the WV Debtors Dated August 13, 2018* (the “Second Amended Disclosure Statement”), which addresses certain of the issues raised in the Objections.

PLEASE TAKE FURTHER NOTICE THAT attached hereto as **Exhibit B** is a blackline comparison showing the changes made to the First Amended Disclosure Statement.

Dated: August 13, 2018
Boston, Massachusetts

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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MASSACHUSETTS
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: **Chapter 11**
In re: :
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WACHUSETT VENTURES, LLC, *et al.*, :
: **Jointly Administered**
Debtors.¹ :
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**SECOND AMENDED DISCLOSURE STATEMENT FOR SECOND AMENDED
JOINT CHAPTER 11 PLAN OF REORGANIZATION OF
THE WV DEBTORS DATED AUGUST 13, 2018**

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Dated: August 13, 2018

¹ 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.

EXHIBITS

- Exhibit A Second Amended Joint Chapter 11 Plan of Reorganization of the WV Debtors
- Exhibit B Liquidation Analysis
- Exhibit C Payments made within 90 days of the Petition Date
- Exhibit D Feasibility Analysis / Business Projections

**THE WV DEBTORS HEREBY ADOPT AND INCORPORATE EACH
EXHIBIT ATTACHED TO THIS DISCLOSURE STATEMENT BY REFERENCE AS
THOUGH FULLY SET FORTH HEREIN**

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IMPORTANT INFORMATION ABOUT THIS DISCLOSURE STATEMENT

This Disclosure Statement provides information regarding the Second Amended Joint Chapter 11 Plan of Reorganization of the Wachusett Ventures, LLC (“Wachusett”), 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”) dated August 7, 2018 (as may be amended and supplemented from time to time according to its terms, the “Plan”). A copy of the Plan is attached as **Exhibit A**.

For the avoidance of doubt, the Plan and Disclosure Statement DO NOT apply to WV-Brockton SNF, LLC (“Brockton”) or Claims of Creditors of Brockton against Brockton (except for Congressional and Mercury). As detailed below, the Plan and Disclosure Statement do impact claims against all other Debtors including any claims related to any guaranty by another Debtor of a claim against Brockton.

References to the “Plan” are to the Plan attached as **Exhibit A** hereto. All capitalized terms used but not otherwise defined herein, including in any exhibits attached hereto, shall have the meaning ascribed to them in the Plan.

Unless the context requires otherwise, reference to the “Company”, “we”, “our”, and “us” are to the WV Debtors.

The statements contained in this Disclosure Statement are made as of the date hereof unless another time is specified herein, and the delivery of this Disclosure Statement shall not create an implication that there has been no change in information stated since the date hereof.

The WV Debtors believe that the Plan will enable them to successfully reorganize as described more fully below. The WV Debtors believe that acceptance of the Plan is in the best interests of the WV Debtors, their Chapter 11 Estates, and their Creditors.

THE WV DEBTORS URGE CREDITORS TO VOTE TO ACCEPT THE PLAN.

ALL CREDITORS AND INTEREST HOLDERS ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY. PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT, INCLUDING THE FOLLOWING SUMMARY, ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN, EXHIBITS ANNEXED TO THE PLAN, THE PLAN SUPPLEMENTS, THIS DISCLOSURE STATEMENT AND ALL EXHIBITS TO THIS DISCLOSURE STATEMENT. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF UNLESS OTHERWISE SPECIFIED, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER SUCH DATE.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE. THE WV DEBTORS ARE THE PROPONENTS OF THE PLAN. THE PLAN PROVIDES FOR THE PROPOSED METHOD OF DISTRIBUTION OF THE ASSETS OF THE WV DEBTORS AND THE DISTRIBUTIONS CREDITORS OF THE WV DEBTORS WOULD RECEIVE IN THE WV DEBTORS' CHAPTER 11 CASES.

NO PERSON MAY GIVE ANY INFORMATION ON BEHALF OF THE WV DEBTORS REGARDING THE PLAN OF REORGANIZATION OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN, OTHER THAN THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT.

THIS DISCLOSURE STATEMENT IS DESIGNED TO PROVIDE ADEQUATE INFORMATION TO ENABLE HOLDERS OF CLAIMS AGAINST THE WV DEBTORS TO MAKE AN INFORMED JUDGMENT ON WHETHER TO ACCEPT OR REJECT THE PLAN. ALL CREDITORS ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN (WHICH IS ANNEXED HERETO AS EXHIBIT A), OTHER EXHIBITS ANNEXED HERETO AND OTHER DOCUMENTS REFERENCED AS FILED WITH THE BANKRUPTCY COURT PRIOR TO THE END OF THE SOLICITATION PERIOD FOR THE PLAN. NO MATERIALS OTHER THAN THE ACCOMPANYING MATERIALS ATTACHED HERETO OR REFERENCED HEREIN HAVE BEEN APPROVED BY THE BANKRUPTCY COURT OR THE WV DEBTORS FOR USE IN SOLICITING ACCEPTANCES OR REJECTIONS OF THE PLAN. SUBSEQUENT TO THE DATE HEREOF, THERE CAN BE NO ASSURANCE THAT: (A) THE INFORMATION AND REPRESENTATIONS CONTAINED HEREIN REMAIN MATERIALLY ACCURATE, AND (B) THIS DISCLOSURE STATEMENT CONTAINS ALL MATERIAL INFORMATION.

THE WV DEBTORS HAVE PROPOSED THE PLAN AND THE WV DEBTORS URGE ALL HOLDERS OF IMPAIRED CLAIMS IN CLASS 2b, 3, 4, 5, AND 6 TO VOTE TO ACCEPT THE PLAN BY RETURNING THEIR BALLOTS SO THAT THE BALLOTS ARE RECEIVED BY 4:30 P.M. (EASTERN TIME) ON SEPTEMBER 17, 2018, AT:

**If By First Class Mail:
Donlin, Recano & Company, Inc.
Re: Wachusett Ventures, LLC, et al
PO Box 192016 Blythebourne Station
Brooklyn, NY 11219**

If by Hand Delivery or Overnight Mail:

**Donlin, Recano & Company, Inc.
Re: Wachusett Ventures, LLC, et al
6201 15th Avenue
Brooklyn, NY 11219**

ADDITIONAL INFORMATION REGARDING VOTING PROCEDURES ARE SET FORTH HEREIN.

PERSONS OR ENTITIES HOLDING OR TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING CLAIMS AGAINST THE WV DEBTORS SHOULD EVALUATE THIS DISCLOSURE STATEMENT IN LIGHT OF THE PURPOSE FOR WHICH IT WAS PREPARED, AND SHOULD BE AWARE THAT ACTUAL DISTRIBUTIONS MAY VARY FROM THE ESTIMATES CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT HAS BEEN APPROVED BY ORDER OF THE BANKRUPTCY COURT AS CONTAINING ADEQUATE INFORMATION OF A KIND AND IN SUFFICIENT DETAIL TO ENABLE HOLDERS OF CLAIMS TO MAKE AN INFORMED JUDGMENT WITH RESPECT TO VOTING TO ACCEPT OR REJECT THE PLAN. HOWEVER, THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A RECOMMENDATION OR DETERMINATION BY THE BANKRUPTCY COURT AS TO THE MERITS OF THE PLAN.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION ("SEC"), OR ANY SIMILAR PUBLIC GOVERNMENTAL OR REGULATORY AUTHORITY, AND NEITHER THE SEC NOR ANY SUCH AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT, THE INFORMATION CONTAINED HEREIN, OR THE MERITS OF THE PLAN.

THE INFORMATION IN THIS DISCLOSURE STATEMENT IS BEING PROVIDED SOLELY FOR PURPOSES OF VOTING TO ACCEPT OR REJECT THE PLAN. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE USED BY ANY ENTITY FOR ANY OTHER PURPOSE.

IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE PLAN SUMMARY CONTAINED HEREIN AND THE PLAN, THE TERMS OF THE PLAN SHALL GOVERN. ALL EXHIBITS TO THIS DISCLOSURE STATEMENT ARE INCORPORATED INTO AND ARE A PART OF THIS DISCLOSURE STATEMENT AS IF SET FORTH IN FULL HEREIN.

THIS DISCLOSURE STATEMENT CONTAINS FORWARD-LOOKING STATEMENTS BASED PRIMARILY ON THE CURRENT EXPECTATIONS OF THE WV DEBTORS AND PROJECTIONS ABOUT FUTURE EVENTS AND FINANCIAL TRENDS AFFECTING THE FINANCIAL CONDITION OF THE WV DEBTORS AND REORGANIZED DEBTORS. IN PARTICULAR, STATEMENTS USING WORDS SUCH AS “BELIEVE,” “MAY,” “ESTIMATE,” “CONTINUE,” “ANTICIPATE,” “INTEND,” “EXPECT” AND SIMILAR EXPRESSIONS IDENTIFY THESE FORWARD-LOOKING STATEMENTS. THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO A NUMBER OF RISKS, UNCERTAINTIES AND ASSUMPTIONS, INCLUDING THOSE DESCRIBED BELOW UNDER ARTICLE XII. IN LIGHT OF THESE RISKS AND UNCERTAINTIES, THE FORWARD-LOOKING EVENTS AND CIRCUMSTANCES DISCUSSED IN THIS DISCLOSURE STATEMENT MAY NOT OCCUR, AND ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE ANTICIPATED IN THE FORWARD-LOOKING STATEMENTS. CONSEQUENTLY, THE PROJECTED FINANCIAL INFORMATION AND OTHER FORWARD-LOOKING STATEMENTS CONTAINED HEREIN SHOULD NOT BE REGARDED AS REPRESENTATIONS BY ANY OF THE WV DEBTORS, THE REORGANIZED DEBTORS, THEIR ADVISORS, OR ANY OTHER PERSON THAT THE PROJECTED FINANCIAL CONDITIONS OR RESULTS OF THE DISPOSITION OF ASSETS CAN OR WILL BE ACHIEVED. EXCEPT AS OTHERWISE REQUIRED BY LAW, NEITHER THE WV DEBTORS NOR REORGANIZED DEBTORS UNDERTAKE ANY OBLIGATION TO UPDATE OR REVISE PUBLICLY ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE FOLLOWING APPROVAL OF THIS DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT.

EXCEPT AS OTHERWISE SPECIFICALLY NOTED, THE FINANCIAL INFORMATION CONTAINED HEREIN HAS NOT BEEN AUDITED BY A CERTIFIED PUBLIC ACCOUNTANT AND HAS NOT NECESSARILY BEEN PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

AS TO CONTESTED MATTERS, EXISTING LITIGATION INVOLVING, OR POSSIBLE ADDITIONAL LITIGATION TO BE BROUGHT BY, OR AGAINST, THE WV DEBTORS, ADVERSARY PROCEEDINGS, AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, A STIPULATION, OR A WAIVER, BUT RATHER AS A STATEMENT

MADE WITHOUT PREJUDICE SOLELY FOR SETTLEMENT PURPOSES, WITH FULL RESERVATION OF RIGHTS, AND IS NOT TO BE USED FOR ANY LITIGATION PURPOSE WHATSOEVER BY ANY PERSON, PARTY OR ENTITY. AS SUCH, THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING INVOLVING THE WV DEBTORS OR ANY OTHER PARTY IN INTEREST, NOR SHALL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, FINANCIAL OR OTHER EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST OR EQUITY INTERESTS IN THE WV DEBTORS. THIS DISCLOSURE SHALL BE CONSIDERED TO BE A SETTLEMENT DOCUMENT PURSUANT TO FEDERAL RULE OF EVIDENCE 408.

ALL CAPITALIZED TERMS AND PHRASES USED IN THIS DISCLOSURE STATEMENT AND NOT OTHERWISE DEFINED HEREIN WILL HAVE THE MEANINGS ASCRIBED TO THEM IN THE PLAN OR THE BANKRUPTCY CODE.

I. INTRODUCTION

The WV Debtors in the jointly-administered Chapter 11 cases numbered 18-11053(FJB) (the “Chapter 11 Cases”) pending in the United States Bankruptcy Court for the District of Massachusetts (Eastern Division) (the “Bankruptcy Court”) under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq. (as amended, the “Bankruptcy Code”), filed the Plan. The WV Debtors are distributing this disclosure statement (the “Disclosure Statement”), pursuant to section 1125 of the Bankruptcy Code, to provide the WV Debtors’ Creditors with adequate information so that they can make an informed judgment on whether to vote to accept or reject the Plan. Please read this Disclosure Statement and the Plan carefully and follow the instructions set forth below to vote on the Plan.

For the avoidance of doubt, the Plan and Disclosure Statement DO NOT apply to Brockton or Claims of Creditors of Brockton against Brockton (except for Congressional and Mercury). As detailed below, the Plan and Disclosure Statement do impact claims against all other Debtors including any claims related to any guaranty by another Debtor of a claim against Brockton.

With the Plan the WV Debtors seek to restructure their balance sheet and emerge as financially healthy operating facilities. In connection with the Plan, the WV Debtors’ secured and lease obligations to the Sabra Entities will be restructured and/or forgiven and unsecured creditors will receive a *Pro Rata* share of (i) \$300,000 payable upon the Effective Date, (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. In addition, as further detailed in the Plan Supplement, for the period commencing on the Effective Date and terminating five (5) years after the Effective Date, with respect to (i) the Reorganized Debtors’ Post-Effective Date Net Operating Income, and (ii) the

proceeds of any Disposition, the Net Operating Income and the Disposition Proceeds shall be distributed as follows:

Time	Sharing of Net Operating Income and/or Disposition Proceeds
0-24 months after Effective Date	5% Members/95% Holders of Allowed General Unsecured Claims
25-48 months after Effective Date	50% Members/50% Holders of Allowed General Unsecured Claims
49-60 months after Effective Date	75% Members/25% Holders of Allowed General Unsecured Claims
60 months or more after Effective Date	100% to Members

For the avoidance of doubt, the Post-Effective Date Net Operating Income and Distribution Proceeds, if any, shall be distributed in the following priority:

- (i) to satisfy any and all expenses and related costs of such Post-Effective Date Net Operating Income or Disposition, including but not limited to, taxes and attorneys' fees;
- (ii) to satisfy any outstanding obligations owed to any Sabra Entity;
- (iii) to satisfy any other outstanding secured claims against the Reorganized Debtor that generated the Post-Effective Date Net Operating Income or whose equity is the subject of the Disposition;
- (iv) to the extent any Member provided a capital contribution after the Effective Date (excluding any New Value Contribution), to the repayment of such capital contribution (excluding any New Value Contribution); and
- (v) the remaining proceeds shall be distributed between the Members and Holders of Allowed General Unsecured Claims, as set forth in the above chart.

A. Explanation of Chapter 11.

Chapter 11 is the principal business reorganization Chapter of the Bankruptcy Code. Under Chapter 11, a debtor is authorized to reorganize or sell its business for the benefit of itself, its creditors and equity holders. In addition to permitting rehabilitation of a debtor (or permitting the debtor to continue operating in anticipation of an asset sale), another goal of Chapter 11 is to promote equality of treatment for similarly situated creditors and equity interest holders with respect to the distribution of a debtor's assets.

The commencement of a Chapter 11 case creates an estate that comprises all of the legal and equitable interests of the debtor as of the filing date. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a “debtor in possession.” Upon filing a petition for Chapter 11 relief and during the pendency of a case, the Bankruptcy Code imposes an automatic stay against creditors’ attempts to collect or enforce, through litigation or otherwise, claims against the debtor. The automatic stay provisions of section 362 of the Bankruptcy Code, unless modified by court order, will generally prohibit or restrict attempts by creditors to collect or enforce any claims that arose prior to the commencement of the Chapter 11 case against the debtor.

The Bankruptcy Code provides for the formation of an official committee of unsecured creditors in a Chapter 11 case to represent the interests of creditors in the case. On April 6, 2018, the United States Trustee appointed the Official Committee of Unsecured Creditors in these cases (the “Committee”).

The consummation of a plan is the principal objective of a Chapter 11 case. A plan sets forth, among other things, the treatment of, and means for satisfying, claims against and equity interests in the debtor. Confirmation of a plan by the bankruptcy court makes the plan binding upon a debtor, any issuer of securities under the plan, any person acquiring property under the plan and any creditor or equity interest holder of a debtor.

A Chapter 11 plan is the vehicle for satisfying or otherwise addressing the claims against and interests in a debtor. After a plan has been filed, the holders of claims against or equity interests in a debtor that are impaired and entitled to receive distributions under the plan are permitted to vote to accept or reject the plan. Before soliciting acceptances of the proposed plan, however, section 1125 of the Bankruptcy Code requires a debtor to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment about the plan. The WV Debtors are submitting this Disclosure Statement to satisfy the requirements of section 1125 of the Bankruptcy Code.

B. Preliminary Statement and Summary of Recoveries.

On March 26, 2018 (the “Petition Date”), the WV Debtors each filed their respective voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court. Pursuant to sections 1107 and 1108 of the Bankruptcy Code, the WV Debtors continue in the management and possession of their property as debtors in possession; no trustee or examiner has been appointed for the WV Debtors. Brockton filed its voluntary petition on the Petition Date, as well. However, as explained herein, the Plan does not adjust any claims against Brockton. The Plan is predicated on the WV Debtors’ restructuring of their debt, as described more fully below.

The Plan contemplates the payment in full in Cash of all Administrative Claims, Fee Claims, U.S. Trustee Fees, and priority Claims against the WV Debtors (subject to permitted

installment payments for certain Priority Tax Claims), unless the holders of such Claims agree otherwise to less favorable treatment.

The primary objectives of the Plan are: (i) restructure the debt of the WV Debtors; and (ii) make distributions on account of Allowed Claims in conformity with the distribution scheme provided by the Bankruptcy Code.

Prior and subsequent to the Effective Date of the Plan, the WV Debtors shall continue operations. Pursuant to the Bankruptcy Code, the WV Debtors will receive a discharge, and will continue to engage in business after a final decree has been entered and their Chapter 11 Cases are closed.

The table below summarizes the treatment for Creditors and holders of Interests under the Plan. For a complete explanation, please refer to the discussion in Article IV of this Disclosure Statement and to the Plan itself.

Class	Claim/Interest	Status	Voting Rights
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

The WV Debtors have approved the Plan and the transactions contemplated thereby and recommend that all Creditors whose votes are being solicited submit ballots to accept the Plan. While the WV Debtors' estates are not being substantive consolidated, distributions to unsecured creditors will be made as if they were substantively consolidated.

The WV Debtors' obligations to CCP Finance and their Master Landlords are cross-collateralized. The Massachusetts Master Lease expires on January 31, 2020 and the Connecticut Master Lease expires (subject to certain renewal options) on or about March 1, 2026. The Master Landlords are under no obligation to amend the Massachusetts Master Lease or Connecticut Master Lease and its agreement to do so, in connection with the restructuring, is contingent on continued cross-collateralization and the maintenance of a master lease structure. This means that any value available for unsecured creditors will flow from a willingness of the Master Landlords to allow distributions. The WV Debtors are not aware of any unencumbered

asset that is the property of any particular WV Debtor. Accordingly, while each WV Debtor may have a different amount of unsecured debt, and all intercompany transactions can be traced, no grounds exist for varying the distributions among the various estates. Furthermore, the cost and expense of the accounting and expected litigation to fix these amounts cannot be justified. Accordingly, the WV Debtors have proposed that all unsecured creditors be treated in a single class, regardless of which particular WV Debtor such claim is asserted against.

C. Who is Entitled to Vote on the Plan.

Only Impaired Classes receiving a distribution under the Plan are entitled to vote on the Plan. As such, Claims in Classes 2b, 3, 4, 5 and 6 are Impaired, and the holders of Claims in those Classes are entitled to vote on the Plan. Holders of Claims in Classes 1, 2a, 7, 9 and 10 are not entitled to vote and are deemed to have accepted the Plan. Holder of Claims in Class 8 and 11 are not entitled to vote and are deemed to have rejected the Plan.

D. Definitions; Certain Exhibits.

1. Definitions. Unless otherwise defined herein, capitalized terms used in this Disclosure Statement will be defined as set forth in the Plan or as defined in the Bankruptcy Code.

2. Certain Exhibits. A copy of a liquidation analysis is attached hereto as **Exhibit B**. A non-exhaustive list setting forth persons or entities that received payments during the 90 days prior to the Petition Date that the WV Debtors or Reorganized Debtors, as the case may be, may seek to recover under section 547 of the Bankruptcy Code or otherwise is attached hereto as **Exhibit C**. **Exhibit C** also includes a non-exhaustive list setting forth insiders of the WV Debtors who received payments during the one year prior to the Petition Date that the WV Debtors or Reorganized Debtors, as the case may be, may seek to recover under section 547 of the Bankruptcy Code. The fact that a party is listed on **Exhibit C** as having received a payment in the 90 days or one year prior to the Petition Date does not mean that the WV Debtors or Reorganized Debtors, as the case may be, will seek to recover payments made to such party or that any determination has been made that such payments were preferential. In the event that the WV Debtors or Reorganized Debtors, as the case may be, determines to pursue recovery of any payment made in the 90 days or one year prior to the Petition Date, any party that received such payment may have rights and defenses which would prevent recovery of such payments by the WV Debtors or Reorganized Debtors, as the case may be, and no such rights or defenses are impacted by the Plan except as provided for in the Plan. In reviewing this Disclosure Statement and the Plan, and in determining whether to vote for or against the Plan, Creditors (including parties who received payments or transfers from the WV Debtors within 90 days prior to the Petition Date and insiders who received payments or transfers from the WV Debtors within one year before the Petition Date) and other parties should consider that Causes of Action of the WV Debtors may exist against them, that, except as otherwise set forth in the Plan, the Plan preserves all Causes of Action of the WV Debtors, and that the Plan authorizes the WV Debtors or Reorganized Debtors, as the case may be, to prosecute same.

The Plan Supplement, a compilation of documents and forms of documents, schedules, and exhibits to the Plan, will be filed no later than twenty (20) days before the Confirmation Hearing or as soon as reasonably practicable thereafter.

E. Notice to Creditors.

1. Purpose of Disclosure Statement. This Disclosure Statement is being transmitted to, among others, holders of Impaired Claims against the WV Debtors that are entitled to vote to accept or reject the Plan (Classes 2b, 3, 4, 5, and 6). Holders of unimpaired Claims shall receive a Confirmation Hearing Notice and a Notice of Non-Voting Status, substantially in the form annexed to the Disclosure Statement Order as Exhibit C (the “Notice of Unimpaired Non-Voting Status”), which identifies each such class as unimpaired and provides information to such holders of unimpaired Claims as to how a copy of the Plan and Disclosure Statement may be obtained. Holders of Claims and Interests in the Impaired Non-Voting Classes shall receive a Confirmation Hearing Notice and a Notice of Non-Voting Status (the “Notice of Impaired Non-Voting Status”), substantially in the form annexed to the Disclosure Statement Order, which informs the holder of any claims or interests in such Impaired Non-Voting Classes that it will receive no recovery under the Plan, is not entitled to vote, and therefore, is deemed to have rejected the Plan. The Notice of Impaired Non-Voting Status also sets forth the manner in which the holder of claims or interests in such classes may obtain a copy of the Plan and Disclosure Statement.

The purpose of this Disclosure Statement is to provide Creditors with information that (i) summarizes the Plan and alternatives to the Plan, (ii) advises Creditors of their rights under the Plan, (iii) assists Creditors entitled to vote in making informed decisions as to whether they should vote to accept or reject the Plan, and (iv) assists the Bankruptcy Court in determining whether the Plan complies with the provisions of Chapter 11 of the Bankruptcy Code and should be confirmed. This Disclosure Statement contains important information regarding (A) the WV Debtors’ history, (B) developments in these Chapter 11 Cases, (C) the Plan, including a summary and analysis thereof, and (D) considerations pertinent to acceptance or rejection of the Plan. This Disclosure Statement is designed to provide holders of Impaired Claims that are entitled to vote to accept or reject the Plan with adequate information to enable such holders to make a reasonably informed decision with respect to the Plan prior to exercising the right to vote to accept or reject the Plan. All Creditors are encouraged to read this Disclosure Statement and its exhibits carefully and in their entirety before deciding to vote either to accept or reject the Plan.

2. Information Contained in this Disclosure Statement. This Disclosure Statement is the only document authorized by the Bankruptcy Court to be used in connection with the solicitation of votes accepting the Plan. No solicitation of votes may be made except pursuant to this Disclosure Statement, and no Person has been authorized by the Bankruptcy Court or the WV Debtors to use or disclose any information concerning the WV Debtors other than the information contained herein. Other than as explicitly set forth in this Disclosure Statement, you should not rely upon any information relating to the WV Debtors, their Estates, the value of their Assets, the nature or amounts of their liabilities, their Creditors’ Claims, or the amount or value of any distributions made under the Plan. All financial information and historical information contained in this Disclosure Statement has been provided by the WV Debtors. This Disclosure

Statement is accurate to the best of the WV Debtors' knowledge, information and belief. The WV Debtors have endeavored to make this Disclosure Statement as clear and comprehensive as possible in order to furnish Creditors with adequate information to make an informed decision regarding acceptance or rejection of the Plan.

PLEASE READ THIS DISCLOSURE STATEMENT, INCLUDING THE PLAN, IN ITS ENTIRETY PRIOR TO VOTING ON THE PLAN. A COPY OF THE PLAN IS ANNEXED HERETO AS EXHIBIT A. THIS DISCLOSURE STATEMENT SUMMARIZES THE TERMS OF THE PLAN, FOR THE CONVENIENCE OF CREDITORS, BUT THE PLAN ITSELF QUALIFIES ALL SUCH SUMMARIES. ACCORDINGLY, IF THERE EXISTS ANY INCONSISTENCY BETWEEN THE PLAN AND THIS DISCLOSURE STATEMENT, THE TERMS OF THE PLAN WILL CONTROL.

F. Disclosure Statement Enclosures.

Accompanying this Disclosure Statement are the following enclosures:

1. Disclosure Statement Approval Order. A copy of the Order of the Bankruptcy Court dated August [--], 2018, approving this Disclosure Statement and, among other things, establishing procedures for voting on the Plan, and scheduling the hearing to consider, and the deadline for objecting to, confirmation of the Plan (the "Disclosure Statement Approval Order").

2. Notice of Confirmation Hearing. A copy of the notice of the deadline for submitting ballots to accept or reject the Plan and, among other things, the date, time and place of the hearing to confirm the Plan, and the deadline for filing objections to confirmation of the Plan (the "Notice of Confirmation Hearing").

3. Ballots. One or more ballots (and return envelopes) for voting to accept or reject the Plan, unless you are not entitled to vote. See **Article XI** below for an explanation of which parties-in-interest are entitled to vote.

G. Summary of Voting Procedures.

1. Vote Solicitation and Deadline. To be counted, your vote must be received, pursuant to the following instructions, by the WV Debtors' voting agent at the following address, before 4:30 p.m. (Eastern Time) September 17, 2018 (the "Voting Deadline"):

If By First Class Mail:

Donlin, Recano & Company, Inc.
Re: Wachusett Ventures, LLC, et al
PO Box 192016 Blythebourne Station
Brooklyn, NY 11219

If by Hand Delivery or Overnight Mail:

Donlin, Recano & Company, Inc.
Re: Wachusett Ventures, LLC, et al
6201 15th Avenue
Brooklyn, NY 11219

IF YOU HOLD A CLAIM ENTITLED TO VOTE:

Please complete the information requested on the applicable Ballot; sign, date and indicate your vote on the Ballot; and return the completed Ballot in the enclosed pre-addressed, postage-paid envelope so that it is actually received by the voting agent before the Voting Deadline.

DO NOT RETURN YOUR DEBT INSTRUMENTS, NOTES, CERTIFICATES OR ANY EQUITY SECURITIES THAT YOU MAY HAVE WITH YOUR BALLOT(S).

IF YOU ARE A HOLDER OF A CLAIM ENTITLED TO VOTE AND YOU HAVE RETURNED YOUR BALLOT, BUT FAILED TO INDICATE ON YOUR BALLOT WHETHER YOU ACCEPT OR REJECT THE PLAN, SUCH BALLOT WILL BE COUNTED AS AN ACCEPTANCE OF THE PLAN.

2. Acceptance of the Plan. Under the Bankruptcy Code, an impaired class of claims entitled to vote has accepted a plan, if, of those voting, the holders of two-thirds (2/3) in dollar amount, and more than one-half (1/2) in number, of claims accept.

3. Hearing on Confirmation of Plan. The Bankruptcy Court has scheduled a hearing to consider confirmation (*i.e.*, approval) of the Plan on **September 21, 2018 at 9:30 a.m.** (Eastern Time) (the “Confirmation Hearing”), in the United States Bankruptcy Court, District of Massachusetts (Eastern Division), Boston, Massachusetts. The Confirmation Hearing may be adjourned from time to time without further notice other than by announcement in the Bankruptcy Court on the scheduled hearing date or upon the WV Debtors filing a notice of adjournment.

II. GENERAL INFORMATION ABOUT THE WV DEBTORS

A. The History of the WV Debtors.

As described in further detail herein, the WV Debtors currently operate four (4) skilled nursing facilities which are located in Massachusetts (two (2) facilities) and Connecticut (two (2) facilities). These facilities are operated under leases with the respective WV Debtors being the lessees of the facilities. In total, the WV Debtors employ approximately 500 people and the WV Debtors’ facilities can accommodate up to 460 patient-residents. The WV Debtors provide residents with superior resident service delivered by knowledgeable care giver employees and associates. For the fiscal year 2017, the WV Debtors’ gross revenue was approximately \$54 million.

Wachusett was founded in 2013; however, the entity began to operate in its current structure as a holding and management company in 2016. Specifically, in March 2016, Wachusett acquired the first of the facilities it currently operates. At that time, Wachusett was owned by (i) Raymond A. Dennehy III, (ii) Wakefield Capital, LLC (“Wakefield Capital”), and (iii) Steven Vera. In March 2016, the majority owner of Wakefield Capital was the Cuzzupoli Family 2011 Irrevocable Trust. Joseph Cuzzupoli is no longer affiliated with Wachusett and its subsidiaries and the Cuzzupoli Family 2011 Irrevocable Trust no longer owns any interest in Wakefield Capital.

