

Document comparison by Workshare Compare on Wednesday, December 13, 2017 8:34:13 AM

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Document 1 ID	interwovenSite://PHDMS/PHL/119642060/12
Description	#119642060v12<PHL> - Wordsworth - Ch 11 Plan of Reorganization - version 9
Document 2 ID	interwovenSite://PHDMS/PHL/119642060/15
Description	#119642060v15<PHL> - Wordsworth - Ch 11 Plan of Reorganization - version 9
Rendering set	standard

Legend:	
<a href="#">Insertion</a>	
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Redline Summary:		
No.	Change	Text
1-2	Change	"Joint Chapter 11 Plan...as of November 8, 2017." changed to "Joint Chapter 11 Plan...as of December 13, 2017."
3-4	Change	"November 8, 2017" changed to "December 13, 2017"
5-6	Change	"terms, the “Plan””, dated...by Debtors Wordsworth" changed to "terms, the “Plan””, dated...by Debtors Wordsworth"
7	Change	"docket in these Chapter 11 Cases." changed to

		"docket in these Chapter...Date of the Plan."
8	Change	"capacity as members of the Committee; (c)" changed to "capacity as members of the Committee; and (c)"
9	Change	"(c) the Initial DIP...parties listed in (a)" changed to "(c) as to the parties listed in (a)"
10-11	Change	"as to the parties listed in (a) through (" changed to "as to the parties listed in (a) and ("
12-13	Change	"(e), any of their respective members," changed to "(b), any of their respective members,"
14	Change	"the Initial DIP Financing Facility and" changed to "the Initial DIP Financing Facility, and"
15	Change	"and such other uses as Debtors and" changed to "and for such other uses as Debtors and"
16-17	Change	"under the Affiliation...Date of the Plan." changed to "under the Affiliation...Date of the Plan."
18-19	Change	"Bank, which holds a...the Debtors' receivables" changed to "Bank, which holds a...the Debtors' receivables"
20-21	Change	"joint Chapter 11 Plan...exhibits, appendices," changed to "joint Chapter 11 Plan...exhibits, appendices,"
22	Insertion	"Real Property" means the...by Wordsworth Academy
23	Moved to	located at 2101...Fort Washington, PA
24	Insertion	19034.
25	Change	"Claim; or (b) such other...favorable to the Debtor" changed to "Claim; or (b) such other...favorable to the Debtor"
26	Change	"which is favorable to the...terms and conditions" changed to "which is favorable to the...terms and conditions"
27-28	Change	"extinguishment and...monthly payments over a" changed to "extinguishment and...monthly payments over a"

29-30	Change	"monthly payments over a...term commencing on the" changed to "monthly payments over a...term commencing on the"
31	Change	") year term commencing on the first" changed to ") year term commencing on...1, 2018, or the first"
32	Change	"first day of the month" changed to "first business day of the month"
33-34	Change	"day of the month...Date, based on a twenty" changed to "day of the month...based on a twenty"
35	Change	", based on a twenty-five (" changed to ", based on a twenty ("
36-37	Change	"(25) year amortization schedule and" changed to "(20) year amortization schedule and"
38-39	Change	"rate of interest of prime...the date of confirmation" changed to "rate of interest of prime...the date of confirmation"
40-41	Change	"confirmation of the Plan...include the balance" changed to "confirmation of the Plan...include the balance"
42-43	Change	"of the unpaid principal...in full of the Class 2" changed to "of the unpaid principal...in full of the Class 2"
44	Change	"full of the Class 2...of the Allowed Class" changed to "full of the Class 2...of the Allowed Class"
45	Deletion	Claim will retain its...Debtors' real property
46	Moved from	located at 2101...Fort Washington, PA
47-48	Change	"19034, the Debtors' accounts receivable," changed to "Real Property, the Debtors' accounts receivable,"
49	Change	"of confirmation of this...Distributable Cash shall" changed to "of confirmation of this...Distributable Cash shall"
50	Change	"on account of the Class 2 Claim." changed to "on account of the Class 2...breach of this Plan."

51-52	Change	"Class 5A, Class 5B and...that results in \$400,000" changed to "Class 5A, Class 5B and...that results in \$400,000"
53-54	Change	"Class 5A, Class 5B and...that results in \$400,000" changed to "Class 5A, Class 5B and...that results in \$400,000"
55-56	Change	"by Order of the Bankruptcy Court dated July 26," changed to "by Order of the...Court signed on July 26,"
57	Change	"July 26, 2017 [Docket No." changed to "July 26, 2017 and entered...27, 2017 [Docket No."
58-59	Change	"2017 [Docket No. 146]...as of August 26, 2017" changed to "2017 [Docket No. 145]...as of August 26, 2017"
60-61	Change	"the Order of the...26, 2017 [Docket No." changed to "the Order of the...26, 2017 [Docket No."
62-63	Change	"July 26, 2017 [Docket No. 146]." changed to "July 26, 2017 [Docket No. 145]."
64	Change	"shall become subsidiaries...operated as subsidiaries" changed to "shall become subsidiaries...operated as subsidiaries"
65-66	Change	"operated as subsidiaries of PHMC." changed to "operated as subsidiaries...service on the Board."
67	Change	"principal, interest, fees...receipt of such payment," changed to "principal, interest, fees...receipt of such payment,"
68	Change	"principal, interest, fees...receipt of such payment" changed to "principal, interest, fees...receipt of such payment"
69	Change	"(c) The Management...Agreement shall become" changed to "(c) The Affiliation Agreement shall become"
70-71	Change	"the affiliation with PHMC...terms of the Affiliation" changed to "the affiliation with PHMC...terms of the Affiliation"
72	Insertion	transferring assets among...to 11 U.S.C. § 1146(a).

73	Change	"adjacent lands owned by the Debtors." changed to "adjacent lands owned by...in Section 7.03 hereof."
74	Change	"substance acceptable to...PHMC, Siena DIP Lender" changed to "substance acceptable to...PHMC, Siena DIP Lender"
75	Change	"PHMC, Siena DIP Lender...DIP Lender (and which" changed to "PHMC, Siena DIP Lender,...DIP Lender (and which"
76	Change	"Lender shall have...sufficient to satisfy" changed to "Lender shall have...sufficient to satisfy"
77	Change	"substance acceptable to...shall have been entered" changed to "substance acceptable to...shall have been entered"
78-79	Change	"express consent of Siena...and Initial DIP Lender" changed to "express consent of Siena...Initial DIP Lender"
80	Change	"Initial DIP Lender. The...to satisfy any condition" changed to "Initial DIP Lender, the...to satisfy any condition"
81	Change	"waived and discharged the...all Claims, obligations," changed to "waived and discharged the...all Claims, obligations,"
82	Change	"Facility), none of the...Agent, pursuant" changed to "Facility), none of the...Agent, pursuant"
83	Change	"the Effective Date. ...Distribution Agent is," changed to "the Effective Date. ...Distribution Agent is,"
84	Change	"DIP Lender and Initial...Confirmation Date and" changed to "DIP Lender and Initial...Confirmation Date and"
85	Change	"other Property of or to...Agent, shall" changed to "other Property of or to...Agent, shall"
86-87	Change	"Dated: November 8, 2017" changed to "Dated: December 13, 2017"

<b>Statistics:</b>	
	Count
Insertions	53
Deletions	32
Moved from	1
Moved to	1

Style change	0
Format changed	0
Total changes	87

**UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

\_\_\_\_\_  
In re: )  
) Chapter 11  
)  
Wordsworth Academy, et al.,<sup>1</sup> ) Case No. 17- 14463 (AMC)  
)  
Debtors. ) Jointly Administered  
)  
\_\_\_\_\_

**DEBTORS' JOINT CHAPTER 11 PLAN**

The above-captioned debtors and debtors in possession (collectively, the "Debtors") hereby submit their Joint Chapter 11 Plan dated as of ~~November 8,~~<sup>1</sup> December 13,<sup>2</sup> 2017.

Dated: Philadelphia, Pennsylvania  
~~November 8,~~<sup>3</sup> December 13,<sup>4</sup> 2017

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Debtors-in-Possession*

\_\_\_\_\_  
<sup>1</sup> The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number, are: Wordsworth Academy (9031); Wordsworth CUA 5, LLC (0983); and Wordsworth CUA 10, LLC (5980). Wordsworth Academy has an address at 3300 Henry Ave., Philadelphia, PA 19129.

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## INTRODUCTION

This joint chapter 11 plan (as may be amended or modified hereafter in accordance with its terms, the “Plan”), dated as of ~~November 8,~~<sup>5</sup> December 12,<sup>6</sup> 2017, is proposed by Debtors Wordsworth Academy (“Wordsworth”), Wordsworth CUA 5, LLC and Wordsworth CUA 10, LLC (together, the “CUAs” and, together with Wordsworth, the “Debtors”). Reference is made to the Disclosure Statement, filed on October 6, 2017, as modified on November 8, 2017, accompanying the Plan for a discussion of the Debtors’ history, business, results of operations, historical financial information, properties, projections for future operations and risk factors, a summary and analysis of the Plan, and certain related matters.

SUBJECT TO CERTAIN RESTRICTIONS AND REQUIREMENTS SET FORTH IN SECTION 1127 OF THE BANKRUPTCY CODE, BANKRUPTCY RULE 3019 AND THE PLAN, THE DEBTORS RESERVE THE RIGHT TO ALTER, AMEND, MODIFY, REVOKE OR WITHDRAW THE PLAN PRIOR TO ITS SUBSTANTIAL CONSUMMATION.

Capitalized terms used herein shall have the meanings set forth in Article I hereof. The Debtors have obtained Bankruptcy Court authority to have the Chapter 11 Cases jointly administered for administrative and procedural purposes only and the Plan is being proposed as a joint plan of the Debtors for administrative and procedural purposes only. The Plan is not premised upon the substantive consolidation of the Debtors and nothing herein shall be otherwise construed. The Debtors, however, reserve the right to seek substantive consolidation by motion or amendment to the Plan if they conclude that substantive consolidation is necessary or appropriate for effectuation of the Plan. Claims against, and Interests in, the Debtors (other than Administrative Claims and Priority Tax Claims) are classified in Article II hereof and treated in Article III hereof.

## ARTICLE I. DEFINITIONS, INTERPRETATION, AND EXHIBITS.

Section 1.01. Definitions. As used herein:

“Administrative Claim” means a Claim for: (a) any cost or expense of administration (including, without limitation, the Professional Fee Claims) of any of the Chapter 11 Cases asserted or arising under sections 503, 507(a)(1), 507(b) or 1114(e)(2) of the Bankruptcy Code including, but not limited to (i) any actual and necessary post Petition Date cost or expense of preserving the Debtors’ respective Estates or operating the Debtors, (ii) any post Petition Date cost, indebtedness or contractual obligation duly and validly incurred or assumed by the Debtors in the ordinary course of their respective organizations, (iii) compensation or reimbursement of expenses of Professionals to the extent Allowed by the Bankruptcy Court under sections 330(a) or 331 of the Bankruptcy Code, and (iv) all Allowed Claims that are entitled to be treated as Administrative Claims pursuant to a Final Order of the Bankruptcy Court under section 546 of the Bankruptcy Code; (b) any fees or charges assessed against the Debtors’ respective Estates under section 1930 of title 28 of the United States Code; and (c) Claims of the DIP Lender in connection with the DIP Financing Facility.

“Affiliate” shall have the meaning set forth in section 101(2) of the Bankruptcy Code.

“Affiliation Agreement” means that certain Affiliation Agreement, as may be amended by the parties thereto, a copy of which is attached hereto as Attachment 1, by and between Debtor Wordsworth and PHMC that provides the terms by which the Debtors will become subsidiaries of Public Health Management Corporation and/or its Affiliates as of the Effective Date of this Plan.

“Allowed” means, with reference to any Claim, (a) any Claim against any of the Debtors that has been listed by the Debtors in the Schedules, as such Schedules may have been amended by the Debtors from time to time in accordance with Bankruptcy Rule 1009, as liquidated in amount and not Disputed or contingent, and with respect to which no contrary Proof of Claim has been filed, (b) any Claim specifically allowed under the Plan, (c) any Claim the amount or existence of which has been determined or allowed by a Final Order, or (d) any Claim as to which a Proof of Claim has been timely filed before the Bar Date, provided that at the time of the Effective Date the Debtors have not identified such Claim as being objectionable in part or in whole and no Objection to the allowance thereof has been filed by the Claims Objection Deadline; provided, however, that the term Allowed, with reference to any Claim, shall not include (x) any unliquidated Claim or (y) interest or attorneys’ fees on or related to any Claim that accrues from and after the Petition Date unless otherwise expressly provided for in the Plan.

“Allowed Claim” means a Claim that is Allowed.

“Allowed Interest” means an Interest that is Allowed.

“Assumption Effective Date” means the date upon which the assumption of an executory contract or unexpired lease under this Plan is deemed effective.

“Assumption Party” means a counterparty to an executory contract or unexpired lease to be assumed and/or assigned by the Debtors.

“Avoidance Actions” means any and all Causes of Action which a trustee, debtor in possession, the Estates or other appropriate party in interest may assert under sections 502, 510, 541, 542, 543, 544, 545, 547, 548, 549, 550, 551, or 553 of the Bankruptcy Code (other than those which are released or dismissed as part of and pursuant to the Plan) or under other similar or related state or federal statutes or common law, including fraudulent conveyance laws.

“Ballot” means the ballots, substantially similar to the forms accompanying the Disclosure Statement as such forms shall be subsequently amended by the Debtors, upon which Holders of Impaired Claims and Interests entitled to vote on the Plan shall, among other things, indicate their acceptance or rejection of the Plan in accordance with the instructions regarding voting.

“Bankruptcy Code” means the Bankruptcy Reform Act of 1978, as codified in title 11 of the United States Code, 11 U.S.C. §§ 101 et seq., as in effect on the Petition Date, together

with all amendments and modifications thereto that subsequently may be made applicable to the Chapter 11 Cases.

“Bankruptcy Court” means the United States Bankruptcy Court for the Eastern District of Pennsylvania or, if such court ceases to exercise jurisdiction over these proceedings, the court or adjunct thereof that exercises jurisdiction over the Chapter 11 Cases.

“Bankruptcy Rules” means: (a) the Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms, as amended and promulgated under section 2075 of title 28 of the United States Code; (b) the Federal Rules of Civil Procedure, as amended and promulgated under section 2072 of title 28 of the United States Code; (c) any local rules applicable to the Bankruptcy Court; and (d) any standing orders governing practice and procedure issued by the Bankruptcy Court, each as in effect on the Petition Date, together with all amendments and modifications thereto that were subsequently made applicable to the Chapter 11 Cases or proceedings therein, as the case may be.

“Bar Date” means the applicable bar date by which a Proof of Claim must be filed, as established by an order of the Bankruptcy Court.

“Board(s)” shall mean the members of the Board of Trustees or Board of Directors of each of the Debtors.

“Business Day” means any day which is not a Saturday, a Sunday, a “legal holiday” as defined in Bankruptcy Rule 9006(a), or a day on which banking institutions in the State of Pennsylvania are authorized or obligated by law, executive order or governmental decree to be closed.

