

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

IN RE:	Bankruptcy. No. 24-21217-CMB
SOUTH HILLS OPERATIONS, LLC, <i>et al.</i> , ¹	Chapter 11
Debtors.	(Jointly Administrated)

**COMBINED PLAN AND DISCLOSURE STATEMENT OF
LIQUIDATION OF SOUTH HILLS OPERATIONS, LLC ET AL
UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

Dated: June 13, 2025

BERNSTEIN-BURKLEY, P.C.
Kirk B. Burkley, Esq., PA ID 89511
kburkley@bernsteinlaw.com
David W. Ross, Esq. PA ID 62202
dross@bernsteinlaw.com
Mason S. Shelton, Esq. PA ID 332792
mshelton@bernsteinlaw.com
601 Grant St., 9th Floor
Pittsburgh, PA 15219
Phone: (412) 456-8000

Counsel for the Official Committee of Unsecured Creditors

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: South Hills Operations, LLC (5527); Monroeville Operations, LLC (3280); Mt. Lebanon Operations, LLC (1133); Murrysville Operations, LLC (9149); Cheswick Rehabilitation and Wellness Center, LLC (9561); 3876 Saxonburg Boulevard Propco, LLC (3618); North Strabane Rehabilitation and Wellness Center, LLC (1677); 100 Tandem Village Road Propco, LLC (1918); Maybrook-C Briarcliff Opco, LLC (5187); Maybrook-C Briarcliff Propco, LLC (1823); Maybrook-C Evergreen Opco, LLC (5388); Maybrook-C Evergreen Propco, LLC (2000); Maybrook-C Kade Opco, LLC (4033); Maybrook-C Kade Propco, LLC (2097); Maybrook-C Latrobe Opco, LLC (4148); Maybrook-C Latrobe Propco, LLC (2178); Maybrook-C Overlook Opco, LLC (7081); Maybrook-C Overlook Propco, LLC (6804); Maybrook-C Silver Oaks Opco, LLC (7146); Maybrook-C Silver Oaks Propco, LLC (9654); Maybrook-C Whitecliff Opco, LLC (6211); Maybrook-C Whitecliff Propco, LLC (4835). The Debtors' address is 485 Lexington Avenue, 10th Floor, New York, NY 10017.

TABLE OF CONTENTS

Contents	
DISCLAIMERS	6
SECTION 1 - INTRODUCTION	8
SECTION 2 - SUMMARY OF CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS UNDER PLAN AND IMPORTANT SOLICITATION AND CONFIRMATION DATES AND DEADLINES	10
2.1 <i>Summary of Classification and Treatment of Claims and Interests</i>	10
2.2 <i>Important Dates and Deadlines</i>	18
SECTION 3 - DEFINED TERMS	18
SECTION 4 - BACKGROUND	31
4.1 <i>General Background</i>	31
4.2 <i>General Financial Information</i>	31
4.3 <i>Funds Available from Avoidance Actions</i>	32
SECTION 5 - THE CHAPTER 11 CASES	32
5.1 <i>Petition Date and the Automatic Stay</i>	32
5.2 <i>First Day Motions and Orders</i>	32
5.3 <i>Retention of Professionals</i>	33
5.4 <i>Schedules, Statements of Financial Affairs, and Bar Date</i>	33
5.5 <i>Administrative Claims Bar Date</i>	34
5.6 <i>The 9019 Order</i>	34
SECTION 6 - CONFIRMATION AND VOTING PROCEDURES	37
6.1 <i>Confirmation Hearing</i>	37
6.2 <i>Procedures for Objections</i>	38
6.3 <i>Requirements for Confirmation</i>	38
6.4 <i>Classification of Claims and Interests</i>	38
6.5 <i>Impaired Claims or Interests</i>	40
6.6 <i>Confirmation Without Necessary Acceptances; Cramdown</i>	41
6.7 <i>Feasibility</i>	41
6.8 <i>Best Interests Test and Liquidation Analysis</i>	42
6.9 <i>Eligibility to Vote on the Combined Plan and Disclosure Statement</i>	44
6.10 <i>Solicitation Package</i>	44
6.11 <i>Voting Procedures and Voting Deadline</i>	45
6.12 <i>Acceptance of the Combined Plan and Disclosure Statement</i>	45

SECTION 7 - CERTAIN RISK FACTORS, TAX CONSEQUENCES, AND OTHER DISCLOSURES.....	46
7.1 <i>Certain Risk Factors to be Considered</i>	46
7.2 <i>Releases, Exculpations, and Injunctions</i>	49
7.3 <i>Alternatives to the Combined Plan and Disclosure Statement</i>	49
SECTION 8 - UNCLASSIFIED CLAIMS	50
8.1 <i>Unclassified Claims</i>	50
8.2 <i>Administrative Expense Claims</i>	50
8.3 <i>Professional Fees</i>	51
8.4 <i>Payment of Priority Tax Claims</i>	51
SECTION 9 - CLASSIFICATION OF CLAIMS AND INTERESTS	52
9.1 <i>Summary of Classification</i>	52
9.2 <i>Special Provision Governing Unimpaired Claims</i>	53
9.3 <i>Vacant and Abstaining Classes</i>	53
9.4 <i>Subordinated Claims</i>	53
SECTION 10 - TREATMENT OF CLAIMS AND INTERESTS	53
10.1 <i>Class 1—Priority Tax Claims</i>	53
10.2 <i>Class 2A—Cuarzo DIP Lender</i>	54
10.3 <i>Class 2B—Maybrook and Consulate DIP Lender</i>	55
10.4 <i>Class 3A— Maybrook Prepetition Lender</i>	55
10.5 <i>Class 3B— Consulate Prepetition Lenders</i>	56
10.6 <i>Class 4—Secured Claims of Prepetition Cuarzo Lenders</i>	56
10.7 <i>Class 5(a)—General Unsecured Claims</i>	56
10.8 <i>Class 5(b)—CIBC Unsecured Deficiency Claims</i>	57
10.9 <i>Class 5(c)—Cuarzo Unsecured Deficiency Claims</i>	57
10.10 <i>Class 6—Intercompany Claims</i>	58
10.11 <i>Class 7—Insider Claims</i>	58
10.12 <i>Class 8—Interests</i>	58
SECTION 11 - DISTRIBUTIONS TO HOLDERS OF ALLOWED CLAIMS	59
11.1 <i>Distributions</i>	59
11.2 <i>Method of Distributions to Holders of Claims</i>	59
11.3 <i>Delivery of Distributions and Undeliverable or Unclaimed Distributions</i>	59
11.4 <i>Timing and Calculation of Amounts to be Distributed</i>	60
11.5 <i>Other Provisions Applicable to Distributions in All Classes</i>	62
11.6 <i>Holders of Record</i>	63

11.7	<i>Means of Cash Payments</i>	63
11.8	<i>Withholding Requirements</i>	63
11.9	<i>Setoffs</i>	64
SECTION 12 - PROCEDURES FOR RESOLVING DISPUTED CLAIMS		64
12.1	<i>No Distributions Pending Allowance</i>	64
12.2	<i>Prosecution of Objections to Claims</i>	64
12.3	<i>Distributions on Account of Disputed Claims Once Allowed</i>	65
SECTION 13 - TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES		65
13.1	<i>Rejection of Executory Contracts and Unexpired Leases</i>	65
13.2	<i>Cure of Defaults</i>	65
13.3	<i>Bar Date for Rejection Damage Claims</i>	66
13.4	<i>Approval of Rejection</i>	66
13.5	<i>Compensation and Benefit Programs</i>	66
SECTION 14 - MEANS FOR IMPLEMENTATION AND THE REORGANIZED DEBTOR.....		67
14.1	<i>Overview</i>	67
14.2	<i>Sales of Assets</i>	67
14.3	<i>Establishment of Liquidating Trust</i>	67
14.4	<i>Purpose of Liquidating Trust</i>	68
14.5	<i>Liquidating Trust</i>	68
14.6	<i>Restructuring Transactions</i>	73
14.7	<i>Deposits</i>	73
14.8	<i>Sources of Cash for Plan Distributions</i>	74
14.9	<i>Comprehensive Settlement of Claims and Controversies</i>	74
14.10	<i>Substantive Consolidation</i>	74
14.11	<i>[Reserved]</i>	75
14.12	<i>Rights Under Section 505</i>	75
14.13	<i>Automatic Stay</i>	75
14.14	<i>Exemption from Certain Transfer Taxes and Recording Fees</i>	75
SECTION 15 - PROVISIONS FOR THE ESTABLISHMENT AND MAINTENANCE OF DISBURSEMENT ACCOUNTS		75
15.1	<i>Establishment of Disbursement Account</i>	75
15.2	<i>Post-Confirmation Administration</i>	75
15.3	<i>Maintenance of Disbursement Account(s)</i>	76
SECTION 16 - EFFECT OF CONFIRMATION.....		76

16.1	<i>Vesting of Assets</i>	76
16.2	<i>Binding Effect</i>	76
16.3	<i>Retention of Causes of Action/Reservation of Rights</i>	76
SECTION 17 - EXCULPATIONS, INJUNCTIONS, AND RELEASES		77
17.1	<i>Exculpation</i>	77
17.2	<i>Injunction</i>	78
17.3	<i>Terms of Injunction and Automatic Stay</i>	78
17.4	<i>Limitation of Rights of Holders of Claims</i>	78
SECTION 18 - CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THE PLAN		79
18.1	<i>Conditions to the Effective Date</i>	79
18.2	<i>Waiver of Conditions Precedent</i>	79
18.3	<i>Effect of Non-Occurrence of Effective Date</i>	79
SECTION 19 - RETENTION OF JURISDICTION.....		80
SECTION 20 - MISCELLANEOUS PROVISIONS.....		82
20.1	<i>Modification of the Combined Plan and Disclosure Statement</i>	82
20.2	<i>Revocation or Withdrawal of the Combined Plan and Disclosure Statement</i>	82
20.3	<i>Severability of Plan Provisions</i>	83
20.4	<i>Payment of Statutory Fees</i>	83
20.5	<i>Dissolution of the Committee</i>	83
20.6	<i>Reservation of Rights</i>	84
20.7	<i>Governing Law</i>	84
20.8	<i>Computation of Time</i>	84
20.9	<i>Successors and Assigns</i>	84
20.10	<i>Exhibits/Schedules</i>	84
20.11	<i>Entire Agreement</i>	84
20.12	<i>Inconsistencies</i>	85
20.13	<i>Notices</i>	85
20.18	<i>Effectuating Documents and Further Transactions</i>	86
20.19	<i>Corporate Action</i>	86
20.20	<i>Filing of Additional Documents</i>	86
20.21	<i>Events of Default</i>	86