B. Corporate Structure and Business Operations.

As of the Petition Date, the equity owners of Wachusett, which is the sole owner of the other Debtors, are as follows:

MEMBER NAME	PERCENTAGE OWNERSHIP INTEREST
Wakefield Capital, LLC	60%
Raymond Dennehy III	20%
Steven Vera	20%

Each operating facility of Wachusett leases the building that it operates out of. None of the WV Debtors own any real estate. Two (2) facilities that were previously operated by the WV Debtors were closed in late 2017. The organizational chart attached as Exhibit A to the *Declaration of Steven Vera In Support of First Day Motions* [Docket No. 7] identifies the facilities by trade name, legal holding entity name, location, size, lessor and secured lender. It also generally depicts the Debtors’ overall corporate structure and the relationship among the Debtor entities and describes the non-debtor subsidiaries of Wachusett. As detailed in the Declaration:

- ***Connecticut Facilities*** - Pursuant to a master lease dated March 1, 2016 (the “Connecticut Master Lease”), three operating facilities in Connecticut (the “Connecticut Facilities”) are leased from CCP Camelot 0563 LLC, CCP Nutmeg Pavilion 0567 LLC and CCP Parkway Pavilion 0568 LLC (individually and collectively, the “Connecticut Landlord”), which are subsidiaries of Sabra Health Care REIT Inc. (“Sabra”). Another subsidiary of Sabra, CCP Finance II LLC (“CCP Finance”), is the secured lender to the WV Debtor-entities operating the Connecticut Facilities and the now-closed facility in Connecticut;² and
- ***Massachusetts Facilities*** - Pursuant to a master lease dated February 10, 2017 (the “Massachusetts Master Lease,” together with the Connecticut Master Lease, the “Master Leases”) three operating facilities in Massachusetts (the “Massachusetts Facilities”) are leased from CCP Den-Mar 0542 LLC, CCP Quincy 0537 LLC and CCP Walden 0588 LLC

² The Debtors began managing the Connecticut Facilities on March 1, 2016. Upon completion of the licensing process in October 5, 2016, took ownership of the Connecticut Facilities.

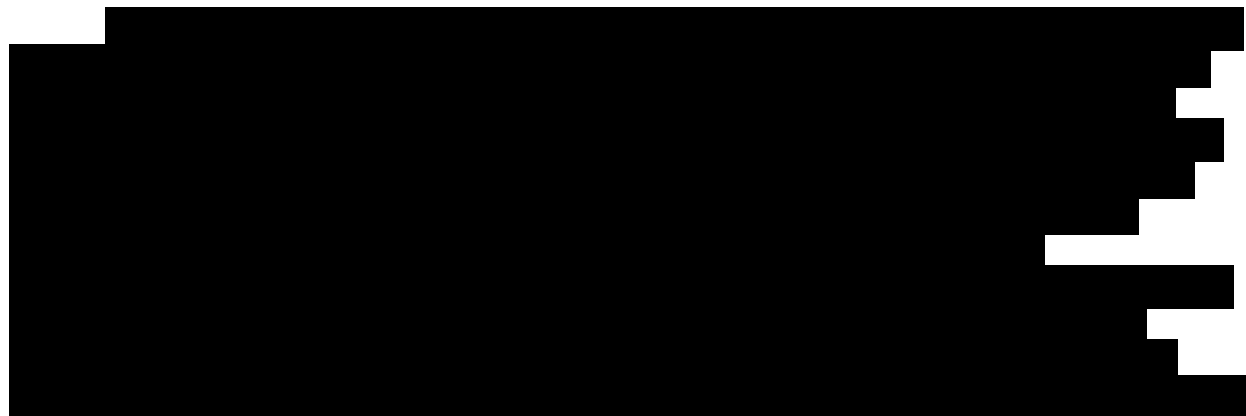
(individually and collectively, the “Massachusetts Landlord”, together with the Connecticut Landlord, the “Master Landlords”), each of which are also subsidiaries of Sabra. CCP Finance is also a secured lender to the WV Debtor-entities operating the Massachusetts Facilities.³

Each Debtor is separately licensed by the applicable licensing authorities and directly employs the employees providing resident care and operates each facility. Wachusett provides management, accounting and finance support to each facility. In addition, Wachusett provided such support to Brockton through June 1, 2018.

Each of the four (4) facilities that the WV Debtors currently operate (as well as the two (2) closed facilities) were previously opened and operated by unrelated prior owners at the time that Wachusett took over management. At the time of acquisition by the WV Debtors, each facility faced operational and financial difficulties. As detailed below, since taking over each facility Wachusett has completed significant resident care, operational and financial improvements. Wachusett expects that total combined gross revenue for the WV Debtors’ facilities in 2018 will total approximately \$39,396,600.

C. Causes of Current Financial Difficulties.

The WV Debtors’ current financial difficulties stem from three historic sources. First, the WV Debtors suffered certain unusual one-time losses and extraordinary non-recurring expenses related to historic events. While some of these costs have been recovered, the net losses and damage from those events remains significant.



Second, as noted above, the facilities that Wachusett indirectly acquired in March 2016 were previously managed and owned by operators who themselves were experiencing financial difficulties. The time and expense required to improve those facilities proved greater than expected. The financial difficulties were further compounded by the fact that significant accounts receivable collection delays occurred in connection with the transitions from the prior operators to the WV Debtors.

³ The Debtors began managing the Massachusetts Facilities on August 28, 2016. Upon completion of the licensing process in April 1, 2017, took ownership of the Massachusetts Facilities.

Since the acquisition of each facility, the WV Debtors' management team and the staff at each facility have worked relentlessly to simultaneously improve financial performance and the quality of resident care. Unfortunately, even after making financial and operational improvements, it is clear that formal restructuring is required to address the financial issues.

As mentioned above, two (2) of the facilities acquired by the WV Debtors in 2016 are now closed. These two closed facilities were leased from certain Sabra Entities (the Massachusetts Landlord and the Connecticut Landlord) and were unprofitable. In late 2017, those facilities were closed and surrendered to their landlords. Today, the Wachusett subsidiaries that operated the closed facilities remain liable for more than \$1 million in payables stemming from their operations. In addition, until the Landlords succeed in re-leasing the facilities, the WV Debtors are obligated under the applicable Master Leases to continue to pay rent to the applicable Sabra subsidiary.

In total the WV Debtors have approximately \$8.4 million in prepetition unsecured liabilities to be restructured in these cases.

Third, and finally, the WV Debtors have not been immune to the macroeconomic and industry-wide economic issues impacting the skilled nursing industry. Like others in the industry, the Debtors face declining reimbursement rates, pressure from declining occupancy rates across the country caused by the increased use of home care and other factors, and wage pressure.

The WV Debtors have suffered several financial setbacks. Nonetheless, despite the significant legacy liabilities that need to be restructured, there was a hope that a costly bankruptcy process could be avoided. Unfortunately, on January 2, 2018, Quality Rehabilitation Services, LLC ("Quality"), as a judgment creditor, elected to enforce a trustee process attachment it obtained under Massachusetts state law and on numerous subsequent occasions Quality sought to enforce claimed rights to funds in accounts that are subject to liens granted to prepetition lenders. Subsequent settlement discussions between the WV Debtors and Quality did not result in a satisfactory resolution of the issues and thus necessitated the WV Debtors' bankruptcy petitions.

D. Capital Structure and Leases.

As of the Petition Date, the WV Debtors were obligated with respect to the secured obligations referenced below.

1. CT Revolving Credit and Security Agreement

Debtors Wachusett, WV-Crossings West LLC, WV-Crossings East LLC, and WV-Parkway Pavilion LLC were parties to a Revolving Credit and Security Agreement, dated March 1, 2016 (as it may have been amended or modified from time to time, the "CT Revolving Credit and Security Agreement") under which CCP Finance provided a revolving credit facility up to \$3,000,000. As security for the loan, CCP Finance was granted a security interest in all personal

and fixture property of the borrowers of every kind and nature. Raymond A. Dennehy, Joseph Cuzzupoli and Steven Vera executed guaranties of the borrowers' obligations under the CT Revolving Credit and Security Agreement.

2. MA Revolving Credit and Security Agreement

Debtors Wachusett, WV-Concord SNF OPCO LLC, WV-Rockport SNF OPCO LLC, and WV-Quincy SNF OPCO LLC were parties to a Revolving Credit and Security Agreement, dated August 28, 2016 (as it may have been amended or modified from time to time, the "MA Revolving Credit and Security Agreement") under which CCP Finance provided a revolving credit facility up to \$3,000,000. As security for the loan, CCP Finance was granted a security interest in all personal and fixture property of the borrowers of every kind and nature. Raymond A. Dennehy, Joseph Cuzzupoli and Steven Vera provided guaranties of the borrowers' obligations under the MA Revolving Credit and Security Agreement.

As of the Petition Date, approximately \$2,697,186 in the aggregate remained outstanding under the MA Revolving Credit and Security Agreement and CT Revolving Credit and Security Agreement.

3. Master Leases for WV-Debtors

As noted above, Debtors WV-Crossings West LLC, WV-Crossings East LLC and WV-Parkway Pavilion LLC are party to the Connecticut Master Lease with the Connecticut Landlords. The Connecticut Landlords were granted a security interest in the tenants' personal and intangible property. Debtors WV-Concord SNF OPCO LLC, WV-Rockport SNF OPCO LLC, and WV-Quincy SNF OPCO LLC are party to the Massachusetts Master Lease with the Massachusetts Landlords. The Massachusetts Landlord were granted a security interest in the tenants' personal and intangible property.

Under that certain Cross Collateralization and Security Agreement, dated as of February 10, 2017, the CT Revolving Credit and Security Agreement, the MA Revolving Credit and Security Agreement and the Master Leases are cross-defaulted and cross collateralized.

The WV Debtors are in default on their obligations under the CT Revolving Credit and Security Agreement, the MA Revolving Credit and Security Agreement and the Master Leases and the WV Debtors do not believe at this time that have any claims, counterclaims, or other defenses thereto.

III. THE CHAPTER 11 CASES

A. Filing.

On March 26, 2018, the WV Debtors each filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code (the "Petition Date"). By Order of the Bankruptcy Court, dated March 26, 2018, the WV Debtors' Chapter 11 Cases were consolidated for procedural

purposes only and are being jointly administered under case number 18-11053. The Honorable Frank J. Bailey has presided over the Chapter 11 Cases since the Petition Date.

B. Administration of the Cases.

After the Petition Date, and in accordance with sections 1107(a) and 1108 of the Bankruptcy Code, the WV Debtors continued to operate their businesses and manage their properties as debtors in possession. As of the date of this Disclosure Statement, no trustee or examiner has been appointed in the Chapter 11 Cases, nor has any motion for a trustee or examiner been made.

C. Bankruptcy Court First Day Orders.

On or about March 27, 2018, the Bankruptcy Court entered a number of orders granting the WV Debtors various forms of interim relief. In particular, the WV Debtors obtained orders, among others:

- (i) authorizing the WV Debtors to use existing cash management systems;
- (ii) authorizing and directing banks and financial institutions to honor and process checks and transfers;
- (iii) waiving requirements of Section 345(b) of the Bankruptcy Code;
- (iv) authorizing the WV Debtors to use existing bank accounts and existing business forms;
- (v) authorizing the WV Debtors to pay pre-petition payroll and related employee benefits;
- (vi) authorizing the WV Debtors to pay certain employee compensation and benefits and maintain and continue such benefits and other employee related programs;
- (vii) authorizing the WV Debtors to continue their workers' compensation program and insurance program, pay all obligations in respect thereof, and continue to honor premium financing obligations;
- (viii) authorizing the WV Debtors to provide adequate assurance of payment to utility companies and establishing procedures for resolving objections by utility companies;
- (ix) authorizing the WV Debtors to continue patient programs and practices and certain prepetition credit card obligations in the ordinary course of business;
- (x) authorizing the WV Debtors to pay certain taxes and fees;
- (xi) authorizing the WV Debtors to obtain post-petition financing, authorizing the use of cash collateral, granting adequate protection and granting related relief;

(xii) authorizing the WV Debtors to prepare a consolidated list of creditors and a consolidated list of the Debtors thirty largest unsecured creditors, and authorizing certain procedures to maintain the confidentiality of patient information as required by privacy rules and approving the form and manner of the notice of commencement; and

(xiii) approving retention and appointment of Donlin, Recano & Company, Inc. as claims and noticing agent to the Debtors.

D. Appointment of Creditors' Committee.

On April 6, 2018, the United States Trustee for the District of Massachusetts appointed the following Creditors to the Committee:

1. Patrick J. Orr (Chairman), Healthcare Services Group (Patrick J. Orr (Chairman))
2. Eversource (Honor S. Heath)
3. PharMerica (Steve Grynecicz)
4. Preferred Physical Therapy Solutions (Liz Almedia-Sanborn)
5. New England Health Care Employee's Union (Suzanne Clark, Vice President)

E. Appointment of Patient Care Ombudsmen.

On March 26, 2018, the Bankruptcy Court entered an order directing the appointment of a "Health Care Ombudsman" in accordance with section 333(a)(2) of the Bankruptcy Code. On April 11, 2018, the United States Trustee named Joseph J. Tomaino as Health Care Ombudsman for the Debtors' facilities in Connecticut and Mary E. McKenna as Health Care Ombudsman for the Debtors' facilities in Massachusetts.

F. Retention and Compensation of Professionals.

1. Bankruptcy Counsel. On April 3, 2018, the WV Debtors filed an application to retain Nixon Peabody LLP ("NP"). An Order approving the retention of NP was entered on April 23, 2018.

2. Claims Agent. Because of the large number of Creditors in these Chapter 11 Cases, on March 26, 2018, the WV Debtors obtained Bankruptcy Court approval to have Donlin, Recano & Company, Inc. ("DRC") appointed as the official claims agent for the Clerk of the Bankruptcy Court.

3. Professionals Retained by the Creditors' Committee. During the Chapter 11 Cases, the Committee retained Pepper Hamilton LLP ("Pepper Hamilton") as their legal advisors. The Committee filed an application to retain CBIZ Accounting, Tax & Advisory of New York, LLC ("CBIZ") as their financial advisors. Orders approving the retention of Pepper Hamilton and CBIZ were entered on May 22, 2018.

G. Post-Petition Financing.

On March 26, 2018, the WV Debtors filed a motion seeking entry of an interim order and a final order as authorizing, on an interim and permanent basis, the WV Debtors to, among other things, obtain, pursuant to sections 364(c), (d) and (e) of the Bankruptcy Code, postpetition financing in the form of a \$1,800,000 debtor-in-possession credit facility (the “DIP Facility”) pursuant to the terms set forth in the Senior Secured Debtor-In Possession Loan and Security Agreement (the “DIP Loan Agreement”) by and among the WV Debtors and CCP Finance. The DIP Facility was approved on an interim basis pursuant 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], *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], and *Fifth 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. 549]. The WV Debtors intend to borrow an additional \$200,000 under the DIP Facility to satisfy allowed Claims arising under section 503(b)(9) of the Bankruptcy Code. A final hearing on the DIP Loan Agreement is scheduled for August 29, 2018.

H. Use of Cash Collateral and Adequate Protection.

The WV Debtors sought the use of CCP Finance and the Master Landlords’ cash collateral in accordance with the DIP Loan Agreement. Under the terms of the DIP Loan Agreement, the WV Debtors agreed to provide adequate protection to CCP Finance and the Master Landlords in the form of post-petition liens on all of the WV-Debtors’ and their estates’ right, title and interest in the Collateral, whether now owned by the WV-Debtors or hereafter acquired and whether now existing or hereafter coming into existence (the “Adequate Protection Liens”). The Adequate Protection Liens constitute (i) second-priority liens under § 364(c)(2) of the Bankruptcy Code on all assets acquired by the WV Debtors on the Petition Date and thereafter, including equipment, accounts, and inventory not encumbered by a Prior Permitted Encumbrance, subject only to the DIP Liens; and (ii) subordinate and junior liens under §364(c)(3) of the Bankruptcy Code on all Collateral encumbered by any lien or security interest existing on the Petition Date. The Adequate Protection Liens are not subject or subordinate to

any lien or security interest that is avoided and preserved for the benefit of the WV-Debtors and the Estates under section 551 of the Bankruptcy Code.

Under the DIP Loan Agreement, as further adequate protection for the Collateral Diminution, the WV Debtors agreed to make the following payments to CCP Finance and the Landlords:

- (a) The WV-Debtors made all payments due to the Massachusetts Landlord when due under the Massachusetts Master Lease.
- (b) The WV-Debtors made all payments due to the Connecticut Landlord when due under the Connecticut Master Lease.

As adequate protection, Quality received replacement liens (the “Replacement Liens”) in and to all property of the kind presently securing its prepetition obligations, including any property purchased or acquired with the cash collateral and any proceeds thereof, but excluding any causes of action under Chapter 5 of the Bankruptcy Code or the proceeds of any claims under or actions commenced pursuant to such powers. The Replacement Liens only attach to and are enforceable against the same types of property, to the same extent, and in the same order of priority as existed immediately prior to the Petition Date. The Replacement Liens are recognized only to the extent of any post-petition diminution in value of Quality’s prepetition collateral resulting from the WV Debtors’ use of cash collateral during this bankruptcy case and are subject to the Carve-Out.

I. Executory Contracts and Unexpired Leases.

1. Assumption of Contracts and Leases. On the Effective Date, 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 Connecticut Master Lease and the Massachusetts Master Lease shall be assumed as amended.

Except as otherwise set forth in the Plan each contract of the WV Debtors that is not assumed and assigned that has not expired by its own terms before the Effective Date shall be assumed as of the Effective Date. For the avoidance of doubt, the Connecticut Master Lease and the Massachusetts Master Lease shall be assumed as amended.

J. Bar Date For Filing Pre-Petition and Post-Petition Proofs of Claims.

The WV Debtors filed their Schedules of Assets and Liabilities (the “Schedules”) and Statements of Financial Affairs on April 18, 2018. By an Order dated May 22, 2018 [Docket

No. 378] (the “Bar Date Order”) the Bankruptcy Court fixed July 2, 2018 at 4:00 p.m. (Eastern Time) as the date by which most proofs of claims for prepetition Claims had to be filed against the WV Debtors.⁴ Under the Bar Date Order and the Plan, unless otherwise ordered by the Bankruptcy Court, any person or entity that was required to file a timely proof of claim and failed to do so on or before the Bar Date will not be entitled with respect to such Claim to receive any payment or distribution of property from the WV Debtors, their successors or assigns, and will be forever barred from asserting such Claims against the WV Debtors’ Estates. The WV Debtors or Reorganized Debtors, as the case may be, will be reviewing and reconciling Claims and will file appropriate objections thereto.

K. Collective Bargaining Agreements.

Certain of the WV Debtors are party to the following collective bargaining agreements:

(i) WV-Parkway Pavilion, WV-Crossings East, LLC and WV-Crossings West, LLC are party to a collective bargaining agreement with the New England Health Care Employees Union, District 1199, SEIU. The effective date of that agreement is from May 19, 2017 to May 19, 2020; and

(ii) WV-Rockport SNF OPCO, LLC is party to a collective bargaining agreement with the United Food & Commercial Workers Union Local 1445. The effective date of that agreement is from January 7, 2018 to January 7, 2021.

(iii) WV-Rockport SNF OPCO, LLC was a party to a collective bargaining agreement with the United Food & Commercial Workers Union Local 1445, which expired on January 6, 2018 and is subject to an extension. The parties are currently in negotiations and have come to an agreement on the principal terms of a new collective bargaining agreement.

Under the 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

⁴ Governmental units have until September 24, 2018 to file proofs of claim against the Debtors.

bargaining agreements or modified collective bargaining agreements, shall be satisfied by the applicable Reorganized Debtors by payment, in the ordinary course.

L. Brockton

Brockton is the licensed operator of a 123-bed skilled nursing facility (“Brockton Facility”) located at 25 Beaumont Avenue, Brockton, Massachusetts. On the Petition Date, Brockton filed a voluntary petition for chapter 11 relief with the Bankruptcy Court. Brockton’s chapter 11 case was jointly administered with the chapter 11 cases of the WV-Debtors.

Brockton’s capital structure differs from the capital structure of the WV Debtors. On April 19, 2017, Brockton and Congressional Bank (“Congressional”) entered into Revolving Credit and Security Agreement (as it may have been amended or modified from time to time, the “Congressional Loan Agreement”). The Congressional Loan Agreement provides for a revolving credit facility up to \$2,225,000 which was subsequently reduced to \$1,500,000 in October 2017. As security for the loan, Congressional was granted a security interest in all personal and fixture property of Brockton of every kind and nature. As of the Petition Date, \$847,013 remained outstanding under the Congressional Loan Agreement (the “Congressional Obligations”).

Brockton leases the Brockton Facility from Mercury SNF, LLC (“Mercury”) under a Lease Agreement dated April 1, 2017 (“Mercury Lease”) by which Mercury maintained that Brockton (i) is obligated to pay a base rent of \$75,000.00 per month until July 1, 2018 when such rent increases to \$95,000.00 per month, (ii) a deferred security deposit of \$16,666.67 per month until June 1, 2018, and (iii) an amount per month equal to one twelfth of (a) the annual charges for tax; (b) the annual premium for the required insurance; and (c) a capital expenditure reserve of \$376.00 per licensed bed for each year. To secure payment of the Lease obligations, Brockton granted Mercury a security interest in (a) the furniture, fixtures, equipment and supplies necessary to operate the Brockton Facility and (b) Brockton’s accounts, proceeds of accounts, rents, profits, rights in any personal property leased, management agreements, service contracts, equipment leases, maintenance agreements, warranties affecting the Brockton Facility, all licenses and permits and all other intangible property of Brockton. On January 8, 2018, Mercury asserts that it perfected its security interest in Brockton’s tangible and intangible, personal property by filing a financing statement with the Massachusetts Secretary of State. Brockton maintains that any such lien is subject to avoidance.

On the Petition Date, Brockton filed *the Debtor WV-Brockton SNF, LLC’s Motion for Entry of an Order (I) Authorizing Use of Cash Collateral, (II) Granting Adequate Protection, (III) Scheduling A Hearing On Further Use Of Cash Collateral, And (IV) Granting Related Relief* [Docket No. 28] (the “Cash Collateral Motion”). On March 28, 2018, the Court entered the *Interim Order (I) Authorizing WV - Brockton SNF, LLC’S Use of Cash Collateral, (II) Granting Adequate Protection, and (III) Scheduling a Hearing On Further Use of Cash Collateral* [Docket No. 58]. On April 10, 2017, the Court entered the *Second Interim Order (I) Authorizing WV – Brockton SNF, LLC’S Use of Cash Collateral, (II) Granting Adequate Protection, and (III) Scheduling a Hearing On Further Use of Cash Collateral* [Docket No. 132]. On April 24, 2019, the Court entered the *Third Interim Order (I) Authorizing WV –*

Brockton SNF, LLC'S Use of Cash Collateral, (II) Granting Adequate Protection, and (III) Scheduling a Hearing On Further Use of Cash Collateral [Docket No. 208]. On May 9, 2018, the Court entered the *Fourth Interim Order (I) Authorizing WV – Brockton SNF, LLC'S Use of Cash Collateral, (II) Granting Adequate Protection, and (III) Scheduling a Hearing On Further Use of Cash Collateral* [Docket No. 300].

Since the Petition Date, Brockton, Congressional and Mercury have had numerous disputes over the use of cash collateral and payments due under the Lease. On May 18, 2018, the parties filed the *Motion Under Rule 9019 for 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. 349] (the "Brockton Settlement Motion") to which sought approval of a settlement (the "Brockton Settlement") that, among other things, (a) allows Brockton to safely and responsibly transfer operations at the Brockton Facility to a new operator who continue the care for the residents at the Brockton Facility; (b) allow the residents at the Brockton Facility to avoid a forced relocation; (c) assures that the Brockton estate has sufficient resources to pay projected administrative expenses; and (d) resolves Congressional's and Mercury's substantial claims against the Brockton estate. The Brockton Settlement further provided that on the effective on the Transfer Date (as defined therein) all intercompany claims between Brockton and Wachusett Ventures will be released. The Brockton Settlement Motion was approved on May 30, 2018.

Since the Brockton Facility has transitioned to a new operator, Brockton will not be reorganized in the same manner as the WV Debtors. Accordingly, the Plan and Disclosure Statement do not apply to Brockton. The relief granted in connection with the Brockton Settlement Motion and the related agreements approved in connection therewith will continue to govern the relationship of the WV Debtors and Brockton.

IV. SUMMARY OF THE PLAN

THE FOLLOWING IS A SUMMARY OF THE SIGNIFICANT ELEMENTS OF THE PLAN. THIS DISCLOSURE STATEMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE MORE DETAILED INFORMATION SET FORTH IN THE PLAN.

Only administrative expenses, claims and interests that are "allowed" may receive distributions under a Chapter 11 plan. An "allowed" administrative expense, claim or interest simply means that the debtor agrees, or in the event of a dispute, that the Bankruptcy Court determines, that the administrative expense, claim or interest, including the amount thereof, is in fact a valid obligation of, or interest in, the debtor. Section 502(a) of the Bankruptcy Code provides that a timely filed administrative expense, claim or interest is automatically "allowed" unless the debtor or another party-in-interest objects. However, section 502(b) of the Bankruptcy Code specifies certain claims that may not be "allowed" in a bankruptcy case even if a proof of claim is filed. These include, without limitation, claims that are unenforceable under the governing agreement or applicable non-bankruptcy law, claims for unmatured interest on unsecured and/or undersecured obligations, property tax claims in excess of the WV Debtors'

equity in the property, claims for certain services that exceed their reasonable value, nonresidential real property lease and employment contract rejection damage claims in excess of specified amounts, and late-filed claims. In addition, Bankruptcy Rule 3003(c)(2) prohibits the allowance of any claim or interest that either is not listed on the debtor's schedules or is listed as disputed, contingent, or unliquidated if the holder has not filed a proof of claim or Interest before the deadline to file proofs of claim and interests.

The Bankruptcy Code also requires that, for purposes of treatment and voting, a Chapter 11 plan divides the different claims against, and interests in, the WV Debtors into separate classes based upon their legal nature. Claims of a substantially similar legal nature are usually classified together, as are interests of a substantially similar legal nature. Because an entity may hold multiple claims and/or interests which give rise to different legal rights, the holders of such claims and/or interests may find themselves as members of multiple classes of claims and/or interests.

Under a Chapter 11 plan, the separate classes of claims and interests must be designated either as "impaired" (altered by the plan in any way) or "unimpaired" (unaltered by the plan). If a class of claims or interests is "impaired," the Bankruptcy Code affords certain rights to the holders of such claims or interests, such as the right to vote on the plan (unless the plan provides for no distribution to the holder, in which case, the holder is deemed to reject the plan), and the right to receive an amount under the Chapter 11 plan that is not less than the value that the holder would receive if the debtor were liquidated under Chapter 7. Under section 1124 of the Bankruptcy Code, a class of claims or interests is "impaired" unless, with respect to each claim or interest of such class, the plan (i) does not alter the legal, equitable or contractual rights of the holders of such claims or interests or (ii) irrespective of the holders' right to receive accelerated payment of such claims or interests after the occurrence of a default, cures all defaults (other than those arising from, among other things, the debtor's insolvency or the commencement of a bankruptcy case), reinstates the maturity of the claims or interests in the class, compensates the holders of such claims or interests for any damages incurred as a result of their reasonable reliance upon any acceleration rights and does not otherwise alter their legal, equitable or contractual rights. Typically, this means that the holder of an unimpaired claim will receive on the later of the effective date of the plan or the date on which amounts owing are due and payable, payment in full, in cash, with post-petition interest to the extent permitted and provided under the governing agreement between the parties (or, if there is no agreement, under applicable non-bankruptcy law), and the remainder of the debtor's obligations, if any, will be performed as they come due in accordance with their terms. Thus, other than its right to accelerate a debtor's obligations, the holder of an unimpaired claim will be placed in the same position it would have been in had the debtor's case not been commenced. Consistent with these requirements, the Plan divides the Claims against, and Interests in, the WV Debtors into the following Classes and affords the treatments outlined below.

A. Treatment of 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 II of the Plan.

1. Administrative Claims

i) 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 Article II.A of the Plan, 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. For Claims arising under section 503(b)(9) of the Bankruptcy Code the Administrative Claims Bar Date was July 2, 2018. **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

i) 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.

ii) 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.

iii) 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.

iv) 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.

3. 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.

4. 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.

B. Classification and Treatment of Claims and Interests

1. Classification of Claims and Interests

All Claims and Interests, except for Administrative Claims and Priority Tax Claims, are classified in the Classes set forth in Article III of the Plan. 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.

2. Treatment of Claims and Interests

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

SUMMARY OF PLAN TREATMENT AND EXPECTED RECOVERIES				
Class	Claim Interest/ Estimated Amount of Claims	Treatment of Claim/Interest	Projected Recovery Under the Plan	Voting Rights
1	Priority Non-Tax Claims	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.	100%	Deemed to Accept
2a	Other Secured Claims	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	100%	Deemed to Accept

SUMMARY OF PLAN TREATMENT AND EXPECTED RECOVERIES				
Class	Claim Interest/ Estimated Amount of Claims	Treatment of Claim/Interest	Projected Recovery Under the Plan	Voting Rights
		contingent, unliquidated or otherwise not Allowed.		
2b	Quality Secured Claim	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.	Unknown	Entitled to Vote
3	CCP Finance DIP Claim	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	Unknown	Entitled to vote

SUMMARY OF PLAN TREATMENT AND EXPECTED RECOVERIES				
Class	Claim Interest/ Estimated Amount of Claims	Treatment of Claim/Interest	Projected Recovery Under the Plan	Voting Rights
		<p>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.</p> <p>The principal terms of the CCP DIP Payment Note are set forth in Article III.C.5.b of the Plan.</p>		
4	CCP Finance Prepetition Claim	<p>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</p>	Unknown	Entitled to vote

SUMMARY OF PLAN TREATMENT AND EXPECTED RECOVERIES				
Class	Claim Interest/ Estimated Amount of Claims	Treatment of Claim/Interest	Projected Recovery Under the Plan	Voting Rights
		<p>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.</p> <p>The principal terms of the New CCP Note are set forth in Article III.C.6.b of the Plan.</p>		
5	CCP Cure Claim	<p>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. of the Plan.</p> <p>The principal terms of the CCP Cure Note are set forth in Article III.C.7.b of the Plan.</p>	Unknown	Entitled to vote
6	General Unsecured Claims	Except to the extent that a Holder of an Allowed General Unsecured Claim agrees to a less favorable	4.5% - 6.25%	Entitled to vote

SUMMARY OF PLAN TREATMENT AND EXPECTED RECOVERIES				
Class	Claim Interest/ Estimated Amount of Claims	Treatment of Claim/Interest	Projected Recovery Under the Plan	Voting Rights
		<p>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 shall receive a <i>Pro Rata</i> share of (i) \$300,000 payable upon the Effective Date, (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.</p> <p>As further detailed in the Plan Supplement, for the period commencing on the Effective Date and terminating five (5) years after the Effective Date, with respect to (i) the Reorganized Debtors'</p>		

SUMMARY OF PLAN TREATMENT AND EXPECTED RECOVERIES				
Class	Claim Interest/ Estimated Amount of Claims	Treatment of Claim/Interest	Projected Recovery Under the Plan	Voting Rights
		<p>Post-Effective Date Net Operating Income, and (ii) the proceeds of any Disposition, the Net Operating Income and the Disposition Proceeds shall be distributed in accordance with Article III.C.7.b of the Plan.</p> <p>For the avoidance of doubt, the Post-Effective Date Net Operating Income and Distribution Proceeds, if any, shall be distributed in the following priority:</p> <p>(i) to satisfy any and all expenses and related costs of such Post-Effective Date Net Operating Income or Disposition, including but not limited to, taxes and attorneys' fees;</p> <p>(ii) to satisfy any outstanding obligations owed to any Sabra Entity;</p> <p>(iii) to satisfy any other outstanding secured claims against the Reorganized Debtor that generated the Post-Effective Date Net Operating Income or whose equity is the subject of the Disposition;</p> <p>(iv) to the extent any Member provided a capital contribution after the Effective Date</p>		

SUMMARY OF PLAN TREATMENT AND EXPECTED RECOVERIES				
Class	Claim Interest/ Estimated Amount of Claims	Treatment of Claim/Interest	Projected Recovery Under the Plan	Voting Rights
		(excluding any New Value Contribution), to the repayment of such capital contribution (excluding any New Value Contribution); and (v) the remaining proceeds shall be distributed between the Members and Holders of Allowed General Unsecured Claims, as set forth in the above chart.		
7	Intercompany Claims	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	100% or 0%	Deemed to Accept

SUMMARY OF PLAN TREATMENT AND EXPECTED RECOVERIES				
Class	Claim Interest/ Estimated Amount of Claims	Treatment of Claim/Interest	Projected Recovery Under the Plan	Voting Rights
		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.		
8	Subordinated Claims	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.	0%	Deemed to Reject
9	Convenience Class Claims	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	100%	Deemed to Accept

SUMMARY OF PLAN TREATMENT AND EXPECTED RECOVERIES				
Class	Claim Interest/ Estimated Amount of Claims	Treatment of Claim/Interest	Projected Recovery Under the Plan	Voting Rights
		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.		
10	Intercompany Interests	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.	N/A	Deemed to Accept
11	Interests (Other than Class 10 Intercompany Interests)	No distribution shall be made on account of Allowed Interests.	N/A	Deemed to Reject

C. Means for Implementation of Plan

1. 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 of the Plan. 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.