“Cash” means money, currency and coins, negotiable checks, balances in bank accounts and other lawful currency of the United States of America and its equivalents.

“Causes of Action” means any and all actions, Claims, rights, defenses, third-party claims, damages, executions, demands, crossclaims, counterclaims, suits, choses in action, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payment and claims whatsoever, whether known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, Disputed, undisputed, secured or unsecured and whether asserted or assertable directly, indirectly or derivatively, at law, in equity or otherwise, accruing to the Debtors, including, but not limited to, the Avoidance Actions.

“Chapter 11 Cases” means the cases under chapter 11 of the Bankruptcy Code commenced by the Debtors in the Bankruptcy Court on the Petition Date.

“Claim” shall have the meaning set forth in section 101(5) of the Bankruptcy Code.

“Claims Objection Deadline” means the latest of: (a) 120 days after the Effective Date; (b) 75 days after the date on which any Claim is filed; or (c) such other date as may be fixed by the Bankruptcy Court, whether fixed before or after the date specified in clauses (a) and (b) above.

“Class” means each class, subclass or category of Claims or Interests as classified in Article II of the Plan.

“Classes 2 through 5” means Classes 2, 3A, 3B, 3C, 4A, 4B, 4C, 5A, 5B, and 5C, the Claims in which Classes are Impaired under the Plan.

“Committee” means the official committee of unsecured creditors appointed in the Debtors’ Chapter 11 Cases pursuant to section 1102(a) of the Bankruptcy Code by the United States Trustee, as the membership of such committee is from time to time constituted and reconstituted.

“Committee Members” means the creditors appointed to serve as members of the Committee in the Debtors’ Chapter 11 Cases pursuant to section 1102(a) of the Bankruptcy Code by the United States Trustee.

“Confirmation” means the entry by the Bankruptcy Court of the Confirmation Order.

“Confirmation Date” means the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order on the docket of the Bankruptcy Court with respect to the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.

“Confirmation Hearing” means the hearing held before the Bankruptcy Court to consider Confirmation of the Plan pursuant to sections 1128 and 1129 of the Bankruptcy Code.

“Confirmation Order” means the order entered by the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

“Creditor” means any Person that is the Holder of any Claim against any of the Debtors.

“Cure” means a distribution made in the ordinary course of business following the Effective Date pursuant to an executory contract or unexpired lease assumed under section 365 or 1123 of the Bankruptcy Code (i) in an amount equal to the Proposed Cure (including if such Proposed Cure is zero dollars) or (ii) if a Treatment Objection is filed with respect to the applicable Proposed Cure, then in an amount equal to the unpaid monetary obligations owing by the Debtors and required to be paid pursuant to section 365(b) of the Bankruptcy Code, as may be (x) determined by Final Order or (y) otherwise agreed upon by the parties.

“Debtors” shall have the meaning set forth in the Introduction.

“Disallowed” means, with respect to any Claim or Interest or portion thereof, any Claim against or Interest in the Debtors which: (a) has been withdrawn, in whole or in part, by agreement of the Debtors and the Holder thereof; (b) has been withdrawn, in whole or in part, by the Holder thereof; or (c) has been disallowed, in whole or part, by Final Order of a court of competent jurisdiction. In each case a Disallowed Claim or a Disallowed Interest is disallowed only to the extent of disallowance or withdrawal.

“Disclosure Statement” means the Debtors’ Disclosure Statement with Respect to the Chapter 11 Plan originally filed on October 6, 2017, as approved by the Bankruptcy Court on November 8, 2017, including all exhibits, appendices, schedules and annexes, if any, attached thereto, as submitted by the Debtors, as the same may be altered, amended, supplemented or modified from time to time, and which was prepared and distributed in accordance with sections 1125 and 1126(b) of the Bankruptcy Code and Bankruptcy Rule 3018.

“Disputed” means any Claim or Interest that has been neither Allowed nor Disallowed.

“Disputed Claim” means a Claim, or any portion thereof, that is Disputed. For purposes of the Plan, a Claim that has been neither Allowed nor Disallowed shall be considered a Disputed Claim.

“Distributable Cash” means the sum of \$400,000 being provided by PHMC to the Debtors to fund pro rata distributions in the aggregate to Allowed Class 5A, Allowed Class 5B and Allowed Class 5C Claims as provided in the Plan, to be deposited into one or more Distribution Accounts.

“Distribution Account” means any account or accounts maintained by the Distribution Agent (defined below) into which Distributable Cash will be delivered, and the proceeds therefrom will be distributed in accordance with the Plan.

“Distribution Account Claims” shall have the meaning set forth in Section 5.03 herein.

“Distribution Agent” means such Entity or Entities, including the Debtors, that may be designated, in accordance with Rule 3016-1(e) of the Local Rules of the United States Bankruptcy Court for the Eastern District of Pennsylvania, by the Debtors to make distributions in accordance with the Plan.

“Effective Date” means a date to be selected by the Debtors which shall be between the first Business Day and the tenth Business Day following the date on which all conditions to consummation set forth in Article IX of the Plan have been satisfied or waived (if capable of being duly and expressly waived), provided that no stay of the Confirmation Order is then in effect. The Debtors shall file a notice of the occurrence of the Effective Date on the docket in these Chapter 11 Cases. [If the Effective Date falls on a weekend or federal bank holiday, payments designated in the Plan to be made by the Debtors on the Effective Date shall be made on the first Business Day following the Effective Date of the Plan](#)<sup>7</sup>.

“Employee Agreement” means any agreement by and between one or more of the Debtors and any employee who was employed by one or more of the Debtors on or after the Petition Date and remains employed by one or more of the Debtors on the date on which the Plan is confirmed.

“Entity” means any individual, corporation, limited or general partnership, joint venture, association, joint stock company, limited liability company, estate, trustee, United States

Trustee, unincorporated organization, government, governmental unit (as defined in the Bankruptcy Code), agency or political subdivision thereof.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rules issued thereunder.

“Estates” means the estates created in the Chapter 11 Cases pursuant to section 541 of the Bankruptcy Code upon commencement of the Chapter 11 Cases.

“Exculpated Persons” means to the maximum extent permitted by the Bankruptcy Code and applicable law: (a) the Debtors; (b) the members of the Committee solely in their capacity as members of the Committee; and<sup>8</sup>(c) ~~the Initial DIP Lender; (d) the Siena DIP Lender; (e) PHMC; and (f)~~<sup>9</sup> as to the parties listed in (a) ~~through~~<sup>10</sup> and<sup>11</sup> (~~e~~<sup>12</sup> b<sup>13</sup>), any of their respective members, officers, directors, shareholders, employees, advisors, attorneys or agents acting in such capacity on or after the Petition Date.

“Exit Facility” shall mean exit financing facility provided by the Exit Lender to be utilized to satisfy (in full) the Siena DIP Financing Facility and the Initial DIP Financing Facility,<sup>14</sup> and for<sup>15</sup> such other uses as Debtors and PHMC may determine and which shall be secured by the Debtors’ assets to the same extent and priority presently securing the Siena DIP Financing Facility and the Initial DIP Financing Facility. The Exit Facility shall replace the Siena DIP Financing Facility, providing financing up to \$5,000,000, to enable the Debtors to fund operations and debt service, including any projected reduction in cash flow as the Debtors transition to become affiliates of PHMC under the Affiliation Agreement ~~following~~<sup>16</sup> on<sup>17</sup> the Effective Date of the Plan. The Terms of the Exit Facility are still being negotiated and have not been agreed upon as of the date of this Plan; further details will be provided at the Confirmation Hearing.

“Exit Lender” means the lender selected by PHMC in consultation with the Debtors who shall provide Effective Date financing to the Reorganized Debtors.

“Final Decree” means the final decree entered by the Bankruptcy Court after the Effective Date and pursuant to section 350(a) of the Bankruptcy Code and Bankruptcy Rule 3022, which will be entered no earlier than 120 days following the entry of the Confirmation Order.

“Final Order” means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket of such court, the operation or effect of which has not been stayed, reversed, vacated, modified or amended, and as to which order or judgment (or any revision, modification, or amendment thereof) of the time to appeal, petition for certiorari, or seek review or rehearing has expired and as to which no appeal, petition for certiorari, or petition for review or rehearing was filed or, if filed, remains pending; provided, however, that the possibility that a motion may be filed pursuant to Rules 9023 or 9024 of the Bankruptcy Rules or Rules 59 or 60(b) of the Federal Rules of Civil Procedure shall not mean that an order or judgment is not a Final Order.

“Ford Road Facility” means the real property leased pre-petition by the Debtors at 3905 Ford Road, Philadelphia, PA 19131.



“General Unsecured Claims” means all Claims, including Rejection Claims and the claims of the City of Philadelphia, to the extent that the City’s claims against any of the Debtors is not fully secured by a right to setoff to the extent permitted by applicable law, that are not: Administrative Claims; Priority Tax Claims; M&T Secured Claims; Priority Claims; Class 3A, Class 3B or Class 3C Litigation Claims; Class 4A, Class 4B or Class 4C Subcontractor Claims; or Interests.

“Holder” means an Entity holding a beneficial interest in a Claim or Interest and, when used in conjunction with a Class or type of Claim or Interest, means a holder of a beneficial interest in a Claim or Interest in such Class or of such type.

“Impaired” means, when used with reference to a Claim or Interest, a Claim or Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

“Impaired Claim” means a Claim which is Impaired.

“Initial DIP Financing Facility” means the post-petition financing facility in the aggregate amount of up to \$1,500,000 provided to the Debtors by Learn and Play Inc. t/a Play and Learn pursuant to the Initial DIP Financing Order and related documents.

“Initial DIP Financing Order” means the Final Order entered by the Bankruptcy Court on July 26, 2017 [Docket No. 149], authorizing the Debtors to enter into the Initial DIP Financing Facility pursuant to section 364 of the Bankruptcy Code, and any extensions or amendments thereof.

“Initial DIP Lender” means Learn and Play Inc. t/a Play and Learn.

“Insider” shall have the meaning set forth in section 101(31) of the Bankruptcy Code.

“Insurance Plans” means the Debtors’ insurance policies and any agreements, documents or instruments relating thereto entered into prior to the Petition Date.

“Interests” means any and all equity interests, ownership interests or shares in the Debtors issued by the Debtors prior to the Petition Date.

“Liens” means, with respect to any asset or Property (or the rents, revenues, income, profits or proceeds therefrom), and in each case, whether the same is consensual or nonconsensual or arises by contract, operation of law, legal process or otherwise: (a) any and all mortgages, liens, pledges, attachments, charges, leases evidencing a capitalizable lease obligation, conditional sale or other title retention agreement, or other security interest or encumbrance or other legally cognizable security devices of any kind in respect of any asset or Property, or upon the rents, revenues, income, profits or proceeds therefrom; or (b) any arrangement, express or implied, under which any Property is transferred, sequestered or otherwise identified for the purpose of subjecting or making available the same for the payment of debt or performance of any other obligation in priority to the payment of General Unsecured Creditors.

“Litigation Claims” means any personal injury, wrongful death or other claim held by any person or entity, the underlying events as to which occurred prior to the Petition Date that was unliquidated, contingent or disputed as of the Petition Date and as to which the Debtors may be covered by insurance for any potential liability.

“Management Agreements” means those certain Transition Management Agreements dated June 26, 2017 by and between one or more of the Debtors and PHMC and/or Turning Points for Children that were assumed by the Debtors in these Bankruptcy Cases.

“M&T Bank” means M&T Bank, which holds a mortgage on the ~~real property owned by Debtor Wordsworth Academy, located at 2101 Pennsylvania Avenue, Fort Washington, PA 19034,~~<sup>18</sup> [Real Property \(defined below\)](#),<sup>19</sup> and a lien on the Debtors’ receivables and personal property.

“Notice of Intent to Assume or Reject” means a notice delivered by the Debtors pursuant to Article VI of the Plan stating an intent to assume or reject an executory contract or unexpired lease and including a proposed Assumption Effective Date or Rejection Effective Date, as applicable, and, if applicable, a Proposed Cure and/or a proposed amendment.

“Objection” means any objection, application, motion, complaint or any other legal proceeding seeking, in whole or in part, to Disallow, determine, liquidate, classify, reclassify or establish the priority, expunge, subordinate or estimate any Claim (including the resolution of any request for payment of any Administrative Claim) or Interest other than a Claim or an Interest that is Allowed.

“Person” means and includes a natural person, individual, partnership, corporation (as defined in section 101(a) of the Bankruptcy Code), or organization including, without limitation, corporations, limited partnerships, limited liability companies, general partnerships, joint ventures, joint stock companies, trusts, land trusts, business trusts, unincorporated organizations or associations, or other organizations, irrespective of whether they are legal entities, governmental bodies (or any agency, instrumentality or political subdivision thereof), or any other form of legal entities; provided, however, “Person” does not include governmental units, except a governmental unit that (a) acquires an asset from a Person (i) as a result of the operation of a loan guarantee agreement or (ii) as receiver or liquidating agent of a Person; (b) is a guarantor of a pension benefit payable by or on behalf of a Debtor or an Affiliate of a Debtor of; or (c) is the legal or beneficial owner of an asset of (i) an employee pension benefit plan that is a governmental plan, as defined in section 414(d) of the Internal Revenue Code of 1986 or (ii) an eligible deferred compensation plan, as defined in section 457(b) of the Internal Revenue Code of 1986, shall be considered for purposes of section 1102 of the Bankruptcy Code to be a Person with respect to such asset or such benefit.

“Petition Date” means June 30, 2017.

“PHMC” means Public Health Management Corporation.

“Plan” means this joint Chapter 11 Plan dated as of ~~November 8,~~<sup>20</sup> [December 13,](#)<sup>21</sup> 2017, including all exhibits, appendices, schedules and annexes, if any, attached hereto, as

submitted by the Debtors, as such Plan may be altered, amended, supplemented or modified from time to time in accordance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Confirmation Order and the terms and conditions of the Plan.

“Plan Documents” means, collectively, the Disclosure Statement, the Plan, the Confirmation Order, and any exhibit to the Plan.

“Play and Learn Lease” means that certain Lease Agreement Dated July 7, 2003 by and between Learn and Play, t/a Play and Learn and the Debtors for the property located at 200 Camp Hill Road, Fort Washington, Pennsylvania 19034 as otherwise described in the Play and Learn Lease.

“Priority Claims” means any Claim against the Debtors entitled to priority pursuant to section 507(a) of the Bankruptcy Code, other than a Priority Tax Claim or an Administrative Claim.

“Priority Tax Claim” means any and all Claims accorded priority in payment pursuant to section 507(a)(8) of the Bankruptcy Code.

“Professional Fee Claim” means an Allowed Claim for compensation and/or reimbursement of expenses pursuant to sections 327, 328, 330, 331 or 503(b) of the Bankruptcy Code relating to services incurred on and after the Petition Date and prior to and including the Effective Date in connection with an application by the Professionals in the Chapter 11 Cases made to and approved by the Bankruptcy Court.

“Professionals” means any professional employed in these Chapter 11 Cases pursuant to sections 327 or 1103 of the Bankruptcy Code or any Professional entitled to compensation pursuant to sections 327, 328, 330, 331, 503(b)(2) or (4), or 1103 of the Bankruptcy Code.