DISCLAIMERS

NOTICE TO ADMINISTRATIVE CREDITORS

AS OF THE DATE OF THE FILING OF THIS COMINED PLAN AND DISCLOSURE STATEMENT, THE PLAN PROPONENT BELIEVES THAT THESE CHAPTER 11 CASES MAY LIKELY BE ADMINISTRATIVELY INSOLVENT IN WHICH CASE THERE WOULD BE INSUFFICIENT FUNDS AVAILABLE TO PAY ADMINISTRATIVE CLAIMS IN FULL. AS A RESULT, THE PLAN PROPONENT ASSERTS THAT THIS COMBINED PLAN AND DISCLOSURE STATEMENT PROVIDES THE BEST BUT NOT ASSURED PATH TO MAXIMIZE THE VALUE OF THE DEBTORS' ESTATES, TO PAY ADMINISTRATIVE CLAIMANTS, AND TO GENERATE A RECOVERY FOR UNSECURED CREDITORS.

NOTICE TO ALL CLAIM HOLDERS

EACH HOLDER OF A CLAIM AGAINST THE DEBTORS ENTITLED TO VOTE TO ACCEPT OR REJECT THE COMBINED PLAN AND DISCLOSURE STATEMENT SHOULD READ THE COMBINED PLAN AND DISCLOSURE STATEMENT IN ITS ENTIRETY BEFORE VOTING. NO SOLICITATION OF VOTES TO ACCEPT OR REJECT THE COMBINED PLAN AND DISCLOSURE STATEMENT MAY BE MADE EXCEPT PURSUANT TO THE TERMS HEREOF AND SECTIONS 1121 AND 1125 OF THE BANKRUPTCY CODE. IF YOU ARE ENTITLED TO VOTE TO ACCEPT THE COMBINED PLAN AND DISCLOSURE STATEMENT, YOU ARE RECEIVING A BALLOT WITH YOUR NOTICE OF THE COMBINED PLAN AND DISCLOSURE STATEMENT. THE PLAN PROPONENT URGES YOU TO VOTE TO ACCEPT THE COMBINED PLAN AND DISCLOSURE STATEMENT.

THE COMBINED PLAN AND DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTIONS 1121 AND 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 3016 AND 3017, AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER APPLICABLE NON-BANKRUPTCY LAW. PERSONS OR ENTITIES TRADING IN OR OTHERWISE PURCHASING, SELLING, OR TRANSFERRING CLAIMS AGAINST OR INTERESTS IN THE DEBTORS SHOULD EVALUATE THE COMBINED PLAN AND DISCLOSURE STATEMENT IN LIGHT OF THE PURPOSE FOR WHICH IT WAS PREPARED. THE COMBINED PLAN AND DISCLOSURE STATEMENT SHALL NOT BE CONSTRUED TO BE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE COMBINED PLAN AND DISCLOSURE STATEMENT AS TO HOLDERS OF CLAIMS AGAINST OR INTERESTS IN THE DEBTORS. YOU SHOULD CONSULT YOUR PERSONAL COUNSEL OR TAX ADVISOR ON ANY QUESTIONS OR CONCERNS RESPECTING TAX, SECURITIES, OR OTHER LEGAL CONSEQUENCES OF THE COMBINED PLAN AND DISCLOSURE STATEMENT.

THE COMBINED PLAN AND DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN STATUTORY PROVISIONS, DOCUMENTS RELATED TO THE COMBINED PLAN AND DISCLOSURE STATEMENT, ANTICIPATED EVENTS IN THE CHAPTER 11 CASES, AND FINANCIAL INFORMATION. ALTHOUGH THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS BELIEVES THAT THE STATEMENTS AND DESCRIPTIONS CONTAINED IN THE COMBINED PLAN AND DISCLOSURE STATEMENT ARE TRUE AND ACCURATE, THEY ARE QUALIFIED TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF THE DOCUMENTS RELATED TO THE COMBINED PLAN AND DISCLOSURE STATEMENT AND APPLICABLE STATUTORY PROVISIONS. THE TERMS OF THE DOCUMENTS RELATED TO THE COMBINED PLAN AND DISCLOSURE STATEMENT AND APPLICABLE STATUTES GOVERN IN THE EVENT OF ANY DISCREPANCY WITH THE COMBINED PLAN AND DISCLOSURE STATEMENT. CREDITORS AND OTHER INTERESTED PARTIES SHOULD READ THE COMBINED PLAN AND DISCLOSURE STATEMENT, THE DOCUMENTS RELATED TO THE COMBINED PLAN AND DISCLOSURE STATEMENT, AND THE APPLICABLE STATUTES THEMSELVES FOR THE FULL AND COMPLETE STATEMENTS OF SUCH TERMS AND PROVISIONS.

THE FACTUAL STATEMENTS AND REPRESENTATIONS CONTAINED IN THE COMBINED PLAN AND DISCLOSURE STATEMENT ARE MADE BY THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS AS OF THE DATE HEREOF, UNLESS OTHERWISE SPECIFIED, AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS DISCLAIMS ANY OBLIGATION TO UPDATE ANY SUCH STATEMENTS AFTER THE SOLICITATION OF VOTES TO ACCEPT OR REJECT THE COMBINED PLAN AND DISCLOSURE STATEMENT. THE DELIVERY OF THE COMBINED PLAN AND DISCLOSURE STATEMENT SHALL NOT BE DEEMED OR CONSTRUED TO CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AT ANY TIME AFTER THE DATE HEREOF.

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

ALL FORWARD-LOOKING STATEMENTS CONTAINED HEREIN OR OTHERWISE MADE BY THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS INVOLVE MATERIAL RISKS AND UNCERTAINTIES AND ARE SUBJECT TO CHANGE BASED ON NUMEROUS FACTORS, INCLUDING FACTORS THAT ARE BEYOND THE OFFICIAL COMMITTEE OF UNSECURED CREDITOR'S CONTROL. ACCORDINGLY, THE OFFICIAL COMMITTEE OF UNSECURED CREDITOR'S FUTURE PERFORMANCE AND FINANCIAL RESULTS MAY DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED IN ANY SUCH FORWARD-LOOKING STATEMENTS. SUCH FACTORS INCLUDE, BUT ARE NOT LIMITED TO, THOSE DESCRIBED IN THE COMBINED PLAN AND DISCLOSURE STATEMENT. THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS DOES NOT INTEND TO

UPDATE OR REVISE ITS FORWARD-LOOKING STATEMENTS EVEN IF EXPERIENCE OR FUTURE CHANGES MAKE IT CLEAR THAT ANY PROJECTED RESULTS EXPRESSED OR IMPLIED THEREIN WILL NOT BE REALIZED.

ANY PROJECTED RECOVERIES TO CREDITORS SET FORTH IN THIS DISCLOSURE STATEMENT ARE BASED UPON THE ANALYSES PERFORMED BY THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS. ALTHOUGH THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS HAS MADE EVERY EFFORT TO VERIFY THE ACCURACY OF THE INFORMATION PRESENTED HEREIN, THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS CANNOT MAKE ANY REPRESENTATIONS OR WARRANTIES REGARDING THE ACCURACY OF THIS INFORMATION.

IN CONNECTION WITH THE OFFICIAL COMMITTEE OF UNSECURED CREDITOR'S SOLICITATION OF ACCEPTANCES OF THE COMBINED PLAN AND DISCLOSURE STATEMENT PURSUANT TO SECTION 1126(b) OF THE BANKRUPTCY CODE, THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS IS FURNISHING A SOLICITATION PACKAGE, CONSISTING OF THE COMBINED PLAN AND DISCLOSURE STATEMENT, THE EXHIBITS HERETO, CONFIRMATION NOTICE, AND A BALLOT TO EACH RECORD HOLDER OF CLAIMS ELIGIBLE TO VOTE OR ITS COUNSEL. THE COMBINED PLAN AND DISCLOSURE STATEMENT IS TO BE USED BY EACH SUCH ELIGIBLE HOLDER SOLELY IN CONNECTION WITH ITS EVALUATION OF THE COMBINED PLAN AND DISCLOSURE STATEMENT; USE OF THE COMBINED PLAN AND DISCLOSURE STATEMENT FOR ANY OTHER PURPOSE IS NOT AUTHORIZED. NOTHING STATED IN THE COMBINED PLAN AND DISCLOSURE STATEMENT SHALL BE DEEMED OR CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTORS OR ANY OTHER PARTY. THE COMBINED PLAN AND DISCLOSURE STATEMENT MAY NOT BE REPRODUCED OR PROVIDED TO ANYONE OTHER THAN ADVISORS TO THE RECIPIENT WITHOUT THE PRIOR WRITTEN CONSENT OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS.

SECTION 1 - INTRODUCTION

The Official Committee of Unsecured Creditors (the "Plan Proponent"), hereby proposes the following combined disclosure statement and plan of reorganization pursuant to sections 1121(a) and 1125(b) of title 11 of the United States Code (the disclosure statement portion hereof, the "Disclosure Statement" and the chapter 11 plan portion hereof, the "Plan" (as may be modified and/or amended from time to time, and collectively, the "Combined Plan and Disclosure Statement")). Capitalized terms used in the Combined Plan and Disclosure Statement and not otherwise defined have the meanings ascribed to such terms in Section 3.