2. 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.

3. 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.

4. 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.

As further detailed in the Plan Supplement, for the period commencing on the Effective Date and terminating five (5) years after the Effective Date, with respect to (i) the Reorganized Debtors' Post-Effective Date Net Operating Income, and (ii) the proceeds of any Disposition, the Net Operating Income and the Disposition Proceeds shall be distributed as follows:

Time	Sharing of Net Operating Income and/or Disposition Proceeds
0-24 months after Effective Date	5% Members/95% Holders of Allowed General Unsecured Claims
25-48 months after Effective Date	50% Members/50% Holders of Allowed General Unsecured Claims
49-60 months after Effective Date	75% Members/25% Holders of Allowed General Unsecured Claims
60 months or more after Effective Date	100% to Members

For the avoidance of doubt, the Post-Effective Date Net Operating Income and Distribution Proceeds, if any, shall be distributed in the following priority:

- (i) to satisfy any and all expenses and related costs of such Post-Effective Date Net Operating Income or Disposition, including but not limited to, taxes and attorneys' fees;
- (ii) to satisfy any outstanding obligations owed to any Sabra Entity;
- (iii) to satisfy any other outstanding secured claims against the Reorganized Debtor that generated the Post-Effective Date Net Operating Income or whose equity is the subject of the Disposition;
- (iv) to the extent any Member provided a capital contribution after the Effective Date (excluding any New Value Contribution), to the repayment of such capital contribution (excluding any New Value Contribution); and
- (v) the remaining proceeds shall be distributed between the Members and Holders of Allowed General Unsecured Claims, as set forth in the above chart.

5. 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 Documents, 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. For the avoidance of doubt, the Reorganized Debtors shall release all Causes of Action under section 547 of the Bankruptcy Code. 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.

6. 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.

7. 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.

8. 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. Additional information concerning the terms of his employment shall be included in the Plan Supplement.

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.

9. 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.

10. 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).

11. 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.

12. 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. As the WV Debtors are pass-through entities for income tax purposes, all tax burdens and benefits flow through to the Members, including without limitation any liabilities arising from the cancellation of indebtedness.

13. 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.

14. 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].

15. 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, and all Liens.

16. Dissolution of Certain Non-Debtor Affiliates

The WV Debtors or Reorganized Debtors shall be authorized to take any actions necessary to dissolve the following non-debtor affiliates of the WV Debtors under applicable state law: Wachusett Healthcare Management Company ("WHMC"), WV-Concord SNF PROPCO, LLC, WV-Rockport SNF PROPCO, LLC, WV-Quincy SNF PROPCO, LLC (collectively, the "Propco Affiliates").

WHMC was established serve as the management company for the Debtors, however, no operations were ever commenced by this affiliate. WHMC has no assets, however, it was named as the tenant on the WV Debtors' headquarters lease which has since been terminated. The Propco Affiliates were established in order to provide special purpose vehicles to own real estate in the event any of the WV Debtors exercised purchase options under the applicable lease agreements. The Propco Affiliates have never had any operations and do not have any current assets or liabilities.

17. Potential Dissolution of Closed Facilities

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

In addition, the WV Debtors, in consultation with the Sabra Entities, are considering whether to cease operations at the facility operated by WV – Rockport SNF OPCO, LLC (the “Rockport Facility”). While the WV-Debtors intend on operating the Rockport Facility for a period of not less than six (6) months, the Reorganized Debtors may elect to transition or wind-down that facility after that period. The WV Debtors anticipate that payments to Class 6 General Unsecured Creditors would be unaffected by such closure or transition.

18. 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.

D. Treatment of Executory Contracts and Unexpired Leases

1. 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 of the Plan 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.

2. 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 of the Plan.

3. 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 of the Plan shall govern the assumption and cure of the Master Leases.

Further, 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 Debtors’ Medicare Provider Agreements and federal Medicare laws and regulations, will not be impacted by the confirmation of the Plan.

E. 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.

F. 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.

G. Retirement Plans

Except as otherwise provided in the 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 the 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 the 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.

H. 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.

I. 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.

J. 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.

K. Amendments to Master Leases and CCP Cure Claim

Notwithstanding the other provisions of the Plan, the provisions of Article V. J. of the Plan 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 in the Plan, and all cure obligations shall be deemed satisfied pursuant to the treatment provided in Article III of the Plan with respect to the CCP Cure Claim. The principal terms governing the amendment and assumption of the Master Leases are set forth in Article V.J. of the Plan.

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 Article V. J. of the Plan, the provisions of Article III of the Plan with respect to the CCP Cure Claim and the Releases granted pursuant to Article VIII.D. of the Plan.

The WV Debtors have determined that the settlement is in the best interests of their Estates and is fair and equitable. The Master Landlords are compromising on the amount of their cure claim and are making significant concessions, including a reduction of rent and extension of lease terms. In particular, the Master Landlords have made several concessions that will enable the WV Debtors to make payments to other creditors under the Plan, including (i) permitting the use of escrow funds of up to \$250,000 on the Effective Date for plan payments, (ii) waiving required capital expenditure escrow payments for a period; and (iii) deferring rent for the month of January 2019 for a year. In addition, the Sabra Entities shall establish a Members Income Tax Escrow whereby 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 for 45 months. 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. Finally, and most significantly, the WV Debtors will not be making any payment on account of the CCP Cure Claim if there is no default under the Master Lease. The WV Debtors believe the settlement avoids the expense and delay if the claims of the Master Landlords were litigated. Moreover, the settlement enables the WV Debtors to remain in their facilities, which avoids the cost and disruption that would accompany any termination of the Master Leases.

L. 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. However, the parties have further agree: (i) that the WV Debtors shall no

longer be bound to keep the existence of the Settlement Agreement and the circumstances which led to its execution confidential; (ii) that the release granted to Mr. Cuzzupoli in the Settlement Agreement remains valid; and (iii) notwithstanding the forgoing, the WV Debtors will have no further obligations of any sort to Mr. Cuzzupoli following Effective Date of the Plan. In connection with these agreements Mr. Cuzzupoli agrees that he will not oppose any of the relief sought by the WV Debtors in connection with the Plan.

M. Provisions Governing Distributions

1. 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.

2. 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.

3. Rights and Powers of Disbursing Agent

i) 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 of the Plan.

ii) 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.

4. Delivery of Distributions and Undeliverable or Unclaimed Distributions

i) Delivery of Distributions

Subject to Article VI of the Plan, 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.

ii) Minimum Distributions

Notwithstanding any other provision of the 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.

iii) 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.

5. Manner of Payment

All distributions of Cash under the Plan shall be made by the Disbursing Agent on behalf of the applicable WV Debtor (or WV Debtors). 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.

6. 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.

7. 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.

8. 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.

9. Claims Paid or Payable by Third Parties

i) 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.

ii) 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.

iii) 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.

N. Procedures for Resolving Contingent, Unliquidated and Disputed Claims

1. 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.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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.

7. 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.

O. Settlement, Release, Injunction and Related Provisions

1. 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.

2. 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.

3. 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.

4. 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.

The WV Debtors have conducted a review of the potential causes of action which may exist against the Sabra Releasees and have determined in their business judgement that it no viable causes of action exist against such parties, and even to the extent a potential claim does exist the costs of pursuing such causes of action and/or the likelihood of success on such actions do not justify pursuing any such claims. In addition, as reflected above in Section IV.K, the Sabra Entities have made significant concessions with respect to the Master Leases to enable the WV Debtors to accomplish the restructuring and make the payments contemplated under the Plan.

5. 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. Specifically, there are no claims against Mr. Cuzzupoli that arise under the Cuzzupoli Settlement Agreement.

The releases being sought under the Plan are essential to the Plan and its consummation. Without such releases, the Release Parties would not provide the New Value Contribution nor would they be willing to hold the interests (either directly or indirectly) in the Reorganized Debtors.

6. 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.

7. 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 of the Plan, 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 of the Plan. 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.D discharged pursuant to Article VIII.B, or are subject to exculpation pursuant to Article VIII.E 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 shall be fully released and discharged, and the Interests shall be cancelled, 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.

8. 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.

9. Police Powers Exception

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.

P. Conditions Precedent to Consummation of the Plan

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 of the Plan:

- a. The Bankruptcy Court shall have entered the Confirmation Order.
- b. Any amendments, modifications, or supplements to the Plan (including the Plan Supplement), if any, shall be reasonably acceptable to the WV Debtors.
- c. All actions, documents, certificates, and agreements necessary to implement the 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.
- d. The Professional Fee Escrow Account shall have been established and funded.

1. 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.

2. Effect of Failure of Conditions.

If the Consummation of the Plan does not occur within one month 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.

Q. Modification, Revocation or Withdrawal of the Plan

1. 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.

2. 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.

3. 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.

R. 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 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 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.

V. CONFIRMABILITY AND SEVERABILITY OF A PLAN AND CRAM DOWN

At the Confirmation Hearing, the Bankruptcy Court will confirm the Plan only if all of the requirements of section 1129 of the Bankruptcy Code are met. Among the requirements for confirmation are that the Plan (i) is accepted by all Classes of Claims and Interests or, if rejected by an impaired Class, the Plan “does not discriminate unfairly” and is “fair and equitable” as to such Class, (ii) is feasible and (iii) is in the “best interests” of holders of Claims and Interests impaired under the Plan.

The Bankruptcy Code contains provisions for confirmation of a plan even if it is not accepted by all classes. These so-called “cramdown” provisions are set forth in section 1129(b) of the Bankruptcy Code, which provides that a plan can be confirmed even if it has not been accepted by all impaired classes of claims and equity interests as long as at least one impaired class of non-insider claims has voted to accept the plan and the plan “does not discriminate unfairly” and is “fair and equitable” with respect to each class of impaired claims and interests.

A. Confirmability and Severability of a Plan.

Subject to Article X of the Plan, the WV Debtors reserve the right to alter, amend, modify, revoke or withdraw the Plan. If the WV Debtors revoke or withdraw the Plan then nothing contained herein or in the Plan shall be deemed to constitute a waiver or release of any Claims by or against the WV Debtors, or to prejudice in any manner the rights of the WV Debtors or any persons in any further proceedings involving the WV Debtors. A determination by the Bankruptcy Court that the Plan is not confirmable pursuant to section 1129 of the Bankruptcy Code shall not limit or affect the WV Debtors’ ability to modify the Plan to satisfy the confirmation requirements of section 1129 of the Bankruptcy Code. Each provision of the Plan shall be considered separable and, if for any reason any provision or provisions therein are determined to be invalid and contrary to any existing or future law, the balance of the Plan shall be given effect without relation to the invalid provision.

B. Cramdown.

The WV Debtors shall have the right to request the Bankruptcy Court to confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code.

VI. ESTIMATED DISTRIBUTIONS

The estimated distribution amounts set forth in this Disclosure Statement do not include any potential recoveries from Causes of Action that may be pursued in the future by the Plan Administrator. Unless otherwise provided in the Plan, all Causes of Action are preserved for the WV Debtors and their Estates. The likely proceeds of the Causes of Action are uncertain and highly speculative at this point. Accordingly, the WV Debtors are unable to project what recovery may be realized through the prosecution of the Causes of Action.

The WV Debtors cannot reasonably estimate the amount that will ultimately be available to satisfy Claims if the Plan is confirmed, but the WV Debtors will have sufficient Assets to satisfy Allowed Administrative Claims, Fee Claims, Priority Non-Tax Claims, U.S. Trustee Claims, and to make a distribution on account of Class 5 General Unsecured Claims.

VII. VOTING REQUIREMENTS, ACCEPTANCE, CONFIRMATION AND CONSUMMATION OF THE PLAN

A. General.

To confirm the Plan, the Bankruptcy Code requires that the Bankruptcy Court make a series of findings concerning the Plan and the WV Debtors, including that: (i) the Plan classifies Claims in a permissible manner; (ii) the Plan complies with the applicable provisions of the Bankruptcy Code; (iii) the WV Debtors complied with the applicable provisions of the Bankruptcy Code; (iv) the WV Debtors have proposed the Plan in good faith and not by any means forbidden by law; (v) the disclosure required by section 1125 of the Bankruptcy Code has been made; (vi) the Plan has been accepted by the requisite votes of holders of Claims, except to the extent that “cram-down” is available under section 1129(b) of the Bankruptcy Code (see below discussion on “Cram-down,” **Section VII.G**); (vii) the Plan is feasible and confirmation of the Plan will not likely be followed by the liquidation or the need for further financial reorganization of the WV Debtors, unless such liquidation is proposed under the Plan; (viii) the Plan is in the “best interests” of all holders of Claims in an impaired Class by providing to such holders on account of their Claims property of a value, as of the Effective Date, that is not less than the amount that such holder would receive or retain in a Chapter 7 liquidation, unless each holder of a Claim in such Class has accepted the Plan (see **Section VII.I**) entitled “Best Interests of Creditors”); (ix) all fees and expenses payable under 28 U.S.C. § 1930 (relating to bankruptcy fees payable to the clerk of the Bankruptcy Court and U.S. Trustee Fees) have been paid or the Plan provides for the payment of such fees on the Effective Date; and (x) the WV Debtors must have disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director or officer of the WV Debtors or as successor to the WV Debtors under the Plan, and the appointment to or continuance in such office by such individual must be consistent with public policy.

The WV Debtors believe that the Plan satisfies all of the statutory requirements of Chapter 11 of the Bankruptcy Code. Certain of these requirements are discussed in more detail below. The WV Debtors have proposed the Plan in good faith.

In addition, the Disclosure Statement shall serve as a motion by the WV Debtors for a waiver of the 14-day stay imposed by Bankruptcy Rule 6004.

B. Eligibility to Vote.

Pursuant to the Bankruptcy Code, only classes of claims against or interests of a debtor that are “impaired” (within the meaning of section 1124 of the Bankruptcy Code) under the terms and provisions of a plan of reorganization or liquidation are entitled to vote to accept or reject a plan. A class is “impaired” if the legal, equitable, or contractual rights attaching to the claims or interests of that class are modified, other than by curing defaults and reinstating maturity. Classes of claims and interests that are not impaired are not entitled to vote on a plan and, under section 1126(f) of the Bankruptcy Code, are conclusively presumed to have accepted a plan. Therefore, the votes of holders of such unimpaired Classes are not being solicited. In addition, under section 1126(g), Classes of impaired Claims and Interests that receive no distributions under the Plan are deemed to have rejected the Plan and the votes of such holders will not be solicited. See “Summary of Classification and Treatment of Claims under the Plan” for a summary of the classification and treatment of Claims under the Plan, as well as a designation of whether each Class is impaired or unimpaired.

Under the Plan, only holders of Class 2b, 3, 4, 5 and 6 are impaired and entitled to vote to accept or reject the Plan. Any Claim in a Class entitled to vote as to which an objection has been filed and has not been withdrawn or dismissed prior to the Confirmation Hearing is not entitled to vote unless the Bankruptcy Court, pursuant to Bankruptcy Rule 3018(a) and upon application of the holder whose Claim has been objected to, temporarily allows the Claim in an amount that the Bankruptcy Court deems proper solely for the purpose of accepting or rejecting the Plan. Claims filed after the deadline to file proofs, unless deemed timely filed by the Bankruptcy Court, also are not entitled to vote.

C. Estimation and Temporary Allowance of Claims.

Pursuant to section 502 of the Bankruptcy Code and Bankruptcy Rule 3018, the Bankruptcy Court may estimate and temporarily allow a Claim for voting and other purposes. The WV Debtors or holders of particular Claims may seek an order of the Bankruptcy Court temporarily allowing, for voting purposes only, certain Disputed Claims.

D. Acceptance Requirements.

The Bankruptcy Code defines acceptance of a plan by a class of claims as acceptance by Creditors that hold at least two-thirds in dollar amount and more than one-half in number of the allowed claims of such class who actually vote for acceptance or rejection of a plan. The vote of a holder of a Claim may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that the acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

E. Transmission of Ballots.

All holders of undisputed Claims in Class 2b, 3, 4, 5 and 6 (including any Claims that are temporarily Allowed for voting purposes) as of July 30, 2018 are entitled to vote to accept or reject the Plan and may do so by completing the appropriate ballot which is enclosed with this Disclosure Statement. In most cases, each ballot enclosed with this Disclosure Statement has been encoded with the amount of your Claim for voting purposes (if your Claim is a Disputed Claim, this amount may not be the amount ultimately allowed for purposes of distributions under the Plan) and the Class to which your Claim relates. PLEASE CAREFULLY FOLLOW THE INSTRUCTIONS ACCOMPANYING THE ENCLOSED BALLOT, AS DESCRIBED IN THE INTRODUCTION OF THIS DISCLOSURE STATEMENT.

VOTING ON THE PLAN BY EACH HOLDER OF AN IMPAIRED CLAIM ENTITLED TO VOTE ON THE PLAN IS IMPORTANT. IF YOU HOLD CLAIMS IN MORE THAN ONE CLASS YOU MAY RECEIVE MORE THAN ONE BALLOT. YOU SHOULD COMPLETE, SIGN, AND RETURN EACH BALLOT THAT YOU RECEIVE.

F. Acceptances Required From Impaired Classes.

In order for a plan to be confirmed without resort to the “cram-down” provisions of the Bankruptcy Code, each Class of “impaired” Claims must be determined to have accepted the Plan. As previously mentioned, each Class of “impaired” Claims will be determined to have accepted the Plan if holders accept the Plan by votes (i) representing at least two-thirds in amount of Allowed Claims in such impaired Class of those holders actually voting and (ii) more than one-half in number of Allowed Claims in such Class of those holders actually voting.

The holders of Claims in Class 2b, 3, 4, 5 and 6 are “impaired” under the Plan, and the WV Debtors are soliciting acceptances for the Plan from the holders of Allowed Claims in such Classes. Holders of Claims in Classes 1, 2a, 7, 9 and 10 are unimpaired under the Plan and, therefore, are deemed to have accepted the Plan. Holders of Claims in Class 8 and 11 are impaired and deemed to reject the Plan.

G. Confirmation Without Acceptance of All Impaired Classes (“Cram-down”).

In the event that a plan otherwise satisfies the Bankruptcy Code’s requirements for confirmation, but one or more classes of claims votes to reject the plan, a debtor has the right to seek confirmation of its plan under the “cram-down” provisions of the Bankruptcy Code.

The Bankruptcy Court can “cram-down” the Plan at the WV Debtors’ request only if at least one impaired Class of Claims, (excluding the votes of insiders), has accepted the Plan and all other requirements of section 1129(a) of the Bankruptcy Code are satisfied.

In addition, the Bankruptcy Court must find that, as to each impaired Class that has not accepted the Plan, the Plan does not “discriminate unfairly” and is “fair and equitable” with respect to such non-accepting Class.

A plan does not “discriminate unfairly” within the meaning of the Bankruptcy Code if the dissenting class will receive value relatively equal to the value given to all other similarly situated classes.

A plan is “fair and equitable” within the meaning of the Bankruptcy Code if no class receives more than it is legally entitled to receive for its claims or interests.

A plan is “fair and equitable” as to a class of secured claims that rejects a plan if the plan provides (a)(i) that the holders of claims included in the rejecting class retain the liens securing those claims whether the property subject to those liens is retained by the debtor or transferred to another entity, to the extent of the allowed amount of such claims, and (ii) that each holder of a claim of such class receives on account of that claim deferred cash payments totaling at least the allowed amount of that claim, of a value, as of the effective date of the plan, equal to at least the value of the holder’s interest in the estate’s interest in such property; or (b) for the realization by such holders of the indubitable equivalent of such claims.

If a class of unsecured claims rejects a plan, the plan may still be confirmed as long as the plan provides (a) for each holder of a claim included in the rejecting class to receive or retain on account of that claim property that has a value, as of the effective date of the plan, equal to the allowed amount of such claim, or (b) that the holder of any claim or any interest that is junior to the claims of such class will not receive or retain on account of such junior claim or interest any property at all.

If a class of interests rejects a plan, the plan may still be confirmed as long as the plan provides (a) that each holder of an interest included in the rejecting class receive or retain on account of that interest property that has a value, as of the effective date of the plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled, or the value of such interest, or (b) that the holder of any interest that is junior to the interest of such class will not receive or retain under the plan on account of such junior interest any property at all.

Under the Plan, no holder in a Class of Claims is to receive Cash or other property in excess of the full amount of its Allowed Claim. Moreover, no Claim or Interest that is junior to the holders of General Unsecured Claims will receive any distribution under the Plan. Accordingly, the WV Debtors believe that the Plan does not discriminate unfairly as to any impaired Class of Claims or Interests and is fair and equitable with respect to each such Class under section 1129(b) of the Bankruptcy Code.

H. Feasibility of the Plan.

In connection with confirmation of the Plan, the Bankruptcy Court will have to determine that the Plan is feasible pursuant to section 1129(a)(11), which means that confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the WV Debtors unless the Plan provides for the liquidation of the WV Debtors. Since the Plan provides for the reorganization of the WV Debtors, the Bankruptcy Court will find that the

Plan is feasible if it determines that the WV Debtors will be able to satisfy the conditions precedent to the Effective Date and otherwise have sufficient funds to meet its post-Confirmation Date obligations to pay for the costs of administering and fully consummating the Plan. The WV Debtors believe that the Plan satisfies the financial feasibility requirement imposed by the Bankruptcy Code

I. Best Interests of Creditors.

To confirm the Plan over the objections of dissenting holders of impaired Claims, the Bankruptcy Court must also independently determine that the Plan is in the “best interests” of all dissenting holders of Claims impaired under the Plan. Under the “best interests” test, the Bankruptcy Court must find that the Plan provides to each dissenting holder of an impaired Claim a recovery of a value at least equal to the value, as of the Effective Date, of the distribution that each such holder would receive were the WV Debtors liquidated under Chapter 7 of the Bankruptcy Code. Here, since there are, as a practical matter, no unencumbered assets to be liquidated in a Chapter 7, the best interests test is satisfied.

To calculate a Chapter 7 trustee’s fees, section 326(a) of the Bankruptcy Code provides that such fee is calculated based on all moneys disbursed not to exceed 25 percent on the first \$5,000 or less, 10 percent on any amount in excess of \$5,000 but not in excess of \$50,000, 5 percent on any amount in excess of \$50,000 but not in excess of \$1,000,000, and reasonable compensation not to exceed 3 percent of such moneys in excess of \$1,000,000. Based on the WV Debtors’ projections of assets with a book value of \$8.5 million, it is likely that a Chapter 7 trustee’s commission alone could be approximately \$250,000. In addition to the Chapter 7 trustee’s fee, a Chapter 7 trustee would require the assistance of other professionals and such professionals’ fees would be in addition to the Chapter 7 trustee’s fee. Thus, the WV Debtors believe the Plan is in the best interest of Creditors and all Creditors are receiving value greater than or at least equal to the value, as of the Effective Date, of the distribution that each such holder would receive were the WV Debtors liquidated under Chapter 7 of the Bankruptcy Code.

In addition, in the experience of the WV Debtors’ management, it would cost approximately \$750,000 to wind-down the WV Debtors’ operations. This estimate does not include any potential liability arising under the WARN Act or any similar state or federal law concerning the termination of employees.

Further, in any liquidation, the WV Debtors would be unable to realize the full book value of their assets and therefore the book value does not represent the actual liquidation value of such assets. The book value of the WV Debtors’ assets have been adjusted in order to reflect what may ultimately be realized in a liquidation. In addition, the best interests test is also satisfied because all assets of the WV Debtors reflected on Exhibit B would be fully encumbered by the liens of the Sabra Entities as a result of its pre-petition debt, the post-petition debt, secured rejection damages and other claims, and thus are not available for distribution to any other class of creditors.

VIII. CERTAIN RISK FACTORS TO BE CONSIDERED

The holder of an impaired Claim should consider carefully the following risk factors as well as all of the other information contained in this Disclosure Statement, including the Plan and other Exhibits hereto, before deciding whether to vote to accept or reject the Plan.

The formulation of a plan of reorganization or liquidation is the principal purpose of a Chapter 11 case. The Plan sets forth the means for satisfying the holders of Claims against the WV Debtors.

The recovery projections included in this Disclosure Statement are dependent upon certain matters, most of which are beyond the control of the WV Debtors or Reorganized Debtors, as the case may be, and some of which may well not materialize. Unanticipated events and circumstances occurring subsequent to the preparation of the projections may affect the actual recoveries. Therefore, the actual recoveries achieved by the WV Debtors or Reorganized Debtors, as the case may be, may vary from the projected recoveries included herein. These variations may be material.

IX. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

THERE ARE A NUMBER OF MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS, RISKS AND UNCERTAINTIES ASSOCIATED WITH CONSUMMATION OF THE PLAN. INTERESTED PARTIES SHOULD READ CAREFULLY THE DISCUSSION SET FORTH IN THIS SECTION OF THIS DISCLOSURE STATEMENT FOR A DISCUSSION OF THE MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES AND RISKS FOR THE DEBTORS AND FOR HOLDERS OF CLAIMS AND EQUITY INTERESTS THAT ARE ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN RESULTING FROM THE TRANSACTIONS OCCURRING IN CONNECTION WITH THE PLAN.

The following discussion summarizes the material federal income tax consequences of the implementation of the Plan to the Debtors and to certain Holders of Claims that are entitled to vote to accept or reject the Plan. The following summary does not address the federal income tax consequences to Holders of Interests or Holders of Claims whose Claims are not Impaired or who are deemed to reject the Plan. This summary does not apply to a Holder of a Claim or Interest that is not a “United States person” (as such phrase is defined in the Internal Revenue Code of 1986, as amended (the “IRC”).

The following summary is based on the IRC, Treasury Regulations promulgated thereunder, judicial decisions, and published administrative rules and pronouncements of the Internal Revenue Service (the “IRS”), all as in effect on the date hereof. Changes in such rules or new interpretations thereof may have retroactive effect and could significantly affect the federal income tax consequences described below.

The federal income tax consequences of the Plan are complex and are subject to significant uncertainties. The Debtors have not requested a ruling or advice from the IRS or an opinion of counsel with respect to any of the tax aspects of the Plan. Thus, no assurance can be given as to the interpretation that the IRS will adopt. In addition, this summary generally does

not address foreign, state or local tax consequences of the Plan, nor does it address the federal income tax consequences of the Plan to special classes of taxpayers (such as broker-dealers, banks, mutual funds, insurance companies, other financial institutions, small business investment companies, persons who received their claims in whole or in part as compensation, regulated investment companies, persons holding a Claim as part of an integrated transaction, constructive sale, straddle or as part of a conversion transaction, and investors in pass-through entities). It also does not address the federal income tax consequences to foreign taxpayers and tax-exempt organizations (including certain pension funds) or agreements among Holders of Claims.

ACCORDINGLY, THE FOLLOWING SUMMARY OF MATERIAL FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM. ALL HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR TAX ADVISORS CONCERNING THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES APPLICABLE UNDER THE PLAN.

A. Consequences to the Debtors.

Wachusett Ventures, LLC is a limited liability company wholly owned by the Members that are non-Debtors. The WV Debtors are treated as disregarded entities for federal income tax purposes and thus any assets or liabilities of the WV Debtors are treated as the assets and liabilities of the Members.

B. Tax Consequences to WV Debtors.

The WV Debtors are not expected to experience any federal income tax consequences due to the Consummation of the Plan because they are disregarded entities for federal income tax purposes. Accordingly, they do not have any federal income tax liability and are not required to file federal income tax returns. Any federal income tax consequences of the WV Debtors' restructuring will flow up to the Members. In the event that the Members elect to convert the WV Debtors, or Wachusett Ventures, LLC to a C Corp., the transactions contemplated could result in significant tax liability to the Members and one or more of the WV Debtors.

EACH HOLDER OF A CLAIM OR INTEREST IS STRONGLY URGED TO CONSULT ITS OWN TAX ADVISOR REGARDING THE POTENTIAL FEDERAL, STATE, LOCAL OR FOREIGN TAX CONSEQUENCES OF THE PLAN.

IRS Circular 230 Notice: To ensure compliance with requirements imposed by the IRS in Circular 230, you are hereby informed that (i) any tax advice contained in this Disclosure Statement is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties under the Code, (ii) the advice is written to support the promotion or marketing of the transactions or matters addressed in the Disclosure Statement, and (iii) each holder of a Claim should seek advice based on its particular circumstances from an independent tax advisor.

C. Withholding and Reporting.

The WV Debtors and, after the Effective Date, the Reorganized Debtors, will withhold all amounts required by law to be withheld from payments to holders of Allowed Claims. For example, under federal income tax law, interest, dividends and other reportable payments may, under certain circumstances, be subject to backup withholding at the then applicable rate (currently 28%). Backup withholding generally applies only if the holder (i) fails to furnish its social security number or other taxpayer identification number (“TIN”); (ii) furnishes an incorrect TIN; (iii) fails properly to report interest or dividends; or (iv) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the TIN provided is its correct number and that it is not subject to backup withholding. Backup withholding is not an additional tax but merely an advance payment, which may be refunded to the extent it results in overpayment of tax. Certain persons are exempt from backup withholding, including corporations and financial institutions.