“Proof of Claim” means a proof of claim filed against any of the Debtors in the Chapter 11 Cases.

“Property” means all assets or property of the Debtors’ respective Estates of any nature whatsoever, real or personal, tangible or intangible, including contract rights, accounts and Causes of Action, previously or now owned by the Debtors, or acquired by the Debtors’ respective Estates, as defined in section 541 of the Bankruptcy Code.

“Proposed Cure” means, with respect to a particular executory contract or unexpired lease, the consideration that the Debtors propose (i) on the notices sent to Assumption Parties listed on Schedule 6.02(a) or (ii) on a Notice of Intent to Assume or Reject, in each case as full satisfaction of the Debtors’ obligations with respect to such executory contract or unexpired lease pursuant to section 365(b) of the Bankruptcy Code.

“Real Property” means the parcel of real property owned by Wordsworth Academy<sup>22</sup> located at 2101 Pennsylvania Ave., Fort Washington, PA<sup>23</sup> 19034.<sup>24</sup>

“Rejection Bar Date” means the earlier of (a) the date set by the Bankruptcy Court for the filing of a Rejection Claim or (b) thirty days from the date on which the relevant executory contract or unexpired lease is effectively rejected by the Debtors.

“Rejection Claims” means: (a) Claims of any non-Debtor counterparty to any unexpired lease of nonresidential real property or any executory contract arising on account of the rejection of such lease or contract during the administration of these Chapter 11 Cases under section 365 of the Bankruptcy Code or pursuant to the Plan; and (b) any Claims arising from the termination of or withdrawal from any pension plan of the Debtors qualified under ERISA.

“Rejection Effective Date” means (a) the date on which an final order is entered with respect to the rejection of an executory contract or unexpired lease during the administration of these Chapter 11 Cases under section 365 of the Bankruptcy Code, or (b) the date upon which the rejection of an executory contract or unexpired lease under this Plan is deemed effective, which shall not be later than 60 calendar days after the Effective Date unless otherwise agreed by the relevant Rejection Party.

“Rejection Party” means a counterparty to an executory contract or unexpired lease to be rejected by the Debtors under this Plan or during the administration of the Debtors’ Chapter 11 Cases.

“Releasees” means each of: (a) the Initial DIP Lender; (b) the Siena DIP Lender; (c) the Committee and the members thereof, solely in their capacity as members of the Committee; (d) the Debtors; (e) PHMC; and (f) with respect to each of the foregoing entities in clauses (a) through (e), such entities’ subsidiaries, Affiliates, managed accounts or funds, endowments, officers, directors, members, attorneys, current and former members of any advisory boards, current and former holders of member interests in any of the Debtors, principals, Insiders (as defined in the Bankruptcy Code), employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other Professionals, solely in their respective capacities as representatives of any of the foregoing.

“Restructuring Transactions” means the transactions described in Article VII of the Plan, which are necessary to fund the distributions on account of Claims and Interests as set forth in the Plan.

“Schedules” means the schedules of assets and liabilities and statements of financial affairs filed by any of the Debtors in the Chapter 11 Cases, as required by section 521 of the Bankruptcy Code, as the same may have been or may be amended, modified or supplemented.

“Secured Claim” means any Claim arising before the Petition Date that is: (a) secured in whole or part, as of the Petition Date, by a Lien which is valid, perfected and enforceable under applicable law on Property in which the Debtors’ respective Estates has an interest and is not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law; or (b) subject to setoff under section 553 of the Bankruptcy Code, but, with respect to both case (a) and (b), only to the extent of the value of the assets or Property securing any such Claim or the amount subject to setoff, as the case may be.

“Securities Act” means the Securities Act of 1933, as amended.

“Siena DIP Financing Facility” means the post-petition financing facility in the aggregate amount not to exceed \$5,000,000 provided to the Debtors by the Siena DIP Lender pursuant to the Siena DIP Financing Order and related documents.

“Siena DIP Financing Order” means the Final Order entered by the Bankruptcy Court on September 20, 2017 [Docket No. 300], authorizing the Debtors to enter into the Siena DIP Financing Facility pursuant to section 364 of the Bankruptcy Code, and any extensions or amendments thereof.

“Siena DIP Lender” means Siena Lending Group, LLC.

“Subcontractor Claims” means any claim held by a staffing agency or subcontractor, each of which is listed on Attachment 2 to the Plan.

“Tax” means any tax, charge, fee, levy, impost or other assessment by any federal, state, local or foreign governmental authority, including, without limitation, income, excise, property, sales, transfer, employment, payroll, franchise, profits, license, use, ad valorem, estimated, severance, stamp, occupation and withholding tax, together with any interest, penalties, fines or additions attributable to, imposed on, or collected by any such federal, state, local or foreign governmental authority.

“Treatment Objection” means an objection to the Debtors’ proposed assumption or rejection of an executory contract or unexpired lease pursuant to the provisions of this Plan (including an objection to the proposed Assumption Effective Date or Rejection Effective Date, the Proposed Cure and/or any proposed assignment, but not including an objection to any Rejection Claim) that is properly filed with the Bankruptcy Court and served in accordance with the Case Management Order by the Applicable Treatment Objection Deadline.

“Treatment Objection Deadline” means the deadline for filing and serving a Treatment Objection, which deadline shall be 4:00 p.m. (prevailing Eastern Time) on, (i) with respect to an executory contract or unexpired lease listed on Schedule 6.02(a) or 6.02(b), the 15th calendar day after the relevant Schedule is filed and notice thereof is mailed, (ii) with respect to an executory contract or unexpired lease the proposed treatment of which has been altered by an amended or supplemental Schedule 6.02(a) or 6.02(b), the 15th calendar day after such amended or supplemental schedule is filed and notice thereof is mailed, (iii) with respect to an executory contract or unexpired lease for which a Notice of Intent to Assume or Reject is filed, the 15th calendar day after such notice is filed and notice thereof is mailed and (iv) with respect to any other executory contract or unexpired lease, including any to be assumed or rejected by category pursuant to Sections 6.01, 6.03 or 6.04 of the Plan (without being listed on Schedule 6.02(a) or 6.02(b)), the deadline for objections to confirmation of the Plan established pursuant to the Approval Order or other order of the Bankruptcy Court.

“Trustee’s Fee Claims” means any fees assessed against the Debtors’ Estates pursuant to section 1930(a)(6) of title 28 of the United States Code.

“Unclaimed Property” means any distribution, including any second distribution, of Cash or any other Property made to the Holder of an Allowed Claim pursuant to the Plan that is returned to the Debtors or the Distribution Agent as undeliverable and no appropriate forwarding address is received prior to the date on which the Final Decree is entered in the Chapter 11 Cases, in the case of a distribution made in the form of a check, is not negotiated and no request for reissuance is made as provided for in Section 5.07 of the Plan.

“Unimpaired” means any Claim that is not Impaired within the meaning of section 1124 of the Bankruptcy Code.

“United States Trustee” means the United States Trustee appointed under section 581(a)(3) of title 28 of the United States Code to serve in the Eastern District of Pennsylvania.

“Voting Deadline” means the date and time that shall be set by the Bankruptcy Court for the submission of ballots voting in favor of or against the Plan, notice of which shall be mailed to Holders of Claims in Classes entitled to vote on the Plan.

Section 1.02. Rules of Interpretation. All references to “the Plan” herein shall be construed, where applicable, to include references to this document and all its exhibits, appendices, schedules and annexes, if any (and any amendments thereto made in accordance with the Bankruptcy Code). Whenever from the context it appears appropriate, each term stated in either the singular or the plural shall include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and the neuter. The words “herein,” “hereof,” “hereto,” “hereunder,” and other words of similar import refer to the Plan as a whole and not to any particular paragraph, subparagraph, or clause contained in the Plan. The words “includes” and “including” are not limiting and mean that the things specifically identified are set forth for purposes of illustration, clarity or specificity and do not in any respect qualify, characterize or limit the generality of the class within which such things are included. The captions and headings in the Plan are for convenience of reference only and shall not limit or otherwise affect the provisions hereof. Any term used in the Plan that is not defined in the Plan, either in Article I hereof or elsewhere, but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in (and shall be construed in accordance with the rules of construction under) the Bankruptcy Code or the Bankruptcy Rules (with the Bankruptcy Code controlling in the case of a conflict or ambiguity). Without limiting the preceding sentence, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply to the Plan, unless superseded herein. In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) and Section 12.15 hereof shall apply, but Bankruptcy Rule 9006(a) shall govern.

Section 1.03. Exhibits. All Exhibits, including all schedules and attachments, to the Plan are incorporated into and are a part of the Plan as if set forth in full herein, regardless of when filed.

**ARTICLE II.  
CLASSIFICATION OF CLAIMS AND INTERESTS**

Section 2.01. Generally Pursuant to Section 1122 of the Bankruptcy Code, set forth below is a designation of Classes of Claims and Interests. A Claim or an Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of the Class and is classified in a different Class to the extent the Claim or Interest qualifies within the description of that different Class. A Claim or Interest is placed in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim or an Allowed Interest in that Class and such Claim or Interest has not been paid, released, settled or otherwise satisfied prior to the Effective Date. Any and all interdebtor Claims filed by Wordsworth against either of the CUAs or by either of the CUAs against Wordsworth are not classified and, on the Effective Date, shall be waived and discharged.

Section 2.02. Unclassified Claims. In accordance with Section 1123(a)(1) of the Bankruptcy Code, Administrative Claims (including Claims of the Initial DIP Lender in connection with the Initial DIP Financing Facility and the Siena DIP Lender in connection with the Siena DIP Financing Facility) and Priority Tax Claims are not classified and are excluded from the Classes designated in this Article II of the Plan. The treatment accorded Administrative Claims and Priority Tax Claims is set forth in Article III of the Plan.

Section 2.03. Unimpaired and Unimpaired Classes. The Plan classifies certain Unimpaired Claims and Unimpaired Interests that are not entitled to vote on the Plan. Pursuant to section 1126(f) of the Bankruptcy Code, each Holder of a Claim or Interest in an Unimpaired Class is conclusively presumed to have accepted the Plan in respect of such Claims or Interests and is not entitled to vote to accept or reject the Plan. The Plan also classifies certain Impaired Claims that are entitled to vote on the Plan.

Class 1 is Unimpaired and consists of all Priority Claims.

Class 2 is Impaired and consists of the Secured Claims of M&T Bank against each of the Debtors.

Class 3A, Class 3B and Class 3C are Impaired and consist of the Litigation Claims against Wordsworth Academy, Wordsworth CUA 5, LLC and Wordsworth CUA 10, LLC, respectively.

Class 4A, Class 4B and Class 4C are Impaired and consist of the Subcontractor Claims against Wordsworth Academy, Wordsworth CUA 5, LLC and Wordsworth CUA 10, LLC, respectively.

Class 5A, Class 5B and Class 5C are Impaired and consist of the General Unsecured Claims against Wordsworth Academy, Wordsworth CUA 5, LLC and Wordsworth CUA 10, LLC, respectively. These Classes of General Unsecured Claims include all Claims against the applicable Debtor, including Rejection Claims and any unsecured claim held by the City of Philadelphia after setoff of amounts owed by and between the parties thereto to the extent permitted by applicable law, that are not: Administrative Claims, Priority Tax Claims, Secured

Claims, Priority Claims, Class 3A Litigation Claims, Class 3B Litigation Claims, Class 3C Litigation Claims, Class 4A Subcontractor Claims, Class 4B Subcontractor Claims, Class 4C Subcontractor Claims or Class 6 Interests.

Class 6 is Unimpaired and consists of the Interests of Wordsworth in the CUAs, as well as the membership interests of the Boards in each of the Debtors.

**ARTICLE III.  
PROVISIONS FOR TREATMENT OF CLASSES OF  
CLAIMS AND INTERESTS**

Section 3.01. Satisfaction of Claims and Interests. The treatment of and consideration to be received by Holders of Allowed Claims or Allowed Interests pursuant to this Article III and the Plan shall be in full satisfaction, settlement, release, extinguishment and discharge of their respective Claims against or Interests in the Debtors and the Debtors' respective Estates, except as otherwise provided in the Plan or the Confirmation Order.

Section 3.02. Unclassified Claims, Classified Unimpaired and Impaired Claims. Administrative Claims and Priority Tax Claims of each Debtor are treated by each Debtor in accordance with section 1129(a)(9)(A) and section 1129(a)(9)(C) of the Bankruptcy Code, respectively. Such Claims are Unimpaired under the Plan and, in accordance with section 1123(a)(1) of the Bankruptcy Code, are not designated as Classes of Claims for purposes of this Plan and for purposes of sections 1123, 1124, 1126 and 1129 of the Bankruptcy Code. In addition, Class 1 Claims are classified as Classes of Claims that are Unimpaired. In accordance with section 1126(f) of the Bankruptcy Code, the Holders of Claims in such Classes are conclusively presumed to have accepted the Plan and are not entitled to vote to accept or reject the Plan. Claims in Classes 2 through 5 are Impaired and the Holders thereof are entitled to vote to accept or reject the Plan on account of such Allowed Claims.

Section 3.03. Administrative Claims. Administrative Claims are Unimpaired. Unless otherwise provided for herein, each Holder of an Allowed Administrative Claim shall receive, from the Debtor against whom such Claim has been Allowed, in full satisfaction, settlement, release, extinguishment and discharge of such Claim: (a) the amount of such unpaid Allowed Claim in Cash, without interest, on or as soon as reasonably practicable after the latest to occur of (i) the Effective Date, (ii) the date on which such Administrative Claim becomes Allowed, or (iii) a later date agreed to in writing by the Debtor and the Holder of such Administrative Claim; or (b) such other treatment ~~on~~<sup>25</sup> which is favorable to the Debtor on<sup>26</sup> such other terms and conditions as may be agreed upon in writing by the Holder of such Claim and the Debtor, or as the Bankruptcy Court may order.

Section 3.04. Priority Tax Claims. Priority Tax Claims are Unimpaired. Each Holder of an Allowed Priority Tax Claim shall receive, from and at the option of the Debtor against whom such Claim is allowed, in full satisfaction, settlement, release, extinguishment and discharge of such Priority Tax Claim: (a) the amount of such unpaid Allowed Priority Tax Claim in Cash on or as soon as reasonably practicable after the later of (i) the Effective Date, (ii) the date on which such Priority Tax Claim becomes Allowed, and (iii) a later date agreed to by the Debtor and the Holder of such Priority Tax Claim; or (b) such other treatment on such other terms and



conditions as may be agreed upon in writing by the Holder of such Priority Tax Claim and the Debtor or as the Bankruptcy Court may order. Prior to the Effective Date, the Debtors, by mutual agreement, shall have the right to prepay at any time, in whole or in part, any Allowed Priority Tax Claim without premium or penalty of any sort or nature.

Section 3.05. Class 1: Priority Claims. Class 1 Priority Claims are Unimpaired. Each Holder of an Allowed Class 1 Priority Claim shall receive in full satisfaction, settlement, release, extinguishment and discharge of such Claim: (a) the amount of such unpaid Allowed Claim in Cash, without interest, on or as soon as reasonably practicable after the later of (i) the Effective Date, (ii) the date on which such Class 1 Claim becomes Allowed, and (iii) a date agreed to by the Debtors or by mutual agreement, as the case may be, and the Holder of such Class 1 Priority Claim; or (b) such other treatment on such other terms and conditions as may be agreed upon in writing by the Holder of such Claim and the Debtors. This Class includes the priority wage and benefit Claims that the Debtors were authorized to pay pursuant to the Bankruptcy Court's Order of July 6, 2017 [Docket No. 62].