This Combined Plan and Disclosure Statement contemplates that the Sales of the Debtors' Assets authorized in those certain Sale Orders entered by the Bankruptcy Court closed before the

Combined Plan and Disclosure Statement became effective. After those Sales closed (on the Closing Date(s)), various post-petition and certain prepetition secured claims were paid from the net proceeds of the Sales. The description of Classes of Secured Claims below includes certain Classes whose Allowed Secured Claims have been paid in full at those Closing(s) before this Plan becomes effective. Those Classes nonetheless are included below in the interest of completeness.

This Combined Plan and Disclosure Statement also contemplates the liquidation of the Debtors' Remaining Assets, pursuit of claims held by the Debtors or the Committee, and the distribution of the proceeds of the liquidation pursuant to this Combined Plan and Disclosure Statement. Subject to certain restrictions and requirements set forth in 11 U.S.C. § 1127 and Fed. R. Bankr. P. 3019, the Plan Proponent reserves the right to alter, amend, modify, revoke, or withdraw this Combined Plan and Disclosure Statement prior to its substantial consummation.

As more fully described herein, the Combined Plan and Disclosure Statement must be approved by the requisite number of Creditors and the Bankruptcy Court must find that the Combined Plan and Disclosure Statement meets the applicable legal standards before it can be confirmed. If the Combined Plan and Disclosure Statement is not confirmed, the Bankruptcy Court may order the cases to be converted to liquidating cases under Chapter 7 of the Bankruptcy Code, dismiss the cases, or the Debtors or other parties in interest may, which the Plan Proponent believes is highly unlikely, propose a different plan.

The Plan Proponent submits that the Combined Plan and Disclosure Statement will be distributed to all holders of Claims and Interests in accordance with section 1125(b) of the Bankruptcy Code; Rules 2002, 3016, and 3017 of the Federal Rules of Bankruptcy Procedure; and the Court's order conditionally approving the Combined Plan and Disclosure Statement. See Dkt. No.[.]² The Combined Plan and Disclosure Statement and the exhibits hereto include a discussion of: (i) the nature and history of the Debtors' business and liabilities; (ii) events during the Chapter 11 Cases; (iii) the requirements for confirmation of the Plan and procedures for voting to accept or reject the Plan; (iv) additional factors and disclosures to be considered; and (v) the terms of the Plan, including the treatment of holders of Claims and Interests under the Plan. The Disclosure Statement was prepared with the intent to provide "adequate information" (as defined in the Bankruptcy Code) to enable holders of Claims against and Interests in the Debtors to make informed judgments about the Plan.

Subject to the restrictions on modifications set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and those restrictions on modifications set forth in Section 19 (Retention of Jurisdiction) of the Combined Plan and Disclosure Statement, the Plan Proponent expressly reserves the right to alter, amend, or modify the Combined Plan and Disclosure Statement, including the Plan Supplement, one or more times, before substantial consummation thereof.

Please read the Combined Plan and Disclosure Statement, the exhibits, other supporting materials, and any appropriate ballot carefully and follow the instructions set forth below and on the appropriate ballot to vote on the Combined Plan and Disclosure Statement. The Official

² As used throughout the Combined Plan and Disclosure Statement, "Dkt. No." refers to the electronic case file number for a particular document on the Court's docket for these Chapter 11 Cases, docketed at 24-21217-CMB.

Committee of Unsecured Creditors believes that the Combined Plan and Disclosure Statement provides the best method of maximizing the recoveries for the holders of Claims against the Debtors. Therefore, Official Committee of Unsecured Creditors recommends that all creditors who are entitled to vote should vote in favor of the Combined Plan and Disclosure Statement.

Unless otherwise specified, all section or exhibit references in the Combined Plan and Disclosure Statement are to the respective section in, or exhibit to, the Combined Plan and Disclosure Statement, as the same may be amended, waived, or modified from time to time. The words “herein,” “hereof,” “hereto,” “hereunder,” and other words of similar import refer to the Combined Plan and Disclosure Statement as a whole and not to any particular section, subsection, or clause contained herein. The headings in the Combined Plan and Disclosure Statement are for convenience of reference only and shall not limit or otherwise affect the provisions hereof. For purposes herein: (a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (b) any reference herein to a contract, lease, instrument, release, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; and (c) unless otherwise noted above, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply.

SECTION 2 - SUMMARY OF CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS UNDER PLAN AND IMPORTANT SOLICITATION AND CONFIRMATION DATES AND DEADLINES

2.1 *Administrative Claims Generally*

Each Holder of an Allowed Administrative Claim shall receive their Pro Rata share of the proceeds from the Liquidating Trust Assets, without interest, after payment of the reasonable compensation of the Liquidating Trustee, until the net proceeds of the Liquidating Trust Assets are exhausted or until that Holder’s Allowed Administrative Claim is paid in full, whichever occurs first, at the sole option of the Liquidating Trustee, as the case may be: (a) on or as soon as practicable after the later of (i) the Effective Date, or (ii) the date upon which the Bankruptcy Court enters a Final Order determining or approving such Claim; (b) in accordance with the terms and conditions of agreements between the Holders of such Claims and the Liquidating Trustee, as the case may be; or (c) with respect to statutory fees due pursuant to 28 U.S.C. § 1930(a)(6), after the entry of a final decree or an order converting or dismissing the cases.

Holders of Administrative Claims (including, without limitation, Professionals) requesting compensation or reimbursement of such expenses pursuant to Bankruptcy Code Sections 327, 328, 330, 331, 503(b) or 1103 who do not file such requests by the applicable deadline provided for herein shall be forever barred from asserting such claims against the Debtors, their Estates, the Liquidating Trust, or its successors or assigns, or its property. Any objection to Professional Fee Claims shall be filed on or before the objection deadline specified in the application for final compensation or order of the Bankruptcy Court.

Notwithstanding any provision in the Combined Plan and Disclosure Statement regarding payment of Administrative Claims to the contrary, and without waiver of any argument available that such Claim is already time-barred by prior orders of the Bankruptcy Court, all Administrative Claims that are required to be Filed and not Filed by the Administrative Claim Bar Date shall be deemed disallowed and discharged.

2.2 *Summary of Classification and Treatment of Claims and Interests*

All Claims and Interests (except Administrative Claims, statutory fees payable pursuant to 28 U.S.C. § 1930,), are classified for purposes of voting and Distribution under the Combined Plan and Disclosure Statement. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any remainder of the Claim or Interest qualifies within the description of such other Classes.

A summary of the classification of these Claims and Interests, the proposed treatment of each Class of Claims or Interests, and the voting status of each Class of Claims or Interests follows.

CLASS	TREATMENT	STATUS	ENTITLED TO VOTE
Class 1 Priority Tax Claims Allowed Priority Tax Claims asserted against the Debtors that remain unpaid are estimated to total approximately \$20,037,391.08. Estimated Recovery: 5 - 10%	Upon final payment in full of Allowed Administrative Claims, each Holder of a Class 1 Claim will receive, in full satisfaction of its Priority Tax Claim, except to the extent that the holder of an Priority Tax Claim has agreed to a different treatment of such claim, their pro rata share of fifty-five percent (55%) from the proceeds of the Liquidating Trust Assets, after payment of the reasonable compensation of the Liquidating Trustee pursuant to Section 14.5.4 of the Plan, up to the full amount of any such Allowed Claim. Notwithstanding the provisions of Section 2.1.2(a), the Holder of an Allowed Priority Tax Claim will not be entitled to receive any payment on account of any penalty (other than a penalty of the type specified in section 507(a)(8)(G) of the Bankruptcy Code) arising with respect to or in connection with the Allowed Priority Tax Claim.	Impaired	Yes

	The Holder of an Allowed Priority Tax Claim will not assess or attempt to collect such penalty from the Debtors, the Liquidating Trust, or their respective property. Any Assessment Claims shall not constitute, or be deemed to constitute, a Tax or a Priority Tax Claim until and unless, and then only to the extent (if any) that, those Assessment Claims are determined to constitute a tax that is entitled to priority under section 507(a)(8) of the Bankruptcy Court in a Final Order of the Bankruptcy Court or in a written agreement between the Holder of any Assessment Claims and both of the Plan Proponent or the Liquidating Trustee.		
Class 2: Secured Claim of DIP Lenders (Classes 2A and 2B) There are no known Allowed Secured Claims of DIP Lenders asserted against the Debtors. Class 2A Estimated Recovery: 0%	Cuarzo DIP Lender (Class 2A) On the Closing Date, each Holder of an Allowed Class 2A Secured Claim shall have received the net proceeds of the sale of property securing such Secured Claim. Upon information and belief, the balance due to the Cuarzo DIP Lender is approximately \$5,846,000 as of June 11, 2025. Pursuant to that certain Settlement Between Cuarzo and the Official Committee of Unsecured Creditors for the Debtors [Dkt. No. 244], the “Cuarzo DIP Lender agree[d] that the Committee shall have the rights to bring and recover all amounts for Chapter 5 claims, D&O claims, and commercial tort claims (whether such claims constitute DIP Collateral or not), Cuarzo DIP Lender’s liens shall not encumber such claims or the proceeds of such claims (as approved, the ‘Final [Cuarzo] DIP Order’) and the Cuarzo DIP Lender shall not be otherwise entitled to any proceeds from such claims.” As a result, the Cuarzo DIP Lender will not receive any	Impaired	Yes