Treasury Regulations generally require disclosure by a taxpayer on its federal income tax return of certain types of transactions in which the taxpayer participated, including among other types of transactions, certain transactions that result in the taxpayer’s claiming a loss in excess of specified thresholds. The types of transactions that require disclosure are very broad; however, there are numerous exceptions. Holders are urged to consult their advisors regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the holder’s tax returns.

The foregoing summary has been provided for informational purposes only. All holders of Claims are urged to consult their tax advisors concerning the federal, state, local and foreign tax consequences applicable under the Plan.

X. ALTERNATIVES TO CONFIRMATION OF THE PLAN

The WV Debtors believe that the Plan affords the holders of Claims the potential for the greatest realization on the WV Debtors’ Assets and, thus, is in the best interests of such holders. If the Plan is not confirmed, however, the alternative would be the liquidation of the WV Debtors’ remaining Assets and distribution to Creditors under Chapter 7. As discussed, the WV Debtors believe that the Plan is significantly better for Creditors than a Chapter 7 liquidation.

XI. ALTERNATIVE PLANS OF REORGANIZATION

If the Plan is not confirmed, the WV Debtors or any other party-in-interest in the Chapter 11 Cases could propose a different plan or plans. The WV Debtors believe that under an alternative plan there would be little, if any, funds available for distribution to Creditors in the Chapter 11 Cases. Moreover, the filing of alternative plans would result in additional costs in administering the Chapter 11 Cases and significant delays in making distributions.

XII. CONFIRMATION HEARING

By order of the Bankruptcy Court dated [____], 2018, the Confirmation Hearing has been scheduled for September 21, 2018 at 9:30 a.m. (Eastern Time) which will continue on September 13, 2018 at 2:00 p.m., if necessary, before the Honorable Frank J. Bailey, Chief United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Massachusetts (Eastern Division). The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement made at the Confirmation Hearing or any adjourned hearing. Any objection to confirmation must be made in writing, filed with the Clerk of the Bankruptcy Court and served upon the following parties, together with proof of service thereof, so as to be ACTUALLY RECEIVED on or before September 17, 2018 at 4:30 p.m. (Eastern Time):

For the WV Debtors:

Wachusett Ventures, LLC
Attn.: 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

-and-

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

For the Committee:

Todd A. Feinsmith
Francis J. Lawall
John H. Schanne
Pepper Hamilton LLP
Oliver Street Tower, 15th floor
125 High Street
Boston, MA 02110-2736
Tel: (617) 204-5100

Fax: (617) 204-5150

Email: feinsmitht@pepperlaw.com

For the DIP Lender:

Janet E. Bostwick

Janet E. Bostwick, PC

295 Devonshire Street

Boston, MA 02110

Tel: (617) 956-2670

Fax: (617) 422-1428

Email: jeb@bosticklaw.com

For the United States Trustee:

Eric K. Bradford

Office of the United States Trustee

5 Post Office Square

10th Floor, Suite 1000

Boston, MA 02109-3934

Tel: (617) 788-0415

Fax: (617) 565-6368

Email: Eric.K.Bradford@USDOJ.gov

Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014. **UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED IT WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.**

At the Confirmation Hearing, the Bankruptcy Court must determine whether the requirements of section 1129 of the Bankruptcy Code have been satisfied and, upon demonstration of such compliance, the Bankruptcy Court will enter the Confirmation Order.

XIII. CONCLUSION

The WV Debtors submit that the Plan complies in all respects with Chapter 11 of the Bankruptcy Code and the WV Debtors recommend to holders of Claims who are entitled to vote on the plan that they vote to accept the plan. The WV Debtors remind such holders that, to be counted, each ballot, signed and marked to indicate the holder's vote, must be actually received by no later than 4:30 p.m. (Eastern Time) on September 17, 2018, at the following address:

If By First Class Mail:

Donlin, Recano & Company, Inc.

Re: Wachusett Ventures, LLC, et al

PO Box 192016 Blythebourne Station

Brooklyn, NY 11219

If by Hand Delivery or Overnight Mail:

Donlin, Recano & Company, Inc.
Re: Wachusett Ventures, LLC, et al
6201 15th Avenue
Brooklyn, NY 11219

Dated: August 13, 2018
Boston, Massachusetts

Respectfully submitted,

Wachusett Ventures, LLC

By: Steven Vera
Title: Chief Operating Officer of Wachusett
Ventures, LLC

Dated: August 13, 2018
Boston, Massachusetts

NIXON PEABODY LLP

/s/Richard C. Pedone
Richard C. Pedone (BBO#630716)
100 Summer Street
Boston, Massachusetts 02110
Telephone: (617) 345-1000
Facsimile: (617) 345-1300
rpedone@nixonpeabody.com

-and-

Christopher M. Desiderio
Christopher J. Fong
55 West 46th Street
New York, NY 10036
Telephone: 212-940-3724
Facsimile: 855-900-8613
cdesiderio@nixonpeabody.com
cfong@nixonpeabody.com

Counsel to the WV Debtors

EXHIBIT A

EXHIBIT B

Wachusett Ventures, LLC
Consolidating Balance Sheet
April 30, 2018

	Management Company	Crossings East	Crossings West	Parkway Pavilion	Den-Mar Health	Quincy	Walden Health	Book Value	Liquidation Value	COMMENTS
ASSETS										
Cash	\$ 1,173,642	\$ (12)	\$ 398	\$ 90,751	\$ 165,123	\$ 94,959	\$ (19,227)	\$ 1,505,636	\$ 150,000	see note A
Accounts Receivable	-	1,348,333	437,941	2,058,789	1,167,843	1,908,916	419,399	\$ 7,341,221	7,215,193	see note B
Allowance for Bad Debt	-	(563,639)	(430,000)	(571,533)	(445,297)	(590,095)	(415,000)	\$ (3,015,564)	(3,015,564)	
Cap Ex Reserve	-	65,400	33,840	105,960	16,790	42,525	39,677	\$ 304,192	143,492	see note C
Insurance Reserve	-	40,145	20,766	63,549	-	-	-	\$ 124,460	-	see note C
Due to / from Management and affiliates	(2,660,425)	(229,125)	(21,783)	4,866,384	125,294	550,393	(1,437,658)	\$ 1,193,080	-	
Exchange	-	-	-	-	-	-	-	\$ -	-	
Due from Others	-	29,065	19,513	(13,296)	30,946	10,104	10,380	\$ 86,711	-	
Prepaid Insurance	9,894	142,357	21,683	163,781	77,906	133,778	24,365	\$ 573,765	111,250	see note D
Prepaid Expenses	391	-	-	-	-	1,870	-	\$ 2,261	-	
Other Current Assets	329,029	1,911	(89,736)	(16,516)	(54,981)	(57,023)	(20,674)	\$ 92,010	-	
Total Current Assets	(1,147,469)	834,435	(7,378)	6,747,870	1,083,624	2,095,428	(1,398,739)	8,207,771	4,604,371	
Fixed Assets	-	28,764	17,710	41,442	11,646	1,883	-	\$ 101,445	50,723	at 50% of book value
Deposits	-	46,216	17,844	41,952	15,928	14,396	10,780	\$ 147,116	147,116	at 100% of book value
Intangible Assets	50,000	-	-	-	-	-	-	\$ 50,000	-	
Total Assets	\$ (1,097,469)	\$ 909,415	\$ 28,175	\$ 6,831,265	\$ 1,111,198	\$ 2,111,707	\$ (1,387,959)	\$ 8,506,332	\$ 4,802,210	TOTAL ASSETS

Estimated Liabilities & Wind Down Costs

Pre-Petition Loan (Secured)		\$ (2,697,186)	
DIP Loan (Secured)		(1,800,000)	
Rejection Damage Claim (Secured)		(3,389,112)	One year Rent (all facilities)
Closure Costs (Admin)		(750,000)	see Note E
Chapter 7 Trustee Fees (Admin)		(150,000)	
U. S Trustee Fees		(50,000)	
Total Est. Liabilities & Wind Down Costs		\$ (8,836,298)	TOTAL LIABILITIES

\$ (4,034,088)	TOTAL AVAILABLE for Distributions to General Unsecured Creditors
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Note A: cash balance adjusted for estimated amount of \$ 150,000. June 1st balance was \$ 137,405 and July 6th balance was 173,106

Note B: Accounts Receivable adjusted to June 30, 2018 balances (as adjusted for MA Medicaid June payments received on 7-5-2018)

Crossings East	1,260,436
Crossings West	436,360
Parkway	1,898,851
Den-Mar	1,222,757
Quincy	2,006,556
Walden	390,233
Total	7,215,193

Note C: Capex and Insurance Reserve Escrows adjusted per SABRA records:

Capex Reserve	277,758
Ins. Reserve	42,292
RE Tax Reserve	(176,558)
	143,492

Note D: taken at 25% of the June 30th estimated balance due in fact that insurance will need to be carried through closure

	<u>April 30, 2018</u>	<u>Est. June 30th</u>
Crossings East	142,357	96,000
Crossings West	21,683	18,000
Parkway	163,781	117,000
Den-Mar	77,906	56,000
Quincy	133,778	130,000
Walden	24,365	20,000
Wachusett	9,894	8,000
Total	573,765	445,000
		@ 25%
		111,250.00

Note E: Closure costs estimates based on previous closures of WV facilities in CT and MA

	<u>State Closure Rate Provided</u>	<u>Est. Cost Low Range</u>	<u>Est. Cost High Range</u>	<u>Est. Cost Mid Range</u>
Crossings East	Yes	-	100,000	50,000
Parkway	Yes	-	100,000	50,000
Den-Mar	No	250,000	300,000	275,000
Quincy	No	350,000	400,000	375,000
Total		600,000	900,000	750,000

EXHIBIT C

**CREDITORS WHO RECEIVED PAYMENTS TOTALING MORE THAN \$6,225.00
WITHIN 90 DAYS OF THE PETITION DATE**

A.I.M. MUTUAL INSURANCE CO
ABILITY NETWORK INC
AFCO CREDIT CORP
AMERICAN BANKERS INS. COMPANY OF FLORIDA
AMERICAN EXPRESS
ANDERSON NUTRITION SERVICES
ASCENTIS CORP
BANK OF AMERICA
BANK OF AMERICA - MERCHANT SERVICES
BLUE CROSS & BLUE SHIELD OF MA
BOTTOM LINE COLLECTIONS
CAPITAL ONE
CENTERS FOR MEDICARE & MEDICAID SERVICES
CITY OF NEW LONDON
CLIFTON LARSON ALLEN
DONOGHUE, BARRET AND SINGAL
EASTERN PROPANE & OIL
ESTATE OF PHYLLIS WIERS
H&R HEALTHCARE
HAYMAC, LLC
HEALTHCARE SERVICES GROUP, INC.
HPC FOODSERVICE
HUNTINGTON POWER EQUIPMENT
LIFE SUPPLY CORPORATION
MARCUM LLP
MEDLINE INDUSTRIES INC.
NEHCEU 1199
NOREL SERVICE COMPANY INC
NURSE NETWORK LLC, THE
PHARMERICA
POINT CLICK CARE
PREFERRED THERAPY SOLUTIONS
QUALITY REHABILITATION SERVICES, LLC
SIEGEL, O'CONNOR, O'DONNELL & BECK
VCPI- VIRTUAL CARE PROVIDER, INC.

All persons and entities listed by each of the WV Debtors in response to Question 3(b) in their respective Statements of Financial Affairs filed by the WV Debtors in the Chapter 11 Cases.

**INSIDERS WHO RECEIVED PAYMENTS TOTALING MORE THAN \$6,225.00
WITHIN 1 YEAR OF THE PETITION DATE**

RAYMOND DENNEHY
STEVEN VERA
WACHUSETT VENTURES LLC
WV – BROCKTON SNF, LLC
WV-CONCORD SNF OPCO LLC
WV-CROSSINGS EAST LLC
WV-CROSSINGS WEST LLC
WV-PARKWAY PAVILION LLC
WV-QUINCY SNF OPCO LLC
WV-ROCKPORT SNF OPCO LLC

All persons and entities listed by each of the WV Debtors in response to Question 3(c) in their respective Statements of Financial Affairs filed by the WV Debtors in the Chapter 11 Cases.

EXHIBIT D

Wachusett Ventures and Affiliated Nursing Facilities Monthly Cash Flow Forecast September 1, 2018 - December 31, 2019

	September 2018	October 2018	November 2018	December 2018	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019	TOTAL
Cash Receipts:																	
a Patient Receipts	3,284,757	3,182,467	3,284,757	3,182,467	3,284,757	3,284,757	2,977,887	3,284,757	3,182,467	3,284,757	3,182,467	3,284,757	3,284,757	3,182,467	3,284,757	3,182,467	51,635,506
Total Cash Receipts	3,284,757	3,182,467	3,284,757	3,182,467	3,284,757	3,284,757	2,977,887	3,284,757	3,182,467	3,284,757	3,182,467	3,284,757	3,284,757	3,182,467	3,284,757	3,182,467	51,635,506
Cash Disbursements:																	
b Wages and Salaries	1,090,796	1,059,188	1,059,188	1,090,796	1,173,015	1,100,900	1,595,197	1,068,976	1,068,976	1,100,900	1,100,900	1,603,464	1,100,900	1,068,976	1,068,976	1,100,900	18,452,048
Payroll Taxes	453,398	441,230	441,230	453,398	478,519	457,764	672,037	445,472	445,472	457,764	457,764	668,208	457,764	445,472	445,472	457,764	7,678,728
c Benefits	146,300	146,300	146,300	146,300	146,300	146,300	146,300	146,300	146,300	146,300	153,170	153,170	153,170	153,170	153,170	153,170	2,382,020
Workers Compensation	44,992	44,992	44,992	44,992	44,992	44,992	44,992	44,992	44,992	44,992	44,992	44,992	44,992	44,992	44,992	44,992	719,872
Business Insurance	45,648	45,648	45,648	45,648	45,648	45,648	45,648	45,648	45,648	45,648	45,648	45,648	45,648	45,648	45,648	45,648	730,368
Nursing Supplies	65,319	65,319	65,319	65,319	65,319	65,319	65,319	65,319	65,319	65,319	65,319	65,319	65,319	65,319	65,319	65,319	1,045,104
Therapy Service	203,285	203,285	203,285	203,285	203,285	203,285	203,285	203,285	203,285	203,285	203,285	203,285	203,285	203,285	203,285	203,285	3,252,560
Pharmacy	73,413	73,413	73,413	73,413	73,413	73,413	73,413	73,413	73,413	73,413	73,413	73,413	73,413	73,413	73,413	73,413	1,174,608
Ancillary Services	11,514	11,514	11,514	11,514	11,514	11,514	11,514	11,514	11,514	11,514	11,514	11,514	11,514	11,514	11,514	11,514	184,224
Food & Dietary Supplies	91,812	91,812	91,812	91,812	91,812	91,812	91,812	91,812	91,812	91,812	91,812	91,812	91,812	91,812	91,812	91,812	1,468,992
Dietary Purchased Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housekeeping/Laundry Service	123,220	123,220	123,220	123,220	123,220	123,220	123,220	123,220	123,220	123,220	123,220	123,220	123,220	123,220	123,220	123,220	1,971,520
Utilities	76,552	76,552	76,552	76,552	76,552	76,552	76,552	76,552	76,552	76,552	76,552	76,552	76,552	76,552	76,552	76,552	1,224,832
Repair & Maintenance	32,312	32,312	32,312	32,312	32,312	32,312	32,312	32,312	32,312	32,312	32,312	32,312	32,312	32,312	32,312	32,312	516,992
Office Expense & Supplies	23,033	23,033	23,033	23,033	23,033	23,033	23,033	23,033	23,033	23,033	23,033	23,033	23,033	23,033	23,033	23,033	368,528
Medical Director	10,560	10,560	10,560	10,560	10,560	10,560	10,560	10,560	10,560	10,560	10,560	10,560	10,560	10,560	10,560	10,560	168,960
Legal & Accounting	36,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	111,000
Information Technology	21,683	21,683	21,683	21,683	21,683	21,683	21,683	21,683	21,683	21,683	21,683	21,683	21,683	21,683	21,683	21,683	346,928
Miscellaneous	27,411	27,411	27,411	27,411	27,411	27,411	27,411	27,411	27,411	27,411	27,411	27,411	27,411	27,411	27,411	27,411	438,576
Provider Tax (User Fee)	-	735,000	-	-	735,000	-	-	735,000	-	-	735,000	-	-	735,000	-	-	3,675,000
Real Estate Tax	42,050	42,050	42,050	42,050	42,050	42,050	42,050	42,050	42,050	42,050	42,050	42,050	42,050	42,050	42,050	42,050	672,800
Reserves - Capex & Security Dep.	16,175	16,175	16,175	16,175	16,175	16,175	16,175	16,175	16,175	16,175	16,175	16,175	16,175	16,175	16,175	16,175	258,800
Rent	191,782	191,782	191,782	191,782	191,782	191,782	191,782	191,782	191,782	191,782	191,782	191,782	191,782	191,782	191,782	191,782	3,068,512
Total Operating Disbursements	2,827,255	3,487,479	2,752,479	2,796,255	3,638,595	2,810,725	3,519,295	3,501,509	2,766,509	2,810,725	3,552,595	3,530,603	2,817,595	3,508,379	2,773,379	2,817,595	49,910,972
Cash Flow from Operations	457,502	(305,012)	532,278	386,212	(353,838)	474,032	(541,408)	(216,752)	415,958	474,032	(370,128)	(245,846)	467,162	(325,912)	511,378	364,872	1,724,534
d MA Provider Tax Withold	87,750	87,750	87,750	87,750	87,750	87,750											526,500
Loan Items:																	
Loan Payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Payment																	-
Total Loan Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow	369,752	(392,762)	444,528	298,462	(441,588)	386,282	(541,408)	(216,752)	415,958	474,032	(370,128)	(245,846)	467,162	(325,912)	511,378	364,872	1,198,034
Cash, Beginning	-	369,752	(23,010)	421,519	719,981	278,393	664,675	123,268	(93,484)	322,474	796,506	426,378	180,533	647,695	321,783	833,161	
Cash, Ending	369,752	(23,010)	421,519	719,981	278,393	664,675	123,268	(93,484)	322,474	796,506	426,378	180,533	647,695	321,783	833,161	1,198,034	

Notes:
a Patient receipts were determined by using revenue for facility projections based on the occupancy and payer mix of the first quarter 2018 for that facility with adjustments to HV-N (mix) & Parkway (occupancy) at 98.5% collectability
b Wages represent increases pursuant to the Connecticut (SEIU) and Massachusetts (UFCW) Union contracts
c Health Insurance reflects a five percent annual increase
d Quincy - MA User Fee for Q2 2017, Q3 2017 and Q4 2017 in the amount of \$ 625,547 being withheld from payments for April 2018 thru February 2019 (\$ 54,450/mth)
Den-Mar - MA User Fee for Q2 2017, Q3 2017 and Q4 2017 in the amount of \$ 355,302 being withheld from payments for April 2018 thru February 2019 (\$ 33,300/mth)

Den-Mar is assumed to be in operation

Elimination of rent escalation and security deposit was assumed however capital expense reserve payments were included

SABRA Legal and Other Fees not included nor are any post-effective date fees or expenses of CCP or Landlord.

Harbor Village - North Monthly Cash Flow Forecast September 1, 2018 - December 31, 2019

	September 2018	October 2018	November 2018	December 2018	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019	TOTAL
Cash Receipts:																	
Patient Receipts	866,158	839,281	866,158	839,281	866,158	866,158	785,529	866,158	839,281	866,158	839,281	866,158	866,158	839,281	866,158	839,281	13,616,635
Total Cash Receipts	866,158	839,281	866,158	839,281	866,158	866,158	785,529	866,158	839,281	866,158	839,281	866,158	866,158	839,281	866,158	839,281	13,616,635
Cash Disbursements:																	
Wages and Salaries	277,780	265,224	265,224	277,780	293,240	280,558	414,496	267,876	267,876	280,558	280,558	401,814	280,558	267,876	267,876	280,558	4,669,852
Payroll Taxes	102,143	98,050	98,050	102,143	107,298	103,164	152,679	99,030	99,030	103,164	103,164	148,545	103,164	99,030	99,030	103,164	1,720,848
Benefits	46,769	46,769	46,769	46,769	46,769	46,769	46,769	46,769	46,769	46,769	49,108	49,108	49,108	49,108	49,108	49,108	762,338
Workers Compensation	15,369	15,369	15,369	15,369	15,369	15,369	15,369	15,369	15,369	15,369	15,369	15,369	15,369	15,369	15,369	15,369	245,904
Business Insurance	8,570	8,570	8,570	8,570	8,570	8,570	8,570	8,570	8,570	8,570	8,570	8,570	8,570	8,570	8,570	8,570	137,120
Nursing Supplies	14,260	14,260	14,260	14,260	14,260	14,260	14,260	14,260	14,260	14,260	14,260	14,260	14,260	14,260	14,260	14,260	228,160
Therapy Service	51,896	51,896	51,896	51,896	51,896	51,896	51,896	51,896	51,896	51,896	51,896	51,896	51,896	51,896	51,896	51,896	830,336
Pharmacy	13,966	13,966	13,966	13,966	13,966	13,966	13,966	13,966	13,966	13,966	13,966	13,966	13,966	13,966	13,966	13,966	223,456
Ancillary Services	3,859	3,859	3,859	3,859	3,859	3,859	3,859	3,859	3,859	3,859	3,859	3,859	3,859	3,859	3,859	3,859	61,744
Food & Dietary Supplies	25,064	25,064	25,064	25,064	25,064	25,064	25,064	25,064	25,064	25,064	25,064	25,064	25,064	25,064	25,064	25,064	401,024
Dietary Purchased Service																	-
Housekeeping/Laundry Service	36,432	36,432	36,432	36,432	36,432	36,432	36,432	36,432	36,432	36,432	36,432	36,432	36,432	36,432	36,432	36,432	582,912
Utilities	18,413	18,413	18,413	18,413	18,413	18,413	18,413	18,413	18,413	18,413	18,413	18,413	18,413	18,413	18,413	18,413	294,608
Repair & Maintenance	7,351	7,351	7,351	7,351	7,351	7,351	7,351	7,351	7,351	7,351	7,351	7,351	7,351	7,351	7,351	7,351	117,616
Office Expense & Supplies	4,887	4,887	4,887	4,887	4,887	4,887	4,887	4,887	4,887	4,887	4,887	4,887	4,887	4,887	4,887	4,887	78,192
Medical Director	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	44,800
Legal & Accounting																	-
Information Technology	3,737	3,737	3,737	3,737	3,737	3,737	3,737	3,737	3,737	3,737	3,737	3,737	3,737	3,737	3,737	3,737	59,792
Miscellaneous	4,227	4,227	4,227	4,227	4,227	4,227	4,227	4,227	4,227	4,227	4,227	4,227	4,227	4,227	4,227	4,227	67,632
Provider Tax (User Fee)		210,000			210,000			210,000			210,000			210,000			1,050,000
Real Estate Tax	15,142	15,142	15,142	15,142	15,142	15,142	15,142	15,142	15,142	15,142	15,142	15,142	15,142	15,142	15,142	15,142	242,272
Reserves - Capex & Security Dep.	4,267	4,267	4,267	4,267	4,267	4,267	4,267	4,267	4,267	4,267	4,267	4,267	4,267	4,267	4,267	4,267	68,272
Rent	34,134	34,134	34,134	34,134	34,134	34,134	34,134	34,134	34,134	34,134	34,134	34,134	34,134	34,134	34,134	34,134	546,144
Total Operating Disbursements	691,066	884,417	674,417	691,066	921,681	694,865	878,318	888,049	678,049	694,865	907,204	863,841	697,204	890,388	680,388	697,204	12,433,022
Cash Flow from Operations	175,092	(45,136)	191,741	148,215	(55,523)	171,293	(92,789)	(21,891)	161,232	171,293	(67,923)	2,317	168,954	(51,107)	185,770	142,077	1,183,613
MA Provider Tax Withold																	
Loan Items:																	
Loan Payment																	-
Interest Payment																	-
Total Loan Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow	175,092	(45,136)	191,741	148,215	(55,523)	171,293	(92,789)	(21,891)	161,232	171,293	(67,923)	2,317	168,954	(51,107)	185,770	142,077	1,183,613
Cash, Beginning	-	175,092	129,956	321,697	469,912	414,388	585,681	492,892	471,001	632,233	803,526	735,603	737,919	906,873	855,766	1,041,536	
Cash, Ending	175,092	129,956	321,697	469,912	414,388	585,681	492,892	471,001	632,233	803,526	735,603	737,919	906,873	855,766	1,041,536	1,183,613	

Parkway Pavilion

Monthly Cash Flow Forecast

September 1, 2018 - December 31, 2019

	September 2018	October 2018	November 2018	December 2018	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019	TOTAL
Cash Receipts:																	
Patient Receipts	1,119,947	1,085,312	1,119,947	1,085,312	1,119,947	1,119,947	1,016,045	1,119,947	1,085,312	1,119,947	1,085,312	1,119,947	1,119,947	1,085,312	1,119,947	1,085,312	17,607,442
Total Cash Receipts	1,119,947	1,085,312	1,119,947	1,085,312	1,119,947	1,119,947	1,016,045	1,119,947	1,085,312	1,119,947	1,085,312	1,119,947	1,119,947	1,085,312	1,119,947	1,085,312	17,607,442
Cash Disbursements:																	
Wages and Salaries	291,536	283,424	283,424	291,536	302,644	294,451	437,580	286,258	286,258	294,451	294,451	429,387	294,451	286,258	286,258	294,451	4,936,818
Payroll Taxes	129,555	126,270	126,270	129,555	134,170	130,851	194,617	127,532	127,532	130,851	130,851	191,298	130,851	127,532	127,532	130,851	2,196,118
Benefits	36,567	36,567	36,567	36,567	36,567	36,567	36,567	36,567	36,567	36,567	38,396	38,396	38,396	38,396	38,396	38,396	596,046
Workers Compensation	16,146	16,146	16,146	16,146	16,146	16,146	16,146	16,146	16,146	16,146	16,146	16,146	16,146	16,146	16,146	16,146	258,336
Business Insurance	9,825	9,825	9,825	9,825	9,825	9,825	9,825	9,825	9,825	9,825	9,825	9,825	9,825	9,825	9,825	9,825	157,200
Nursing Supplies	25,118	25,118	25,118	25,118	25,118	25,118	25,118	25,118	25,118	25,118	25,118	25,118	25,118	25,118	25,118	25,118	401,888
Therapy Service	95,093	95,093	95,093	95,093	95,093	95,093	95,093	95,093	95,093	95,093	95,093	95,093	95,093	95,093	95,093	95,093	1,521,488
Pharmacy	35,430	35,430	35,430	35,430	35,430	35,430	35,430	35,430	35,430	35,430	35,430	35,430	35,430	35,430	35,430	35,430	566,880
Ancillary Services	6,114	6,114	6,114	6,114	6,114	6,114	6,114	6,114	6,114	6,114	6,114	6,114	6,114	6,114	6,114	6,114	97,824
Food & Dietary Supplies	27,180	27,180	27,180	27,180	27,180	27,180	27,180	27,180	27,180	27,180	27,180	27,180	27,180	27,180	27,180	27,180	434,880
Dietary Purchased Service																	-
Housekeeping/Laundry Service	36,728	36,728	36,728	36,728	36,728	36,728	36,728	36,728	36,728	36,728	36,728	36,728	36,728	36,728	36,728	36,728	587,648
Utilities	23,755	23,755	23,755	23,755	23,755	23,755	23,755	23,755	23,755	23,755	23,755	23,755	23,755	23,755	23,755	23,755	380,080
Repair & Maintenance	10,939	10,939	10,939	10,939	10,939	10,939	10,939	10,939	10,939	10,939	10,939	10,939	10,939	10,939	10,939	10,939	175,024
Office Expense & Supplies	6,791	6,791	6,791	6,791	6,791	6,791	6,791	6,791	6,791	6,791	6,791	6,791	6,791	6,791	6,791	6,791	108,656
Medical Director	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	59,200
Legal & Accounting																	-
Information Technology	4,144	4,144	4,144	4,144	4,144	4,144	4,144	4,144	4,144	4,144	4,144	4,144	4,144	4,144	4,144	4,144	66,304
Miscellaneous	5,882	5,882	5,882	5,882	5,882	5,882	5,882	5,882	5,882	5,882	5,882	5,882	5,882	5,882	5,882	5,882	94,112
Provider Tax (User Fee)		195,000			195,000			195,000			195,000			195,000			975,000
Real Estate Tax	12,214	12,214	12,214	12,214	12,214	12,214	12,214	12,214	12,214	12,214	12,214	12,214	12,214	12,214	12,214	12,214	195,424
Reserves - Capex & Security Dep.	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	4,333	69,328
Rent	118,799	118,799	118,799	118,799	118,799	118,799	118,799	118,799	118,799	118,799	118,799	118,799	118,799	118,799	118,799	118,799	1,900,784
Total Operating Disbursements	899,849	1,083,452	888,452	899,849	1,110,572	904,060	1,110,955	1,087,548	892,548	904,060	1,100,889	1,101,272	905,889	1,089,377	894,377	905,889	15,779,038
Cash Flow from Operations	220,098	1,860	231,495	185,463	9,375	215,887	(94,910)	32,399	192,764	215,887	(15,577)	18,675	214,058	(4,065)	225,570	179,423	1,828,404
MA Provider Tax Withhold																	
Loan Items:																	
Loan Payment																	-
Interest Payment																	-
Total Loan Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow	220,098	1,860	231,495	185,463	9,375	215,887	(94,910)	32,399	192,764	215,887	(15,577)	18,675	214,058	(4,065)	225,570	179,423	1,828,404
Cash, Beginning	-	220,098	221,958	453,453	638,917	648,292	864,179	769,269	801,668	994,432	1,210,319	1,194,743	1,213,418	1,427,476	1,423,411	1,648,981	
Cash, Ending	220,098	221,958	453,453	638,917	648,292	864,179	769,269	801,668	994,432	1,210,319	1,194,743	1,213,418	1,427,476	1,423,411	1,648,981	1,828,404	