Section 3.06. Class 2: Secured Claim of M&T Bank. Class 2 Secured Claims are impaired. The Holder of the Allowed Class 2 Secured Claim shall receive, in full satisfaction, settlement, release, extinguishment and discharge of ~~such Claim, 119~~<sup>27</sup> all of its Claims, the full amount of the principal and accrued non-default contractual interest owed to M&T Bank on or before January 31, 2018, unless otherwise extended by mutual agreement of the Holder of the Class 2 Claim and the Debtors (the "M&T Repayment Deadline"), provided, however, in the event that the Debtors fail to pay the full amount of the principal and accrued non-default contractual interest owed to M&T Bank on or before the M&T Repayment Deadline, the Holder of the Allowed Class 2 Secured Claim shall receive, in full satisfaction, settlement, release, extinguishment and discharge of all of its Claims, 24<sup>28</sup> monthly payments over a ~~ten (10~~<sup>29</sup> two (2<sup>30</sup>) year term commencing on the later of February 1, 2018, or the<sup>31</sup> first business<sup>32</sup> day of the month following the Effective Date<sup>33</sup> immediately after the M&T Repayment Deadline<sup>34</sup>, based on a ~~twenty-five~~<sup>35</sup> (25<sup>36</sup> 20<sup>37</sup>) year amortization schedule and a fixed rate of interest of prime plus ~~one~~<sup>38</sup> two<sup>39</sup> percent as of the date of confirmation of the Plan. The ~~120~~<sup>40</sup> 24<sup>41</sup>th payment shall include the balance of the unpaid principal owed. ~~Until~~<sup>42</sup> Notwithstanding anything to the contrary herein, until<sup>43</sup> payment in full of the Class 2 Secured Claims as set forth in this paragraph<sup>44</sup>, the Holder of the Allowed Class 2 Secured Claim will retain its liens on the ~~Debtors' real property~~<sup>45</sup> located at 2101 Pennsylvania Ave., Fort Washington, PA<sup>46</sup> 19034,<sup>47</sup> Real Property,<sup>48</sup> the Debtors' accounts receivable, personal property and other assets to the same extent and priority as exists on the date of confirmation of this Plan. The Real Property shall not be transferred or encumbered without the consent of M&T Bank, to the extent that M&T Bank has not been paid in full as provided in this Section. The Claims filed by M&T Bank, including all accrued and unpaid attorneys' fees and costs incurred by the Holder of the Class 2 Claim to and through the M&T Repayment Deadline, are allowed as an Allowed Class 2 Secured Claim. Notwithstanding anything to the contrary herein, until the expiration of the M&T Repayment Deadline, the Debtors or Reorganized Debtors shall make the regularly scheduled interest payments, at the contractual rate set forth in the pre-Petition Date loan documents by and among the Debtors and M&T Bank, when due under the pre-Petition Date loan documents on or before the first day of each month. The Debtors shall cooperate in all reasonable respects with the Holder of the Allowed Class 2 Secured Claim to enter into usual and customary documentation, or amendments to existing

documentation, memorializing the terms of the treatment of the Allowed Class 2 Secured Claim, to the extent requested by the Holder of the Allowed Class 2 Secured Claim. Until such time as M&T Bank is repaid in full or the two year term for repayment commences and any required documentation memorializing the same has become effective, the pre-Petition Date loan documents by and among M&T Bank and the Debtors shall continue in full force and effect.<sup>49</sup>None of the Distributable Cash shall be paid on account of the Class 2 Claim or any claim held by M&T Bank. The failure of the Debtors to comply with this section 3.06 shall constitute a material breach of this Plan<sup>50</sup>.

Section 3.07. Class 3A: Litigation Claims against Wordsworth Academy. Class 3A Litigation Claims against Wordsworth Academy are Impaired. Each holder of a Class 3A Claim shall receive an Allowed general unsecured claim in the amount of \$1.00 for purposes of distribution, Article X of the Plan, and for voting purposes. Class 3A Litigation Claims shall receive payment from any available insurance coverage, in full satisfaction, settlement, release, extinguishment and discharge of such Claim. The Debtors and the Estates shall have no further liability on such Claims. All rights of Class 3A Claimants against the Debtors and the Estates shall be governed by the Stipulation Regarding Tort Claims executed by such Claimant, if any, which is incorporated herein by reference.

Section 3.08. Class 3B: Litigation Claims against Wordsworth CUA 5, LLC. Class 3B Litigation Claims against Wordsworth CUA 5, LLC are Impaired. Each holder of a Class 3B Claim shall receive an Allowed general unsecured claim in the amount of \$1.00 for purposes of distribution, Article X of the Plan, and for voting purposes. Class 3B Litigation Claims shall receive payment from any available insurance coverage, in full satisfaction, settlement, release, extinguishment and discharge of such Claim. The Debtors and the Estates shall have no further liability on such Claims. All rights of Class 3B Claimants against the Debtors and the Estates shall be governed by the Stipulation Regarding Tort Claims executed by such Claimant, if any, which is incorporated herein by reference.

Section 3.10. Class 3C: Litigation Claims against Wordsworth CUA 10, LLC. Class 3C Litigation Claims against Wordsworth CUA 10, LLC are Impaired. Each holder of a Class 3C Claim shall receive an Allowed general unsecured claim in the amount of \$1.00 for purposes of distribution, Article X of the Plan, and for voting purposes. Class 3C Litigation Claims shall receive payment from any available insurance coverage, in full satisfaction, settlement, release, extinguishment and discharge of such Claim. The Debtors and the Estates shall have no further liability on such Claims. All rights of Class 3C Claimants against the Debtors and the Estates shall be governed by the Stipulation Regarding Tort Claims executed by such Claimant, if any, which is incorporated herein by reference.

Section 3.12. Class 4A: Subcontractor Claims against Wordsworth Academy. Class 4A Subcontractor Claims against Wordsworth Academy are Impaired. Each Holder of an Allowed Class 4A Subcontractor Claim against Wordsworth Academy shall receive, in full satisfaction, settlement, release, extinguishment and discharge of such Claim payment in full, without interest, from the Reorganized Debtors' operating revenues. The Debtors anticipate that the staffing agencies will be paid in full prior to the Effective Date, any remaining Subcontractor Claims that are not paid in full prior to the Effective Date will receive payment over a period of six (6) months following the Effective Date until all Subcontractor Claims have been paid in full.

Section 3.13. Class 4B: Subcontractor Claims against Wordsworth CUA 5, LLC. Class 4B Subcontractor Claims against Wordsworth CUA 5, LLC are Impaired. Each Holder of an Allowed Class 4B Subcontractor Claim against Wordsworth CUA 5, LLC shall receive, in full satisfaction, settlement, release, extinguishment and discharge of such Claim payment in full, without interest, from the Reorganized Debtors' operating revenues. The Debtors anticipate that the staffing agencies will be paid in full prior to the Effective Date, any remaining Subcontractor Claims that are not paid in full prior to the Effective Date will receive payment over a period of six (6) months following the Effective Date until all Subcontractor Claims have been paid in full.

Section 3.15. Class 4C: Subcontractor Claims against Wordsworth CUA 10, LLC. Class 4C Subcontractor Claims against Wordsworth CUA 10, LLC are Impaired. Each Holder of an Allowed Class 4C Subcontractor Claim against Wordsworth CUA 10, LLC shall receive, in full satisfaction, settlement, release, extinguishment and discharge of such Claim payment in full, without interest, from the Reorganized Debtors' operating revenues. The Debtors anticipate that the staffing agencies will be paid in full prior to the Effective Date, any remaining Subcontractor Claims that are not paid in full prior to the Effective Date will receive payment over a period of six (6) months following the Effective Date until all Subcontractor Claims have been paid in full.

Section 3.17. Class 5A: General Unsecured Claims against Wordsworth Academy. Class 5A General Unsecured Claims against Wordsworth Academy are Impaired. Each Holder of a Class 5A Allowed General Unsecured Claim against Wordsworth Academy shall receive, along with Allowed General Unsecured Claims in Classes 5B and 5C, in full satisfaction, settlement, release, extinguishment and discharge of such Claim a pro rata amount of Distributable Cash upon the determination of the allowance of all Claims included in Class 5A, Class 5B and Class 5C.

Section 3.18. Class 5B: General Unsecured Claims against Wordsworth CUA 5, LLC. Class 5B General Unsecured Claims against Wordsworth CUA 5, LLC are Impaired. Each Holder of a Class 5B Allowed General Unsecured Claim against Wordsworth CUA 5, LLC shall receive, along with Allowed General Unsecured Claims in Classes 5A and 5C, in full satisfaction, settlement, release, extinguishment and discharge of such Claim a pro rata amount of Distributable Cash upon the determination of the allowance of all Claims included in Class 5A, Class 5B and Class 5C. ~~The Debtors assign a value of \$0.00 to any Class 5B Claim held by M&T Bank against Wordsworth CUA 5, LLC and/or Wordsworth CUA 10, LLC and take the position M&T Bank will not receive a distribution from the Distributable Cash. M&T Bank disputes and disagrees with this treatment and the Debtors' position concerning the use of Distributable Cash to pay M&T's unsecured claims. If the Bankruptcy Court determines that the Class 2 Claim and/or M&T Bank's Class 5B and/or Class 5C Claims must receive payment from Distributable Cash on account of any unsecured portion of such claim, the Debtors will amend the Plan to provide for a different treatment of Class 2 and/or Class 5 Claims. Any such~~<sup>51</sup> Any<sup>52</sup> amendment that results in \$400,000 of Distributable Cash not being available for distribution to Holders of Class 5 Claims, other than M&T Bank, shall be considered to be a material amendment requiring re-solicitation.

Section 3.20. Class 5C: General Unsecured Claims against Wordsworth CUA 10, LLC. Class 5C General Unsecured Claims against Wordsworth CUA 10, LLC are Impaired. Each Holder of a Class 5C Allowed General Unsecured Claim against Wordsworth CUA 10, LLC shall receive, along with Allowed General Unsecured Claims in Classes 5A and 5B, in full satisfaction,

settlement, release, extinguishment and discharge of such Claim a pro rata amount of Distributable Cash upon the determination of the allowance of all Claims included in Class 5A, Class 5B and Class 5C. ~~The Debtors assign a value of \$0.00 to any Class 5B Claim held by M&T Bank against Wordsworth CUA 5, LLC and/or Wordsworth CUA 10, LLC and take the position M&T Bank will not receive a distribution from the Distributable Cash. M&T Bank disputes and disagrees with this treatment and the Debtors' position concerning the use of Distributable Cash to pay M&T's unsecured claims. If the Bankruptcy Court determines that the Class 2 Claim and/or M&T Bank's Class 5B and/or Class 5C Claims must receive payment from Distributable Cash on account of any unsecured portion of such claim, the Debtors will amend the Plan to provide for a different treatment of Class 2 and/or Class 5 Claims. Any such~~ <sup>53</sup> Any <sup>54</sup> amendment that results in \$400,000 of Distributable Cash not being available for distribution to Holders of Class 5 Claims, other than M&T Bank, shall be considered to be a material amendment requiring re-solicitation.

Section 3.22. Class 6: Interests. Class 6 Interests are Unimpaired. Each Holder of an Allowed Class 6 Interest shall retain its Interest only to the extent provided in the Affiliation Agreement and receive no Property or other distribution of value on account of its Interest.

#### **ARTICLE IV. ACCEPTANCE OR REJECTION OF THE PLAN; CRAMDOWN**

Section 4.01. Acceptance by Impaired Classes of Claims and Interests. Pursuant to Section 1126(c) of the Bankruptcy Code, an Impaired Class of Claims shall have accepted the Plan if: (a) the Holders of at least two-thirds (2/3) in dollar amount of the Allowed Claims actually voting in such Class (other than Claims held by any Holder designated pursuant to section 1126(e) of the Bankruptcy Code) have timely and properly voted to accept the Plan, and (b) more than one-half (1/2) in number of the Holders of such Allowed Claims actually voting in such Class (other than Claims held by any Holder designated pursuant to section 1126(e) of the Bankruptcy Code) have timely and properly voted to accept the Plan, without consideration of the vote of any Insiders. Holders of Claims that are included in a Class that is entitled to vote but are unliquidated shall be entitled to vote and their claims shall be assigned the value of \$1.00 for voting purposes only.

Section 4.02. Voting Classes. Except as otherwise required by the Bankruptcy Code or the Bankruptcy Rules, the Holders of Claims in Classes 2 through 5 shall be entitled to vote to accept or reject the Plan in accordance with Section 4.01 of the Plan. Classes of Claims Unimpaired under the Plan (Priority Claims (Class 1)) shall not be entitled to vote to accept or reject the Plan, and shall be conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Administrative Claims and Priority Tax Claims are Unimpaired and not classified under the Plan and hence are not entitled to vote to accept or reject the Plan pursuant to section 1126(g) of the Bankruptcy Code.

Section 4.03. Ballot Instructions. Each Holder of a Claim or Interest entitled to vote on the Plan will be asked to complete and return a Ballot to the Debtors, which will compile the votes so received. Any questions as to the validity, form, and eligibility (including time of receipt) of Ballots will be resolved by the Bankruptcy Court upon application or at the Confirmation Hearing.

Section 4.04. Cramdown. If all applicable requirements for Confirmation of the Plan are met as set forth in section 1129(a)(1) through (13) of the Bankruptcy Code as applied to nonprofit entities except subsection (8) thereof, the Debtors may request that the Bankruptcy Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code, notwithstanding the requirements of section 1129(a)(8) thereof, on the bases that the Plan is fair and equitable, and does not discriminate unfairly, with respect to each Class of Claims or Interests that is Impaired under, and has not accepted, the Plan.

## **ARTICLE V. PROVISIONS GOVERNING DISTRIBUTIONS UNDER THE PLAN**

Section 5.01. Timing of Distributions. Except as specifically set forth in the Plan, distributions of Property will be made to Holders of Allowed Claims in accordance with Article III of the Plan. If a Claim is not an Allowed Claim as of the applicable distribution date, distributions will be made only if and when the Claim is Allowed, and then in accordance with Article III of the Plan and, with respect to the cure of defaults for assumed executory contracts and unexpired leases, Section 6.02 of the Plan, and in each case, subject to Article VIII of the Plan. Distributions to be made as of the Effective Date on account of Claims that are Allowed as of the Effective Date and are entitled to receive distributions under the Plan shall be made on the Effective Date or as soon as reasonably practicable thereafter. Distributions to be made after the Effective Date shall be made on dates to be established by the Distribution Agent pursuant to the terms of this Plan, taking into account the resolution of Disputed Claims and the Distribution Agent's right to defer distributions if the amount of the Cash to be distributed on a particular date is insufficient to justify the costs of effectuating the distribution.