Class 2B Estimated Recovery: 100%	distributions under this Combined Plan and Disclosure Statement for its Class 2A Claim. To be clear, treatment of the Cuarzo DIP Lender's Class 2A Claim shall not affect the Cuarzo DIP Lender's right to collect accounts receivable as provided under the Final Cuarzo DIP Order. Maybrook and Consulate DIP Lenders (Class 2B) Class 2B consists of Claims of the Maybrook and Consulate DIP Lenders for Maybrook and Consulate DIP Debt. For the avoidance of doubt, in this Plan the Maybrook and Consulate DIP Lenders do not include Lahasky. On the Closing Date, each Holder of an Allowed Class 2B Secured Claim received the net proceeds of the sale of property securing such Secured Claim in full satisfaction of its Class 2B Claim. As a result, all Allowed Class 2B Secured Claims have been paid and satisfied in full and shall not receive any distribution under this Plan.	Unimpaired	No
Class 3: Secured Claims of Prepetition CIBC Maybrook Lenders and Prepetition Consulate Lenders (Classes 3A and 3B) There are no known Allowed Secured Claims asserted by the Prepetition Consulate Lenders. Estimated Recovery: Less than 1%	CIBC Maybrook Prepetition Lenders (Class 3A) In accordance with the 9019 Order, each Holder of an Allowed Class 3A Secured Claim shall be entitled to 50% of the outstanding accounts receivable of the Maybrook Debtors. The remaining 50% of the outstanding accounts receivable shall be for the benefit of the Maybrook Debtors' Estates. In the event that all or any portion of the remaining amounts, if any, owed to each Holder of an Allowed Class 3A Secured Claim is determined in a Final Order of the Bankruptcy Court or in a written	Impaired	Yes

	agreement between the Holder(s) thereof and the Liquidating Trustee to be a General Unsecured Claim, then that amount shall be treated as a Class 5(b) General Unsecured Claim, to the extent it is Allowed. CIBC Consulate Prepetition Lenders (Class 3B) Each Holder of an Allowed Class 3B Claim shall be deemed to have received in full satisfaction of its Class 3B Claim the net proceeds of the sale of property securing such Class 3B Claim. In accordance with the 9019 Order, CIBC “shall have no claims, including the CIBC Maybrook Secured Claim and Deficiency Claims, against the Consulate Debtors or their estates.” As a result, all Allowed Class 3B Claims have been paid and satisfied in full and shall not receive any distribution under this Plan.		
Class 4: Secured Claims of Prepetition Cuarzo Lenders Estimated Recovery: NONE	To the extent the proceeds have not been distributed to Allowed Class 3 Claims, each Holder of an Allowed Class 4 Secured Claim shall retain its liens and security interests on, and at the Closing its liens and security interests shall attach to, the net proceeds of the Cuarzo Sale to the same extent, and with the same validity, perfection, and priority, that those liens and security interests had on the property securing such Secured Claim immediately before the Closing. Pursuant to that certain Settlement Between Cuarzo and the Official Committee of Unsecured Creditors for the Debtors or the “Cuarzo Settlement Agreement”, [Dkt. No. 244], the “Cuarzo DIP Lender agree[d] that the Committee shall have the rights to bring and recover all amounts for Chapter 5 claims, D&O claims, and	Impaired	Yes

	commercial tort claims (whether such claims constitute DIP Collateral or not), Cuarzo DIP Lender's liens shall not encumber such claims or the proceeds of such claims (as approved, the "Final DIP Order") and the Cuarzo DIP Lender shall not be otherwise entitled to any proceeds from such claims." As a result, the Cuarzo DIP Lender will not receive any distributions under this Combined Plan and Disclosure Statement for its Class 4 Claim. To be clear, treatment of the Cuarzo DIP Lender's Class 2A Claim shall not affect the Cuarzo DIP Lender's right to collect accounts receivable as provided under the Final Cuarzo DIP Order.		
Class 5: General Unsecured Claims (Classes 5(a), 5(b), and 5(c)) Allowed General Unsecured Claims asserted against the Debtors that remain unpaid are estimated to total approximately \$93,431,582.24. Class 5(a) Estimated Recovery: 1 - 5%	Class 5(a) "General Unsecured Claims" consists of any Claim that is not an Administrative Claim, Class 2A or 2B Secured Claim, Class 3A or 3B Secured Claim, Class 4 Secured Claim, Priority Tax Claim, Intercompany Claim, or Insider Claim. On one or more Distribution Dates, each Holder of an Allowed General Unsecured Claim shall receive their Pro Rata share of 45% of the net proceeds of the Liquidating Trust Assets after the payment of the costs and expenses of the Liquidating Trust and Liquidating Trustee and the payment of all Allowed Fee Claims and Allowed Administrative Claims. The obligations to Holders of Allowed General Unsecured Claims shall be governed by the Liquidating Trust Agreement.	Impaired	Yes
Class 5(b) Estimated Recovery: Less than 1%	Class 5(b) consists of the "CIBC Deficiency Claim", <i>i.e.</i>, not any Claim that is an Administrative Claim, Class 2A or 2B Secured Claim, Class 3A or 3B Secured Claim, Class 4 Secured	Impaired	Yes

Class 5(c) Estimated Recovery: 0%	Claim, Priority Tax Claim, General Unsecured Claim, Intercompany Claim, or Insider Claim. As set forth in the 9019 Order, upon payment in full of all Class 5(a) Claims, Class 5(b) Claims shall be entitled to receive 100%. The obligations to CIBC as the holder of an unsecured deficiency claim shall be governed by the Liquidating Trust Agreement. Class 5(c) consists of any “Cuarzo Deficiency Claim”, <i>i.e.</i>, not any Claim that is an Administrative Claim, Class 2A or 2B Secured Claim, Class 3A or 3B Secured Claim, Class 4 Secured Claim, Priority Tax Claim, General Unsecured Claim, Intercompany Claim, or Insider Claim. Pursuant to that certain Settlement Between Cuarzo and the Official Committee of Unsecured Creditors for the Debtors [Dkt. No. 244], the “Cuarzo DIP Lender agree[d] that the Committee shall have the rights to bring and recover all amounts for Chapter 5 claims, D&O claims, and commercial tort claims (whether such claims constitute DIP Collateral or not), Cuarzo DIP Lender’s liens shall not encumber such claims or the proceeds of such claims (as approved, the “Final DIP Order”) and the Cuarzo DIP Lender shall not be otherwise entitled to any proceeds from such claims.” As a result, the Cuarzo DIP Lender will not receive any distributions under this Combined Plan and Disclosure Statement for its Class 5(c) Claim. To be clear, treatment of the Cuarzo DIP Lender’s Class 2A Claim shall not affect the Cuarzo DIP Lender’s right to collect accounts receivable as provided under the Final Cuarzo DIP Order.	Impaired	Yes
---	---	-----------------	------------

Class 6: Intercompany Claims Estimated Recovery: 0%	Class 6 consists of all Intercompany Claims, which means any Claim held by one Debtor against another Debtor. No distributions shall be made on account of such Intercompany Claims.	Impaired	No
Class 7: Insider Claims Estimated Recovery: 0%	Class 7 consists of all Insider Claims held by Insiders in their personal (and not professional (i.e. Fee Claims)) capacities. Any right that any Insiders otherwise might have to share in the net proceeds of the Liquidating Trust Assets shall be subordinated to the right of Holders of Allowed Class 5 Claims to be paid, and Insiders shall not receive any net proceeds of the Liquidating Trust on account of any Allowed Class 7 Claims until and unless all Allowed Class 5 Claims are paid in full. If and only if (and then only to the extent) residual funds in the Liquidating Trust Assets may ultimately be available after payment in full of all Allowed Class 5 Claims, Holders of Allowed Class 7 Claims shall be entitled to payment from any such residual funds in the Liquidating Trust Assets on a Pro Rata basis.	Impaired	No
Class 8: Interests Estimated Recovery: 0%	Class 8 consists of all Interests in the Debtors. On the Effective Date, all Interests shall be deemed cancelled, null, and void; provided, however, if and only if (and then only to the extent) residual funds in the Liquidating Trust Assets may ultimately be available after payment in full of all Allowed Class 5 Claims and all Allowed Class 7 Claims, Holders of Interests shall be entitled to payment from any such residual funds in the Liquidating Trust Assets on a Pro Rata basis.	Impaired	No

2.3 *Important Dates and Deadlines*

Event	Date ³
Voting Record Date	
Solicitation Commences	
Deadline for Claimholders to File Rule 3018 Motions	
Deadline for Interested Parties to Respond to Rule 3018 Motions	
Deadline for Claimholders to File Replies to Rule 3018 Motions	
Deadline to file Plan Supplement	
If necessary, Hearing on Any Rule 3018 Motions	
Voting Deadline	
Combined Plan and Disclosure Statement Objection Deadline	
Deadline to File any Replies, Confirmation Brief and Other Evidence Supporting the Combined Plan and Disclosure Statement	
Deadline to File Voting Certification	
Confirmation Hearing	July 31, 2025

SECTION 3 - DEFINED TERMS

As used in the Combined Plan and Disclosure Statement, capitalized terms not otherwise defined have the meanings set forth below. Any term that is not otherwise defined herein, but that is used in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning given to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

3.1 The “9019 Order” shall mean the Order [Dkt. No. 1451] approving the Joint Motion to Approve Compromise under Rule 9019 at Dkt. No. 1404.

3.2 “9019 Settlement Proceeds” include the consideration granted to the Committee including, but not limited to, any accounts receivable belonging to the Maybrook estates under the 9019 Order.

3.3 “Administrative Claim” means any Claim for costs and expenses of administration of the Chapter 11 Case that is Allowed under section 503(b), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) actual and necessary costs and expenses incurred after the Petition Date in connection with preserving the Debtors' Estates and operating the business of the Debtors; (b) compensation for legal, financial, advisory, accounting, and other services and reimbursement of expenses Allowed by the Bankruptcy Court under sections 328, 330, 331, or

³ All times noted are in prevailing Eastern Time.

503(b) of the Bankruptcy Code to the extent incurred prior to the Effective Date; and (c) all Statutory Fees.

3.4 “Allocated Proceeds” means (a) all Avoidance Proceeds and (b) all COA Proceeds.

3.5 “Administrative Claims Bar Date” means collectively (i) the last date set by the Bankruptcy Court pursuant to an Administrative Claims Bar Date Order for a Claimant to file a request for payment of any Administrative Claim that arose between the Petition Date and the last date set by the Bankruptcy Court pursuant to an Administrative Claims Bar Date Order [Dkt. No. 1085].