Quincy

Monthly Cash Flow Forecast

September 1, 2018 - December 31, 2019

	September 2018	October 2018	November 2018	December 2018	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019	TOTAL
Cash Receipts:																	
Patient Receipts	811,496	786,050	811,496	786,050	811,496	811,496	735,157	811,496	786,050	811,496	786,050	811,496	811,496	786,050	811,496	786,050	12,754,921
Total Cash Receipts	811,496	786,050	811,496	786,050	811,496	811,496	735,157	811,496	786,050	811,496	786,050	811,496	811,496	786,050	811,496	786,050	12,754,921
Cash Disbursements:																	
Wages and Salaries	266,950	261,082	261,082	266,950	275,546	269,620	401,467	263,694	263,694	269,620	269,620	395,541	269,620	263,694	263,694	269,620	4,531,494
Payroll Taxes	120,916	118,568	118,568	120,916	124,498	122,126	182,003	119,754	119,754	122,126	122,126	179,631	122,126	119,754	119,754	122,126	2,054,746
Benefifts	33,640	33,640	33,640	33,640	33,640	33,640	33,640	33,640	33,640	33,640	35,322	35,322	35,322	35,322	35,322	35,322	548,332
Workers Compensation	8,501	8,501	8,501	8,501	8,501	8,501	8,501	8,501	8,501	8,501	8,501	8,501	8,501	8,501	8,501	8,501	136,016
Business Insurance	14,834	14,834	14,834	14,834	14,834	14,834	14,834	14,834	14,834	14,834	14,834	14,834	14,834	14,834	14,834	14,834	237,344
Nursing Supplies	18,382	18,382	18,382	18,382	18,382	18,382	18,382	18,382	18,382	18,382	18,382	18,382	18,382	18,382	18,382	18,382	294,112
Therapy Service	37,048	37,048	37,048	37,048	37,048	37,048	37,048	37,048	37,048	37,048	37,048	37,048	37,048	37,048	37,048	37,048	592,768
Pharmacy	14,819	14,819	14,819	14,819	14,819	14,819	14,819	14,819	14,819	14,819	14,819	14,819	14,819	14,819	14,819	14,819	237,104
Ancillary Services	1,094	1,094	1,094	1,094	1,094	1,094	1,094	1,094	1,094	1,094	1,094	1,094	1,094	1,094	1,094	1,094	17,504
Food & Dietary Supplies	24,448	24,448	24,448	24,448	24,448	24,448	24,448	24,448	24,448	24,448	24,448	24,448	24,448	24,448	24,448	24,448	391,168
Dietary Purchased Service																	-
Housekeeping/Laundry Service	29,454	29,454	29,454	29,454	29,454	29,454	29,454	29,454	29,454	29,454	29,454	29,454	29,454	29,454	29,454	29,454	471,264
Utilities	18,905	18,905	18,905	18,905	18,905	18,905	18,905	18,905	18,905	18,905	18,905	18,905	18,905	18,905	18,905	18,905	302,480
Repair & Maintenance	8,401	8,401	8,401	8,401	8,401	8,401	8,401	8,401	8,401	8,401	8,401	8,401	8,401	8,401	8,401	8,401	134,416
Office Expense & Supplies	6,641	6,641	6,641	6,641	6,641	6,641	6,641	6,641	6,641	6,641	6,641	6,641	6,641	6,641	6,641	6,641	106,256
Medical Director	2,860	2,860	2,860	2,860	2,860	2,860	2,860	2,860	2,860	2,860	2,860	2,860	2,860	2,860	2,860	2,860	45,760
Legal & Accounting																	-
Information Technology	4,068	4,068	4,068	4,068	4,068	4,068	4,068	4,068	4,068	4,068	4,068	4,068	4,068	4,068	4,068	4,068	65,088
Miscellaneous	4,857	4,857	4,857	4,857	4,857	4,857	4,857	4,857	4,857	4,857	4,857	4,857	4,857	4,857	4,857	4,857	77,712
Provider Tax (User Fee)		210,000			210,000			210,000			210,000			210,000			1,050,000
Real Estate Tax	8,992	8,992	8,992	8,992	8,992	8,992	8,992	8,992	8,992	8,992	8,992	8,992	8,992	8,992	8,992	8,992	143,872
Reserves - Capex & Security Dep.	4,725	4,725	4,725	4,725	4,725	4,725	4,725	4,725	4,725	4,725	4,725	4,725	4,725	4,725	4,725	4,725	75,600
Rent	23,610	23,610	23,610	23,610	23,610	23,610	23,610	23,610	23,610	23,610	23,610	23,610	23,610	23,610	23,610	23,610	377,760
Total Operating Disbursements	653,145	854,929	644,929	653,145	875,323	657,025	848,749	858,727	648,727	657,025	868,707	842,133	658,707	860,409	650,409	658,707	11,890,796
Cash Flow from Operations	158,351	(68,879)	166,567	132,905	(63,827)	154,471	(113,592)	(47,231)	137,323	154,471	(82,657)	(30,637)	152,789	(74,359)	161,087	127,343	864,125
MA Provider Tax Withold	54,450	54,450	54,450	54,450	54,450	54,450											326,700
Loan Items:																	
Loan Payment																	-
Interest Payment																	-
Total Loan Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow	103,901	(123,329)	112,117	78,455	(118,277)	100,021	(113,592)	(47,231)	137,323	154,471	(82,657)	(30,637)	152,789	(74,359)	161,087	127,343	537,425
Cash, Beginning	-	103,901	(19,428)	92,689	171,144	52,867	152,888	39,296	(7,935)	129,388	283,859	201,202	170,565	323,354	248,995	410,082	
Cash, Ending	103,901	(19,428)	92,689	171,144	52,867	152,888	39,296	(7,935)	129,388	283,859	201,202	170,565	323,354	248,995	410,082	537,425	

Den-Mar

Monthly Cash Flow Forecast

September 1, 2018 through December 31, 2019

	September 2018	October 2018	November 2018	December 2018	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019	TOTAL
Cash Receipts:																	
Patient Receipts	487,156	471,824	487,156	471,824	487,156	487,156	441,157	487,156	471,824	487,156	471,824	487,156	487,156	471,824	487,156	471,824	7,656,507
Total Cash Receipts	487,156	471,824	487,156	471,824	487,156	487,156	441,157	487,156	471,824	487,156	471,824	487,156	487,156	471,824	487,156	471,824	7,656,507
Cash Disbursements:																	
Wages and Salaries	174,148	169,076	169,076	174,148	181,012	175,889	261,272	170,766	170,766	175,889	175,889	256,149	175,889	170,766	170,766	175,889	2,947,390
Payroll Taxes	83,858	81,416	81,416	83,858	87,164	84,697	125,812	82,230	82,230	84,697	84,697	123,345	84,697	82,230	82,230	84,697	1,419,274
Benefits	20,394	20,394	20,394	20,394	20,394	20,394	20,394	20,394	20,394	20,394	21,414	21,414	21,414	21,414	21,414	21,414	332,424
Workers Compensation	4,826	4,826	4,826	4,826	4,826	4,826	4,826	4,826	4,826	4,826	4,826	4,826	4,826	4,826	4,826	4,826	77,216
Business Insurance	8,772	8,772	8,772	8,772	8,772	8,772	8,772	8,772	8,772	8,772	8,772	8,772	8,772	8,772	8,772	8,772	140,352
Nursing Supplies	7,559	7,559	7,559	7,559	7,559	7,559	7,559	7,559	7,559	7,559	7,559	7,559	7,559	7,559	7,559	7,559	120,944
Therapy Service	19,248	19,248	19,248	19,248	19,248	19,248	19,248	19,248	19,248	19,248	19,248	19,248	19,248	19,248	19,248	19,248	307,968
Pharmacy	9,198	9,198	9,198	9,198	9,198	9,198	9,198	9,198	9,198	9,198	9,198	9,198	9,198	9,198	9,198	9,198	147,168
Ancillary Services	447	447	447	447	447	447	447	447	447	447	447	447	447	447	447	447	7,152
Food & Dietary Supplies	15,120	15,120	15,120	15,120	15,120	15,120	15,120	15,120	15,120	15,120	15,120	15,120	15,120	15,120	15,120	15,120	241,920
Dietary Purchased Service																	-
Housekeeping/Laundry Service	20,606	20,606	20,606	20,606	20,606	20,606	20,606	20,606	20,606	20,606	20,606	20,606	20,606	20,606	20,606	20,606	329,696
Utilities	15,479	15,479	15,479	15,479	15,479	15,479	15,479	15,479	15,479	15,479	15,479	15,479	15,479	15,479	15,479	15,479	247,664
Repair & Maintenance	5,621	5,621	5,621	5,621	5,621	5,621	5,621	5,621	5,621	5,621	5,621	5,621	5,621	5,621	5,621	5,621	89,936
Office Expense & Supplies	4,044	4,044	4,044	4,044	4,044	4,044	4,044	4,044	4,044	4,044	4,044	4,044	4,044	4,044	4,044	4,044	64,704
Medical Director	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	19,200
Legal & Accounting																	-
Information Technology	3,511	3,511	3,511	3,511	3,511	3,511	3,511	3,511	3,511	3,511	3,511	3,511	3,511	3,511	3,511	3,511	56,176
Miscellaneous	3,528	3,528	3,528	3,528	3,528	3,528	3,528	3,528	3,528	3,528	3,528	3,528	3,528	3,528	3,528	3,528	56,448
Provider Tax (User Fee)		120,000			120,000			120,000			120,000			120,000			600,000
Real Estate Tax	5,702	5,702	5,702	5,702	5,702	5,702	5,702	5,702	5,702	5,702	5,702	5,702	5,702	5,702	5,702	5,702	91,232
Reserves - Capex & Security Dep.	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	2,850	45,600
Rent	14,239	14,239	14,239	14,239	14,239	14,239	14,239	14,239	14,239	14,239	14,239	14,239	14,239	14,239	14,239	14,239	227,824
Total Operating Disbursements	420,350	532,836	412,836	420,350	550,520	422,930	549,428	535,340	415,340	422,930	543,950	542,858	423,950	536,360	416,360	423,950	7,570,288
Cash Flow from Operations	66,806	(61,012)	74,320	51,474	(63,364)	64,226	(108,271)	(48,184)	56,484	64,226	(72,126)	(55,702)	63,206	(64,536)	70,796	47,874	86,219
MA Provider Tax Withold	33,300	33,300	33,300	33,300	33,300	33,300											199,800
Loan Items:																	
Loan Payment																	-
Interest Payment																	-
Total Loan Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow	33,506	(94,312)	41,020	18,174	(96,664)	30,926	(108,271)	(48,184)	56,484	64,226	(72,126)	(55,702)	63,206	(64,536)	70,796	47,874	(113,581)
Cash, Beginning	-	33,506	(60,806)	(19,785)	(1,612)	(98,275)	(67,349)	(175,620)	(223,804)	(167,320)	(103,093)	(175,219)	(230,921)	(167,715)	(232,251)	(161,454)	
Cash, Ending	33,506	(60,806)	(19,785)	(1,612)	(98,275)	(67,349)	(175,620)	(223,804)	(167,320)	(103,093)	(175,219)	(230,921)	(167,715)	(232,251)	(161,454)	(113,581)	

Wachusett Ventures Monthly Cash Flow Forecast September 1, 2018 through December 31, 2019

	September 2018	October 2018	November 2018	December 2018	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019	TOTAL
Cash Receipts:																	
Patient Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Disbursements:																	
Wages and Salaries	80,382	80,382	80,382	80,382	120,573	80,382	80,382	80,382	80,382	80,382	80,382	120,573	80,382	80,382	80,382	80,382	1,366,494
Payroll Taxes	16,926	16,926	16,926	16,926	25,389	16,926	16,926	16,926	16,926	16,926	16,926	25,389	16,926	16,926	16,926	16,926	287,742
Benefits	8,930	8,930	8,930	8,930	8,930	8,930	8,930	8,930	8,930	8,930	8,930	8,930	8,930	8,930	8,930	8,930	142,880
Workers Compensation	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	2,400
Business Insurance	3,647	3,647	3,647	3,647	3,647	3,647	3,647	3,647	3,647	3,647	3,647	3,647	3,647	3,647	3,647	3,647	58,352
Nursing Supplies																	-
Therapy Service																	-
Pharmacy																	-
Ancillary Services																	-
Food & Dietary Supplies																	-
Dietary Purchased Service																	-
Housekeeping/Laundry Service																	-
Utilities																	-
Repair & Maintenance																	-
Office Expense & Supplies	670	670	670	670	670	670	670	670	670	670	670	670	670	670	670	670	10,720
Medical Director																	-
Legal & Accounting	36,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	111,000
Information Technology	6,223	6,223	6,223	6,223	6,223	6,223	6,223	6,223	6,223	6,223	6,223	6,223	6,223	6,223	6,223	6,223	99,568
Miscellaneous	8,917	8,917	8,917	8,917	8,917	8,917	8,917	8,917	8,917	8,917	8,917	8,917	8,917	8,917	8,917	8,917	142,672
Provider Tax (User Fee)																	-
Real Estate Tax																	-
Reserves - Capex & Security Dep.																	-
Rent	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	16,000
Total Operating Disbursements	162,845	131,845	131,845	131,845	180,499	131,845	131,845	131,845	131,845	131,845	131,845	180,499	131,845	131,845	131,845	131,845	2,237,828
Cash Flow from Operations	(162,845)	(131,845)	(131,845)	(131,845)	(180,499)	(131,845)	(131,845)	(131,845)	(131,845)	(131,845)	(131,845)	(180,499)	(131,845)	(131,845)	(131,845)	(131,845)	(2,237,828)
MA Provider Tax Withold																	
Loan Items:																	
Loan Payment																	-
Interest Payment																	-
Total Loan Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow	(162,845)	(131,845)	(131,845)	(131,845)	(180,499)	(131,845)	(131,845)	(131,845)	(131,845)	(131,845)	(131,845)	(180,499)	(131,845)	(131,845)	(131,845)	(131,845)	(2,237,828)
Cash, Beginning	-	(162,845)	(294,690)	(426,535)	(558,380)	(738,879)	(870,724)	(1,002,569)	(1,134,414)	(1,266,259)	(1,398,104)	(1,529,949)	(1,710,448)	(1,842,293)	(1,974,138)	(2,105,983)	
Cash, Ending	(162,845)	(294,690)	(426,535)	(558,380)	(738,879)	(870,724)	(1,002,569)	(1,134,414)	(1,266,259)	(1,398,104)	(1,529,949)	(1,710,448)	(1,842,293)	(1,974,138)	(2,105,983)	(2,237,828)	

		Cash from Operations	Provider Tax	Interest on DIP Loan	Principal Payment	Interest on Pre-Prep ABL	Principal Payment	Base Rent Reduction	Den-Mar Rent Reduction	Adjustments & Deferred	Unsecured Creditors	Restructure Fees	Accumulated Net Cash	Accumulated Net Cash	WV Capex Reserve	Principal on DIP Loan	Principal on Pre-Prep ABL	Principal on Pre-Prep Cure	Accrued Int. Pre-Prep Cure	Total Principal Bal.														
September 2018 Cash Balance																						176,392	176,392		1,800,000									
Equity Contribution from WV Partners																							50,000	226,392										
SABRA Contribution																							250,000	476,392										
Convenience Class Claims																					50,000		(50,000)	426,392										
Cure Claims - Contracts																					115,000		(115,000)	311,392										
Initial Payment to Unsecured Creditors																					300,000		(300,000)	11,392										
DIP Loan																							375,000	386,392		2,175,000								
SOB(b)(9) Claims																					200,000		(200,000)	186,392										
SABRA Legal & Fees																						175,000	(175,000)	11,392										
DIP Loan																							500,000	511,392		2,675,000								
2018	October	(305,012)	87,750	13,375	-	13,486		20,417	14,239	11,175	-		(373,792)	137,600	12,000	2,675,000	2,697,186	1,347,429	6,737	6,726,352														
	November	532,278	87,750	13,375	-	13,486		20,417	14,239	11,175		205,000	258,498	396,098	24,000	2,675,000	2,697,186	1,347,429	13,474	6,733,089														
	December	366,212	87,750	13,375	-	13,486		20,417	14,239	11,175			317,432	713,530	36,000	2,675,000	2,697,186	1,347,429	20,211	6,739,826														
2019	January	(353,838)	87,750	13,375	-	13,486		20,417	14,239	202,957	100,000		(330,836)	382,694	48,000	2,675,000	2,697,186	1,347,429	26,949	6,746,564														
	February	474,032	87,750	13,375	-	13,486		20,417	14,239	11,175			405,252	787,946	60,000	2,675,000	2,697,186	1,347,429	33,686	6,753,301														
	March	(614,406)		13,375	-	13,486		20,417	14,239	11,175			(522,438)	265,508	72,000	2,675,000	2,697,186	1,347,429	40,423	6,760,038														
	April	(216,792)		13,375	-	13,486		20,417	14,239	11,175	-		(197,782)	67,726	84,000	2,675,000	2,697,186	1,347,429	47,460	6,766,775														
	May	415,958		13,375	-	13,486		20,417	14,239	11,175			434,928	502,655	96,000	2,675,000	2,697,186	1,347,429	53,897	6,773,512														
	June	474,032		13,375	-	13,486		20,417	14,239	11,175			493,002	995,657	108,000	2,675,000	2,697,186	1,347,429	60,634	6,780,249														
	July	(170,126)		13,375	-	13,486		20,417	20,000	11,175	-		(145,397)	650,260	120,000	2,675,000	2,697,186	1,347,429	67,371	6,786,986														
	August	(155,691)		13,375	-	13,486		20,417	20,000	8,325			(191,810)	458,450	132,000	2,675,000	2,697,186	1,347,429	74,109	6,793,724														
	September	512,032		13,375	62,290	13,486		17,275	20,000	8,325	100,000		179,481	635,931	144,000	2,612,710	2,697,186	1,347,429	80,846	6,738,171														
	October	(561,300)		13,064	62,602	13,486		17,275	20,000	8,325	-		(435,582)	200,079	156,000	2,550,108	2,697,186	1,347,429	87,583	6,682,306														
	November	459,658		12,751	62,915	13,486		17,275		8,325			396,106	596,185	168,000	2,487,193	2,697,186	1,347,429	94,320	6,626,128														
	December	336,074		12,436	63,229	13,486		17,275		8,325			727,523	868,708	180,000	2,423,964	2,697,186	1,347,429	101,057	6,569,636														
2020	January	(266,021)	-	12,120	63,545	13,486		17,275		(183,457)	-		(521,354)	347,354	192,000	2,360,419	2,697,186	1,347,429	107,794	6,512,828														
	February	428,882	-	11,802	63,863	13,486		17,275		8,325			365,331	712,685	204,000	2,296,556	2,697,186	1,347,429	114,531	6,455,702														
	March	(414,060)	-	11,483	64,182	13,486		17,275		8,325	-		(477,611)	235,074	216,000	2,232,374	2,697,186	1,347,429	121,269	6,398,258														
	April	(149,492)	-	11,162	64,503	13,486		17,275		8,325	-		(213,043)	22,331	228,000	2,167,871	2,697,186	1,347,429	128,006	6,340,492														
	May	378,550	-	10,839	64,826	13,486		17,275		8,325	-		134,999	337,030	240,000	2,103,045	2,697,186	1,347,429	134,743	6,282,403														
	June	428,882	-	10,515	65,150	13,486		17,275		8,325	-		365,331	702,361	252,000	2,037,895	2,697,186	1,347,429	141,480	6,223,990														
	July	(278,926)	-	10,189	65,476	13,486		17,275		8,325	-		(142,477)	559,885	264,000	1,972,419	2,697,186	1,347,429	148,217	6,165,251														
	August	(165,691)	-	9,862	65,803	13,486		17,275		8,325	-		(229,242)	330,643	276,000	1,906,616	2,697,186	1,347,429	154,954	6,106,185														
	September	423,032	-	9,533	66,132	13,486		14,070		8,325	-		356,276	486,919	288,000	1,840,484	2,697,186	1,347,429	161,691	6,046,790														
	October	(242,300)	-	9,202	66,463	13,486		14,070		8,325	-		(309,056)	177,863	300,000	1,774,021	2,697,186	1,347,429	168,429	5,987,065														
	November	459,658	-	8,870	66,795	13,486		14,070		8,325	-		392,902	570,765	312,000	1,707,226	2,697,186	1,347,429	175,166	5,927,007														
	December	336,074	-	8,536	67,129	13,486		14,070		8,325	-		269,318	840,083	324,000	1,640,097	2,697,186	1,347,429	181,903	5,866,615														
2021	January	(266,021)	-	8,200	67,465	13,486		14,070		8,325	-		(332,777)	507,306	336,000	1,572,632	2,697,186	1,347,429	188,640	5,805,887														
	February	428,882	-	7,863	67,802	13,486		14,070		8,325	-		362,126	869,432	348,000	1,504,830	2,697,186	1,347,429	195,377	5,744,822														
	March	(414,060)	-	7,524	68,141	13,486		14,070		8,325	-		(480,816)	388,616	360,000	1,436,689	2,697,186	1,347,429	202,114	5,683,418														
	April	(149,492)	-	7,183	68,481	13,486		14,070		8,325	-		(216,247)	172,699	372,000	1,368,208	2,697,186	1,347,429	208,851	5,623,674														
	May	378,550	-	6,841	68,824	13,486		14,070		8,325	-		131,794	304,493	384,000	1,299,384	2,697,186	1,347,429	215,589	5,559,588														
	June	428,882	-	6,497	69,168	13,486		14,070		8,325	-		362,126	664,289	396,000	1,230,216	2,697,186	1,347,429	222,326	5,497,157														
	July	(278,926)	-	6,151	69,514	13,486		14,070		8,325	-		(148,952)	500,607	408,000	1,160,702	2,697,186	1,347,429	229,063	5,434,380														
	August	(165,691)	-	5,803	69,862	13,486		14,070		8,325	-		(232,447)	268,160	420,000	1,090,840	2,697,186	1,347,429	235,800	5,371,255														
	September	423,032	-	5,454	70,211	13,486		14,081		8,325	-		333,007	601,168	432,000	1,020,629	2,697,186	1,347,429	242,537	5,307,781														
	October	(242,300)	-	5,103	70,562	13,486		14,081		8,325	-		(312,325)	308,843	444,000	950,067	2,697,186	1,347,429	249,274	5,243,956														
	November	459,658	-	4,750	70,915	13,486		14,081		8,325	-		389,633	698,476	456,000	879,152	2,697,186	1,347,429	256,012	5,179,779														
	December	336,074	-	4,396	71,269	13,486		14,081		8,325	-		266,049	964,525	468,000	807,883	2,697,186	1,347,429	262,749	5,115,247														
2022	January	(266,021)	-	4,039	71,623	13,486		14,081		8,325	-		(336,046)	628,479	480,000	736,257	2,697,186	1,347,429	269,486	5,050,358														
	February	428,882	-	3,681	71,984	13,486		14,081		8,325	-		358,857	987,336	492,000	664,273	2,697,186	1,347,429	276,223	4,985,111														
	March	(414,060)	-	3,321	72,344	13,486		14,081		8,325	-		(484,085)	503,251	504,000	591,929	2,697,186	1,347,429	282,960	4,919,504														
	April	(149,492)	-	2,960	72,706	13,486		14,081		8,325	-		(219,518)	283,733	516,000	519,223	2,697,186	1,347,429	289,697	4,853,535														
	May	378,550	-	2,596	73,069	13,486		14,081		8,325	-		308,525	592,258	528,000	446,154	2,697,186	1,347,429	296,434	4,787,203														
	June	428,882	-	2,231	73,434	13,486		14,081		8,325	-		358,857	951,115	540,000	372,720	2,697,186	1,347,429	303,172	4,720,507														
	July	(278,926)	-	1,864	73,802	13,486		14,081		8,325	-		(148,952)	602,163	552,000	298,918	2,697,186	1,347,429	309,909	4,653,442														
	August	(165,691)	-	1,495	74,171	13,486		14,081		8,325	-		(235,717)	366,446	564,000	224,747	2,697,186	1,347,429	316,646	4,586,008														
	September	423,032	-	1,124	74,542	13,486		14,081		8,325	-		349,671	716,117	576,000	150,205	2,697,186	1,347,429	323,383	4,518,203														
	October	(242,300)	-	751	74,914	13,486		14,081		8,325	-		(315,660)	400,																				

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

----- X
In re: : Chapter 11
: :
WACHUSETT VENTURES, LLC, *et al.*, : Case No. 18-11053 (FJB)
: :
Debtors.¹ : Jointly Administered
: :
----- X

~~FIRST~~SECOND AMENDED DISCLOSURE STATEMENT FOR SECOND
AMENDED
JOINT CHAPTER 11 PLAN OF REORGANIZATION OF
THE WV DEBTORS DATED AUGUST 7,13, 2018

NIXON PEABODY LLP

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100 Summer Street
Boston, MA 02110
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-and -

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*Counsel to the Debtors
and Debtors in Possession*

Dated: August 7,13, 2018

¹ 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 02169.¹

EXHIBITS

Exhibit A [Second Amended](#) Joint Chapter 11 Plan of Reorganization of the WV Debtors

Exhibit B Liquidation Analysis

Exhibit C Payments made within 90 days of the Petition Date

Exhibit D Feasibility Analysis / Business Projections

**THE WV DEBTORS HEREBY ADOPT AND INCORPORATE EACH
EXHIBIT ATTACHED TO THIS DISCLOSURE STATEMENT BY REFERENCE AS
THOUGH FULLY SET FORTH HEREIN**

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IMPORTANT INFORMATION ABOUT THIS DISCLOSURE STATEMENT

This Disclosure Statement provides information regarding the Second Amended Joint Chapter 11 Plan of Reorganization of the Wachusett Ventures, LLC (“Wachusett”), 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”) dated August 7, 2018 (as may be amended and supplemented from time to time according to its terms, the “Plan”). A copy of the Plan is attached as Exhibit A.

For the avoidance of doubt, the Plan and Disclosure Statement DO NOT apply to WV-Brockton SNF, LLC (“Brockton”) or Claims of Creditors of Brockton against Brockton (except for Congressional and Mercury). As detailed below, the Plan and Disclosure Statement do impact claims against all other Debtors including any claims related to any guaranty by another Debtor of a claim against Brockton.

References to the “Plan” are to the Plan attached as Exhibit A hereto. All capitalized terms used but not otherwise defined herein, including in any exhibits attached hereto, shall have the meaning ascribed to them in the Plan.

Unless the context requires otherwise, reference to the “Company”, “we”, “our”, and “us” are to the WV Debtors.

The statements contained in this Disclosure Statement are made as of the date hereof unless another time is specified herein, and the delivery of this Disclosure Statement shall not create an implication that there has been no change in information stated since the date hereof.

The WV Debtors believe that the Plan will enable them to successfully reorganize as described more fully below. The WV Debtors believe that acceptance of the Plan is in the best interests of the WV Debtors, their Chapter 11 Estates, and their Creditors.

THE WV DEBTORS URGE CREDITORS TO VOTE TO ACCEPT THE PLAN.

ALL CREDITORS AND INTEREST HOLDERS ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY. PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT, INCLUDING THE FOLLOWING SUMMARY, ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN, EXHIBITS ANNEXED TO THE PLAN, THE PLAN SUPPLEMENTS, THIS DISCLOSURE STATEMENT AND ALL EXHIBITS TO THIS DISCLOSURE STATEMENT. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF UNLESS OTHERWISE SPECIFIED, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER SUCH DATE.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE. THE WV DEBTORS ARE THE PROPONENTS OF THE PLAN. THE PLAN PROVIDES FOR THE PROPOSED METHOD OF DISTRIBUTION OF THE ASSETS OF THE WV DEBTORS AND THE DISTRIBUTIONS CREDITORS OF THE WV DEBTORS WOULD RECEIVE IN THE WV DEBTORS' CHAPTER 11 CASES.

NO PERSON MAY GIVE ANY INFORMATION ON BEHALF OF THE WV DEBTORS REGARDING THE PLAN OF REORGANIZATION OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN, OTHER THAN THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT.

THIS DISCLOSURE STATEMENT IS DESIGNED TO PROVIDE ADEQUATE INFORMATION TO ENABLE HOLDERS OF CLAIMS AGAINST THE WV DEBTORS TO MAKE AN INFORMED JUDGMENT ON WHETHER TO ACCEPT OR REJECT THE PLAN. ALL CREDITORS ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN (WHICH IS ANNEXED HERETO AS EXHIBIT A), OTHER EXHIBITS ANNEXED HERETO AND OTHER DOCUMENTS REFERENCED AS FILED WITH THE BANKRUPTCY COURT PRIOR TO THE END OF THE SOLICITATION PERIOD FOR THE PLAN. NO MATERIALS OTHER THAN THE ACCOMPANYING MATERIALS ATTACHED HERETO OR REFERENCED HEREIN HAVE BEEN APPROVED BY THE BANKRUPTCY COURT OR THE WV DEBTORS FOR USE IN SOLICITING ACCEPTANCES OR REJECTIONS OF THE PLAN. SUBSEQUENT TO THE DATE HEREOF, THERE CAN BE NO ASSURANCE THAT: (A) THE INFORMATION AND REPRESENTATIONS CONTAINED HEREIN REMAIN MATERIALLY ACCURATE, AND (B) THIS DISCLOSURE STATEMENT CONTAINS ALL MATERIAL INFORMATION.

THE WV DEBTORS HAVE PROPOSED THE PLAN AND THE WV DEBTORS URGE ALL HOLDERS OF IMPAIRED CLAIMS IN CLASS 2b, 3, 4, 5, AND 6 TO VOTE TO ACCEPT THE PLAN BY RETURNING THEIR BALLOTS SO THAT THE BALLOTS ARE RECEIVED BY 4:30 P.M. (EASTERN TIME) ON SEPTEMBER 17, 2018, AT:

**If By First Class Mail:
Donlin, Recano & Company, Inc.
Re: Wachusett Ventures, LLC, et al
PO Box 192016 Blythebourne Station
Brooklyn, NY 11219**

If by Hand Delivery or Overnight Mail:

Donlin, Recano & Company, Inc.

Re: Wachusett Ventures, LLC, et al

6201 15th Avenue

Brooklyn, NY 11219

ADDITIONAL INFORMATION REGARDING VOTING PROCEDURES ARE SET FORTH HEREIN.

PERSONS OR ENTITIES HOLDING OR TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING CLAIMS AGAINST THE WV DEBTORS SHOULD EVALUATE THIS DISCLOSURE STATEMENT IN LIGHT OF THE PURPOSE FOR WHICH IT WAS PREPARED, AND SHOULD BE AWARE THAT ACTUAL DISTRIBUTIONS MAY VARY FROM THE ESTIMATES CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT HAS BEEN APPROVED BY ORDER OF THE BANKRUPTCY COURT AS CONTAINING ADEQUATE INFORMATION OF A KIND AND IN SUFFICIENT DETAIL TO ENABLE HOLDERS OF CLAIMS TO MAKE AN INFORMED JUDGMENT WITH RESPECT TO VOTING TO ACCEPT OR REJECT THE PLAN. HOWEVER, THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A RECOMMENDATION OR DETERMINATION BY THE BANKRUPTCY COURT AS TO THE MERITS OF THE PLAN.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION ("SEC"), OR ANY SIMILAR PUBLIC GOVERNMENTAL OR REGULATORY AUTHORITY, AND NEITHER THE SEC NOR ANY SUCH AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT, THE INFORMATION CONTAINED HEREIN, OR THE MERITS OF THE PLAN.