Section 5.02. Distributions to Holders of Allowed Claims. Except as otherwise provided herein, the Distribution Agent shall make all distributions required under the Plan in a manner consistent with the Plan. Distributions to Holders of Allowed Claims will be made in accordance with Article III of the Plan. On the Effective Date, the Debtors shall deliver Cash to the Distribution Agent, who will deposit such Cash into the Distribution Account. From the Distribution Account, the Distribution Agent will make Cash distributions in accordance with the Plan. If any dispute arises as to the identity of a Holder of an Allowed Claim who is to receive any distribution, the Distribution Agent or the Debtors shall, as appropriate and in lieu of making such distribution to such Holder, delay such distribution until the disposition thereof shall be determined by Final Order of the Bankruptcy Court or by written agreement among the interested parties to such dispute.

Section 5.03. Distribution Account. One or more Distribution Accounts shall be established the Distribution Agent to receive the Distributable Cash necessary to fund the Plan. On, or as soon as reasonably practicable after, the Effective Date the Distribution Agent shall make Cash distributions from the Distribution Account in accordance with the Plan (collectively, the "Distribution Account Claims"). Each Distribution Account shall be extinguished following payment of all distributions made therefrom in accordance with the Plan.

Section 5.04. Delivery of Distributions. Distributions to Holders of Allowed Claims shall be made by the Distribution Agent: (a) at the last known addresses of such Holders or (b) at the addresses set forth in any written notices of address changes delivered to the Debtors or

the Distribution Agent. If any Holder's distribution is returned as undeliverable, no further distributions to such Holder shall be made unless and until the Distribution Agent is notified of such Holder's then current address, at which time all missed distributions shall be made to such Holder without interest.

Section 5.05. Method of Cash Distributions. Any Cash payment to be made pursuant to the Plan may be made by check, wire transfer, or as otherwise required or provided in any relevant agreement or applicable law at the option of the Distribution Agent.

Section 5.06. Failure to Negotiate Checks. Checks issued in respect of distributions under the Plan shall be null and void if not negotiated within ninety (90) days after the date of issuance. Any amounts returned to the Debtors in respect of such non-negotiated checks shall be forwarded to (if necessary) and held by the Distribution Agent. Requests for reissuance for any such check shall be made directly to the issuer of the check by the Holder of the Allowed Claim with respect to which such check originally was issued. All amounts represented by any voided check will be held until the earlier of: (a) one (1) month after date on which the check is voided, or (b) the date on which the Bankruptcy Court enters the Final Decree, and all requests for reissuance by the Holder of the Allowed Claim in respect of a voided check are required to be made prior to such date. Thereafter, all such amounts shall be deemed to be Unclaimed Property, in accordance with Section 5.07 of the Plan, and all Holders of Claims in respect of void checks shall be forever barred, estopped and enjoined from asserting a claim to such funds in any manner against the Debtors or their respective assets, or the Distribution Agent.

Section 5.07. Unclaimed Distributions. All Property distributed on account of Claims must be claimed prior to the date on which the Bankruptcy Court enters the Final Decree, or, in the case of a distribution made in the form of a check, must be negotiated and a request for reissuance be made as provided for in Section 5.06 of the Plan. If, on the date on which the Bankruptcy Court enters the Final Decree, the amount of Unclaimed Property exceeds \$50,000, the Distribution Agent shall make a second Distribution, less the costs incurred to make such Distribution, to holders of Allowed Class 5 Claims. All Unclaimed Property, as of the later of: (a) the date on which the Final Decree is entered or, (b) if a second Distribution is made pursuant to this section, ninety (90) days following issuance of the checks comprising the second Distribution, shall be retained by and will revert to the Debtors. All full or partial payments made by the Debtors and received by the Holder of a Claim prior to the Effective Date will be deemed to be payments under the Plan for purposes of satisfying the obligations of the Debtors or the Distribution Agent pursuant to the Plan. Nothing contained in the Plan shall require the Debtors or the Distribution Agent to attempt to locate any Holder of an Allowed Claim other than by reviewing the records of the Debtors and any Claims filed in the Chapter 11 Cases. Pursuant to section 1143 of the Bankruptcy Code, all Claims in respect of Unclaimed Property shall be deemed Disallowed and the Holder of any Claim Disallowed in accordance with this Section 5.07 will be forever barred, expunged, estopped and enjoined from asserting such Claim in any manner against the Debtors or the Distribution Agent, or their respective assets.

Section 5.08. Limitation on Distribution Rights. If a claimant holds more than one Claim in any one Class, all Claims of the claimant in that Class will be aggregated into one Claim and one distribution will be made with respect to the aggregated Claim.



Section 5.09. Compliance With Tax Requirements. In connection with each distribution with respect to which the filing of an information return (such as an Internal Revenue Service Form 1099 or 1042) or withholding is required, the Debtors or the Distribution Agent, as appropriate, shall file such information return with the Internal Revenue Service and provide any required statements in connection therewith to the recipients of such distribution or effect any such withholding and deposit all moneys so withheld as required by law. With respect to any Person from whom a tax identification number, certified tax identification number or other tax information required by law to avoid withholding has not been received by the Debtors or the Distribution Agent within thirty (30) days from the date of such request, the Debtors or the Distribution Agent, at their or its option, may withhold the amount required and distribute the balance to such Person or decline to make such distribution until the information is received.

Section 5.10. De Minimis Distributions. No Cash payment of less than one (\$1.00) dollar shall be made to any Holder of an Allowed Claim on account of such Allowed Claim.

**ARTICLE VI.**  
**EXECUTORY CONTRACTS AND UNEXPIRED LEASES; INDEMNIFICATION**  
**OBLIGATIONS; BENEFIT PROGRAMS**

Section 6.01. Rejection of Executory Contracts and Unexpired Leases. Pursuant to sections 365 and 1123 of the Bankruptcy Code, except as otherwise set forth in this Article VI, each executory contract and unexpired lease to which any Debtor is a party shall be deemed automatically rejected by the Debtors effective as of the Effective Date, except for any executory contract or unexpired lease (i) that has been assumed or rejected pursuant to an order of the Bankruptcy Court entered prior to the Effective Date, (ii) that is the subject of a motion to assume or reject pending on the Effective Date, (iii) that is assumed, rejected or otherwise treated pursuant to Section 6.03 or Section 6.04 of the Plan, (iv) that is listed on Schedule 6.02(a) or 6.02(b) of the Plan, or (v) as to which a Treatment Objection has been filed and properly served by the Treatment Objection Deadline. If an executory contract or unexpired lease either (x) has been assumed or rejected pursuant to an order of the Bankruptcy Court entered prior to the Effective Date or (y) is the subject of a motion to assume or reject pending on the Confirmation Date, then the listing of any such executory contract or unexpired lease on the aforementioned Schedules shall be of no effect.

Section 6.02. Schedules of Executory Contracts and Unexpired Leases.

(a) Schedules 6.02(a) and 6.02(b) of this Plan shall represent the Debtors' good faith belief regarding the intended treatment of all executory contracts and unexpired leases listed thereon. The Debtors reserve the right, on or prior to 3:00 p.m. (prevailing Eastern time) on the third Business Day immediately prior to the commencement of the Confirmation Hearing, (i) to amend Schedules 6.02(a) and 6.02(b) in order to add, delete or reclassify any executory contract or unexpired lease or amend a proposed assignment and (ii) to amend the Proposed Cure, in each case with respect to any executory contract or unexpired lease previously listed as to be assumed; *provided, however*, that if the Confirmation Hearing is adjourned for a period of more than two consecutive calendar days, such amendment right shall be extended to 3:00 p.m. on the Business Day immediately prior to the rescheduled or continued Confirmation Hearing, and this proviso shall apply in the case of any and all subsequent adjournments of the Confirmation Hearing.

Pursuant to sections 365 and 1123 of the Bankruptcy Code, and except with respect to executory contracts and unexpired leases as to which a Treatment Objection is properly filed and served by the Treatment Objection Deadline, (i) each of the executory contracts and unexpired leases listed on Schedule 6.02(a) shall be deemed assumed (and, if applicable, assigned) effective as of the Assumption Effective Date specified thereon and the Proposed Cure specified in the notice mailed to each Assumption Party shall be the Cure and shall be deemed to satisfy fully any obligations the Debtors might have with respect to such executory contract or unexpired lease under section 365(b) of the Bankruptcy Code and (ii) each of the executory contracts and unexpired leases listed on Schedule 6.02(b) shall be deemed rejected effective as of the Rejection Effective Date specified thereon. The Debtors reserve the right to object to any Treatment Objection.

(b) The Debtors shall file initial versions of Schedules 6.02(a) and 6.02(b) and any amendments thereto with the Bankruptcy Court and shall serve all notices thereof only on the relevant Assumption Parties and Rejection Parties and the Committee. With respect to any executory contract or unexpired lease first listed on Schedule 6.02(b) later than the date that is ten calendar days prior to the Voting Deadline, the Debtors shall use their best efforts to notify the applicable Rejection Party promptly of such proposed treatment via facsimile, email or telephone at any notice address or number included in the relevant executory contract or unexpired lease or as otherwise timely provided in writing to the Debtors by any such counterparty or its counsel.

(c) With respect to any executory contracts or unexpired leases first listed on Schedule 6.02(b) later than the date that is ten calendar days before the Voting Deadline, affected Rejection Parties shall have five calendar days from the date of such amendment to Schedule 6.02(b) to object to Confirmation of this Plan. With respect to any executory contracts or unexpired leases first listed on Schedule 6.02(b) later than the date that is five calendar days prior to the Confirmation Hearing, affected Rejection Parties shall have until the Confirmation Hearing to object to Confirmation of this Plan or amend any vote on the Confirmation of this Plan.

(d) The listing of any contract or lease on Schedule 6.02(a) or 6.02(b) is not an admission that such contract or lease is an executory contract or unexpired lease.

Section 6.03. Categories of Executory Contracts and Unexpired Leases to be Assumed.

Pursuant to sections 365 and 1123 of the Bankruptcy Code, each of the executory contracts and unexpired leases within the following categories shall be deemed assumed as of the Effective Date (and the Proposed Cure with respect to each shall be zero dollars), except for any executory contract or unexpired lease (i) that has been previously assumed or rejected pursuant to an order of the Bankruptcy Court, (ii) that is the subject of a motion to assume or reject pending on the Confirmation Date, (iii) that is listed on Schedule 6.02(a) or 6.02(b), (iv) that is otherwise expressly assumed or rejected pursuant to the terms of this Plan or (v) as to which a Treatment Objection has been filed and properly served by the Treatment Objection Deadline.

(a) Insurance Plans. Subject to the terms of the first paragraph of this Section 6.03, each Insurance Plan shall be deemed assumed effective as of the Effective Date. Nothing contained in this Section 6.03(a) shall constitute or be deemed a waiver of any Cause of Action that the Debtors may hold against any entity, including, without limitation, the insurer under any of the



Debtors' Insurance Plans. Except as provided in the previous sentence, all Proofs of Claim on account of or in respect of any agreement covered by this Section 6.03(a) shall be deemed withdrawn automatically and without any further notice to or action by the Bankruptcy Court.

(b) Certain Indemnification Obligations. Each Indemnification Obligation to a director, officer or employee that was employed by any of the Debtors in such capacity on or after the Petition Date shall be deemed assumed effective as of the Effective Date; provided, however, that any Indemnification Obligation contained in an Employee Agreement that is rejected pursuant to Section 6.04 shall also be deemed rejected. Each Indemnification Obligation that is deemed assumed pursuant to the Plan shall (i) remain in full force and effect, (ii) not be modified, reduced, discharged, impaired or otherwise affected in any way, (iii) be deemed and treated as an executory contract pursuant to sections 365 and 1123 of the Bankruptcy Code regardless of whether or not Proofs of Claim have been filed with respect to such obligation and (iv) survive Unimpaired and unaffected irrespective of whether such indemnification is owed for an act or event occurring before or after the Petition Date.

Notwithstanding anything contained in this Plan, the Debtors may in their sole discretion (but have no obligation to) honor each Indemnification Obligation to a director, officer or employee that was no longer employed by any of the Debtors in such capacity on or after the Petition Date, unless such obligation (i) shall have been previously rejected by the Debtors by Final Order of the Bankruptcy Court, (ii) is the subject of a motion to reject pending on or before the Confirmation Date, (iii) is listed on Schedule 6.02(b) or (iv) is otherwise expressly rejected pursuant to the terms of the Plan or any Notice of Intent to Assume or Reject.

For the avoidance of doubt, notwithstanding any of the foregoing or anything contained in this Plan, this Section 6.03(b) shall not be construed to impart any liability upon PHMC on account of such Indemnification Obligations or any related liabilities and such Indemnification Obligations shall not be deemed assumed by PHMC.

(c) License Agreements. Subject to the terms of the first paragraph of this Section 6.03, any and all License Agreements pursuant to which the Debtors operate their programs, shall be deemed assumed effective as of the Effective Date. Nothing contained in this Section 6.03(d) shall constitute or be deemed a waiver of any defense or Cause of Action that the Debtors may hold against any individual or entity, including, without limitation, any counterparty to a License Agreement.

#### Section 6.04. Other Categories of Agreements and Policies.

(a) Employee Agreements. Pursuant to sections 365 and 1123 of the Bankruptcy Code, each Employee Agreement entered into prior to the Petition Date with an employee who was employed by one of the Debtors on the Petition Date shall be deemed assumed effective as of the Effective Date, except for any Employee Agreement (i) that has been assumed or rejected pursuant to an order of the Bankruptcy Court entered prior to the Effective Date, (ii) that is the subject of a motion to assume or reject pending on the Confirmation Date, (iii) that is listed on Schedule 6.02(a) or 6.02(b) of the Plan, (iv) that is otherwise expressly assumed or rejected pursuant to the terms of the Plan, or (v) as to which a Treatment Objection has been filed and properly served by the Treatment Objection Deadline.

(b) Employee Benefits. As of the Effective Date, whether or not such employee benefits are provided for in an Employee Agreement that has been rejected in these Chapter 11 Cases (by operation of this Plan or otherwise), the Debtors, in their sole and absolute discretion, may honor, in the ordinary course of business, the Debtors' written contracts, agreements, policies, programs and plans for, among other things, compensation, health care benefits, disability benefits, severance benefits, retirement benefits, welfare benefits, relocation programs, life insurance and accidental death and dismemberment insurance, including written contracts, agreements, policies, programs and plans for bonuses and other incentives or compensation for the directors, officers and employees of any of the Debtors who served in such capacity at any time. To the extent that the above-listed contracts, agreements, policies, programs and plans are executory contracts, pursuant to sections 365 and 1123 of the Bankruptcy Code, unless a Treatment Objection is timely filed and properly served, each of them will be deemed assumed (as modified or terminated) as of the Effective Date with a Cure of zero dollars. However, notwithstanding anything else herein, at the discretion of the Debtors, the assumed plans shall be subject to modification in accordance with the terms thereof.

The Debtors may execute amended Employee Agreements with certain of their employees on or before the Confirmation Date subject to the approval of the Bankruptcy Court.

Section 6.05. Assumption and Rejection Procedures and Resolution of Treatment Objections.

(a) Proposed Assumptions.