3.6 “Administrative Claims Bar Date Order” means the order [Dkt. No. 1085] setting the Administrative Claims Bar Date.

3.7 “Allowed... Claim” means an Allowed Claim in the particular Class or category specified.

3.8 “Allowed Claim” when used herein means:

- a. a Claim that (i) has been listed by the Debtors on their Schedules as other than disputed, contingent, or unliquidated and (ii) is not a Disputed Claim;
- b. a Claim (i) for which a proof of Claim or proof of Administrative Claim (or similar request) has been Filed by the applicable Bar Date or Administrative Claim Bar Date or otherwise has been deemed timely Filed under applicable law and (ii) that is not a Disputed Claim;
- c. a Claim that is expressly allowed: (i) in any stipulation or agreed order of the Bankruptcy Court executed by the Debtors, the Committee, or the Liquidating Trustee and the Claim Holder; (ii) in any contract, instrument, or other agreement entered into in connection with the Plan and, if prior to the Effective Date, approved by the Bankruptcy Court; (iii) in a Final Order; or (iv) pursuant to the terms of the Plan; or
- d. a Claim that the Liquidating Trustee determines prior to the Claims Objection Bar Date (i) will not be subject to an objection or to an amendment to the Schedules and (ii) will be satisfied and/or addressed in accordance with the terms of the Plan.

3.9 “Assessment Claims” means any monetary assessments or other amounts asserted by or owed to the Pennsylvania Department of Human Services, or any other governmental unit, pursuant to 62 P.S. Sections 801-A, et seq., with respect to any of the Debtors or their respective Estates.

3.10 “Assets” means all of the Debtors’ property, rights, and interests that are property of the Debtors’ Estates pursuant to section 541 of the Bankruptcy Code and that the Bankruptcy Court authorized the Debtors to sell, transfer, or convey in the Sale Orders.

3.11 “Available Cash” means the aggregate amount of all Cash held by the Debtors on the Effective Date, including but not limited to cash, the Cash from any Cause of Action or any Residual Sale Proceeds collected by the Debtors prior to the Effective Date.

3.12 “Avoidance Actions” means, collectively and individually, preference actions, fraudulent conveyance actions, and any other claims or causes of action under sections 510, 542, 544, 547, 548, 549, 550, 551, 553, and other applicable provisions of the Bankruptcy Code and other similar state law claims and causes of action including, but not limited to, those transfers identified in each Debtor’s Statement of Financial Affairs (Part 2, Question 3 & Part 2, Question 4).

3.13 “Avoidance Proceeds” means all recoveries and other proceeds of the Avoidance Actions.

3.14 “Ballot Date” means the date stated in the Voting Instructions by which all Ballots must be received, which date shall be July __, 2025 at 5 p.m. EST.

3.15 “Ballot” means the form or forms distributed to each Holder of a Claim in any Class entitled to vote on the Plan on which the Holder indicates, among other things, either acceptance or rejection of the Plan.

3.16 “Bankruptcy Code” means title 11 of the United States Code, as now in effect or hereafter amended, as applicable to these Chapter 11 Cases.

3.17 “Bankruptcy Court” means the United States Bankruptcy Court for the Western District of Pennsylvania.

3.18 “Bankruptcy Rules” means, collectively, the Federal Rules of Bankruptcy Procedure and the local rules of the Bankruptcy Court, as now in effect or hereafter amended, as applicable to these Chapter 11 Cases.

3.19 “Bar Date” means a bar date for Filing proofs of claims that was fixed on June 26, 2024, which bar date is October 22, 2024, for most General Unsecured Claims and November, 13, 2024, for claims held or asserted by governmental entities.

3.20 “Business Day” means any day, other than a Saturday, Sunday or Legal Holiday (as defined in Bankruptcy Rule 9006(a)).

3.21 “Cash” means legal tender of the United States of America and equivalents thereof.

3.22 “Cash Reserve” means, without duplication of amounts in the Disputed Claims Reserve, Cash reserved by the Liquidating Trust, as determined by the Liquidating Trustee from

time to time, to pay Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Other Secured Claims, Allowed General Unsecured Claims, Allowed Interests, and Liquidating Trust Expenses.

3.23 “Cause of Action” or “Causes of Action” and, at times, also referred to as “COA,” means, individually or collectively and including, but not limited to, any action, cause of action (including, but not limited to, any Challenge, all Avoidance Actions and all actions against any insurance carrier or involving any insurance policy or policies), any action against any present or former officer, director, insider, affiliate or related party employee of the Debtors including, but not limited to, any claim for breach of fiduciary duty, misrepresentation, negligence, malpractice, and/or fraud, commercial tort claim, liability, obligation, right to legal or equitable remedies, suit, debt, sum of money, damage, judgment, claim and demand whatsoever, whether known or unknown, matured or unmatured, disputed or undisputed and whether asserted or assertable directly or derivatively in law, equity or otherwise held by the Debtors, the Estates, the Committee, and/or any persons who have assigned rights to the Liquidating Trust under the Plan or under any other documents as of the Effective Date.

3.24 “Chapter 11 Cases” means the cases commenced under chapter 11 of the Bankruptcy Code by the Debtors in the Bankruptcy Court, which are jointly administered under the Case No. 24-21217-CMB.

3.25 “CIBC” means CIBC Bank USA.

3.26 “CIBC Deficiency Claim” means any general unsecured claim asserted by CIBC representing the portion of its secured claim amount that was not secured by the sale of the Maybrook and Consulate assets. Treatment of the CIBC Deficiency Claim shall be governed by the terms of the 9019 Order.

3.27 “Claim” means a claim (as defined in section 101(5) of the Bankruptcy Code) against the Debtors, but not limited to: (a) any right to payment from Debtors whether or not such right is reduced to judgment, liquidated, unliquidated, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or (b) any right to an equitable remedy for breach of performance if such performance gives rise to a right of payment from Debtors, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

3.28 “Claims Agent” means Omni Agent Solutions, Inc., which was appointed as the Debtors’ claims, notice and balloting agent.

3.29 “Claimant” means the Holder of a Claim.

3.30 “Claims Objection Bar Date” means, for all Claims the latest of: (a) 180 days after the Effective Date, subject to extension by order of the Bankruptcy Court; (b) 90 days after the Filing of a proof of Claim for such Claim; and (c) such other period of limitation as may be specifically fixed by the Plan, the Confirmation Order, the Bankruptcy Rules, or a Final Order for objecting to such a Claim.

3.31 “Class” means a class of Claims or Interests, as described in Section 2 of the Plan.

3.32 “Closing” or “Closing(s)” means the closing(s) of the respective Sales of Assets under this Plan and as authorized by the Sale Orders.

3.33 “Closing Date” or “Closing Date(s)” mean the respective date or dates upon which the Closing(s) of the Sales occurs.

3.34 “COA Proceeds” means all recoveries and other proceeds of any Causes of Action, including commercial tort claims.

3.35 “Combined Plan and Disclosure Statement” means this combined disclosure statement and plan of reorganization under chapter 11 of the Bankruptcy Code, including the exhibits and schedules hereto, all as may be amended, supplemented, or modified from time to time in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the terms hereof.

3.36 “Committee” means the statutory official committee of unsecured creditors appointed by the United States Trustee in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code on May 30, 2024 [Dkt No. 148].

3.37 “Conditional Approval and Procedures Order” means the Order (I) Conditionally Approving the Combined Plan and Disclosure Statement for Solicitation Purposes Only, (II) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject the Combined Plan and Disclosure Statement, (III) Approving the Forms of Ballots and Solicitation Materials, (IV) Establishing the Voting Record Date, (V) Fixing the Date, Time, and Place, for the Combined Hearing and the Deadline for Filing Objections, and (VI) Granting Related Relief [Dkt. No. ____].

3.38 “Confirmation” means the entry of the Confirmation Order on the docket of the Bankruptcy Court.

3.39 “Confirmation Date” means the date on which the Bankruptcy Court enters the Confirmation Order on its docket within the meaning of Bankruptcy Rules 5003 and 9021.

3.40 “Confirmation Hearing” means the hearing held by the Bankruptcy Court on Confirmation of the Plan, as such hearing may be continued from time to time.

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

3.42 “Consulate Debtors” means, collectively and individually: Cheswick Rehabilitation and Wellness Center, LLC; 3876 Saxonburg Boulevard Propco, LLC; North Strabane Rehabilitation and Wellness Center, LLC; and 100 Tandem Village Road Propco, LLC.

3.43 “Consulate Sale” means the sale and related transactions relative to the Consulate Debtors’ assets, only, that the Bankruptcy Court authorized in its Maybrook / Consulate Sale Order.

3.44 “Contingent Claim” means any Claim for which a Proof of Claim has been filed with the Bankruptcy Court but was not filed in a sum certain and which Claim has not been estimated, fixed or liquidated by the Bankruptcy Court at a sum certain as of the Effective Date, or a Claim that has accrued but nonetheless remains dependent on the occurrence of a future event that may never occur.

3.45 “CP Corridor” means CP Corridor ACH LLC, the firm engaged pursuant to the Order (A) Authorizing the Cuarzo Debtors to Enter Into the Support Services Agreement; and (B) Granting Related Relief entered on July 1, 2024 [Dkt. No. 327], to render certain account receivable collection services on a contingency-fee basis.

3.46 “Creditor” means any Holder of a Claim against any Debtor that arose on or prior to the Petition Date.

3.47 “Cuarzo Debtors” means, collectively and individually: South Hills Operations, LLC; Monroeville Operations, LLC; Murrys ville Operations, LLC; and Mt. Lebanon Operations, LLC.

3.48 “Cuarzo DIP Lender” means, collectively and individually, GPH Canonsburg LP, GPH Monroeville LP, GPH Murrys ville LP, and GPH Mt. Lebanon LP.