THE INFORMATION IN THIS DISCLOSURE STATEMENT IS BEING PROVIDED SOLELY FOR PURPOSES OF VOTING TO ACCEPT OR REJECT THE PLAN. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE USED BY ANY ENTITY FOR ANY OTHER PURPOSE.

IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE PLAN SUMMARY CONTAINED HEREIN AND THE PLAN, THE TERMS OF THE PLAN SHALL GOVERN. ALL EXHIBITS TO THIS DISCLOSURE STATEMENT ARE INCORPORATED INTO AND ARE A PART OF THIS DISCLOSURE STATEMENT AS IF SET FORTH IN FULL HEREIN.

THIS DISCLOSURE STATEMENT CONTAINS FORWARD-LOOKING STATEMENTS BASED PRIMARILY ON THE CURRENT EXPECTATIONS OF THE WV DEBTORS AND PROJECTIONS ABOUT FUTURE EVENTS AND FINANCIAL TRENDS AFFECTING THE FINANCIAL CONDITION OF THE WV DEBTORS AND REORGANIZED DEBTORS. IN PARTICULAR, STATEMENTS USING WORDS SUCH AS “BELIEVE,” “MAY,” “ESTIMATE,” “CONTINUE,” “ANTICIPATE,” “INTEND,” “EXPECT” AND SIMILAR EXPRESSIONS IDENTIFY THESE FORWARD-LOOKING STATEMENTS. THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO A NUMBER OF RISKS, UNCERTAINTIES AND ASSUMPTIONS, INCLUDING THOSE DESCRIBED BELOW UNDER ARTICLE XII. IN LIGHT OF THESE RISKS AND UNCERTAINTIES, THE FORWARD-LOOKING EVENTS AND CIRCUMSTANCES DISCUSSED IN THIS DISCLOSURE STATEMENT MAY NOT OCCUR, AND ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE ANTICIPATED IN THE FORWARD-LOOKING STATEMENTS. CONSEQUENTLY, THE PROJECTED FINANCIAL INFORMATION AND OTHER FORWARD-LOOKING STATEMENTS CONTAINED HEREIN SHOULD NOT BE REGARDED AS REPRESENTATIONS BY ANY OF THE WV DEBTORS, THE REORGANIZED DEBTORS, THEIR ADVISORS, OR ANY OTHER PERSON THAT THE PROJECTED FINANCIAL CONDITIONS OR RESULTS OF THE DISPOSITION OF ASSETS CAN OR WILL BE ACHIEVED. EXCEPT AS OTHERWISE REQUIRED BY LAW, NEITHER THE WV DEBTORS NOR REORGANIZED DEBTORS UNDERTAKE ANY OBLIGATION TO UPDATE OR REVISE PUBLICLY ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE FOLLOWING APPROVAL OF THIS DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT.

EXCEPT AS OTHERWISE SPECIFICALLY NOTED, THE FINANCIAL INFORMATION CONTAINED HEREIN HAS NOT BEEN AUDITED BY A CERTIFIED PUBLIC ACCOUNTANT AND HAS NOT NECESSARILY BEEN PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

AS TO CONTESTED MATTERS, EXISTING LITIGATION INVOLVING, OR POSSIBLE ADDITIONAL LITIGATION TO BE BROUGHT BY, OR AGAINST, THE WV DEBTORS, ADVERSARY PROCEEDINGS, AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, A STIPULATION, OR A WAIVER, BUT RATHER AS A STATEMENT

MADE WITHOUT PREJUDICE SOLELY FOR SETTLEMENT PURPOSES, WITH FULL RESERVATION OF RIGHTS, AND IS NOT TO BE USED FOR ANY LITIGATION PURPOSE WHATSOEVER BY ANY PERSON, PARTY OR ENTITY. AS SUCH, THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING INVOLVING THE WV DEBTORS OR ANY OTHER PARTY IN INTEREST, NOR SHALL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, FINANCIAL OR OTHER EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST OR EQUITY INTERESTS IN THE WV DEBTORS. THIS DISCLOSURE SHALL BE CONSIDERED TO BE A SETTLEMENT DOCUMENT PURSUANT TO FEDERAL RULE OF EVIDENCE 408.

ALL CAPITALIZED TERMS AND PHRASES USED IN THIS DISCLOSURE STATEMENT AND NOT OTHERWISE DEFINED HEREIN WILL HAVE THE MEANINGS ASCRIBED TO THEM IN THE PLAN OR THE BANKRUPTCY CODE.

I. INTRODUCTION

The WV Debtors in the jointly-administered Chapter 11 cases numbered 18-11053(FJB) (the “Chapter 11 Cases”) pending in the United States Bankruptcy Court for the District of Massachusetts (Eastern Division) (the “Bankruptcy Court”) under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq. (as amended, the “Bankruptcy Code”), filed the Plan. The WV Debtors are distributing this disclosure statement (the “Disclosure Statement”), pursuant to section 1125 of the Bankruptcy Code, to provide the WV Debtors’ Creditors with adequate information so that they can make an informed judgment on whether to vote to accept or reject the Plan. Please read this Disclosure Statement and the Plan carefully and follow the instructions set forth below to vote on the Plan.

For the avoidance of doubt, the Plan and Disclosure Statement DO NOT apply to Brockton or Claims of Creditors of Brockton against Brockton (except for Congressional and Mercury). As detailed below, the Plan and Disclosure Statement do impact claims against all other Debtors including any claims related to any guaranty by another Debtor of a claim against Brockton.

With the Plan the WV Debtors seek to restructure their balance sheet and emerge as financially healthy operating facilities. In connection with the Plan, the WV Debtors’ secured and lease obligations to the Sabra Entities will be restructured and/or forgiven and unsecured creditors will receive a *Pro Rata* share of (i) \$300,000 payable upon the Effective Date, (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. In addition, as further detailed in the Plan Supplement, for the period commencing on the Effective Date and terminating five (5) years after the Effective Date, with respect to (i) the Reorganized Debtors’ Post-Effective Date Net Operating Income, and (ii) the

proceeds of any Disposition, the Net Operating Income and the Disposition Proceeds shall be distributed as follows:

<u>Time</u>	<u>Sharing of Net Operating Income and/or Disposition Proceeds</u>
<u>0-24 months after Effective Date</u>	<u>5% Members/95% Holders of Allowed General Unsecured Claims</u>
<u>25-48 months after Effective Date</u>	<u>50% Members/50% Holders of Allowed General Unsecured Claims</u>
<u>49-60 months after Effective Date</u>	<u>75% Members/25% Holders of Allowed General Unsecured Claims</u>
<u>60 months or more after Effective Date</u>	<u>100% to Members</u>

For the avoidance of doubt, the Post-Effective Date Net Operating Income and Distribution Proceeds, if any, shall be distributed in the following priority:

- (i) to satisfy any and all expenses and related costs of such Post-Effective Date Net Operating Income or Disposition, including but not limited to, taxes and attorneys' fees;
- (ii) to satisfy any outstanding obligations owed to any Sabra Entity;
- (iii) to satisfy any other outstanding secured claims against the Reorganized Debtor that generated the Post-Effective Date Net Operating Income or whose equity is the subject of the Disposition;
- (iv) to the extent any Member provided a capital contribution after the Effective Date (excluding any New Value Contribution), to the repayment of such capital contribution (excluding any New Value Contribution); and
- (v) the remaining proceeds shall be distributed between the Members and Holders of Allowed General Unsecured Claims, as set forth in the above chart.

A. Explanation of Chapter 11.

Chapter 11 is the principal business reorganization Chapter of the Bankruptcy Code. Under Chapter 11, a debtor is authorized to reorganize or sell its business for the benefit of itself, its creditors and equity holders. In addition to permitting rehabilitation of a debtor (or permitting the debtor to continue operating in anticipation of an asset sale), another goal of Chapter 11 is to promote equality of treatment for similarly situated creditors and equity interest holders with respect to the distribution of a debtor's assets.

The commencement of a Chapter 11 case creates an estate that comprises all of the legal and equitable interests of the debtor as of the filing date. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a “debtor in possession.” Upon filing a petition for Chapter 11 relief and during the pendency of a case, the Bankruptcy Code imposes an automatic stay against creditors’ attempts to collect or enforce, through litigation or otherwise, claims against the debtor. The automatic stay provisions of section 362 of the Bankruptcy Code, unless modified by court order, will generally prohibit or restrict attempts by creditors to collect or enforce any claims that arose prior to the commencement of the Chapter 11 case against the debtor.

The Bankruptcy Code provides for the formation of an official committee of unsecured creditors in a Chapter 11 case to represent the interests of creditors in the case. On April 6, 2018, the United States Trustee appointed the Official Committee of Unsecured Creditors in these cases (the “Committee”).

The consummation of a plan is the principal objective of a Chapter 11 case. A plan sets forth, among other things, the treatment of, and means for satisfying, claims against and equity interests in the debtor. Confirmation of a plan by the bankruptcy court makes the plan binding upon a debtor, any issuer of securities under the plan, any person acquiring property under the plan and any creditor or equity interest holder of a debtor.

A Chapter 11 plan is the vehicle for satisfying or otherwise addressing the claims against and interests in a debtor. After a plan has been filed, the holders of claims against or equity interests in a debtor that are impaired and entitled to receive distributions under the plan are permitted to vote to accept or reject the plan. Before soliciting acceptances of the proposed plan, however, section 1125 of the Bankruptcy Code requires a debtor to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment about the plan. The WV Debtors are submitting this Disclosure Statement to satisfy the requirements of section 1125 of the Bankruptcy Code.

B. Preliminary Statement and Summary of Recoveries.

On March 26, 2018 (the “Petition Date”), the WV Debtors each filed their respective voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court. Pursuant to sections 1107 and 1108 of the Bankruptcy Code, the WV Debtors continue in the management and possession of their property as debtors in possession; no trustee or examiner has been appointed for the WV Debtors. Brockton filed its voluntary petition on the Petition Date, as well. However, as explained herein, the Plan does not adjust any claims against Brockton. The Plan is predicated on the WV Debtors’ restructuring of their debt, as described more fully below.

The Plan contemplates the payment in full in Cash of all Administrative Claims, Fee Claims, U.S. Trustee Fees, and priority Claims against the WV Debtors (subject to permitted installment payments for certain Priority Tax Claims), unless the holders of such Claims agree otherwise to less favorable treatment.

The primary objectives of the Plan are: (i) restructure the debt of the WV Debtors; and (ii) make distributions on account of Allowed Claims in conformity with the distribution scheme provided by the Bankruptcy Code.

Prior and subsequent to the Effective Date of the Plan, the WV Debtors shall continue operations. Pursuant to the Bankruptcy Code, the WV Debtors will receive a discharge, and will continue to engage in business after a final decree has been entered and their Chapter 11 Cases are closed.

The table below summarizes the treatment for Creditors and holders of Interests under the Plan. For a complete explanation, please refer to the discussion in Article IV of this Disclosure Statement and to the Plan itself.

Class	Claim/Interest	Status	Voting Rights
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

The WV Debtors have approved the Plan and the transactions contemplated thereby and recommend that all Creditors whose votes are being solicited submit ballots to accept the Plan. While the WV Debtors' estates are not being substantive consolidated, distributions to unsecured creditors will be made as if they were substantively consolidated.

The WV Debtors' obligations to CCP Finance and their Master Landlords are cross-collateralized. The Massachusetts Master Lease expires on January 31, 2020 and the Connecticut Master Lease expires (subject to certain renewal options) on or about March 1, 2026. The Master Landlords are under no obligation to amend the Massachusetts Master Lease or Connecticut Master Lease and its agreement to do so, in connection with the restructuring, is contingent on continued cross-collateralization and the maintenance of a master lease structure. This means that any value available for unsecured creditors will flow from a willingness of the Master Landlords to allow distributions. The WV Debtors are not aware of any unencumbered asset that is the property of any particular WV Debtor. Accordingly, while each WV Debtor may have a different amount of unsecured debt, and all intercompany transactions can be traced, no

grounds exist for varying the distributions among the various estates. Furthermore, the cost and expense of the accounting and expected litigation to fix these amounts cannot be justified. Accordingly, the WV Debtors have proposed that all unsecured creditors be treated in a single class, regardless of which particular WV Debtor such claim is asserted against.

C. Who is Entitled to Vote on the Plan.

Only Impaired Classes receiving a distribution under the Plan are entitled to vote on the Plan. As such, Claims in Classes 2b, 3, 4, 5 and 6 are Impaired, and the holders of Claims in those Classes are entitled to vote on the Plan. Holders of Claims in Classes 1, 2a, 7, 9 and 10 are not entitled to vote and are deemed to have accepted the Plan. Holder of Claims in Class 8 and 11 are not entitled to vote and are deemed to have rejected the Plan.

D. Definitions; Certain Exhibits.

1. Definitions. Unless otherwise defined herein, capitalized terms used in this Disclosure Statement will be defined as set forth in the Plan or as defined in the Bankruptcy Code.

2. Certain Exhibits. A copy of a liquidation analysis is attached hereto as **Exhibit B**. A non-exhaustive list setting forth persons or entities that received payments during the 90 days prior to the Petition Date that the WV Debtors or Reorganized Debtors, as the case may be, may seek to recover under section 547 of the Bankruptcy Code or otherwise is attached hereto as **Exhibit C**. **Exhibit C** also includes a non-exhaustive list setting forth insiders of the WV Debtors who received payments during the one year prior to the Petition Date that the WV Debtors or Reorganized Debtors, as the case may be, may seek to recover under section 547 of the Bankruptcy Code. The fact that a party is listed on **Exhibit C** as having received a payment in the 90 days or one year prior to the Petition Date does not mean that the WV Debtors or Reorganized Debtors, as the case may be, will seek to recover payments made to such party or that any determination has been made that such payments were preferential. In the event that the WV Debtors or Reorganized Debtors, as the case may be, determines to pursue recovery of any payment made in the 90 days or one year prior to the Petition Date, any party that received such payment may have rights and defenses which would prevent recovery of such payments by the WV Debtors or Reorganized Debtors, as the case may be, and no such rights or defenses are impacted by the Plan except as provided for in the Plan. In reviewing this Disclosure Statement and the Plan, and in determining whether to vote for or against the Plan, Creditors (including parties who received payments or transfers from the WV Debtors within 90 days prior to the Petition Date and insiders who received payments or transfers from the WV Debtors within one year before the Petition Date) and other parties should consider that Causes of Action of the WV Debtors may exist against them, that, except as otherwise set forth in the Plan, the Plan preserves all Causes of Action of the WV Debtors, and that the Plan authorizes the WV Debtors or Reorganized Debtors, as the case may be, to prosecute same.

The Plan Supplement, a compilation of documents and forms of documents, schedules, and exhibits to the Plan, will be filed no later than twenty (20) days before the Confirmation Hearing or as soon as reasonably practicable thereafter.

E. Notice to Creditors.

1. Purpose of Disclosure Statement. This Disclosure Statement is being transmitted to, among others, holders of Impaired Claims against the WV Debtors that are entitled to vote to accept or reject the Plan (Classes 2b, 3, 4, 5, and 6). Holders of unimpaired Claims shall receive a Confirmation Hearing Notice and a Notice of Non-Voting Status, substantially in the form annexed to the Disclosure Statement Order as Exhibit C (the “Notice of Unimpaired Non-Voting Status”), which identifies each such class as unimpaired and provides information to such holders of unimpaired Claims as to how a copy of the Plan and Disclosure Statement may be obtained. Holders of Claims and Interests in the Impaired Non-Voting Classes shall receive a Confirmation Hearing Notice and a Notice of Non-Voting Status (the “Notice of Impaired Non-Voting Status”), substantially in the form annexed to the Disclosure Statement Order, which informs the holder of any claims or interests in such Impaired Non-Voting Classes that it will receive no recovery under the Plan, is not entitled to vote, and therefore, is deemed to have rejected the Plan. The Notice of Impaired Non-Voting Status also sets forth the manner in which the holder of claims or interests in such classes may obtain a copy of the Plan and Disclosure Statement.

The purpose of this Disclosure Statement is to provide Creditors with information that (i) summarizes the Plan and alternatives to the Plan, (ii) advises Creditors of their rights under the Plan, (iii) assists Creditors entitled to vote in making informed decisions as to whether they should vote to accept or reject the Plan, and (iv) assists the Bankruptcy Court in determining whether the Plan complies with the provisions of Chapter 11 of the Bankruptcy Code and should be confirmed. This Disclosure Statement contains important information regarding (A) the WV Debtors’ history, (B) developments in these Chapter 11 Cases, (C) the Plan, including a summary and analysis thereof, and (D) considerations pertinent to acceptance or rejection of the Plan. This Disclosure Statement is designed to provide holders of Impaired Claims that are entitled to vote to accept or reject the Plan with adequate information to enable such holders to make a reasonably informed decision with respect to the Plan prior to exercising the right to vote to accept or reject the Plan. All Creditors are encouraged to read this Disclosure Statement and its exhibits carefully and in their entirety before deciding to vote either to accept or reject the Plan.

2. Information Contained in this Disclosure Statement. This Disclosure Statement is the only document authorized by the Bankruptcy Court to be used in connection with the solicitation of votes accepting the Plan. No solicitation of votes may be made except pursuant to this Disclosure Statement, and no Person has been authorized by the Bankruptcy Court or the WV Debtors to use or disclose any information concerning the WV Debtors other than the information contained herein. Other than as explicitly set forth in this Disclosure Statement, you should not rely upon any information relating to the WV Debtors, their Estates, the value of their Assets, the nature or amounts of their liabilities, their Creditors’ Claims, or the amount or value of any distributions made under the Plan. All financial information and historical information contained in this Disclosure Statement has been provided by the WV Debtors. This Disclosure Statement is accurate to the best of the WV Debtors’ knowledge, information and belief. The WV Debtors have endeavored to make this Disclosure Statement as

clear and comprehensive as possible in order to furnish Creditors with adequate information to make an informed decision regarding acceptance or rejection of the Plan.

PLEASE READ THIS DISCLOSURE STATEMENT, INCLUDING THE PLAN, IN ITS ENTIRETY PRIOR TO VOTING ON THE PLAN. A COPY OF THE PLAN IS ANNEXED HERETO AS EXHIBIT A. THIS DISCLOSURE STATEMENT SUMMARIZES THE TERMS OF THE PLAN, FOR THE CONVENIENCE OF CREDITORS, BUT THE PLAN ITSELF QUALIFIES ALL SUCH SUMMARIES. ACCORDINGLY, IF THERE EXISTS ANY INCONSISTENCY BETWEEN THE PLAN AND THIS DISCLOSURE STATEMENT, THE TERMS OF THE PLAN WILL CONTROL.

F. Disclosure Statement Enclosures.

Accompanying this Disclosure Statement are the following enclosures:

1. Disclosure Statement Approval Order. A copy of the Order of the Bankruptcy Court dated August [--], 2018, approving this Disclosure Statement and, among other things, establishing procedures for voting on the Plan, and scheduling the hearing to consider, and the deadline for objecting to, confirmation of the Plan (the “Disclosure Statement Approval Order”).
2. Notice of Confirmation Hearing. A copy of the notice of the deadline for submitting ballots to accept or reject the Plan and, among other things, the date, time and place of the hearing to confirm the Plan, and the deadline for filing objections to confirmation of the Plan (the “Notice of Confirmation Hearing”).
3. Ballots. One or more ballots (and return envelopes) for voting to accept or reject the Plan, unless you are not entitled to vote. See **Article XI** below for an explanation of which parties-in-interest are entitled to vote.

G. Summary of Voting Procedures.

1. Vote Solicitation and Deadline. To be counted, your vote must be received, pursuant to the following instructions, by the WV Debtors’ voting agent at the following address, before 4:30 p.m. (Eastern Time) September 17, 2018 (the “Voting Deadline”):

If By First Class Mail:

Donlin, Recano & Company, Inc.
Re: Wachusett Ventures, LLC, et al
PO Box 192016 Blythebourne Station
Brooklyn, NY 11219

If by Hand Delivery or Overnight Mail:

Donlin, Recano & Company, Inc.
Re: Wachusett Ventures, LLC, et al
6201 15th Avenue
Brooklyn, NY 11219

IF YOU HOLD A CLAIM ENTITLED TO VOTE:

Please complete the information requested on the applicable Ballot; sign, date and indicate your vote on the Ballot; and return the completed Ballot in the enclosed pre-addressed, postage-paid envelope so that it is actually received by the voting agent before the Voting Deadline.

DO NOT RETURN YOUR DEBT INSTRUMENTS, NOTES, CERTIFICATES OR ANY EQUITY SECURITIES THAT YOU MAY HAVE WITH YOUR BALLOT(S).

IF YOU ARE A HOLDER OF A CLAIM ENTITLED TO VOTE AND YOU HAVE RETURNED YOUR BALLOT, BUT FAILED TO INDICATE ON YOUR BALLOT WHETHER YOU ACCEPT OR REJECT THE PLAN, SUCH BALLOT WILL BE COUNTED AS AN ACCEPTANCE OF THE PLAN.

2. Acceptance of the Plan. Under the Bankruptcy Code, an impaired class of claims entitled to vote has accepted a plan, if, of those voting, the holders of two-thirds (2/3) in dollar amount, and more than one-half (1/2) in number, of claims accept.

3. Hearing on Confirmation of Plan. The Bankruptcy Court has scheduled a hearing to consider confirmation (*i.e.*, approval) of the Plan on **September 21, 2018 at 9:30 a.m.** (Eastern Time) (the “Confirmation Hearing”), in the United States Bankruptcy Court, District of Massachusetts (Eastern Division), Boston, Massachusetts. The Confirmation Hearing may be adjourned from time to time without further notice other than by announcement in the Bankruptcy Court on the scheduled hearing date or upon the WV Debtors filing a notice of adjournment.

II. GENERAL INFORMATION ABOUT THE WV DEBTORS

A. The History of the WV Debtors.

As described in further detail herein, the WV Debtors currently operate four (4) skilled nursing facilities which are located in Massachusetts (two (2) facilities) and Connecticut (two (2) facilities). These facilities are operated under leases with the respective WV Debtors being the lessees of the facilities. In total, the WV Debtors employ approximately 500 people and the WV Debtors’ facilities can accommodate up to 460 patient-residents. The WV Debtors provide residents with superior resident service delivered by knowledgeable care giver employees and associates. For the fiscal year 2017, the WV Debtors’ gross revenue was approximately \$54 million.

Wachusett was founded in 2013; however, the entity began to operate in its current structure as a holding and management company in 2016. Specifically, in March 2016, Wachusett acquired the first of the facilities it currently operates. At that time, Wachusett was owned by (i) Raymond A. Dennehy III, (ii) Wakefield Capital, LLC (“Wakefield Capital”), and (iii) Steven Vera. In March 2016, the majority owner of Wakefield Capital was the Cuzzupoli Family 2011 Irrevocable Trust. Joseph Cuzzupoli is no longer affiliated with Wachusett and its subsidiaries and the Cuzzupoli Family 2011 Irrevocable Trust no longer owns any interest in Wakefield Capital.

B. Corporate Structure and Business Operations.

As of the Petition Date, the equity owners of Wachusett, which is the sole owner of the other Debtors, are as follows:

MEMBER NAME	PERCENTAGE OWNERSHIP INTEREST
Wakefield Capital, LLC	60%
Raymond Dennehy III	20%
Steven Vera	20%

Each operating facility of Wachusett leases the building that it operates out of. None of the WV Debtors own any real estate. Two (2) facilities that were previously operated by the WV Debtors were closed in late 2017. The organizational chart attached as Exhibit A to the *Declaration of Steven Vera In Support of First Day Motions* [Docket No. 7] identifies the facilities by trade name, legal holding entity name, location, size, lessor and secured lender. It also generally depicts the Debtors’ overall corporate structure and the relationship among the Debtor entities and describes the non-debtor subsidiaries of Wachusett. As detailed in the Declaration:

- ***Connecticut Facilities*** - Pursuant to a master lease dated March 1, 2016 (the “Connecticut Master Lease”), three operating facilities in Connecticut (the “Connecticut Facilities”) are leased from CCP Camelot 0563 LLC, CCP Nutmeg Pavilion 0567 LLC and CCP Parkway Pavilion 0568 LLC (individually and collectively, the “Connecticut Landlord”), which are subsidiaries of Sabra Health Care REIT Inc. (“Sabra”). Another subsidiary of Sabra, CCP Finance II LLC (“CCP Finance”), is the secured lender to the WV Debtor-entities operating the Connecticut Facilities and the now-closed facility in Connecticut;² and
- ***Massachusetts Facilities*** - Pursuant to a master lease dated February 10, 2017 (the “Massachusetts Master Lease,” together with the Connecticut Master Lease, the “Master Leases”) three operating facilities in Massachusetts (the “Massachusetts Facilities”) are leased from CCP Den-Mar 0542 LLC, CCP Quincy 0537 LLC and CCP Walden 0588 LLC (individually and collectively, the “Massachusetts Landlord”, together with the

² The Debtors began managing the Connecticut Facilities on March 1, 2016. Upon completion of the licensing process in October 5, 2016, took ownership of the Connecticut Facilities. ¹

Connecticut Landlord, the “Master Landlords”), each of which are also subsidiaries of Sabra. CCP Finance is also a secured lender to the WV Debtor-entities operating the Massachusetts Facilities.³

Each Debtor is separately licensed by the applicable licensing authorities and directly employs the employees providing resident care and operates each facility. Wachusett provides management, accounting and finance support to each facility. In addition, Wachusett provided such support to Brockton through June 1, 2018.

Each of the four (4) facilities that the WV Debtors currently operate (as well as the two (2) closed facilities) were previously opened and operated by unrelated prior owners at the time that Wachusett took over management. At the time of acquisition by the WV Debtors, each facility faced operational and financial difficulties. As detailed below, since taking over each facility Wachusett has completed significant resident care, operational and financial improvements. Wachusett expects that total combined gross revenue for the WV Debtors’ facilities in 2018 will total approximately \$39,396,600.

C. Causes of Current Financial Difficulties.

The WV Debtors’ current financial difficulties stem from three historic sources. First, the WV Debtors suffered certain unusual one-time losses and extraordinary non-recurring expenses related to historic events. While some of these costs have been recovered, the net losses and damage from those events remains significant.

Specifically, Wachusett accused Joseph Cuzzupoli – who between March and November ~~of 2016, Joseph Cuzzupoli – who~~ 2016 was in direct ~~or~~ and indirect control of the Cuzzupoli Family 2001 Irrevocable Trust which was the controlling member of Wakefield Capital and who was the former Chief Executive Officer and President of Wachusett ~~– caused the misappropriation of over \$1.9 million in cash in order to satisfy personal and non-business-related debts or transactions. As a result of various collection efforts and a settlement, the WV Debtors were able to recoup approximately \$1.2 million of such transfers prior to the Petition Date. In addition, on or about February 28, 2017, Wachusett, Steven Vera, Raymond Dennehy, III, Joel Kirchick, Joseph Cuzzupoli, and the Cuzzupoli Family 2001 Irrevocable Trust entered into a Settlement Agreement (the “Settlement Agreement”) resolving various disputes between the parties whereby Mr. Cuzzupoli agreed~~ of misappropriation and Cuzzupoli disputed the claims of Wachusett. Wachusett recovered some monies, and Wachusett and Cuzzupoli entered into a negotiated settlement. The negotiated settlement required Cuzzupoli to pay \$350,000 to Wachusett to resolve the disputes between the parties associated with the inappropriate transfers. While Mr. alleged misappropriations. Cuzzupoli timely paid the principal amounts owed under the Settlement Agreement, he failed to make any interest payments in accordance with the Settlement Agreement (which were approximately \$13,000 as of February 1, 2017). \$350,000. Once the \$350,000 was timely repaid, all parties to the agreement released one another in connection with the misappropriation allegations and from any further obligations in connection

³ The Debtors began managing the Massachusetts Facilities on August 28, 2016. Upon completion of the licensing process in April 1, 2017, took ownership of the Massachusetts Facilities.⁴

with the misappropriations. The parties also agreed to keep the terms of the agreement confidential, subject to certain limitations.

Second, as noted above, the facilities that Wachusett indirectly acquired in March 2016 were previously managed and owned by operators who themselves were experiencing financial difficulties. The time and expense required to improve those facilities proved greater than expected. The financial difficulties were further compounded by the fact that significant accounts receivable collection delays occurred in connection with the transitions from the prior operators to the WV Debtors.

Since the acquisition of each facility, the WV Debtors' management team and the staff at each facility have worked relentlessly to simultaneously improve financial performance and the quality of resident care. Unfortunately, even after making financial and operational improvements, it is clear that formal restructuring is required to address the financial issues.

As mentioned above, two (2) of the facilities acquired by the WV Debtors in 2016 are now closed. These two closed facilities were leased from certain Sabra Entities (the Massachusetts Landlord and the Connecticut Landlord) and were unprofitable. In late 2017, those facilities were closed and surrendered to their landlords. Today, the Wachusett subsidiaries that operated the closed facilities remain liable for more than \$1 million in payables stemming from their operations. In addition, until the Landlords succeed in re-leasing the facilities, the WV Debtors are obligated under the applicable Master Leases to continue to pay rent to the applicable Sabra subsidiary.

In total the WV Debtors have approximately \$8.4 million in prepetition unsecured liabilities to be restructured in these cases.

Third, and finally, the WV Debtors have not been immune to the macroeconomic and industry-wide economic issues impacting the skilled nursing industry. Like others in the industry, the Debtors face declining reimbursement rates, pressure from declining occupancy rates across the country caused by the increased use of home care and other factors, and wage pressure.

The WV Debtors have suffered several financial setbacks. Nonetheless, despite the significant legacy liabilities that need to be restructured, there was a hope that a costly bankruptcy process could be avoided. Unfortunately, on January 2, 2018, Quality Rehabilitation Services, LLC ("Quality"), as a judgment creditor, elected to enforce a trustee process attachment it obtained under Massachusetts state law and on numerous subsequent occasions Quality sought to enforce claimed rights to funds in accounts that are subject to liens granted to prepetition lenders. Subsequent settlement discussions between the WV Debtors and Quality did not result in a satisfactory resolution of the issues and thus necessitated the WV Debtors' bankruptcy petitions.

D. Capital Structure and Leases.

As of the Petition Date, the WV Debtors were obligated with respect to the secured obligations referenced below.

1. CT Revolving Credit and Security Agreement

Debtors Wachusett, WV-Crossings West LLC, WV-Crossings East LLC, and WV-Parkway Pavilion LLC were parties to a Revolving Credit and Security Agreement, dated March 1, 2016 (as it may have been amended or modified from time to time, the “CT Revolving Credit and Security Agreement”) under which CCP Finance provided a revolving credit facility up to \$3,000,000. As security for the loan, CCP Finance was granted a security interest in all personal and fixture property of the borrowers of every kind and nature. Raymond A. Dennehy, Joseph Cuzzupoli and Steven Vera executed guaranties of the borrowers’ obligations under the CT Revolving Credit and Security Agreement.