(i) With respect to any executory contract or unexpired lease to be assumed pursuant to any provision of this Plan or any Notice of Intent to Assume or Reject, unless an Assumption Party files and properly serves a Treatment Objection by the Treatment Objection Deadline, such executory contract or unexpired lease shall be deemed assumed as of the Assumption Effective Date proposed by the Debtors, without any further notice to or action by the Bankruptcy Court, and any obligation the Debtors may have to such Assumption Party with respect to such executory contract or unexpired lease under section 365(b) of the Bankruptcy Code shall be deemed fully satisfied by the Proposed Cure, if any, which shall be the Cure.

(ii) Any objection to the assumption of an executory contract or unexpired lease that is not timely filed and properly served shall be denied automatically and with prejudice (without the need for any objection by the Debtors and without any further notice to or action, order or approval by the Bankruptcy Court), and any Claim relating to such assumption shall be forever barred from assertion and shall not be enforceable against any Debtor or its Estate or properties without the need for any objection by the Debtors and without any further notice to or action, order or approval by the Bankruptcy Court, and any obligation the Debtors may have under section 365(b) of the Bankruptcy Code (over and above any Proposed Cure) shall be deemed fully satisfied, released and discharged, notwithstanding any amount or information included in the Schedules or any Proof of Claim.

(b) Proposed Rejections.

(i) With respect to any executory contract or unexpired lease to be rejected pursuant to any provision of this Plan or any Notice of Intent to Assume or Reject, unless a Rejection Party files and properly serves a Treatment Objection by the Treatment Objection Deadline, such executory contract or unexpired lease shall be deemed rejected as of the Rejection Effective Date proposed by the Debtors without any further notice to or action by the Bankruptcy Court.

(ii) Any objection to the rejection of an executory contract or unexpired lease that is not timely filed and properly served shall be deemed denied automatically and with prejudice (without the need for any objection by the Debtors and without any further notice to or action, order or approval by the Bankruptcy Court).

(c) Resolution of Treatment Objections.

(i) Both on and after the Effective Date, the Debtors may, in their sole discretion, settle Treatment Objections without any further notice to or action by the Bankruptcy Court or any other party (including by paying any agreed Cure amounts).

(ii) With respect to each executory contract or unexpired lease as to which a Treatment Objection is timely filed and properly served and that is not otherwise resolved by the parties after a reasonable period of time, the Debtors, in consultation with the Bankruptcy Court, shall schedule a hearing on such Treatment Objection and provide at least 14 calendar days' notice of such hearing to the relevant Assumption Party or Rejection Party. Unless the Bankruptcy Court expressly orders or the parties agree otherwise, any assumption or rejection approved by the Bankruptcy Court notwithstanding a Treatment Objection shall be effective as of the Assumption Effective Date or Rejection Effective Date originally proposed by the Debtors or specified in the Plan.

(iii) Any Cure shall be paid as soon as reasonably practicable following the entry of a Final Order resolving an assumption dispute and/or approving an assumption, unless the Debtors file a Notice of Intent to Assume or Reject under Section 6.05(d).

(iv) No Cure shall be allowed for a penalty rate or default rate of interest, each to the extent not proper under the Bankruptcy Code or applicable law.

(d) Reservation of Rights. If a Treatment Objection is filed with respect to any executory contract or unexpired lease sought to be assumed or rejected by any of the Debtors, the Debtors reserve the right (i) to object to such Treatment Objection; (ii) to seek to assume or reject such agreement at any time before the assumption, rejection, assignment or Cure with respect to such agreement is determined by Final Order, and (iii) to the extent a Final Order is entered resolving a dispute as to Cure or the permissibility of assignment (but not approving the assumption of the executory contract or unexpired lease sought to be assumed), to seek to reject such agreement within 14 calendar days after the date of such Final Order, in each case by filing with the Bankruptcy Court and serving upon the applicable Assumption Party or Rejection Party, as the case may be, a Notice of Intent to Assume or Reject.

Section 6.06. Rejection Claims. With respect to any executory contract or unexpired lease that is rejected by the Debtors pursuant to this Plan or during the administration of these Chapter 11 Cases, the Rejection Party shall file a Rejection Claim on or before the Rejection Bar Date. Any Rejection Claim for which a Rejection Claim is not properly filed and served by the Rejection Bar Date shall be forever barred and shall not be enforceable against the Debtors, or their respective Estates or properties. The Debtors reserve the right to contest any Rejection Claim, which dispute shall be resolved by the Bankruptcy Court prior to the allowance of the disputed Rejection Claim.

Section 6.07. Assignment. To the extent provided under the Bankruptcy Code or other applicable law, any executory contract or unexpired lease transferred and assigned pursuant to this Plan shall remain in full force and effect for the benefit of the transferee or assignee in accordance with its terms, notwithstanding any provision in such executory contract or unexpired lease (including those of the type described in section 365(b)(2) of the Bankruptcy Code) that prohibits, restricts or conditions such transfer or assignment. To the extent provided under the Bankruptcy Code or other applicable law, any provision that prohibits, restricts or conditions the assignment or transfer of any such executory contract or unexpired lease or that terminates or modifies such executory contract or unexpired lease or allows the counterparty to such executory contract or unexpired lease to terminate, modify, recapture, impose any penalty, condition renewal or extension, or modify any term or condition upon any such transfer and assignment constitutes an unenforceable anti-assignment provision and is void and of no force or effect.

Section 6.08. Approval of Assumption, Rejection, Retention or Assignment of Executory Contracts and Unexpired Leases. Entry of the Confirmation Order by the Bankruptcy Court shall, subject to the occurrence of the Effective Date, constitute approval of the rejections, retentions, assumptions and/or assignments contemplated by this Plan pursuant to sections 365 and 1123 of the Bankruptcy Code.

(a) Each executory contract and unexpired lease that is assumed (and/or assigned) pursuant to the Plan shall vest in and be fully enforceable by the applicable Debtor in accordance with its terms as of the applicable Assumption Effective Date, except as modified by the provisions of this Plan, any order of the Bankruptcy Court authorizing or providing for its assumption (and/or assignment), or applicable federal law.

(b) The provisions (if any) of each executory contract or unexpired lease assumed and/or assigned pursuant to the Plan that are or may be in default shall be deemed satisfied in full by the Cure, or by an agreed-upon waiver of the Cure. Upon payment in full of the Cure, any and all Proofs of Claim based upon an executory contract or unexpired lease that has been assumed in the Chapter 11 Cases or under the terms of the Plan shall be deemed disallowed and expunged with no further action required of any party or order of the Bankruptcy Court.

Section 6.09. Modifications, Amendments, Supplements, Restatements or Other Agreements.

Unless otherwise provided by this Plan or by separate order of the Bankruptcy Court, each executory contract and unexpired lease that is assumed, whether or not such executory contract or unexpired lease relates to the use, acquisition or occupancy of real property, shall

include (i) all modifications, amendments, supplements, restatements or other agreements made directly or indirectly by any agreement, instrument or other document that in any manner affects such executory contract or unexpired lease and (ii) all executory contracts or unexpired leases appurtenant to the premises, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, powers, uses, reciprocal easement agreements and any other interests in real estate or rights in remedy related to such premises, unless any of the foregoing agreements has been or is rejected pursuant to an order of the Bankruptcy Court or is otherwise rejected as part of the Plan.

Modifications, amendments, supplements and restatements to pre-petition executory contracts and unexpired leases that have been executed by the Debtors during the Chapter 11 Cases and actions taken in accordance therewith (i) do not alter in any way the pre-petition nature of the executory contracts and unexpired leases, or the validity, priority or amount of any Claims against the Debtors that may arise under the same, (ii) are not and do not create postpetition contracts or leases, (iii) do not elevate to administrative expense priority any Claims of the counterparties to the executory contracts and unexpired leases against any of the Debtors and (iv) do not entitle any entity to a Claim under any section of the Bankruptcy Code on account of the difference between the terms of any pre-petition executory contracts or unexpired leases and subsequent modifications, amendments, supplements or restatements.

Section 6.10. Play and Learn Lease. Notwithstanding anything to the contrary in this Article VI of this Plan or otherwise, the Play and Learn Lease: (i) has been assumed by Order of the Bankruptcy Court ~~dated~~<sup>55</sup> signed on<sup>56</sup> July 26, 2017 and entered on the Docket on July 27,<sup>57</sup> 2017 [Docket No. ~~146~~<sup>58</sup> 145<sup>59</sup>] effective as of August 26, 2017 and (ii) shall be treated as an assumed contract/unexpired lease for all purposes by the Debtors, Reorganized Debtors and PHMC consistent with the terms and conditions of the Order of the Bankruptcy Court ~~dated~~<sup>60</sup> signed on<sup>61</sup> July 26, 2017 [Docket No. ~~146~~<sup>62</sup> 145<sup>63</sup>].

## **ARTICLE VII. MEANS FOR IMPLEMENTATION OF THE PLAN**

Section 7.01. Continued Existence. Except as otherwise provided in the Plan, each Debtor shall, as a Reorganized Debtor, continue to exist after the Effective Date as a separate legal entity to the extent provided in the Affiliation Agreement, each with all the powers of a nonprofit corporation under the laws of the Commonwealth of Pennsylvania and without prejudice to any right to alter or terminate such existence (whether by merger or otherwise) under applicable state law. Pursuant to the Affiliation Agreement, the Reorganized Debtors shall become subsidiaries of PHMC or its subsidiaries<sup>64</sup> and shall be operated as subsidiaries of PHMC:<sup>65</sup> or PHMC's current subsidiaries. PHMC subsidiary employees shall manage Reorganized Debtors Wordsworth CUA 5, LLC and Wordsworth CUA 10, LLC following the Effective Date of the Plan. Don Stewart, earning the same salary as he received during these Chapter 11 cases, shall serve as the Wordsworth Integration Officer during the integration process by which the Reorganized Debtors become subsidiaries of PHMC and its affiliates. This process is expected to be completed as of March 31, 2017. Debtor Wordsworth Academy Board Members, Doug Oliver and Tiffany Doyle, will remain on the Board of Trustees of Reorganized Debtor Wordsworth Academy. The

remainder of the Board will be appointed by PHMC. No Board Members receive compensation for their service on the Board.<sup>66</sup>

Section 7.02. Restructuring Transactions. On or as of the Effective Date, the distributions provided for under the Plan shall be effectuated pursuant to the following transactions described in this Article VII of the Plan (the “Restructuring Transactions”), all of which shall occur in seriatim (and all of which are conditions concurrent to the occurrence of the Effective Date of this Plan), and the documentation for which shall be satisfactory to the Debtors and PHMC:

(a) The Siena DIP Financing Facility shall be paid in full (including all principal, interest, fees and expenses)<sup>67</sup> and upon receipt of such payment, all liens securing the same shall be released;

(b) The Initial DIP Financing Facility shall be paid in full (including all principal, interest, fees and expenses)<sup>68</sup> and upon receipt of such payment all liens securing it shall be released;

(c) ~~The Management Agreements shall terminate and the~~<sup>69</sup> Affiliation Agreement shall become effective, with the Debtors being authorized, including through a No Objection Letter or approval of the Orphans Court, if necessary, to take any actions necessary to consummate the affiliation with PHMC and its ~~affiliates~~<sup>70</sup> subsidiaries<sup>71</sup> pursuant to the terms of the Affiliation Agreement.

(d) PHMC shall provide the Distribution Agent with the Distributable Cash to fund payments to Classes 5A, 5B and 5C as provided in the Plan.

(e) Execution of all loan documents required by the Exit Lender for the Exit Facility.

Section 7.03. Other Transactions. In addition, except as otherwise set forth in the Plan, any or all of the Debtors may engage in any other transactions deemed necessary or appropriate to effectuate the Plan (including, without limitation, merging, dissolving or transferring assets among them). Subject to other provisions of this Plan (including without limitation the Affiliation Agreement and Sections 3.06 and 7.05) and subject to the rights of M&T Bank, the Siena DIP Lender and the Initial DIP Lender, the Debtor may transfer all or part of its Real Property, either on or after the Effective Date, exempt from all transfer taxes pursuant to 11 U.S.C. § 1146(a).<sup>72</sup>

Section 7.04. Organizational Action. The entry of the Confirmation Order shall constitute authorization for the Debtors to take or to cause to be taken all actions necessary or appropriate to consummate and implement the provisions of the Plan prior to, on and after the Effective Date, and all such actions taken or caused to be taken shall be deemed to have been authorized and approved by the Bankruptcy Court. On or (as applicable) before the Effective Date, the appropriate officers and managers of the Debtors are authorized and directed to execute and deliver the agreements, documents and instruments contemplated by the Plan (or necessary or

desirable to effect the transactions contemplated by the Plan) in the name and on behalf of the Debtors.

Section 7.05. Negotiations in Good Faith for the Purchase of Certain Property. Following the Effective Date, the Reorganized Debtors, PHMC and Public Health Fund shall negotiate in good faith with the Initial DIP Lender for the sale or lease at fair market value of the subject leased property in the Play and Learn Lease as well as certain adjacent lands owned by the Debtors, [as referenced in Section 7.03 hereof](#)<sup>73</sup>.

## **ARTICLE VIII. PRESERVATION OF CAUSES OF ACTION AND RIGHT TO DEFEND AND CONTEST**

Section 8.01. Preservation of Rights. Except to the extent that any Claim is Allowed during the Chapter 11 Cases or expressly by this Plan, the Confirmation Order, or other order of the Bankruptcy Court, nothing, including, but not limited to, the failure of the Debtors to object to a Claim or Interest for any reason during the pendency of the Chapter 11 Cases, shall affect, prejudice, diminish or impair the rights and legal and equitable defenses of the Debtors, with respect to any Claim or Interest, including, but not limited to, all rights of the Debtors to contest or defend themselves against such Claims or Interests in any lawful manner or forum when and if such Claim or Interest is sought to be enforced by the Holder thereof. Notwithstanding any provision in the Plan or the Confirmation Order to the contrary, with respect to the Debtors' contracts with the City, the City shall retain any right of setoff or recoupment to the extent available under applicable law.

Section 8.02. Rights of Action. Except as otherwise provided in the Plan or the Confirmation Order, all Avoidance Actions shall automatically revert to and become the property of the Reorganized Debtors. The Reorganized Debtors will waive the right to enforce and prosecute such Avoidance Actions against any Person or Entity that arose before the Effective Date, other than those expressly preserved or retained as part of or pursuant to the Plan or Confirmation Order, unless the Person or Entity pursues a claim, other than an Allowed Claim, against the Debtors or the Estates. For the avoidance of doubt, it is the Debtors intention that all claims and causes of action by and against the Debtors be resolved through the Plan and that Avoidance Actions be waived as part of the claims allowance process. Accordingly, Avoidance Actions are expressly preserved against any Person or Entity only to the extent that such Person or Entity asserts a claim or cause of action, other than an Allowed Claim, against the Debtors and only until such asserted claim or cause of action becomes an Allowed Claim or is Disallowed, whether by agreement of the Debtors and such Person or Entity or by order of a court of competent jurisdiction.