3.49 “Cuarzo DIP Order” means that certain Final Order (I) Authorizing The Cuarzo Debtors to Obtain Postpetition Financing, (II) Authorizing the Cuarzo Debtors Use of Cash Collateral, (III) Granting Liens and Providing Superpriority Administrative Expense Status, (IV) Granting Adequate Protection, (V) Modifying the Automatic Stay, (VI) Granting Related Relief, and (VII) Approving Settlement Between Official Committee of Unsecured Creditors and Cuarzo Subject to June 24, 2024 Objection Deadline at Dkt. No 244.

3.50 “Cuarzo Payroll Funding Documents” means, collectively, the promissory notes, security agreements, and guaranties related to the pre-petition payroll funding by the Cuarzo DIP Lender on or about April 23, 2024, in the amount of approximately \$256,000, that are described in paragraph C.i of the Settlement.

3.51 “Cuarzo Sale” means the transition of ownership (or private sale) and related transactions relative to the Cuarzo Debtors’ assets, only, that the Bankruptcy Court authorized in the Cuarzo Sale Order.

3.52 “Cuarzo Sale Order” means that certain Order Granting Cuarzo Debtors’ Motion for Entry of an Order: (A) Authorizing the Private Sale of the Cuarzo Debtors[’] Assets; (B) Authorizing the Assumption and Assignment of Executory Contracts and Unexpired Leases; and (C) Granting Related Relief entered on July 1, 2024 [Dkt. No. 331].

3.53 “Debt” means liability on a Claim.

3.54 “Debtors” means, collectively, the Maybrook Debtors, the Consulate Debtors, and the Cuarzo Debtors.

3.55 “Disallowed Claim” means (i) a Claim, or any portion thereof, that has been disallowed by a Final Order; (ii) a Claim that has been listed in the Schedules at zero or as contingent, disputed, or unliquidated and as to which no Proof of Claim has been timely filed or deemed timely filed with the Bankruptcy Court pursuant to the Bankruptcy Code, Final Order, or other applicable law; or (iii) a Claim that has not been listed in the Schedules and as to which no Proof of Claim has been timely filed or deemed timely filed with the Bankruptcy Court pursuant to the Bankruptcy Code, Final Order, or other applicable law.

3.56 “Disbursing Agent” means the Liquidating Trustee, in its capacity as disbursing agent.

3.57 “Disputed Claim” means any Claim: (a) as to which the Debtors, the Plan Proponent, the Liquidating Trustee, or another party in interest with standing has interposed, or will interpose, a timely objection or otherwise contested or disputed the Claim or interposed a request for estimation in accordance with the Bankruptcy Code and the Bankruptcy Rules, which objection or request for estimation has not been withdrawn or determined by the Bankruptcy Court pursuant to a Final Order, or (b) that is listed on the Schedules as unliquidated, disputed, or contingent.

3.58 “Disputed Claims Reserve” means the reserve of Liquidating Trust Assets to be maintained as part of the Liquidating Trust, which reserve will maintain such assets in trust for Pro Rata distributions to Holders of Disputed Claims that become Allowed Claims.

3.59 “Distribution Date” means a date selected by any Disbursing Agent in accordance with the terms of the Plan, the Liquidating Trust Agreement, or other applicable documents to make distributions on account of Allowed Claims.

3.60 “Effective Date” means a day, as determined by the Plan Proponent, that is the Business Day as soon as reasonably practicable after all conditions to the Effective Date have been met or waived; provided, however, the Plan Proponent reserves the right to request that the Bankruptcy Court establish a date certain for the Effective Date in the Confirmation Order.

3.61 “Entity” means an entity as defined in Bankruptcy Code Section 101(15).

3.62 “Estates” means the estates created for the Debtors in their Chapter 11 Cases, pursuant to section 541 of the Bankruptcy Code.

3.63 “Exculpated Party” individually and collectively, and in each case in its capacity as such: (a) each Debtor; (b) the Liquidating Trustee; (c) the Committee and the members of the Committee; provided, however, notwithstanding the foregoing, the Debtors’ officers and directors, Lahasky and/or CHMS are not “Exculpated Parties.”

3.64 “Executory Contract [and / or] Unexpired Lease” means a contract or lease to which the Debtors are a party that is subject to assumption, assumption and assignment, or rejection under section 365 of the Bankruptcy Code, and includes any modifications, amendments, addenda, or supplements thereto or restatements thereof.

3.65 “Face Amount” means either: (a) the full stated amount claimed by the Holder of a Claim in any proof of Claim or proof of Administrative Claim Filed by the Bar Date or otherwise deemed timely Filed under applicable law, if the proof of Claim or proof of Administrative Claim specifies only a liquidated amount; (b) if no proof of Claim is Filed by the Bar Date or otherwise deemed timely Filed under applicable law, the full amount of the Claim listed on the Debtors’ Schedules, provided that such amount is not listed as disputed, contingent, or unliquidated; or (c) the amount of the Claim or Administrative Claim (i) acknowledged by the Debtors or Liquidating Trustee in any objection Filed to such Claim, (ii) estimated by the Bankruptcy Court for such purpose pursuant to section 502(c) of the Bankruptcy Code, or (iii) proposed by the Debtors, the Committee, or the Liquidating Trustee, as the case may be, if (A) no proof of Claim or proof of Administrative Claim has been Filed by the Bar Date or has otherwise been deemed timely Filed under applicable law and such amount is not listed in the Debtors’ Schedules or is listed in the Debtors’ Schedules as disputed, contingent, or unliquidated or (B) the proof of Claim or proof of Administrative Claim specifies an unliquidated amount (in whole or in part).

3.66 “Fee Claim” means any Claim under sections 328, 330(a), 331, 333, 503, or 1103 of the Bankruptcy Code for compensation of a Professional or other Person for services rendered or expenses incurred in the Chapter 11 Cases.

3.67 “File,” “Filed” or “Filing” means file, filed, or filing with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases, including Proofs of Claim filed with the Bankruptcy Court.

3.68 “Final Distribution Date” for a particular Class of Claims means the Distribution Date upon which a final distribution to Holders of Allowed Claims in the Class is to be made.

3.69 “Final Maybrook / Consulate DIP Financing Order” means that certain Final Order (I) Authorizing the Maybrook and Consulate Debtors to Obtain Postpetition Financing, (II) Authorizing the Maybrook and Consulate Debtors to Use Cash Collateral, (III) Granting Liens and Providing Superpriority Administrative Expense Status, (IV) Granting Adequate Protection, (V) Modifying Automatic Stay, and (V) Granting Related Relief, entered on June 17, 2024 [Dkt. No. 257].

3.70 “Final Order” means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket in the Chapter 11 Cases or on the docket of any other court of competent jurisdiction, that has not been reversed, stayed, modified, or amended, and as to which the time to appeal or petition for certiorari or move, under Bankruptcy Rule 9023 and/or Rule 59 of the Federal Rules of Civil Procedure, for a new trial, reargument, or rehearing has expired, and no appeal or petition for certiorari or other proceeding for a new trial, reargument, or rehearing has been timely taken or as to which any appeal that has been

taken or any petition for certiorari that has been timely Filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought, or the new trial, reargument, or rehearing shall have been denied or resulted in no modification of such order.

3.71 “General Unsecured Claim” means any Claim that is not an Administrative Claim, Fee Claim, Priority Tax Claim, Secured Claim in Classes 2A or 2B, 3A or 3B, 4, Other Secured Claim, Other Priority Claim, Intercompany Claim, or Interest.

3.72 “Holder” means a party that holds or is deemed to hold a Claim or Interest, as the case may be.

3.73 “Impaired” means with respect to a Claim or Class of Claims, a Claim or Class of Claims that is impaired within the meaning of Bankruptcy Code Section 1124.

3.74 “Insider” means (a) a director of a Debtor; (b) an officer of a Debtor; (c) a person in control of a Debtor; (d) a partnership in which a Debtor is a general partner; (e) a general partner of a Debtor; or (f) a relative of a general partner, director, officer, or person in control of a Debtor as set forth in section 101(31) of the Bankruptcy Code.

3.75 “Interest” means the rights and interest of the holder of any instrument evidencing an ownership interest in the Debtors.

3.76 “Intercompany Claim” means any Claim held by one Debtor against another Debtor.

3.77 “Lahasky” means Ephram Lahasky, an individual.

3.78 “Liabilities” means any and all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, arising in law, equity, or otherwise, that are based in whole or in part on any act, event, injury, omission, transaction, agreement, employment, exposure, or other occurrence taking place on or prior to the Effective Date.

3.79 “Liquidating Trust” means the trust established pursuant to Section 14 to administer the Liquidating Trust Assets and to make distributions to Holders of Allowed Claims.

3.80 “Liquidating Trust Agreement” means the trust agreement governing the Liquidating Trust, to be dated on or prior to the Effective Date, which will be substantially in the form attached to the Plan.

3.81 “Liquidating Trust Assets” means, collectively, (a) any or all Residual Sale Proceeds, subject to any claims of CIBC and/or resolution of the 9019 Order (b) all of the Remaining Assets as of the Effective Date, including, but not limited to, all of the Debtors’ accounts receivable, cash, Causes of Action (including, but not limited to, any Challenge),

Avoidance Proceeds, and COA Proceeds, (c) all Cuarzo Payroll Funding Documents and all Consideration under the Cuarzo Settlement Agreement, (d) all collections or other proceeds of accounts receivable collected by CP Corridor (net of CP Corridor's actual costs and any contingency fee to which CP Corridor is entitled), (e), for the avoidance of doubt, all accounts receivable and the collections or other proceeds thereof that were abandoned by CP Corridor, (f) all collections or other proceeds of accounts receivable of the Maybrook Debtors or the Consulate Debtors, and (g) the 9019 Settlement Proceeds. After the funding of the Liquidating Trust, the Liquidating Trust Assets shall also include any fiduciary accounting income and appreciation in trust principal.