2. MA Revolving Credit and Security Agreement

Debtors Wachusett, WV-Concord SNF OPCO LLC, WV-Rockport SNF OPCO LLC, and WV-Quincy SNF OPCO LLC were parties to a Revolving Credit and Security Agreement, dated August 28, 2016 (as it may have been amended or modified from time to time, the “MA Revolving Credit and Security Agreement”) under which CCP Finance provided a revolving credit facility up to \$3,000,000. As security for the loan, CCP Finance was granted a security interest in all personal and fixture property of the borrowers of every kind and nature. Raymond A. Dennehy, Joseph Cuzzupoli and Steven Vera provided guaranties of the borrowers’ obligations under the MA Revolving Credit and Security Agreement.

As of the Petition Date, approximately \$2,697,186 in the aggregate remained outstanding under the MA Revolving Credit and Security Agreement and CT Revolving Credit and Security Agreement.

3. Master Leases for WV-Debtors

As noted above, Debtors WV-Crossings West LLC, WV-Crossings East LLC and WV-Parkway Pavilion LLC are party to the Connecticut Master Lease with the Connecticut Landlords. The Connecticut Landlords were granted a security interest in the tenants’ personal and intangible property. Debtors WV-Concord SNF OPCO LLC, WV-Rockport SNF OPCO LLC, and WV-Quincy SNF OPCO LLC are party to the Massachusetts Master Lease with the Massachusetts Landlords. The Massachusetts Landlord were granted a security interest in the tenants’ personal and intangible property.

Under that certain Cross Collateralization and Security Agreement, dated as of February 10, 2017, the CT Revolving Credit and Security Agreement, the MA Revolving Credit and Security Agreement and the Master Leases are cross-defaulted and cross collateralized.

The WV Debtors are in default on their obligations under the CT Revolving Credit and Security Agreement, the MA Revolving Credit and Security Agreement and the Master Leases

and the WV Debtors do not believe at this time that have any claims, counterclaims, or other defenses thereto.

III. THE CHAPTER 11 CASES

A. Filing.

On March 26, 2018, the WV Debtors each filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code (the “Petition Date”). By Order of the Bankruptcy Court, dated March 26, 2018, the WV Debtors’ Chapter 11 Cases were consolidated for procedural purposes only and are being jointly administered under case number 18-11053. The Honorable Frank J. Bailey has presided over the Chapter 11 Cases since the Petition Date.

B. Administration of the Cases.

After the Petition Date, and in accordance with sections 1107(a) and 1108 of the Bankruptcy Code, the WV Debtors continued to operate their businesses and manage their properties as debtors in possession. As of the date of this Disclosure Statement, no trustee or examiner has been appointed in the Chapter 11 Cases, nor has any motion for a trustee or examiner been made.

C. Bankruptcy Court First Day Orders.

On or about March 27, 2018, the Bankruptcy Court entered a number of orders granting the WV Debtors various forms of interim relief. In particular, the WV Debtors obtained orders, among others:

- (i) authorizing the WV Debtors to use existing cash management systems;
- (ii) authorizing and directing banks and financial institutions to honor and process checks and transfers;
- (iii) waiving requirements of Section 345(b) of the Bankruptcy Code;
- (iv) authorizing the WV Debtors to use existing bank accounts and existing business forms;
- (v) authorizing the WV Debtors to pay pre-petition payroll and related employee benefits;
- (vi) authorizing the WV Debtors to pay certain employee compensation and benefits and maintain and continue such benefits and other employee related programs;
- (vii) authorizing the WV Debtors to continue their workers’ compensation program and insurance program, pay all obligations in respect thereof, and continue to honor premium financing obligations;

(viii) authorizing the WV Debtors to provide adequate assurance of payment to utility companies and establishing procedures for resolving objections by utility companies;

(ix) authorizing the WV Debtors to continue patient programs and practices and certain prepetition credit card obligations in the ordinary course of business;

(x) authorizing the WV Debtors to pay certain taxes and fees;

(xi) authorizing the WV Debtors to obtain post-petition financing, authorizing the use of cash collateral, granting adequate protection and granting related relief;

(xii) authorizing the WV Debtors to prepare a consolidated list of creditors and a consolidated list of the Debtors thirty largest unsecured creditors, and authorizing certain procedures to maintain the confidentiality of patient information as required by privacy rules and approving the form and manner of the notice of commencement; and

(xiii) approving retention and appointment of Donlin, Recano & Company, Inc. as claims and noticing agent to the Debtors.

D. Appointment of Creditors' Committee.

On April 6, 2018, the United States Trustee for the District of Massachusetts appointed the following Creditors to the Committee:

1. Patrick J. Orr (Chairman), Healthcare Services Group (Patrick J. Orr (Chairman))
2. Eversource (Honor S. Heath)
3. PharMerica (Steve Grynceqicz)
4. Preferred Physical Therapy Solutions (Liz Almedia-Sanborn)
5. New England Health Care Employee's Union (Suzanne Clark, Vice President)

E. Appointment of Patient Care Ombudsmen.

On March 26, 2018, the Bankruptcy Court entered an order directing the appointment of a "Health Care Ombudsman" in accordance with section 333(a)(2) of the Bankruptcy Code. On April 11, 2018, the United States Trustee named Joseph J. Tomaino as Health Care Ombudsman for the Debtors' facilities in Connecticut and Mary E. McKenna as Health Care Ombudsman for the Debtors' facilities in Massachusetts.

F. Retention and Compensation of Professionals.

1. Bankruptcy Counsel. On April 3, 2018, the WV Debtors filed an application to retain Nixon Peabody LLP ("NP"). An Order approving the retention of NP was entered on April 23, 2018.

2. Claims Agent. Because of the large number of Creditors in these Chapter 11 Cases, on March 26, 2018, the WV Debtors obtained Bankruptcy Court approval to have Donlin, Recano & Company, Inc. (“DRC”) appointed as the official claims agent for the Clerk of the Bankruptcy Court.

3. Professionals Retained by the Creditors’ Committee. During the Chapter 11 Cases, the Committee retained Pepper Hamilton LLP (“Pepper Hamilton”) as their legal advisors. The Committee filed an application to retain CBIZ Accounting, Tax & Advisory of New York, LLC (“CBIZ”) as their financial advisors. Orders approving the retention of Pepper Hamilton and CBIZ were entered on May 22, 2018.

G. Post-Petition Financing.

On March 26, 2018, the WV Debtors filed a motion seeking entry of an interim order and a final order as authorizing, on an interim and permanent basis, the WV Debtors to, among other things, obtain, pursuant to sections 364(c), (d) and (e) of the Bankruptcy Code, postpetition financing in the form of a \$1,800,000 debtor-in-possession credit facility (the “DIP Facility”) pursuant to the terms set forth in the Senior Secured Debtor-In Possession Loan and Security Agreement (the “DIP Loan Agreement”) by and among the WV Debtors and CCP Finance. The DIP Facility was approved on an interim basis pursuant 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], *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], and *Fifth 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. 549]. The WV Debtors intend to borrow an additional \$200,000 under the DIP Facility to satisfy allowed Claims arising under section 503(b)(9) of the Bankruptcy Code. A final hearing on the DIP Loan Agreement is scheduled for August 29, 2018.

H. Use of Cash Collateral and Adequate Protection.

The WV Debtors sought the use of CCP Finance and the Master Landlords' cash collateral in accordance with the DIP Loan Agreement. Under the terms of the DIP Loan Agreement, the WV Debtors agreed to provide adequate protection to CCP Finance and the Master Landlords in the form of post-petition liens on all of the WV-Debtors' and their estates' right, title and interest in the Collateral, whether now owned by the WV-Debtors or hereafter acquired and whether now existing or hereafter coming into existence (the "Adequate Protection Liens"). The Adequate Protection Liens constitute (i) second-priority liens under § 364(c)(2) of the Bankruptcy Code on all assets acquired by the WV Debtors on the Petition Date and thereafter, including equipment, accounts, and inventory not encumbered by a Prior Permitted Encumbrance, subject only to the DIP Liens; and (ii) subordinate and junior liens under §364(c)(3) of the Bankruptcy Code on all Collateral encumbered by any lien or security interest existing on the Petition Date. The Adequate Protection Liens are not subject or subordinate to any lien or security interest that is avoided and preserved for the benefit of the WV-Debtors and the Estates under section 551 of the Bankruptcy Code.

Under the DIP Loan Agreement, as further adequate protection for the Collateral Diminution, the WV Debtors agreed to make the following payments to CCP Finance and the Landlords:

- (a) The WV-Debtors made all payments due to the Massachusetts Landlord when due under the Massachusetts Master Lease.
- (b) The WV-Debtors made all payments due to the Connecticut Landlord when due under the Connecticut Master Lease.

As adequate protection, Quality received replacement liens (the "Replacement Liens") in and to all property of the kind presently securing its prepetition obligations, including any property purchased or acquired with the cash collateral and any proceeds thereof, but excluding any causes of action under Chapter 5 of the Bankruptcy Code or the proceeds of any claims under or actions commenced pursuant to such powers. The Replacement Liens only attach to and are enforceable against the same types of property, to the same extent, and in the same order of priority as existed immediately prior to the Petition Date. The Replacement Liens are recognized only to the extent of any post-petition diminution in value of Quality's prepetition collateral resulting from the WV Debtors' use of cash collateral during this bankruptcy case and are subject to the Carve-Out.

I. Executory Contracts and Unexpired Leases.

1. Assumption of Contracts and Leases. On the Effective Date, 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 Connecticut Master Lease and the Massachusetts Master Lease shall be assumed as amended.

Except as otherwise set forth in the Plan each contract of the WV Debtors that is not assumed and assigned that has not expired by its own terms before the Effective Date shall be assumed as of the Effective Date. For the avoidance of doubt, the Connecticut Master Lease and the Massachusetts Master Lease shall be assumed as amended.

J. Bar Date For Filing Pre-Petition and Post-Petition Proofs of Claims.

The WV Debtors filed their Schedules of Assets and Liabilities (the “Schedules”) and Statements of Financial Affairs on April 18, 2018. By an Order dated May 22, 2018 [Docket No. 378] (the “Bar Date Order”) the Bankruptcy Court fixed July 2, 2018 at 4:00 p.m. (Eastern Time) as the date by which most proofs of claims for prepetition Claims had to be filed against the WV Debtors.⁴ Under the Bar Date Order and the Plan, unless otherwise ordered by the Bankruptcy Court, any person or entity that was required to file a timely proof of claim and failed to do so on or before the Bar Date will not be entitled with respect to such Claim to receive any payment or distribution of property from the WV Debtors, their successors or assigns, and will be forever barred from asserting such Claims against the WV Debtors’ Estates. The WV Debtors or Reorganized Debtors, as the case may be, will be reviewing and reconciling Claims and will file appropriate objections thereto.

K. Collective Bargaining Agreements.

Certain of the WV Debtors are party to the following collective bargaining agreements:

(i) WV-Parkway Pavilion, WV-Crossings East, LLC and WV-Crossings West, LLC are party to a collective bargaining agreement with the New England Health Care Employees Union, District 1199, SEIU. The effective date of that agreement is from May 19, 2017 to May 19, 2020; and

(ii) WV-Rockport SNF OPCO, LLC is party to a collective bargaining agreement with the United Food & Commercial Workers Union Local 1445. The effective date of that agreement is from January 7, 2018 to January 7, 2021.

(iii) WV-Rockport SNF OPCO, LLC was a party to a collective bargaining agreement with the United Food & Commercial Workers Union Local 1445, which expired on January 6, 2018 and is subject to an extension. The parties are currently in negotiations and have come to an agreement on the principal terms of a new collective bargaining agreement.

Under the 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,

⁴ Governmental units have until September 24, 2018 to file proofs of claim against the Debtors.

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.

L. Brockton

Brockton is the licensed operator of a 123-bed skilled nursing facility ("Brockton Facility") located at 25 Beaumont Avenue, Brockton, Massachusetts. On the Petition Date, Brockton filed a voluntary petition for chapter 11 relief with the Bankruptcy Court. Brockton's chapter 11 case was jointly administered with the chapter 11 cases of the WV-Debtors.

Brockton's capital structure differs from the capital structure of the WV Debtors. On April 19, 2017, Brockton and Congressional Bank ("Congressional") entered into Revolving Credit and Security Agreement (as it may have been amended or modified from time to time, the "Congressional Loan Agreement"). The Congressional Loan Agreement provides for a revolving credit facility up to \$2,225,000 which was subsequently reduced to \$1,500,000 in October 2017. As security for the loan, Congressional was granted a security interest in all personal and fixture property of Brockton of every kind and nature. As of the Petition Date, \$847,013 remained outstanding under the Congressional Loan Agreement (the "Congressional Obligations").

Brockton leases the Brockton Facility from Mercury SNF, LLC ("Mercury") under a Lease Agreement dated April 1, 2017 ("Mercury Lease") by which Mercury maintained that Brockton (i) is obligated to pay a base rent of \$75,000.00 per month until July 1, 2018 when such rent increases to \$95,000.00 per month, (ii) a deferred security deposit of \$16,666.67 per month until June 1, 2018, and (iii) an amount per month equal to one twelfth of (a) the annual charges for tax; (b) the annual premium for the required insurance; and (c) a capital expenditure reserve of \$376.00 per licensed bed for each year. To secure payment of the Lease obligations, Brockton granted Mercury a security interest in (a) the furniture, fixtures, equipment and supplies necessary to operate the Brockton Facility and (b) Brockton's accounts, proceeds of accounts, rents, profits, rights in any personal property leased, management agreements, service contracts, equipment leases, maintenance agreements, warranties affecting the Brockton Facility, all licenses and permits and all other intangible property of Brockton. On January 8, 2018, Mercury asserts that it perfected its security interest in Brockton's tangible and intangible, personal property by filing a financing statement with the Massachusetts Secretary of State. Brockton maintains that any such lien is subject to avoidance.

On the Petition Date, Brockton filed the *Debtor WV-Brockton SNF, LLC's Motion for Entry of an Order (I) Authorizing Use of Cash Collateral, (II) Granting Adequate Protection, (III) Scheduling A Hearing On Further Use Of Cash Collateral, And (IV) Granting Related Relief* [Docket No. 28] (the "Cash Collateral Motion"). On March 28, 2018, the Court entered the *Interim Order (I) Authorizing WV - Brockton SNF, LLC'S Use of Cash Collateral, (II) Granting Adequate Protection, and (III) Scheduling a Hearing On Further Use of Cash Collateral* [Docket No. 58]. On April 10, 2017, the Court entered the *Second Interim Order (I) Authorizing WV – Brockton SNF, LLC'S Use of Cash Collateral, (II) Granting Adequate Protection, and (III) Scheduling a Hearing On Further Use of Cash Collateral* [Docket No. 132]. On April 24, 2019, the Court entered the *Third Interim Order (I) Authorizing WV – Brockton SNF, LLC'S Use of Cash Collateral, (II) Granting Adequate Protection, and (III) Scheduling a Hearing On Further Use of Cash Collateral* [Docket No. 208]. On May 9, 2018, the Court entered the *Fourth Interim Order (I) Authorizing WV – Brockton SNF, LLC'S Use of Cash Collateral, (II) Granting Adequate Protection, and (III) Scheduling a Hearing On Further Use of Cash Collateral* [Docket No. 300].

Since the Petition Date, Brockton, Congressional and Mercury have had numerous disputes over the use of cash collateral and payments due under the Lease. On May 18, 2018, the parties filed the *Motion Under Rule 9019 for 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. 349] (the "Brockton Settlement Motion") to which sought approval of a settlement (the "Brockton Settlement") that, among other things, (a) allows Brockton to safely and responsibly transfer operations at the Brockton Facility to a new operator who continue the care for the residents at the Brockton Facility; (b) allow the residents at the Brockton Facility to avoid a forced relocation; (c) assures that the Brockton estate has sufficient resources to pay projected administrative expenses; and (d) resolves Congressional's and Mercury's substantial claims against the Brockton estate. The Brockton Settlement further provided that on the effective on the Transfer Date (as defined therein) all intercompany claims between Brockton and Wachusett Ventures will be released. The Brockton Settlement Motion was approved on May 30, 2018.

Since the Brockton Facility has transitioned to a new operator, Brockton will not be reorganized in the same manner as the WV Debtors. Accordingly, the Plan and Disclosure Statement do not apply to Brockton. The relief granted in connection with the Brockton Settlement Motion and the related agreements approved in connection therewith will continue to govern the relationship of the WV Debtors and Brockton.

IV. SUMMARY OF THE PLAN

THE FOLLOWING IS A SUMMARY OF THE SIGNIFICANT ELEMENTS OF THE PLAN. THIS DISCLOSURE STATEMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE MORE DETAILED INFORMATION SET FORTH IN THE PLAN.

Only administrative expenses, claims and interests that are “allowed” may receive distributions under a Chapter 11 plan. An “allowed” administrative expense, claim or interest simply means that the debtor agrees, or in the event of a dispute, that the Bankruptcy Court determines, that the administrative expense, claim or interest, including the amount thereof, is in fact a valid obligation of, or interest in, the debtor. Section 502(a) of the Bankruptcy Code provides that a timely filed administrative expense, claim or interest is automatically “allowed” unless the debtor or another party-in-interest objects. However, section 502(b) of the Bankruptcy Code specifies certain claims that may not be “allowed” in a bankruptcy case even if a proof of claim is filed. These include, without limitation, claims that are unenforceable under the governing agreement or applicable non-bankruptcy law, claims for unmatured interest on unsecured and/or undersecured obligations, property tax claims in excess of the WV Debtors’ equity in the property, claims for certain services that exceed their reasonable value, nonresidential real property lease and employment contract rejection damage claims in excess of specified amounts, and late-filed claims. In addition, Bankruptcy Rule 3003(c)(2) prohibits the allowance of any claim or interest that either is not listed on the debtor’s schedules or is listed as disputed, contingent, or unliquidated if the holder has not filed a proof of claim or Interest before the deadline to file proofs of claim and interests.

The Bankruptcy Code also requires that, for purposes of treatment and voting, a Chapter 11 plan divides the different claims against, and interests in, the WV Debtors into separate classes based upon their legal nature. Claims of a substantially similar legal nature are usually classified together, as are interests of a substantially similar legal nature. Because an entity may hold multiple claims and/or interests which give rise to different legal rights, the holders of such claims and/or interests may find themselves as members of multiple classes of claims and/or interests.

Under a Chapter 11 plan, the separate classes of claims and interests must be designated either as “impaired” (altered by the plan in any way) or “unimpaired” (unaltered by the plan). If a class of claims or interests is “impaired,” the Bankruptcy Code affords certain rights to the holders of such claims or interests, such as the right to vote on the plan (unless the plan provides for no distribution to the holder, in which case, the holder is deemed to reject the plan), and the right to receive an amount under the Chapter 11 plan that is not less than the value that the holder would receive if the debtor were liquidated under Chapter 7. Under section 1124 of the Bankruptcy Code, a class of claims or interests is “impaired” unless, with respect to each claim or interest of such class, the plan (i) does not alter the legal, equitable or contractual rights of the holders of such claims or interests or (ii) irrespective of the holders’ right to receive accelerated payment of such claims or interests after the occurrence of a default, cures all defaults (other than those arising from, among other things, the debtor’s insolvency or the commencement of a bankruptcy case), reinstates the maturity of the claims or interests in the class, compensates the holders of such claims or interests for any damages incurred as a result of their reasonable reliance upon any acceleration rights and does not otherwise alter their legal, equitable or contractual rights. Typically, this means that the holder of an unimpaired claim will receive on the later of the effective date of the plan or the date on which amounts owing are due and payable, payment in full, in cash, with post-petition interest to the extent permitted and provided under the governing agreement between the parties (or, if there is no agreement, under applicable non-bankruptcy law), and the remainder of the debtor’s obligations, if any, will be performed as

they come due in accordance with their terms. Thus, other than its right to accelerate a debtor's obligations, the holder of an unimpaired claim will be placed in the same position it would have been in had the debtor's case not been commenced. Consistent with these requirements, the Plan divides the Claims against, and Interests in, the WV Debtors into the following Classes and affords the treatments outlined below.

A. Treatment of 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 II of the Plan.

1. Administrative Claims

i) 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 Article II.A of the Plan, 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. For Claims arising under section 503(b)(9) of the Bankruptcy Code the Administrative Claims Bar Date was July 2, 2018. **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

i) 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.

ii) 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.

iii) 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.

iv) 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.

3. 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.

4. 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.

B. Classification and Treatment of Claims and Interests

1. Classification of Claims and Interests

All Claims and Interests, except for Administrative Claims and Priority Tax Claims, are classified in the Classes set forth in Article III of the Plan. 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.

2. Treatment of Claims and Interests

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

SUMMARY OF PLAN TREATMENT AND EXPECTED RECOVERIES				
Class	Claim Interest/ Estimated Amount of Claims	Treatment of Claim/Interest	Projected Recovery Under the Plan	Voting Rights
1	Priority Non-Tax Claims	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.	100%	Deemed to Accept
2a	Other Secured Claims	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	100%	Deemed to Accept

SUMMARY OF PLAN TREATMENT AND EXPECTED RECOVERIES				
Class	Claim Interest/ Estimated Amount of Claims	Treatment of Claim/Interest	Projected Recovery Under the Plan	Voting Rights
		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.		
2b	Quality Secured Claim	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.	Unknown	Entitled to Vote
3	CCP Finance DIP Claim	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	Unknown	Entitled to vote

SUMMARY OF PLAN TREATMENT AND EXPECTED RECOVERIES				
Class	Claim Interest/ Estimated Amount of Claims	Treatment of Claim/Interest	Projected Recovery Under the Plan	Voting Rights
		<p>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.</p> <p>The principal terms of the CCP DIP Payment Note are set forth in Article III.C.5.b of the Plan.</p>		
4	CCP Finance Prepetition Claim	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	Unknown	Entitled to vote

SUMMARY OF PLAN TREATMENT AND EXPECTED RECOVERIES				
Class	Claim Interest/ Estimated Amount of Claims	Treatment of Claim/Interest	Projected Recovery Under the Plan	Voting Rights
		<p>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.</p> <p>The principal terms of the New CCP Note are set forth in Article III.C.6.b of the Plan.</p>		
5	CCP Cure Claim	<p>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. of the Plan.</p> <p>The principal terms of the CCP Cure Note are set</p>	Unknown	<p>Entitled to vote</p>

SUMMARY OF PLAN TREATMENT AND EXPECTED RECOVERIES				
Class	Claim Interest/ Estimated Amount of Claims	Treatment of Claim/Interest	Projected Recovery Under the Plan	Voting Rights
		forth in Article III.C.7.b of the Plan.		
6	General Unsecured Claims	<p>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 shall receive a <i>Pro Rata</i> share of (i) \$300,000 payable upon the Effective Date, (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.</p> <p>As further detailed in the Plan Supplement, for the</p>	4.5% - 6.25%	Entitled to vote

SUMMARY OF PLAN TREATMENT AND EXPECTED RECOVERIES				
Class	Claim Interest/ Estimated Amount of Claims	Treatment of Claim/Interest	Projected Recovery Under the Plan	Voting Rights
		<p><u>period commencing on the Effective Date and terminating five (5) years after the Effective Date, with respect to (i) the Reorganized Debtors' Post-Effective Date Net Operating Income, and (ii) the proceeds of any Disposition, the Net Operating Income and the Disposition Proceeds shall be distributed in accordance with Article III.C.7.b of the Plan.</u></p> <p><u>For the avoidance of doubt, the Post-Effective Date Net Operating Income and Distribution Proceeds, if any, shall be distributed in the following priority:</u></p> <p><u>(i) to satisfy any and all expenses and related costs of such Post-Effective Date Net Operating Income or Disposition, including but not limited to, taxes and attorneys' fees;</u></p> <p><u>(ii) to satisfy any outstanding obligations owed to any Sabra Entity;</u></p> <p><u>(iii) to satisfy any other outstanding secured claims against the Reorganized Debtor that generated the</u></p>		

SUMMARY OF PLAN TREATMENT AND EXPECTED RECOVERIES				
Class	Claim Interest/ Estimated Amount of Claims	Treatment of Claim/Interest	Projected Recovery Under the Plan	Voting Rights
		<u>Post-Effective Date Net Operating Income or whose equity is the subject of the Disposition;</u> <u>(iv) to the extent any Member provided a capital contribution after the Effective Date (excluding any New Value Contribution), to the repayment of such capital contribution (excluding any New Value Contribution); and</u> <u>(v) the remaining proceeds shall be distributed between the Members and Holders of Allowed General Unsecured Claims, as set forth in the above chart.</u>		
7	Intercompany Claims	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.	100% or 0%	Deemed to Accept

SUMMARY OF PLAN TREATMENT AND EXPECTED RECOVERIES				
Class	Claim Interest/ Estimated Amount of Claims	Treatment of Claim/Interest	Projected Recovery Under the Plan	Voting Rights
		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.		
8	Subordinated Claims	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.	0%	Deemed to Reject
9	Convenience Class Claims	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	100%	Deemed to Accept

SUMMARY OF PLAN TREATMENT AND EXPECTED RECOVERIES				
Class	Claim Interest/ Estimated Amount of Claims	Treatment of Claim/Interest	Projected Recovery Under the Plan	Voting Rights
		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.		
10	Intercompany Interests	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.	N/A	Deemed to Accept
11	Interests (Other than Class 10 Intercompany Interests)	No distribution shall be made on account of Allowed Interests.	N/A	Deemed to Reject

C. Means for Implementation of Plan

1. 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 of the Plan. 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.

2. 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.

3. 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.

4. 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.

As further detailed in the Plan Supplement, for the period commencing on the Effective Date and terminating five (5) years after the Effective Date, with respect to (i) the Reorganized Debtors' Post-Effective Date Net Operating Income, and (ii) the proceeds of any Disposition, the Net Operating Income and the Disposition Proceeds shall be distributed as follows:

<u>Time</u>	<u>Sharing of Net Operating Income and/or Disposition Proceeds</u>
<u>0-24 months after Effective Date</u>	<u>5% Members/95% Holders of Allowed General Unsecured Claims</u>
<u>25-48 months after Effective Date</u>	<u>50% Members/50% Holders of Allowed General Unsecured Claims</u>
<u>49-60 months after Effective Date</u>	<u>75% Members/25% Holders of Allowed General Unsecured Claims</u>
<u>60 months or more after Effective Date</u>	<u>100% to Members</u>

For the avoidance of doubt, the Post-Effective Date Net Operating Income and Distribution Proceeds, if any, shall be distributed in the following priority:

- (i) to satisfy any and all expenses and related costs of such Post-Effective Date Net Operating Income or Disposition, including but not limited to, taxes and attorneys' fees;
- (ii) to satisfy any outstanding obligations owed to any Sabra Entity;

- (iii) to satisfy any other outstanding secured claims against the Reorganized Debtor that generated the Post-Effective Date Net Operating Income or whose equity is the subject of the Disposition;
- (iv) to the extent any Member provided a capital contribution after the Effective Date (excluding any New Value Contribution), to the repayment of such capital contribution (excluding any New Value Contribution); and
- (v) the remaining proceeds shall be distributed between the Members and Holders of Allowed General Unsecured Claims, as set forth in the above chart.

5. 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 Documents, 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. For the avoidance of doubt, the Reorganized Debtors shall release all Causes of Action under section 547 of the Bankruptcy Code. 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.

6. 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.

7. 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.

8. 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. Additional information concerning the terms of his employment shall be included in the Plan Supplement.

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.

9. 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.

10. 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).

11. 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.

12. 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. As the WV Debtors are pass-through

entities for income tax purposes, all tax burdens and benefits flow through to the Members, including without limitation any liabilities arising from the cancellation of indebtedness.

13. 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.

14. 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].

15. 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, and all Liens.

16. Dissolution of Certain Non-Debtor Affiliates

The WV Debtors or Reorganized Debtors shall be authorized to take any actions necessary to dissolve the following non-debtor affiliates of the WV Debtors under applicable state law: Wachusett Healthcare Management Company (“WHMC”), WV-Concord SNF PROPCO, LLC, WV-Rockport SNF PROPCO, LLC, WV-Quincy SNF PROPCO, LLC (collectively, the “Propco Affiliates”).

WHMC was established serve as the management company for the Debtors, however, no operations were ever commenced by this affiliate. WHMC has no assets, however, it was named as the tenant on the WV Debtors’ headquarters lease which has since been terminated. The Propco Affiliates were established in order to provide special purpose vehicles to own real estate in the event any of the WV Debtors exercised purchase options under the applicable lease agreements. The Propco Affiliates have never had any operations and do not have any current assets or liabilities.

17. Potential Dissolution of Closed Facilities

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

In addition, the WV Debtors, in consultation with the Sabra Entities, are considering whether to cease operations at the facility operated by WV – Rockport SNF OPCO, LLC (the “Rockport Facility”). While the WV-Debtors intend on operating the Rockport Facility for a period of not less than six (6) months, the Reorganized Debtors may elect to transition or wind-down that facility after that period. The WV Debtors anticipate that payments to Class 6 General Unsecured Creditors would be unaffected by such closure or transition.

18. 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.

D. Treatment of Executory Contracts and Unexpired Leases

1. 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 of the Plan 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.

2. 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 of the Plan.

3. 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 of the Plan shall govern the assumption and cure of the Master Leases.

Further, 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 Debtors’ Medicare Provider Agreements and federal Medicare laws and regulations, will not be impacted by the confirmation of the Plan.

E. 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.

F. 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.

G. Retirement Plans

Except as otherwise provided in the 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 the 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 the 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.

H. 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.

I. 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.

J. 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.

K. Amendments to Master Leases and CCP Cure Claim

Notwithstanding the other provisions of the Plan, the provisions of Article V. J. of the Plan 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 in the Plan, and all cure obligations shall be deemed satisfied pursuant to the treatment provided in Article III of the Plan with respect to the CCP Cure Claim. The principal terms governing the amendment and assumption of the Master Leases are set forth in Article V.J. of the Plan.

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 Article V. J. of the Plan, the provisions of Article III of the Plan with respect to the CCP Cure Claim and the Releases granted pursuant to Article VIII.D. of the Plan.

The WV Debtors have determined that the settlement is in the best interests of their Estates and is fair and equitable. The Master Landlords are compromising on the amount of their cure claim and are making significant concessions, including a reduction of rent and extension of lease terms. In particular, the Master Landlords have made several concessions that will enable the WV Debtors to make payments to other creditors under the Plan, including (i) permitting the use of escrow funds of up to \$250,000 on the Effective Date for plan payments, (ii) waiving required capital expenditure escrow payments for a period; and (iii) deferring rent for the month of January 2019 for a year. In addition, the Sabra Entities shall establish a Members Income Tax Escrow whereby 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 for 45 months. 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. Finally, and most significantly, the WV Debtors will not be making any payment on account of the CCP Cure Claim if there is no default under the Master Lease. The WV Debtors believe the settlement avoids the expense and delay if the claims of the Master Landlords were litigated. Moreover, the settlement enables the WV Debtors to remain in their facilities, which avoids the cost and disruption that would accompany any termination of the Master Leases.