Section 8.03. Setoffs. Except to the extent that any Claim is Allowed, the Debtors or the Distribution Agent, as applicable, may, but shall not be required to, set off against any Claims and the payments or distributions to be made pursuant to the Plan in respect of such Claims, any and all debts, liabilities, Causes of Action and Claims of every type and nature whatsoever which the Estates, the Debtors or the Distribution Agent may have against such Creditors, but neither the failure to do so nor the allowance of any such Claims, whether pursuant to the Plan or otherwise, shall constitute a waiver or release by the Debtors or the Distribution

Agent of any such Claims or Causes of Action the Debtors or the Distribution Agent may have against such Creditors.

Section 8.04. No Payment or Distribution Pending Allowance. All references to Claims and amounts of Claims refer to the amount of the Claim Allowed by agreement of the Debtors or the Distribution Agent and the Holder of such Claim, by operation of law, by Final Order, or by this Plan. Notwithstanding any other provision in the Plan, no payment or distribution shall be made on account of or with respect to any Claim to the extent it is a Disputed Claim unless and until the Disputed Claim becomes an Allowed Claim.

Section 8.05. Resolution of Disputed Claims. Unless otherwise ordered by the Court after notice and a hearing, the Debtors shall have the right, on and after the Effective Date, to File Objections to Claims (except those specifically Allowed by this Plan) and shall serve a copy of each such objection upon the Holder of the Claim to which the Objection is made as soon as practicable, but in no event later than the applicable Claims Objection Deadline. The foregoing deadlines may be extended by order of the Court. An Objection to any Claim shall be deemed properly served on the Holder thereof if the Debtors or Distribution Agent effects service in any of the following manners: (a) in accordance with Rule 4 of the Federal Rules of Civil Procedure, as modified and made applicable by Federal Rule of Bankruptcy Procedure 7004; (b) by first class mail, postage prepaid, on the signatory on the Proof of Claim or other representative identified in the Proof of Claim or any attachment thereto; or (c) by first class mail, postage prepaid, on any counsel that has appeared on the Holder's behalf in the Chapter 11 Cases.

Section 8.06. Late Filed Claims Deemed Disputed. Any claim filed after the applicable Bar Date shall be deemed a Disputed Claim until such time, if any, that such Claim becomes an Allowed Claim or a Disallowed Claim by order of the Bankruptcy Court.

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

### Section 9.01. Conditions to Confirmation.

The following are conditions precedent to Confirmation of the Plan that must be satisfied or waived in accordance with Section 9.03 of the Plan:

(a) The Bankruptcy Court shall have entered a Confirmation Order in form and substance acceptable to the Debtors, M&T Bank,<sup>74</sup>PHMC, Siena DIP Lender, the Committee<sup>75</sup> and Initial DIP Lender (and which in all cases provides for the satisfaction of the Siena DIP Financing Facility and Initial DIP Financing Facility on the Effective Date.

(b) The Exit Lender shall have committed to ~~provide~~<sup>76</sup> financing sufficient to satisfy the Siena DIP Financing Facility and Initial DIP Financing Facility in full.

Section 9.02. Conditions to Effectiveness. The following are conditions precedent to the occurrence of the Effective Date, each of which must be satisfied or waived in accordance with Section 9.03 of this Plan:



(a) The Confirmation Order, in form and substance acceptable to the Debtors, M&T Bank, Siena DIP Lender, Initial DIP Lender, the Committee<sup>77</sup> and PHMC, shall have been entered and shall not be stayed;

(b) All actions, documents and agreements necessary to implement the Plan, including receipt by the Debtors of the Distributable Cash, shall have been effected or executed as determined by the Debtors and PHMC in their sole and absolute discretion, including execution of all loan documents required by the Exit Lender for the Exit Facility;

(c) The Debtors shall have received any authorizations, consents, regulatory approvals, rulings, letters, no-action letters, No Objection Letters or approval of its affiliation from the Orphans Court, if necessary, opinions or documents that are necessary to implement the Plan and that are required by law, regulation or order, in each case as determined by the Debtors and PHMC in their sole and absolute discretion;

(d) The Amended and Restated Articles of Incorporation in accordance with Sections 3 and 7 of the Affiliation Agreement shall have been filed with the Department of State for the Commonwealth of Pennsylvania; and

(e) The occurrence of the Restructuring Transactions.

Section 9.03. Waiver of Conditions to Confirmation or Effectiveness. Upon written notice to the Committee, the Debtors may waive any of the conditions set forth in Section 9.01 and Section 9.02 hereof at any time, without any notice to other parties-in-interest or the Bankruptcy Court and without any formal action other than proceeding to confirm and/or consummate the Plan; provided, however, that notwithstanding the foregoing, Debtors and PHMC may not waive the conditions set forth in Sections 9.01(a), (b) and 9.02(e) without the express consent of Siena DIP Lender~~and~~<sup>78 79</sup> Initial DIP Lender, the Committee and M&T Bank<sup>80</sup>. The failure to satisfy any condition prior to the Confirmation Date or the Effective Date may be asserted by the Debtors, in their sole and absolute discretion (with written notice to the Committee), as a reason not to seek Confirmation or declare an Effective Date, regardless of the circumstances giving rise to the failure of such condition to be satisfied (including any action or inaction by the Debtors, in their sole discretion). The failure of the Debtors, in their sole discretion, to exercise any of the foregoing rights shall not be deemed a waiver of any other rights and each such right shall be deemed an ongoing right, which may be asserted at any time.

## **ARTICLE X. EFFECTS OF CONFIRMATION**

Section 10.01. Vesting of Assets. Upon the Effective Date, and conditioned upon the occurrence of the Restructuring Transactions, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, all property of each of the Debtors shall vest in the Reorganized Debtors, subject to the terms and conditions of the Affiliation Agreement, free and clear of all Claims, Liens, encumbrances, charges and other interests, except as otherwise specifically provided in the Plan. All Liens, Claims, encumbrances, charges and other interests shall be deemed fully released and discharged as of the Effective Date, except as otherwise provided in the Plan. As of the Effective Date, subject to the terms of the Affiliation Agreement, the Reorganized Debtors may

operate their organizations and may use, acquire and dispose of property and settle and compromise Claims and Interests without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules and in all respects as if there were no pending cases under any chapter or provision of the Bankruptcy Code.

(a) Injunction Discharged Claims. Pursuant to section 1141(d) the Bankruptcy Code, Confirmation will discharge Claims against the Debtors. No Holder of a Claim against any Debtor may, on account of such Claim, seek or receive any payment or other distribution from, or seek recourse against, any of the Debtors' respective successors or their respective property, except as expressly provided herein. Accordingly, except as otherwise provided herein, the Confirmation Order shall provide, among other things, that no Holder of a Claim against any Debtor may, on account of such Claim, seek or receive any payment or other distribution from, or seek recourse against, any of the Debtors' respective successors or their respective property, except that from and after the Confirmation Date, all Persons who have held, hold, or may hold Claims against the Debtors are permanently enjoined from taking any of the following actions against the Debtors, or any of their property on account of such Claims: (i) commencing or continuing, in any manner or in any place, any action or other proceeding; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order; (iii) creating, perfecting, or enforcing any Lien or encumbrance; and (iv) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan; provided, however, that nothing contained herein shall preclude such Persons from exercising their rights pursuant to and consistent with the terms of the Plan. By accepting distributions pursuant to the Plan, each Holder of an Allowed Claim shall be deemed to have specifically consented to the injunctions set forth in this Section 10.02.

(b) Exculpation and Limitation of Liability. Except as otherwise specifically provided in the Plan, to the maximum extent permitted by the Bankruptcy Code and applicable law, neither the Distribution Agent, the Debtors, nor any Exculpated Person shall have or incur any liability to any Person, including, without limitation, any Holder of a Claim or Interest or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys or Affiliates or any of their successors or assigns, for any act taken or omission made in connection with, relating to, or arising out of, the Chapter 11 Cases, filing, negotiating, prosecuting, administering, formulating, implementing, soliciting support or acceptance of, confirming or consummating this Plan or the Property to be distributed under this Plan, including all activities leading to the promulgation and Confirmation of the Plan, the Disclosure Statement (including any information provided or statement made in the Disclosure Statement or omitted therefrom), or any contract, instrument, release or other agreement or document created in connection with or related to the Plan or the administration of the Debtors or these Chapter 11 Cases, *provided, however*, that the foregoing exculpation shall not apply to any act of gross negligence or willful misconduct made in connection with, relating to, or arising out of, the Chapter 11 Cases..

#### Section 10.02. Releases.

(a) Releases by Debtors. Effective as of the Effective Date, and except as otherwise provided in the Plan or the Confirmation Order, for good and valuable consideration, the adequacy of which is hereby confirmed, the Debtors, in their individual capacities and as debtors

in possession, will be deemed to have forever released, waived and discharged the Releasees and M&T Bank, and its subsidiaries, Affiliates, officers, directors, members, attorneys, current and former members of any advisory boards, employees, agents, financial advisors, accountants, investment bankers, consultants and representatives, solely in their respective capacities as representatives of M&T Bank,<sup>81</sup> from any and all Claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action and liabilities (other than the rights of the Debtors or the Distribution Agent to enforce the Plan and the contracts, instruments, releases, indentures and other agreements or documents delivered thereunder), whether for tort, contract, violations of federal or state securities laws, or otherwise, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or part on any act, omission, transaction, event or other occurrence, including actions in connection with indebtedness for money borrowed by the Debtors, taking place on or prior to the Effective Date, or in any way relating to the Debtors, the Chapter 11 Cases, or the Plan.

(b) Releases by Holders of Claims and Interests. Effective as of the Effective Date, and except as otherwise provided in the Plan or the Confirmation Order, in consideration for the obligations of the Debtors under the Plan and the payments, contracts, instruments, releases, agreements or documents to be entered into or delivered in connection with the Plan, each Person (excluding any of the Debtors) that has held, currently holds or may hold a Claim or Interest, and any Affiliate of any such Person (as well as any trustee or agent on behalf of each such Person), shall be deemed to have forever waived, released and discharged the Releasees from any and all Claims, obligations, suits, judgments, damages, rights, Causes of Action and liabilities whatsoever (other than the right to enforce the performance of their respective obligations, if any, to the Debtors or the Distribution Agent under the Plan, and the contracts, instruments releases and other agreements delivered under the Plan), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on any act or omission, transaction, event or other occurrence taking place on or prior to the Effective Date or in any way relating to the Debtors, the Chapter 11 Cases, the Plan or the Disclosure Statement other than Claims or liabilities arising out of or relating to any act or omission that constitutes a failure to perform the duty to act in good faith and where such failure to perform constitutes willful misconduct, gross negligence, or fraud; provided, that this Section 10.02(b) shall not release any Person from any Claim or Cause of Action existing as of the Effective Date, based on (x) the Internal Revenue Code or any other domestic state, city or municipal tax code, (y) any liability that the Person may have as an owner or operator of real property after Confirmation under the environmental laws of the United States or any domestic state, city or municipality or (z) any criminal laws of the United States or any domestic state, city or municipality.

(c) Injunction. Except as otherwise specifically provided herein, on the Effective Date, the Confirmation Order shall constitute an injunction permanently enjoining any Person (excluding any of the Debtors) that has held, currently holds or may hold a Claim, demand, debt, right, Cause of Action or liability that is released pursuant to this Section 10.02 of the Plan from enforcing or attempting to enforce any such Claim, demand, debt, right, Cause of Action or liability against any Releasee or any of their respective Property.

Section 10.03. Other Documents and Actions. The Debtors are authorized to execute such documents and take such other action as is necessary to effectuate the transactions provided for in the Plan.

Section 10.04. Term of Injunctions or Stays. Unless otherwise provided herein or in the Confirmation Order, all injunctions or stays provided for in the Chapter 11 Cases under sections 105(a) or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

Section 10.05. Preservation of Insurance. Except as necessary to be consistent with the Plan, the Plan and the discharge provided herein shall not diminish or impair: (a) the enforceability of insurance policies that may cover Claims against the Debtors or any other Person or Entity; or (b) the continuation of workers' compensation programs in effect, including self-insurance programs.

Section 10.06. Guaranties. Notwithstanding the existence of guaranties by the Debtors of obligations of any Entity or Entities, and the Debtors' joint obligations with another Entity or Entities with respect to the same obligations, all Claims against the Debtors based upon any such guaranties shall be satisfied, discharged and released in the manner provided in this Plan and the Holders of Claims shall be entitled to only one distribution with respect to any given obligation of the Debtors.

Section 10.07. Subordination Rights. Any distributions under the Plan shall be received and retained free of and from any obligations to hold or transfer the same to any other Creditor, and shall not be subject to levy, garnishment, attachment or other legal process by any Holder by reason of claimed contractual subordination rights, which rights shall be waived and the Confirmation Order shall constitute an injunction enjoining any Person from enforcing or attempting to enforce any contractual, legal or equitable subordination rights to Property distributed under the Plan, in each case other than as provided in the Plan.

Section 10.08. No Successor Liability. Except as otherwise expressly provided in the Plan and Affiliation Agreement (but prior to the Effective Date, subject to the terms of the Siena DIP Financing Facility and Initial DIP Financing Facility), none of the Debtors, PHMC, [any affiliate of PHMC taking title to the Debtors' Real Property pursuant to this Plan \(as the case may be, a "PHMC Real Estate Affiliate"\)](#),<sup>82</sup> or the Distribution Agent, pursuant to the Plan or otherwise, assumes, agrees to perform, pays, or indemnifies or otherwise has any responsibility for any liabilities or obligations of the Debtors or any other party relating to or arising out of the operations of or assets of the Debtors, whether arising prior to, on, or after the Effective Date. Neither PHMC, [any PHMC Real Estate Affiliate](#),<sup>83</sup> nor the Distribution Agent is, or shall be, a successor to the Debtors by reason of any theory of law or equity, and shall not have any successor or transferee liability of any kind or character except as expressly provided in the Plan.