3.82 "Liquidating Trust Expenses" means any and all reasonable fees, costs, and expenses incurred by the Liquidating Trust or the Liquidating Trustee (or any agent, Person, entity, or professional engaged by the Liquidating Trust or the Liquidating Trustee) in connection with any of their duties under the Plan and the Liquidating Trust Agreement, including any reasonable administrative fees, attorneys' fees and expenses, insurance fees, Taxes, and escrow expenses.

3.83 "Liquidating Trustee" means [to be identified in the Plan Supplement], not as an individual, but solely in [his / her / its] capacity as Liquidating Trustee of the Liquidating Trust (or any successor trustee in his, her, or its capacity as the trustee of the Liquidating Trust).

3.84 "Litigation" means the interest of the Estates or the Liquidating Trust, as applicable, in any and all claims, rights and Cause of Action which have been or may be commenced by the Debtors or the Liquidating Trust, as applicable. Litigation includes, without limitation, any action: (i) to avoid and recover any transfers of property determined to be preferential, fraudulent, or avoidable pursuant to Bankruptcy Code Sections 544, 545, 547, 548, 549(a) and 550; (ii) for the turnover of property to the Debtors or the Liquidating Trust, as applicable; (iii) for the recovery of property or payment of money that belongs to or can be asserted by the Debtors or the Liquidating Trust, as applicable; (iv) for compensation for damages incurred by the Debtors; and (v) equitable subordination actions against CIBC.

3.85 "Maybrook / Consulate Sale Order" means that certain Order Granting Debtors' Motion for Entry of Orders (A) Approving Sale of Substantially All of the Maybrook and Consulate Debtors' Assets, Other Than Accounts, Free and Clear of All Liens, Claims, Encumbrances and Interests . . . and (H) Granting Related Relief entered on September 30, 2024 [Dkt. No. 701].

3.86 "Maybrook Debtors" means, collectively and individually: Maybrook-C Briarcliff Opco, LLC; Maybrook-C Briarcliff Propco, LLC; Maybrook-C Evergreen Opco, LLC; Maybrook-C Evergreen Propco, LLC; Maybrook-C Kade Opco, LLC; Maybrook-C Kade Propco, LLC; Maybrook-C Latrobe Opco, LLC; Maybrook-C Latrobe Propco, LLC; Maybrook-C Overlook Opco, LLC; Maybrook-C Overlook Propco, LLC; Maybrook-C Silver Oaks Opco, LLC; Maybrook-C Silver Oaks Propco, LLC; Maybrook-C Whitecliff Opco, LLC; and Maybrook-C Whitecliff Propco, LLC.

3.87 “Maybrook and Consulate DIP Debt” means that certain postpetition indebtedness authorized under section 364 of the Bankruptcy Code and owed by the Maybrook Debtors pursuant to the Final Maybrook / Consulate DIP Financing Order.

3.88 “Maybrook and Consulate DIP Lenders” means, collectively and individually, the financial institutions described or identified as “DIP Lenders” in the Final Maybrook / Consulate DIP Financing Order and CIBC, as administrative agent for those “DIP Lenders,” but does NOT include Lahasky.

3.89 “Maybrook Sale” means the sale and related transactions relative to the Maybrook Debtors’ assets, only, that the Bankruptcy Court authorized in its Maybrook / Consulate Sale Order.

3.90 “Net Available Cash” has the meaning ascribed to such term in Section 11.4.2.b of the Combined Plan and Disclosure Statement.

3.91 “Notice Parties” means: (a) prior to the Effective Date, counsel for the Debtors, counsel for the Committee, and the United States Trustee; and (b) on or after the Effective Date, the United States Trustee and the Liquidating Trustee.

3.92 “Other Priority Claim” means any Claim that is entitled to priority in payment pursuant to section 507(a) of the Bankruptcy Code and that is not an Administrative Claim or a Priority Tax Claim.

3.93 “Other Secured Claim” means any Claim (other than a Claim that is classified in Classes 2A, 2B, 3A, 3B, 4, 5A, 5B, or 5C) that is secured by a lien on property in which any of the Debtors’ Estates has an interest, to the extent of the value of the Claim Holder’s interest in the applicable Estate’s interest in such property, as determined pursuant to section 506(a) of the Bankruptcy Code.

3.94 “Person” means any individual, firm, corporation, partnership, limited liability company, venture, association, trust, unincorporated organization, or other entity.

3.95 “Petition Date” means May 17, 2024, the date on which the Debtors Filed their petitions for relief and commenced the Chapter 11 Cases.

3.96 “Plan Proponent” means the Committee.

3.97 “Prepetition Cuarzo Lenders” means, collectively and individually, GPH Canonsburg LP, GPH Monroeville LP, GPH Murrys ville LP and GPH Mt. Lebanon LP.

3.98 “Prepetition Consulate Lenders” means CIBC, individually and as administrative agent for certain other financial institutions, with respect to that certain Loan and Security Agreement dated September 15, 2017, and that certain Revolving Loan and Security Agreement dated September 15, 2017, with the Consulate Debtors, as borrowers.

3.99 “Prepetition Maybrook Lenders” means CIBC, individually and as administrative agent for certain other financial institutions, with respect to that certain Loan and Security Agreement dated August 15, 2016, and that certain Revolving Loan and Security Agreement dated August 15, 2016, with the Maybrook Debtors, as borrowers.

3.100 “Priority Tax Claim” means any Claim that is entitled to priority in payment pursuant to section 507(a)(8) of the Bankruptcy Code.

3.101 “Pro Rata” means, when used with reference to a distribution of property to Holders of Allowed Claims in a particular Class or other specified group of Claims pursuant to Section II of the Combined Plan and Disclosure Statement, proportionately so that with respect to a particular Allowed Claim in such Class or in such group, the ratio of (a) the amount of property to be distributed on account of such Claim to the amount of such Claim, which is the same as the ratio of (b) the amount of property to be distributed on account of all Allowed Claims in such Class or group of Claims to the amount of all Allowed Claims, as the case may be, in such Class or group of Claims, including consideration of amounts already paid to Holders of Allowed Claims of any Class. Until all Disputed Claims in a Class are resolved, Disputed Claims shall be treated as Allowed Claims in their Face Amount for purposes of calculating the Pro Rata distribution of property to Holders of Allowed Claims in such Class.

3.102 “Professional” means any professional employed in the Chapter 11 Cases pursuant to sections 327, 328, 330, 333, 363, or 1103 of the Bankruptcy Code, or any professional or other Person seeking compensation or reimbursement of expenses in connection with these Chapter 11 Cases pursuant to section 503(b)(4) of the Bankruptcy Code.

3.103 “Remaining Assets” means any and all of the Debtors’ assets, property, rights (including, but not limited to, cash, accounts receivable, Causes of Action, Avoidance Proceeds, and COA Proceeds), and any excess deductions over gross income (“Net Operating Loss” or “NOL” as defined within 26 U.S.C. § 172(c)) that the Bankruptcy Court does not authorize the Debtors to sell, transfer, or convey in the Sale Orders.

3.104 “Representatives” means, with respect to any Person, such Person’s successor, predecessor, officer, director, trustee, partner, employee, agent, attorney, advisor, investment banker, financial advisor, accountant, or other Professional of such Person, and committee of which such Person is a member, in each case in such capacity.

3.105 “Residual Sale Proceeds” means all proceeds derived from the Sales of the Assets that remain after payment at the Closing(s) of the Allowed Class 2A Claims, Allowed Class 2B Claims (except for any Claim of Lahasky) and Allowed Class 3A and 3B Claims subject to the 9019 Order, which 9019 Order shall govern.

3.106 “Sales” or “Sale(s)” means the sales of the Debtors’ Assets that are authorized in the respective Sale Orders.

3.107 “Sale Orders” means, collectively and individually, the Cuarzo Sale Order of the Bankruptcy Court authorizing the Cuarzo Sale and the Maybrook / Consulate Sale Order of the Bankruptcy Court authorizing the Maybrook Sale and the Consulate Sale.

3.108 “Scheduled” means to be listed as a Claim or Interest in the Schedules.

3.109 “Schedules” means the Schedules of Assets and Liabilities and the Statements of Financial Affairs Filed by the Debtors on June 17, 2024, as required by section 521 of the Bankruptcy Code, as the same may have been or may be amended, modified, or supplemented.

3.110 “Settlement” means the Settlement Between Cuarzo and the Official Committee of Unsecured Creditors for the Debtors appended as Exhibit A-3 to the Final Order Authorizing the Cuarzo Debtors to Obtain Postpetition Financing . . . entered on June 14, 2024 [Dkt No. 244].

3.111 “Sold Assets” means, collectively and individually, all of the Debtors’ assets, property, and rights that the Bankruptcy Court authorizes the Debtors to sell, transfer, or convey in (and that the Debtors in fact sell, transfer, or convey pursuant to) the Sale Orders.

3.112 “Tax” means: (a) any net income, alternative, or add-on minimum, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, profits, license, property, environmental, excise, or other tax, assessment, or charge of any kind whatsoever (together in each instance with any interest, penalty, addition to tax, or additional amount) imposed by any federal, state, local, or foreign taxing authority; or (b) any liability for payment of any amounts of the foregoing types as a result of being a member of an affiliated, consolidated, combined, or unitary group, or being a party to any agreement or arrangement whereby liability for payment of any such amounts is determined by reference to the liability of any other Person. For the avoidance of doubt, any Assessment Claims shall not constitute, or be deemed to constitute, a Tax or a Priority Tax Claim until and unless, and then only to the extent (if any) that, those Assessment Claims are determined to constitute a tax that is entitled to priority under section 507(a)(8) of the Bankruptcy Court in a Final Order of the Bankruptcy Court or in a written agreement between the Holder of any Assessment Claims and both of the Plan Proponent or the Liquidating Trustee.