L. Cuzzupoli Settlement Agreement



M. Provisions Governing Distributions

1. 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.

2. 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.

3. Rights and Powers of Disbursing Agent

i) 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 of the Plan.

ii) 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.

4. Delivery of Distributions and Undeliverable or Unclaimed Distributions

i) Delivery of Distributions

Subject to Article VI of the Plan, 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.

ii) Minimum Distributions

Notwithstanding any other provision of the 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.

iii) 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.

5. Manner of Payment

All distributions of Cash under the Plan shall be made by the Disbursing Agent on behalf of the applicable WV Debtor (or WV Debtors). 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.

6. 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.

7. 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.

8. 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.

9. Claims Paid or Payable by Third Parties

i) 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.

ii) 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.

iii) 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.

N. Procedures for Resolving Contingent, Unliquidated and Disputed Claims

1. 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.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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.

7. 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.

O. Settlement, Release, Injunction and Related Provisions

1. 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.

2. 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.

3. 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.

4. 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.

The WV Debtors have conducted a review of the potential causes of action which may exist against the Sabra Releasees and have determined in their business judgement that no viable causes of action exist against such parties, and even to the extent a potential claim does exist the costs of pursuing such causes of action and/or the likelihood of success on such actions do not justify pursuing any such claims. In addition, as reflected above in Section IV.K, the Sabra Entities have made significant concessions with respect to the Master Leases to enable the WV Debtors to accomplish the restructuring and make the payments contemplated under the Plan.

5. 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. Specifically, there are no claims against Mr. Cuzzupoli that arise under the Cuzzupoli Settlement Agreement.

The releases being sought under the Plan are essential to the Plan and its consummation. Without such releases, the Release Parties would not provide the New Value Contribution nor would they be willing to hold the interests (either directly or indirectly) in the Reorganized Debtors.

6. 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.

7. 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 of the Plan, 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 of the Plan. 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.D discharged pursuant to Article VIII.B, or are subject to exculpation pursuant to Article VIII.E 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 shall be fully released and discharged, and the Interests shall be cancelled, 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.

8. 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.

9. Police Powers Exception

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.

P. Conditions Precedent to Consummation of the Plan

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 of the Plan:

- a. The Bankruptcy Court shall have entered the Confirmation Order.
 - b. Any amendments, modifications, or supplements to the Plan (including the Plan Supplement), if any, shall be reasonably acceptable to the WV Debtors.
 - c. All actions, documents, certificates, and agreements necessary to implement the 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.
 - d. The Professional Fee Escrow Account shall have been established and funded.
1. 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.

2. Effect of Failure of Conditions.

If the Consummation of the Plan does not occur within one month 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.

Q. Modification, Revocation or Withdrawal of the Plan

1. 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.

2. 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.

3. 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.

R. 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 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 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.

V. CONFIRMABILITY AND SEVERABILITY OF A PLAN AND CRAM DOWN

At the Confirmation Hearing, the Bankruptcy Court will confirm the Plan only if all of the requirements of section 1129 of the Bankruptcy Code are met. Among the requirements for confirmation are that the Plan (i) is accepted by all Classes of Claims and Interests or, if rejected by an impaired Class, the Plan "does not discriminate unfairly" and is "fair and equitable" as to such Class, (ii) is feasible and (iii) is in the "best interests" of holders of Claims and Interests impaired under the Plan.

The Bankruptcy Code contains provisions for confirmation of a plan even if it is not accepted by all classes. These so-called "cramdown" provisions are set forth in section 1129(b) of the Bankruptcy Code, which provides that a plan can be confirmed even if it has not been accepted by all impaired classes of claims and equity interests as long as at least one impaired class of non-insider claims has voted to accept the plan and the plan "does not discriminate unfairly" and is "fair and equitable" with respect to each class of impaired claims and interests.

A. Confirmability and Severability of a Plan.

Subject to Article X of the Plan, the WV Debtors reserve the right to alter, amend, modify, revoke or withdraw the Plan. If the WV Debtors revoke or withdraw the Plan then

nothing contained herein or in the Plan shall be deemed to constitute a waiver or release of any Claims by or against the WV Debtors, or to prejudice in any manner the rights of the WV Debtors or any persons in any further proceedings involving the WV Debtors. A determination by the Bankruptcy Court that the Plan is not confirmable pursuant to section 1129 of the Bankruptcy Code shall not limit or affect the WV Debtors' ability to modify the Plan to satisfy the confirmation requirements of section 1129 of the Bankruptcy Code. Each provision of the Plan shall be considered separable and, if for any reason any provision or provisions therein are determined to be invalid and contrary to any existing or future law, the balance of the Plan shall be given effect without relation to the invalid provision.

B. Cramdown.

The WV Debtors shall have the right to request the Bankruptcy Court to confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code.

VI. ESTIMATED DISTRIBUTIONS

The estimated distribution amounts set forth in this Disclosure Statement do not include any potential recoveries from Causes of Action that may be pursued in the future by the Plan Administrator. Unless otherwise provided in the Plan, all Causes of Action are preserved for the WV Debtors and their Estates. The likely proceeds of the Causes of Action are uncertain and highly speculative at this point. Accordingly, the WV Debtors are unable to project what recovery may be realized through the prosecution of the Causes of Action.

The WV Debtors cannot reasonably estimate the amount that will ultimately be available to satisfy Claims if the Plan is confirmed, but the WV Debtors will have sufficient Assets to satisfy Allowed Administrative Claims, Fee Claims, Priority Non-Tax Claims, U.S. Trustee Claims, and to make a distribution on account of Class 5 General Unsecured Claims.

VII. VOTING REQUIREMENTS, ACCEPTANCE, CONFIRMATION AND CONSUMMATION OF THE PLAN

A. General.

To confirm the Plan, the Bankruptcy Code requires that the Bankruptcy Court make a series of findings concerning the Plan and the WV Debtors, including that: (i) the Plan classifies Claims in a permissible manner; (ii) the Plan complies with the applicable provisions of the Bankruptcy Code; (iii) the WV Debtors complied with the applicable provisions of the Bankruptcy Code; (iv) the WV Debtors have proposed the Plan in good faith and not by any means forbidden by law; (v) the disclosure required by section 1125 of the Bankruptcy Code has been made; (vi) the Plan has been accepted by the requisite votes of holders of Claims, except to the extent that "cram-down" is available under section 1129(b) of the Bankruptcy Code (see below discussion on "Cram-down," **Section VII.G**) (vii) the Plan is feasible and confirmation of the Plan will not likely be followed by the liquidation or the need for further financial reorganization of the WV Debtors, unless such liquidation is proposed under the Plan; (viii) the Plan is in the "best interests" of all holders of Claims in an impaired Class by providing to such

holders on account of their Claims property of a value, as of the Effective Date, that is not less than the amount that such holder would receive or retain in a Chapter 7 liquidation, unless each holder of a Claim in such Class has accepted the Plan (see **Section VII.I**) entitled “Best Interests of Creditors”); (ix) all fees and expenses payable under 28 U.S.C. § 1930 (relating to bankruptcy fees payable to the clerk of the Bankruptcy Court and U.S. Trustee Fees) have been paid or the Plan provides for the payment of such fees on the Effective Date; and (x) the WV Debtors must have disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director or officer of the WV Debtors or as successor to the WV Debtors under the Plan, and the appointment to or continuance in such office by such individual must be consistent with public policy.

The WV Debtors believe that the Plan satisfies all of the statutory requirements of Chapter 11 of the Bankruptcy Code. Certain of these requirements are discussed in more detail below. The WV Debtors have proposed the Plan in good faith.

In addition, the Disclosure Statement shall serve as a motion by the WV Debtors for a waiver of the 14-day stay imposed by Bankruptcy Rule 6004.

B. Eligibility to Vote.

Pursuant to the Bankruptcy Code, only classes of claims against or interests of a debtor that are “impaired” (within the meaning of section 1124 of the Bankruptcy Code) under the terms and provisions of a plan of reorganization or liquidation are entitled to vote to accept or reject a plan. A class is “impaired” if the legal, equitable, or contractual rights attaching to the claims or interests of that class are modified, other than by curing defaults and reinstating maturity. Classes of claims and interests that are not impaired are not entitled to vote on a plan and, under section 1126(f) of the Bankruptcy Code, are conclusively presumed to have accepted a plan. Therefore, the votes of holders of such unimpaired Classes are not being solicited. In addition, under section 1126(g), Classes of impaired Claims and Interests that receive no distributions under the Plan are deemed to have rejected the Plan and the votes of such holders will not be solicited. See “Summary of Classification and Treatment of Claims under the Plan” for a summary of the classification and treatment of Claims under the Plan, as well as a designation of whether each Class is impaired or unimpaired.

Under the Plan, only holders of Class 2b, 3, 4, 5 and 6 are impaired and entitled to vote to accept or reject the Plan. Any Claim in a Class entitled to vote as to which an objection has been filed and has not been withdrawn or dismissed prior to the Confirmation Hearing is not entitled to vote unless the Bankruptcy Court, pursuant to Bankruptcy Rule 3018(a) and upon application of the holder whose Claim has been objected to, temporarily allows the Claim in an amount that the Bankruptcy Court deems proper solely for the purpose of accepting or rejecting the Plan. Claims filed after the deadline to file proofs, unless deemed timely filed by the Bankruptcy Court, also are not entitled to vote.

C. Estimation and Temporary Allowance of Claims.

Pursuant to section 502 of the Bankruptcy Code and Bankruptcy Rule 3018, the Bankruptcy Court may estimate and temporarily allow a Claim for voting and other purposes. The WV Debtors or holders of particular Claims may seek an order of the Bankruptcy Court temporarily allowing, for voting purposes only, certain Disputed Claims.

D. Acceptance Requirements.

The Bankruptcy Code defines acceptance of a plan by a class of claims as acceptance by Creditors that hold at least two-thirds in dollar amount and more than one-half in number of the allowed claims of such class who actually vote for acceptance or rejection of a plan. The vote of a holder of a Claim may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that the acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

E. Transmission of Ballots.

All holders of undisputed Claims in Class 2b, 3, 4, 5 and 6 (including any Claims that are temporarily Allowed for voting purposes) as of July 30, 2018 are entitled to vote to accept or reject the Plan and may do so by completing the appropriate ballot which is enclosed with this Disclosure Statement. In most cases, each ballot enclosed with this Disclosure Statement has been encoded with the amount of your Claim for voting purposes (if your Claim is a Disputed Claim, this amount may not be the amount ultimately allowed for purposes of distributions under the Plan) and the Class to which your Claim relates. PLEASE CAREFULLY FOLLOW THE INSTRUCTIONS ACCOMPANYING THE ENCLOSED BALLOT, AS DESCRIBED IN THE INTRODUCTION OF THIS DISCLOSURE STATEMENT.

VOTING ON THE PLAN BY EACH HOLDER OF AN IMPAIRED CLAIM ENTITLED TO VOTE ON THE PLAN IS IMPORTANT. IF YOU HOLD CLAIMS IN MORE THAN ONE CLASS YOU MAY RECEIVE MORE THAN ONE BALLOT. YOU SHOULD COMPLETE, SIGN, AND RETURN EACH BALLOT THAT YOU RECEIVE.

F. Acceptances Required From Impaired Classes.

In order for a plan to be confirmed without resort to the “cram-down” provisions of the Bankruptcy Code, each Class of “impaired” Claims must be determined to have accepted the Plan. As previously mentioned, each Class of “impaired” Claims will be determined to have accepted the Plan if holders accept the Plan by votes (i) representing at least two-thirds in amount of Allowed Claims in such impaired Class of those holders actually voting and (ii) more than one-half in number of Allowed Claims in such Class of those holders actually voting.

The holders of Claims in Class 2b, 3, 4, 5 and 6 are “impaired” under the Plan, and the WV Debtors are soliciting acceptances for the Plan from the holders of Allowed Claims in such Classes. Holders of Claims in Classes 1, 2a, 7, 9 and 10 are unimpaired under the Plan and, therefore, are deemed to have accepted the Plan. Holders of Claims in Class 8 and 11 are impaired and deemed to reject the Plan.

G. Confirmation Without Acceptance of All Impaired Classes
(“Cram-down”).

In the event that a plan otherwise satisfies the Bankruptcy Code’s requirements for confirmation, but one or more classes of claims votes to reject the plan, a debtor has the right to seek confirmation of its plan under the “cram-down” provisions of the Bankruptcy Code.

The Bankruptcy Court can “cram-down” the Plan at the WV Debtors’ request only if at least one impaired Class of Claims, (excluding the votes of insiders), has accepted the Plan and all other requirements of section 1129(a) of the Bankruptcy Code are satisfied.

In addition, the Bankruptcy Court must find that, as to each impaired Class that has not accepted the Plan, the Plan does not “discriminate unfairly” and is “fair and equitable” with respect to such non-accepting Class.

A plan does not “discriminate unfairly” within the meaning of the Bankruptcy Code if the dissenting class will receive value relatively equal to the value given to all other similarly situated classes.

A plan is “fair and equitable” within the meaning of the Bankruptcy Code if no class receives more than it is legally entitled to receive for its claims or interests.

A plan is “fair and equitable” as to a class of secured claims that rejects a plan if the plan provides (a)(i) that the holders of claims included in the rejecting class retain the liens securing those claims whether the property subject to those liens is retained by the debtor or transferred to another entity, to the extent of the allowed amount of such claims, and (ii) that each holder of a claim of such class receives on account of that claim deferred cash payments totaling at least the allowed amount of that claim, of a value, as of the effective date of the plan, equal to at least the value of the holder’s interest in the estate’s interest in such property; or (b) for the realization by such holders of the indubitable equivalent of such claims.

If a class of unsecured claims rejects a plan, the plan may still be confirmed as long as the plan provides (a) for each holder of a claim included in the rejecting class to receive or retain on account of that claim property that has a value, as of the effective date of the plan, equal to the allowed amount of such claim, or (b) that the holder of any claim or any interest that is junior to the claims of such class will not receive or retain on account of such junior claim or interest any property at all.

If a class of interests rejects a plan, the plan may still be confirmed as long as the plan provides (a) that each holder of an interest included in the rejecting class receive or retain on account of that interest property that has a value, as of the effective date of the plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled, or the value of such interest, or (b) that the holder of any interest that is junior to the interest of such class will not receive or retain under the plan on account of such junior interest any property at all.

Under the Plan, no holder in a Class of Claims is to receive Cash or other property in excess of the full amount of its Allowed Claim. Moreover, no Claim or Interest that is junior to the holders of General Unsecured Claims will receive any distribution under the Plan. Accordingly, the WV Debtors believe that the Plan does not discriminate unfairly as to any impaired Class of Claims or Interests and is fair and equitable with respect to each such Class under section 1129(b) of the Bankruptcy Code.

H. Feasibility of the Plan.

In connection with confirmation of the Plan, the Bankruptcy Court will have to determine that the Plan is feasible pursuant to section 1129(a)(11), which means that confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the WV Debtors unless the Plan provides for the liquidation of the WV Debtors. Since the Plan provides for the reorganization of the WV Debtors, the Bankruptcy Court will find that the Plan is feasible if it determines that the WV Debtors will be able to satisfy the conditions precedent to the Effective Date and otherwise have sufficient funds to meet its post-Confirmation Date obligations to pay for the costs of administering and fully consummating the Plan. The WV Debtors believe that the Plan satisfies the financial feasibility requirement imposed by the Bankruptcy Code

I. Best Interests of Creditors.

To confirm the Plan over the objections of dissenting holders of impaired Claims, the Bankruptcy Court must also independently determine that the Plan is in the “best interests” of all dissenting holders of Claims impaired under the Plan. Under the “best interests” test, the Bankruptcy Court must find that the Plan provides to each dissenting holder of an impaired Claim a recovery of a value at least equal to the value, as of the Effective Date, of the distribution that each such holder would receive were the WV Debtors liquidated under Chapter 7 of the Bankruptcy Code. Here, since there are, as a practical matter, no unencumbered assets to be liquidated in a Chapter 7, the best interests test is satisfied.

To calculate a Chapter 7 trustee’s fees, section 326(a) of the Bankruptcy Code provides that such fee is calculated based on all moneys disbursed not to exceed 25 percent on the first \$5,000 or less, 10 percent on any amount in excess of \$5,000 but not in excess of \$50,000, 5 percent on any amount in excess of \$50,000 but not in excess of \$1,000,000, and reasonable compensation not to exceed 3 percent of such moneys in excess of \$1,000,000. Based on the WV Debtors’ projections of assets with a book value of \$8.5 million, it is likely that a Chapter 7 trustee’s commission alone could be approximately \$250,000. In addition to the Chapter 7 trustee’s fee, a Chapter 7 trustee would require the assistance of other professionals and such professionals’ fees would be in addition to the Chapter 7 trustee’s fee. Thus, the WV Debtors believe the Plan is in the best interest of Creditors and all Creditors are receiving value greater than or at least equal to the value, as of the Effective Date, of the distribution that each such holder would receive were the WV Debtors liquidated under Chapter 7 of the Bankruptcy Code.

In addition, in the experience of the WV Debtors’ management, it would cost approximately \$750,000 to wind-down the WV Debtors’ operations. This estimate does not

include any potential liability arising under the WARN Act or any similar state or federal law concerning the termination of employees.

Further, in any liquidation, the WV Debtors would be unable to realize the full book value of their assets and therefore the book value does not represent the actual liquidation value of such assets. The book value of the WV Debtors' assets have been adjusted in order to reflect what may ultimately be realized in a liquidation. In addition, the best interests test is also satisfied because all assets of the WV Debtors reflected on Exhibit B would be fully encumbered by the liens of the Sabra Entities as a result of its pre-petition debt, the post-petition debt, secured rejection damages and other claims, and thus are not available for distribution to any other class of creditors.

VIII. CERTAIN RISK FACTORS TO BE CONSIDERED

The holder of an impaired Claim should consider carefully the following risk factors as well as all of the other information contained in this Disclosure Statement, including the Plan and other Exhibits hereto, before deciding whether to vote to accept or reject the Plan.

The formulation of a plan of reorganization or liquidation is the principal purpose of a Chapter 11 case. The Plan sets forth the means for satisfying the holders of Claims against the WV Debtors.

The recovery projections included in this Disclosure Statement are dependent upon certain matters, most of which are beyond the control of the WV Debtors or Reorganized Debtors, as the case may be, and some of which may well not materialize. Unanticipated events and circumstances occurring subsequent to the preparation of the projections may affect the actual recoveries. Therefore, the actual recoveries achieved by the WV Debtors or Reorganized Debtors, as the case may be, may vary from the projected recoveries included herein. These variations may be material.

IX. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

THERE ARE A NUMBER OF MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS, RISKS AND UNCERTAINTIES ASSOCIATED WITH CONSUMMATION OF THE PLAN. INTERESTED PARTIES SHOULD READ CAREFULLY THE DISCUSSION SET FORTH IN THIS SECTION OF THIS DISCLOSURE STATEMENT FOR A DISCUSSION OF THE MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES AND RISKS FOR THE DEBTORS AND FOR HOLDERS OF CLAIMS AND EQUITY INTERESTS THAT ARE ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN RESULTING FROM THE TRANSACTIONS OCCURRING IN CONNECTION WITH THE PLAN.

The following discussion summarizes the material federal income tax consequences of the implementation of the Plan to the Debtors and to certain Holders of Claims that are entitled to vote to accept or reject the Plan. The following summary does not address the federal income tax consequences to Holders of Interests or Holders of Claims whose Claims are not Impaired or

who are deemed to reject the Plan. This summary does not apply to a Holder of a Claim or Interest that is not a “United States person” (as such phrase is defined in the Internal Revenue Code of 1986, as amended (the “IRC”).

The following summary is based on the IRC, Treasury Regulations promulgated thereunder, judicial decisions, and published administrative rules and pronouncements of the Internal Revenue Service (the “IRS”), all as in effect on the date hereof. Changes in such rules or new interpretations thereof may have retroactive effect and could significantly affect the federal income tax consequences described below.

The federal income tax consequences of the Plan are complex and are subject to significant uncertainties. The Debtors have not requested a ruling or advice from the IRS or an opinion of counsel with respect to any of the tax aspects of the Plan. Thus, no assurance can be given as to the interpretation that the IRS will adopt. In addition, this summary generally does not address foreign, state or local tax consequences of the Plan, nor does it address the federal income tax consequences of the Plan to special classes of taxpayers (such as broker-dealers, banks, mutual funds, insurance companies, other financial institutions, small business investment companies, persons who received their claims in whole or in part as compensation, regulated investment companies, persons holding a Claim as part of an integrated transaction, constructive sale, straddle or as part of a conversion transaction, and investors in pass-through entities). It also does not address the federal income tax consequences to foreign taxpayers and tax-exempt organizations (including certain pension funds) or agreements among Holders of Claims.

ACCORDINGLY, THE FOLLOWING SUMMARY OF MATERIAL FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM. ALL HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR TAX ADVISORS CONCERNING THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES APPLICABLE UNDER THE PLAN.

A. Consequences to the Debtors.

Wachusett Ventures, LLC is a limited liability company wholly owned by the Members that are non-Debtors. The WV Debtors are treated as disregarded entities for federal income tax purposes and thus any assets or liabilities of the WV Debtors are treated as the assets and liabilities of the Members.

B. Tax Consequences to WV Debtors.

The WV Debtors are not expected to experience any federal income tax consequences due to the Consummation of the Plan because they are disregarded entities for federal income tax purposes. Accordingly, they do not have any federal income tax liability and are not required to file federal income tax returns. Any federal income tax consequences of the WV Debtors’ restructuring will flow up to the Members. In the event that the Members elect to convert the

WV Debtors, or Wachusett Ventures, LLC to a C Corp., the transactions contemplated could result in significant tax liability to the Members and one or more of the WV Debtors.

EACH HOLDER OF A CLAIM OR INTEREST IS STRONGLY URGED TO CONSULT ITS OWN TAX ADVISOR REGARDING THE POTENTIAL FEDERAL, STATE, LOCAL OR FOREIGN TAX CONSEQUENCES OF THE PLAN.

IRS Circular 230 Notice: To ensure compliance with requirements imposed by the IRS in Circular 230, you are hereby informed that (i) any tax advice contained in this Disclosure Statement is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties under the Code, (ii) the advice is written to support the promotion or marketing of the transactions or matters addressed in the Disclosure Statement, and (iii) each holder of a Claim should seek advice based on its particular circumstances from an independent tax advisor.

C. Withholding and Reporting.

The WV Debtors and, after the Effective Date, the Reorganized Debtors, will withhold all amounts required by law to be withheld from payments to holders of Allowed Claims. For example, under federal income tax law, interest, dividends and other reportable payments may, under certain circumstances, be subject to backup withholding at the then applicable rate (currently 28%). Backup withholding generally applies only if the holder (i) fails to furnish its social security number or other taxpayer identification number (“TIN”); (ii) furnishes an incorrect TIN; (iii) fails properly to report interest or dividends; or (iv) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the TIN provided is its correct number and that it is not subject to backup withholding. Backup withholding is not an additional tax but merely an advance payment, which may be refunded to the extent it results in overpayment of tax. Certain persons are exempt from backup withholding, including corporations and financial institutions.

Treasury Regulations generally require disclosure by a taxpayer on its federal income tax return of certain types of transactions in which the taxpayer participated, including among other types of transactions, certain transactions that result in the taxpayer’s claiming a loss in excess of specified thresholds. The types of transactions that require disclosure are very broad; however, there are numerous exceptions. Holders are urged to consult their advisors regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the holder’s tax returns.

The foregoing summary has been provided for informational purposes only. All holders of Claims are urged to consult their tax advisors concerning the federal, state, local and foreign tax consequences applicable under the Plan.

X. ALTERNATIVES TO CONFIRMATION OF THE PLAN

The WV Debtors believe that the Plan affords the holders of Claims the potential for the greatest realization on the WV Debtors’ Assets and, thus, is in the best interests of such holders.

If the Plan is not confirmed, however, the alternative would be the liquidation of the WV Debtors' remaining Assets and distribution to Creditors under Chapter 7. As discussed, the WV Debtors believe that the Plan is significantly better for Creditors than a Chapter 7 liquidation.

XI. ALTERNATIVE PLANS OF REORGANIZATION

If the Plan is not confirmed, the WV Debtors or any other party-in-interest in the Chapter 11 Cases could propose a different plan or plans. The WV Debtors believe that under an alternative plan there would be little, if any, funds available for distribution to Creditors in the Chapter 11 Cases. Moreover, the filing of alternative plans would result in additional costs in administering the Chapter 11 Cases and significant delays in making distributions.

XII. CONFIRMATION HEARING

By order of the Bankruptcy Court dated [____], 2018, the Confirmation Hearing has been scheduled for September 21, 2018 at 9:30 a.m. (Eastern Time) which will continue on September 13, 2018 at 2:00 p.m., if necessary, before the Honorable Frank J. Bailey, Chief United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Massachusetts (Eastern Division). The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement made at the Confirmation Hearing or any adjourned hearing. Any objection to confirmation must be made in writing, filed with the Clerk of the Bankruptcy Court and served upon the following parties, together with proof of service thereof, so as to be ACTUALLY RECEIVED on or before September 17, 2018 at 4:30 p.m. (Eastern Time):

For the WV Debtors:

Wachusett Ventures, LLC
Attn.: 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

-and-

NIXON PEABODY LLP
55 West 46th Street
New York, NY 10036

Telephone: (212) 940-3000
Facsimile: (212) 940-3111
Attn: Christopher M. Desiderio
Email: cdesiderio@nixonpeabody.com

For the Committee:

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Fax: (617) 204-5150
Email: feinsmitht@pepperlaw.com

For the DIP Lender:

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Janet E. Bostwick, PC
295 Devonshire Street
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Fax: (617) 422-1428
Email: jeb@bosticklaw.com

For the United States Trustee:

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Office of the United States Trustee
5 Post Office Square
10th Floor, Suite 1000
Boston, MA 02109-3934
Tel: (617) 788-0415
Fax: (617) 565-6368
Email: Eric.K.Bradford@USDOJ.gov

Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014. **UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED IT WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.**

At the Confirmation Hearing, the Bankruptcy Court must determine whether the requirements of section 1129 of the Bankruptcy Code have been satisfied and, upon demonstration of such compliance, the Bankruptcy Court will enter the Confirmation Order.

XIII. CONCLUSION

The WV Debtors submit that the Plan complies in all respects with Chapter 11 of the Bankruptcy Code and the WV Debtors recommend to holders of Claims who are entitled to vote on the plan that they vote to accept the plan. The WV Debtors remind such holders that, to be counted, each ballot, signed and marked to indicate the holder's vote, must be actually received by no later than 4:30 p.m. (Eastern Time) on September 17, 2018, at the following address:

If By First Class Mail:

Donlin, Recano & Company, Inc.
Re: Wachusett Ventures, LLC, et al
PO Box 192016 Blythebourne Station
Brooklyn, NY 11219

If by Hand Delivery or Overnight Mail:

Donlin, Recano & Company, Inc.
Re: Wachusett Ventures, LLC, et al
6201 15th Avenue
Brooklyn, NY 11219

Dated: August 7, 13, 2018
Boston, Massachusetts

Respectfully submitted,

Wachusett Ventures, LLC

By: Steven Vera
Title: Chief Operating Officer of Wachusett
Ventures, LLC

Dated: August 7, 13, 2018
Boston, Massachusetts

NIXON PEABODY LLP

/s/Richard C. Pedone

Richard C. Pedone (BBO#630716)
100 Summer Street
Boston, Massachusetts 02110
Telephone: (617) 345-1000
Facsimile: (617) 345-1300
rpedone@nixonpeabody.com

-and-

Christopher M. Desiderio
Christopher J. Fong
55 West 46th Street
New York, NY 10036
Telephone: 212-940-3724
Facsimile: 855-900-8613
cdesiderio@nixonpeabody.com
cfong@nixonpeabody.com

Counsel to the WV Debtors

EXHIBIT A

EXHIBIT B

EXHIBIT C

**CREDITORS WHO RECEIVED PAYMENTS TOTALING MORE THAN \$6,225.00
WITHIN 90 DAYS OF THE PETITION DATE**

A.I.M. MUTUAL INSURANCE CO
ABILITY NETWORK INC
AFCO CREDIT CORP
AMERICAN BANKERS INS. COMPANY OF FLORIDA
AMERICAN EXPRESS
ANDERSON NUTRITION SERVICES
ASCENTIS CORP
BANK OF AMERICA
BANK OF AMERICA - MERCHANT SERVICES
BLUE CROSS & BLUE SHIELD OF MA
BOTTOM LINE COLLECTIONS
CAPITAL ONE
CENTERS FOR MEDICARE & MEDICAID SERVICES
CITY OF NEW LONDON
CLIFTON LARSON ALLEN
DONOGHUE, BARRET AND SINGAL
EASTERN PROPANE & OIL
ESTATE OF PHYLLIS WIERS
H&R HEALTHCARE
HAYMAC, LLC
HEALTHCARE SERVICES GROUP, INC.
HPC FOODSERVICE
HUNTINGTON POWER EQUIPMENT
LIFE SUPPLY CORPORATION
MARCUM LLP
MEDLINE INDUSTRIES INC.
NEHCEU 1199
NOREL SERVICE COMPANY INC
NURSE NETWORK LLC, THE
PHARMERICA
POINT CLICK CARE
PREFERRED THERAPY SOLUTIONS
QUALITY REHABILITATION SERVICES, LLC
SIEGEL, O'CONNOR, O'DONNELL & BECK
VCPI- VIRTUAL CARE PROVIDER, INC.

All persons and entities listed by each of the WV Debtors in response to Question 3(b) in their respective Statements of Financial Affairs filed by the WV Debtors in the Chapter 11 Cases.

**INSIDERS WHO RECEIVED PAYMENTS TOTALING MORE THAN \$6,225.00
WITHIN 1 YEAR OF THE PETITION DATE**

RAYMOND DENNEHY
STEVEN VERA
WACHUSETT VENTURES LLC
WV – BROCKTON SNF, LLC
WV-CONCORD SNF OPCO LLC
WV-CROSSINGS EAST LLC
WV-CROSSINGS WEST LLC
WV-PARKWAY PAVILION LLC
WV-QUINCY SNF OPCO LLC
WV-ROCKPORT SNF OPCO LLC

All persons and entities listed by each of the WV Debtors in response to Question 3(c) in their respective Statements of Financial Affairs filed by the WV Debtors in the Chapter 11 Cases.

EXHIBIT D

Document comparison by Workshare 9 on Monday, August 13, 2018 9:08:25 PM

Input:	
Document 1 ID	netdocuments://4820-7037-2462/7
Description	Wachusett - First Amended Disclosure Statement
Document 2 ID	netdocuments://4820-7037-2462/8
Description	Wachusett - First Amended Disclosure Statement
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
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Deletions	94
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Moved to	1
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Format changed	0
Total changes	253