## **ARTICLE XI. RETENTION OF JURISDICTION**

Section 11.01. Exclusive Jurisdiction of Bankruptcy Court. Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court

shall retain after the Effective Date exclusive jurisdiction of all matters arising out of, arising in or related to the Chapter 11 Cases to the fullest extent permitted by applicable law, including, without limitation, jurisdiction to:

(a) classify or establish the priority or secured or unsecured status of any Claim (whether filed before or after the Effective Date and whether or not contingent, Disputed or unliquidated) or resolve any dispute as to the treatment of any Claim pursuant to the Plan;

(b) grant or deny any applications for allowance of compensation or reimbursement of expenses pursuant to sections 330, 331 or 503(b) of the Bankruptcy Code or otherwise provided for in the Plan, for periods ending on or before the Effective Date;

(c) determine and resolve any matters related to the assumption, assumption and assignment or rejection of any executory contract or unexpired lease to which any Debtor is a party or with respect to which any Debtor may be liable, and to hear, determine and, if necessary, liquidate any Claims arising therefrom;

(d) ensure that all payments due under the Plan and performance of the provisions of the Plan are accomplished as provided herein and resolve any issues relating to distributions to Holders of Allowed Claims pursuant to the provisions of the Plan;

(e) construe, take any action and issue such orders, prior to and following the Confirmation Date and consistent with section 1142 of the Bankruptcy Code, as may be necessary for the enforcement, implementation, execution and consummation of the Plan and all contracts, instruments, releases, indentures and other agreements or documents created in connection with the Plan, including, without limitation, the Disclosure Statement and the Confirmation Order, for the maintenance of the integrity of the Plan and protection of the Distribution Agent in accordance with sections 524 and 1141 of the Bankruptcy Code following consummation;

(f) determine and resolve any cases, controversies, suits or disputes that may arise in connection with the consummation, interpretation, implementation or enforcement of the Plan (and all Exhibits to the Plan) or the Confirmation Order, including the indemnification and injunction provisions set forth in and contemplated by the Plan or the Confirmation Order, or any Entity's rights arising under or obligations incurred in connection therewith;

(g) hear any application of the Distribution Agent or the Debtors to modify the Plan after the Effective Date pursuant to section 1127 of the Bankruptcy Code and Section 12.04 hereof or modify the Disclosure Statement, the Confirmation Order or any contract, instrument, release, indenture or other agreement or document created in connection with the Plan, the Disclosure Statement or the Confirmation Order, or remedy any defect or omission or reconcile any inconsistency in any Bankruptcy Court order, 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, the Disclosure Statement or the Confirmation Order, in such manner as may be necessary or appropriate to consummate the Plan, to the extent authorized by the Bankruptcy Code and the Plan;

(h) 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, implementation or enforcement of the Plan or the Confirmation Order;

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

(j) determine any other matters that may arise in connection with or relating 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, the Disclosure Statement or the Confirmation Order, except as otherwise provided in the Plan;

(k) determine such other matters and for such other purposes as may be provided in the Confirmation Order;

(l) hear and determine any other matters related hereto and not inconsistent with chapter 11 of the Bankruptcy Code;

(m) hear and determine disputes arising in connection with the interpretation, implementation or enforcement of the Plan;

(n) enter one or more Final Decrees closing each of the Chapter 11 Cases;

(o) determine and resolve any and all controversies relating to the rights and obligations of the Distribution Agent in connection with the Chapter 11 Cases;

(p) allow, disallow, determine, liquidate or estimate any Claim, including the compromise, settlement and resolution of any request for payment of any Claim, the resolution of any Objections to the allowance of Claims and to hear and determine any other issue presented hereby or arising hereunder, including during the pendency of any appeal relating to any Objection to such Claim (to the extent permitted under applicable law);

(q) permit the Debtors or the Distribution Agent, to the extent provided for in the Plan, to recover all assets of the Debtors and Property of their respective Estates, wherever located;

(r) hear and determine any motions or contested matters involving taxes, tax refunds, tax attributes and tax benefits and similar or related matters with respect to the Debtors or the Debtors' respective Estates arising prior to the Effective Date or relating to the period of administration of the Chapter 11 Cases, including, without limitation, matters concerning federal, state and local taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code; and

(s) hear and determine any motions, applications, adversary proceedings, contested matters and other litigated matters pending on, filed or commenced after the Effective Date that may be commenced by the Debtors or the Distribution Agent thereafter, including Avoidance Actions, proceedings with respect to the rights of the Debtors or the Distribution Agent to recover Property under sections 502, 510, 541, 542, 543, 544, 545, 547, 548, 550, 551 or 553 of

the Bankruptcy Code, or proceedings to otherwise collect to recover on account of any Claim or Cause of Action that the Debtors may have had.

Section 11.02. Failure of Bankruptcy Court to Exercise Jurisdiction. If the Bankruptcy Court abstains from exercising or declines to exercise jurisdiction over any matter arising under, arising in or related to the Debtors, including with respect to the matters set forth above in Section 11.01 hereof, this Article XI shall not prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such subject matter.

## **ARTICLE XII. MISCELLANEOUS PROVISIONS**

Section 12.01. Binding Effect of Plan. The provisions of the Plan shall be binding upon and inure to the benefit of the Debtors, the Estates, the Distribution Agent, any Holder of any Claim or Interest treated herein or any Person named or referred to in the Plan, and each of their respective heirs, executors, administrators, representatives, predecessors, successors, assigns, agents, officers and directors, and, to the fullest extent permitted under the Bankruptcy Code and other applicable law, each other Person affected by the Plan.

Section 12.02. Withdrawal of the Plan. The Debtors reserve the right, at any time prior to Confirmation of the Plan, to withdraw the Plan. If the Plan is withdrawn, the Plan shall be null and void and have no force and effect. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against the Debtors or any other Person or to prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtors.

Section 12.03. Final Order. Except as otherwise expressly provided in the Plan, any requirement in the Plan for a Final Order may be waived by the Debtors, in their sole discretion, provided, however, that in the event the Debtors determine in good faith that any such waiver would constitute a breach of the Debtors' fiduciary duties, the Debtors may seek to prevent any such waiver by seeking an order of the Bankruptcy Court on an expedited basis upon written notice to the Bankruptcy Court. No such waiver shall prejudice the right of any party in interest to seek a stay pending appeal of any order that is not a Final Order.

Section 12.04. Modification of the Plan. The Debtors may amend or modify the Plan in accordance with section 1127 of the Bankruptcy Code or as otherwise permitted at any time prior to the Confirmation Date; provided, however, that such amendment or modification may not alter the provisions of Sections 7.02, 9.01, or 9.02 without the consent of Siena DIP Lender and Initial DIP Lender [and may not alter the provisions of Section 3.06, 10.02 or any other provision of the Plan affecting the treatment of M&T Bank without the consent of M&T Bank](#)<sup>84</sup>. After the Confirmation Date and prior to the substantial consummation of the Plan, and in accordance with the provisions of section 1127(b) of the Bankruptcy Code and the Bankruptcy Rules, the Debtors may, so long as the treatment of Holders of Claims or Interests under the Plan is not adversely affected, institute proceedings in the Bankruptcy Court to remedy any defect or omission or to reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order and any other matters as may be necessary to carry out the purposes and

effects of the Plan; provided, however, prior notice of such proceedings shall be served in accordance with Bankruptcy Rules 2002 and 9014.

Section 12.05. Business Days. If any payment or act under the Plan is required to be made or performed on a date that is a Saturday, Sunday, Federal or Bank Holiday, 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.

Section 12.06. Severability. Should the Bankruptcy Court determine, prior to the Confirmation Date, that any provision of the Plan is either illegal on its face or illegal as applied to any Claim or Interest, such provision shall be unenforceable as to all Holders of Claims or Interests or to the specific Holder of such Claim or Interest, as the case may be, as to which such provision is illegal. Unless otherwise determined by the Bankruptcy Court, such a determination of unenforceability shall in no way limit or affect the enforceability and operative effect of any other provision of the Plan.

Section 12.07. Governing Law. EXCEPT TO THE EXTENT THAT THE BANKRUPTCY CODE OR BANKRUPTCY RULES OR OTHER FEDERAL LAWS ARE APPLICABLE, AND SUBJECT TO THE PROVISIONS OF ANY CONTRACT, INSTRUMENT, RELEASE, INDENTURE OR OTHER AGREEMENT OR DOCUMENT ENTERED INTO IN CONNECTION WITH THE PLAN, THE CONSTRUCTION, IMPLEMENTATION AND ENFORCEMENT OF THE PLAN AND ALL RIGHTS AND OBLIGATIONS ARISING UNDER THE PLAN SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, WITHOUT GIVING EFFECT TO CONFLICTS-OF-LAW PRINCIPLES WHICH WOULD APPLY THE LAW OF A JURISDICTION OTHER THAN THE COMMONWEALTH OF PENNSYLVANIA.

Section 12.08. Post-Effective Date Status of the Committee. Unless previously dissolved by the Office of the United States Trustee, the Committee shall continue in existence until the Effective Date, with the Debtors to pay the reasonable fees and expenses of the Committee and its professionals through the Effective Date. The Committee shall have standing to participate in proceedings brought by its respective professionals or, if applicable, members, for allowance of fees and/or reimbursement of expenses as permitted by law. Except as provided in this Section 12.08 or above, the Committee shall be dissolved on the Effective Date, and the members, attorneys, accountants, and other professionals thereof shall be released and discharged of and from all further authority, duties, responsibilities, liabilities, and obligations related to, or arising from, the Chapter 11 Cases, the Plan, or its implementation. Notwithstanding the occurrence of the Effective Date and the dissolution of the Committee, the Debtors will not seek to close these Chapter 11 cases until the expiration of seven (7) months following the Effective Date.

Section 12.09. Payment of Statutory Fees. All U.S. Trustee's Fee Claims, as determined, if necessary, by the Bankruptcy Court at the hearing pursuant to section 1128 of the Bankruptcy Code, shall be paid on or before the Effective Date by the Debtors.

Section 12.10. Post-Confirmation Operating Reports. To the extent required, the Debtors shall File quarterly operating reports as required by the United States Trustee until such



time as a Final Decree or other order is entered under section 350(a) of the Bankruptcy Code closing the Bankruptcy Cases.

Section 12.11. Notices. Any notice required or permitted to be provided under this Plan to the Debtors, or any request for information with respect to the Plan, shall be in writing and served by either (a) certified mail, return receipt requested, postage prepaid, (b) hand delivery or (c) reputable overnight delivery service, freight prepaid, to be addressed as follows:

Wordsworth Academy  
3300 Henry Avenue  
Philadelphia, PA 19129  
Attn: Don Stewart  
Email: dstewart@wordsworth.org

With copies to:

Dilworth Paxson LLP  
1500 Market Street  
Suite 3500E  
Philadelphia, PA 19102  
Attn.: Lawrence G. McMichael  
Email: lmcmichael@dilworthlaw.com

Section 12.12. Filing of Additional Documents. Draft forms of certain Plan Documents and certain other documents, agreements, instruments, schedules and exhibits specified in the Plan shall, where expressly so provided for in this Plan, be contained in Plan supplements filed from time to time, all of which shall be filed with the Bankruptcy Court no later than 10 calendar days prior to the Voting Deadline. Unless otherwise expressly provided in the Plan, the Debtors shall remain free to modify or amend any such documents after such date. Upon filing with the Bankruptcy Court, the Plan supplements may be inspected in the office of the clerk of the Bankruptcy Court during normal court hours. Holders of Claims or Interests may also obtain a copy of the Plan supplements from Debtors' counsel or the Bankruptcy Court's Website (located at [www.paeb.uscourts.gov](http://www.paeb.uscourts.gov)).

Section 12.13. Section 1125 of the Bankruptcy Code. The Debtors have, and upon Confirmation of the Plan shall be deemed to have, solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code and (b) the Debtors (and each of their respective Affiliates, officers, directors, employees, consultants, agents, advisors, members, attorneys, accountants, financial advisors, other representatives and Professionals), have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code in the offer, issuance, sale, and purchase of any securities offered and sold under the Plan, and are not, and on account of such offer, issuance, sale, solicitation, and/or purchase will not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or the offer, issuance, sale, or purchase of any securities offered and sold under the Plan.

Section 12.14. Section 1146 Exemption. To the fullest extent permitted under section 1146(a) of the Bankruptcy Code, the issuance, transfer or exchange of any security under the Plan, if any, or the execution, delivery or recording of an instrument of transfer under the Plan, or the revesting, transfer or sale of any real or other Property of or to the Debtors (including the transfers of the Debtors' Real Property, as provided for in this Plan, including Section 7.05)<sup>85</sup> or the Distribution Agent, shall not be taxed under any state or local law imposing a stamp tax, transfer tax or similar tax or fee. Consistent with the foregoing, each recorder of deeds or similar official for any county, city or governmental unit in which any instrument hereunder is to be recorded shall, pursuant to the Confirmation Order, be ordered and directed to accept such instrument, without requiring the payment of any documentary stamp tax, deed stamps, stamp tax, transfer tax, mortgage recording tax, intangible tax or similar tax.

Section 12.15. Time. Unless otherwise specified herein, in computing any period of time prescribed or allowed by the Plan, the Day of the act or event from which the designated period begins to run shall not be included. The last Day of the period so computed shall be included, unless it is not a Business Day, in which event the period runs until the end of next succeeding Day that is a Business Day. Otherwise, the provisions of Bankruptcy Rule 9006 shall apply.

Section 12.16. No Attorneys' Fees. No attorneys' fees will be paid by the Debtors with respect to any Claim or Interest except as expressly specified herein or by order of the Bankruptcy Court.

Section 12.17. No Injunctive Relief. No Claim or Interest shall under any circumstances be entitled to specific performance or other injunctive, equitable or other prospective relief.

Section 12.18. Continued Confidentiality Obligations. Pursuant to the terms thereof, members of and advisors to the Committee, any other Holder of a Claim or Interest, and their respective predecessors, successors and assigns shall continue to be obligated and bound by the terms of any confidentiality agreement executed by them in connection with these Chapter 11 Cases or the Debtors, to the extent that such agreement, by its terms, may continue in effect after the Confirmation Date.

Section 12.19. No Admissions or Waivers. Notwithstanding anything herein to the contrary, nothing contained in the Plan shall be deemed an admission or waiver by the Debtors with respect to any matter set forth herein, including, without limitation, liability on any Claim or Interest or the propriety of any classification of any Claim or Interest.

Section 12.20. Entire Agreement. The Plan, together with the Plan Documents (and all Exhibits to the Plan and any Plan supplements that may be filed), sets forth the entire agreement and undertakings relating to the subject matter hereof and supersedes all prior discussions and documents. The Debtors shall not be bound by any terms, conditions, definitions, warranties, understandings, or representations with respect to the subject matter hereof, other than as expressly provided for herein or as may hereafter be agreed to by the parties in writing.

Section 12.21. Waiver. The Debtors reserve the right to waive any provision of this Plan to the extent such provision is for the sole benefit of the Debtors and/or their officers or directors.

Section 12.22. Bar Date for Professionals. Applications for compensation for services rendered and reimbursement of expenses incurred by Professionals from the Petition Date through the Effective Date shall be filed no later than forty-five (45) days after the Effective Date. Such applications shall be served on: (a) the Debtors; (b) Lawrence G. McMichael, Dilworth Paxson LLP, 1500 Market Street, Suite 3500E, Philadelphia, PA 19102, counsel to the Debtors; (c) the Office of the United States Trustee; and (d) S. Jason Teele, Cullen and Dykman LLP, One Riverfront Plaza, Newark, NJ 07102, counsel to the Committee. Applications that are not timely filed will not be considered by the Court. The Debtors or the Distribution Agent may pay any Professional fees and expenses incurred on or after the Effective Date without any application to the Bankruptcy Court.

The Debtors hereby request Confirmation of the Plan pursuant to section 1129(a) or section 1129(b) of the Bankruptcy Code.

Dated: ~~November 8,~~<sup>86</sup> December 13,<sup>87</sup> 2017

WORDSWORTH ACADEMY,  
WORDSWORTH CUA 5, LLC,  
WORDSWORTH CUA 10, LLC

By: \_\_\_\_\_  
Name: Don Stewart  
Title: Chief Financial Officer and Acting  
Chief Executive Officer,  
Wordsworth Academy and  
Authorized Officer pursuant to the  
Resolution of the Boards of Directors  
of Wordsworth CUA 5, LLC and  
Wordsworth CUA 10, LLC

**Schedule 6.02(a)**

**Schedule 6.02(b)**

[To be filed]

**Attachment 1**

[Affiliation Agreement]

**Attachment 2**

[List of Subcontractors and Staffing Agencies]