3.113 “Taxing Bodies” means New Wilmington Borough Tax Collector, Richard L. Rapone, Lawrence County Treasurer, Unity Township Tax Collector, Westmoreland County Tax Claim Bureau, Robert Ohr, Tax Collector; Mercer County Tax Claim Bureau; Washington County Tax Claim Bureau; Donald J. Progar, Tax Collector; Keystone Collection Group; Julie Leventry, Tax Collector; Shelley Buchanan, Tax Collector; and the City of New Castle.

3.114 “United States Trustee” means the Office of the United States Trustee for the Western District of Pennsylvania.

3.115 “Utility Deposits” means deposits with utilities made by the Debtors after the Petition Date pursuant to section 366(b) of the Bankruptcy Code.

3.116 “Voting Deadline” means the deadline for submitting Ballots to either accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code that is specified in the Disclosure Statement, the Ballots, or related solicitation documents approved by the Bankruptcy Court.

SECTION 4 - BACKGROUND

4.1 General Background

(a) The Debtors’ Businesses.

(I) OpCos and PropCos

According to the Debtors, thirteen of the “Opco Debtors” listed above operate skilled nursing facilities in Western Pennsylvania. The real estate and certain personal property associated with four of the Opco Debtors were leased from a third party as of May 17, 2024 (the “Petition Date” referenced in number 4, below). As of the Petition Date, each of the nine “Propco Debtors” listed above own real estate and substantially all assets leased to certain of the Opco Debtors.

(II) Events that Caused the Filings

In a Declaration in support of their Chapter 11 petitions and various “first day” motions, the Debtors identified several events leading to their bankruptcy filings. Those events included adverse financial and operational effects caused by the COVID-19 pandemic in 2020. The Debtors also cited the adverse impact of a federal court action against Mt. Lebanon Operations, LLC and other defendants, in which the individual defendants were acquitted but the jury found Mt. Lebanon Operations, LLC guilty on three counts of falsifying records to obstruct a federal investigation and one count of falsifying medical records (which, as of the Petition Date, was the subject of a motion to set aside the guilty verdict). The Debtors also cited a federal court action against them by the Department of Labor.

The Debtors reported that, as of the Petition Date, their financial condition was dire, that they could operate day-to-day only with outside funding, and that transfers to stable and responsible operators were the only viable path forward to ensure appropriate resident care. The Debtors reportedly commenced their cases to effectuate a rapid sale of their businesses under section 363 of the Bankruptcy Code. See Declaration of Louis E. Robichaux IV, Chief Restructuring Officer of the Debtors, in Support of Chapter 11 Petitions and Various First Day Applications and Motions [Dkt. No. 20], at paragraphs 40-52.

4.2 General Financial Information

As of the Petition Date, the Debtors maintained eighty-three (83) separate bank accounts in connection with the operation of their business. *See* Exhibit C, Dkt. No. 5. As of June 11, 2025, the Debtors’ books and records showed approximately \$952,685.40 in cash. The Debtors’ total liabilities were approximately \$100,000,000.00.

4.3 *Funds Available from Avoidance Actions*

The Plan Proponent has identified certain post-confirmation Avoidance Actions, which will generate COA Proceeds necessary for pursuing the objectives of the Combined Plan and Disclosure Statement. The Plan Proponent has identified potential preference transfers totaling at least \$13,827,743.91 across the Debtors' Estates. The Plan Proponent has also identified potential insider transfers totaling at least \$6,189,482.67.

SECTION 5 - THE CHAPTER 11 CASES

The following is a brief description of certain material events that have occurred during the Chapter 11 Cases.

5.1 *Petition Date and the Automatic Stay*

On the Petition Date, the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the Court. An immediate effect of commencement of the Chapter 11 Cases was the imposition of the automatic stay under the Bankruptcy Code which, with limited exceptions, enjoins the commencement or continuation of all collection efforts by creditors, the enforcement of liens against property of the Debtors, and the continuation of litigation against the Debtors during the pendency of the Chapter 11 Case. The automatic stay will remain in effect, unless modified by the Court, until the Effective Date.

5.2 *First Day Motions and Orders*

On the Petition Date, in addition to the voluntary petitions for relief filed by the Debtors, the Debtors filed several motions and applications seeking certain "first day" relief (collectively, the "First Day Motions"). A summary of the relief obtained pursuant to the "first day" motions is set forth below:

- a. *Motion for Joint Administration* [Dkt. No. 2]; The Court granted and ordered that the Debtors' cases be jointly administered on May 21, 2024 [Dkt. No. 68].
- b. *Motion for Continuation of Utility Service and Approval of Adequate Assurance of Payment to Utility Company* [Dkt. No. 3]; the Court granted the interim relief on May 21, 2024 [Dkt. No. 69] and final relief on June 12, 2024 [Dkt. No. 225], which collectively authorized the Debtors to maintain utility services.
- c. *Application for Approval of Debtors' Motion for Entry of Interim and Final Orders (A) Authorizing the Debtors to (i) Maintain Their Cash Management System and Pay Bank Fees, (ii) Waive Certain U.S. Trustee Requirements, and (iii) Continue Using Existing Checks and Business Forms, and (B) Authorizing and Directing the Debtors' Bank*

to Honor All Employee Related Payment Requests [Dkt. No. 5]; the Court entered a default order on June 12, 2024 [Doc No. 226] authorizing the Debtors to maintain their prepetition bank accounts.

- d. *Motion Regarding Chapter 11 First Day Motions including Debtors' Emergency Motion for Entry of an Order Establishing Certain Notice, Case Management, and Administrative Procedures as well as Granting Related Relief* [Dkt. No. 7]; the Court entered an order establishing the case management procedures on May 21, 2024;
- e. *Motion of Debtors for Entry of Interim and Final Orders Authorizing Debtors to (I) Continue their Insurance and Surety Bond Programs, (II) Continue to Finance Insurance Agreements, (III) Pay All Prepetition and Post-petition Obligations with Respect Thereto, and (IV) Authorizing Banks to Honor and Process Checks and Transfers Related to Such Insurance Obligations* [Dkt. No. 9]; the Court granted interim relief [Dkt. No. 74] and final relief on June 12, 2024,
- f. *Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Pay Certain Prepetition Wages, Benefits and Other Compensation Obligations, (II) Authorizing Financial Institutions to Honor All Obligations Related Thereto, and (III) Granting Related Relief* [Dkt. No. 11]; the Court granted interim relief on June 12, 2024 [Dkt. No. 76] and final relief on June 12, 2024 [Dkt. No. 224].

The Debtors have purportedly complied with the terms of each of the orders granting the relief requested in the Debtors' First Day Motions.

5.3 Retention of Professionals

On June 27, 2024, the Court entered an order authorizing the Debtors to retain Bass, Berry & Sims PLC, as counsel to the Debtors effective as of the Petition Date. *See* Dkt. No. 302. On June 28, 2024, the Court authorized the Debtors to retain Whiteford Taylor & Preston LLP, as local counsel to the Debtors effective as of the Petition Date. *See* Dkt. No. 310. On September 3, 2024, the Court entered a revised order authorizing Raines Feldman Littrell, LLP as replacement local counsel for the Debtors. *See* Dkt. No. 580. On June 27, 2024, the Court entered an order authorizing the employment of Louis E. Robichaux, IV, as the Debtors' chief restructuring officer and Ankura Consulting Group LLC as the Debtors' financial advisors. *See* Dkt. No. 299. On June 27, 2024, the Court entered an order authorizing the retention and employment of Blueprint Healthcare Real Estate Advisors, LLC and Cummings and Co. Realtors, LLC, as Real Estate Advisors and Broker. *See* Dkt. No. 304.

5.4 Schedules, Statements of Financial Affairs, and Bar Date

The Debtors filed their Schedules of Assets and Liabilities and Statement of Financial Affairs on June 17, 2024. *See* Dkt. No. 260. A creditor whose Claim is set forth in the Schedules of Assets and Liabilities and not identified as contingent, unliquidated, or disputed was permitted,

but not required, to file a proof of claim against the Debtors in order to participate in the Chapter 11 Cases or receive a distribution under the Plan.

By order dated June 26, 2024, the Court established October 22, 2024, as the deadline for holders of Claims to file Proofs of Claim against the Debtors. *See* Dkt. No. 286. In addition, governmental units that are creditors were required to file Proofs of Claim by November 13, 2024.

After reviewing, reconciling, and removing duplications, the Plan Proponent estimates that unsecured claims total approximately \$93,431,582.24.

5.5 *Administrative Claims Bar Date*

On January 15, 2025, the Court entered an Order Setting Administrative Claims Bar Date [Dkt. No. 1085] and set February 28, 2025 as the final day for any Claimant to file an administrative claim. After reviewing, reconciling, and removing duplications, the Plan Proponent estimates that the filed administrative claims total approximately \$4,975,455.87; subject to objections by the Plan Proponent or the Liquidating Trustee, as the case may be, and final allowance by the Court.

5.6 *Summary of Debtors' Assets, Major Case Events Sales*

Prior to the commencement of these cases, thirteen (13) of the OpCo Debtors operated skilled nursing facilities located in Western Pennsylvania. The real property and certain personal property associated with four (4) of the OpCo Debtors were leased from an affiliated PropCo entity. Each of the nine (9) PropCo Debtors owned the real property and substantially all assets leased to certain OpCo Debtors. *See Declaration of Louis Robichaux, IV, Chief Restructuring Officer of the Debtors, in Support of Chapter 11 Petitions and Various First Day Applications and Motions* [Doc. No. 20] (the "First Day Declaration").⁴

The Debtors have overlapping owners, but they do not all have the same owners. The seven (7) "Maybrook OpCo Debtors"⁵ lease their facilities from the seven (7) "Maybrook PropCo Debtors"⁶ (collectively, the "Maybrook Debtors"), and the two (2) "Consulate OpCo Debtors"⁷

⁴ Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Maybrook DIP and the First Day Declaration.

⁵ The Maybrook OpCo Debtors include Maybrook-C Evergreen Opco, LLC, Maybrook-C Briarcliff Opco, LLC, Maybrook-C Silver Oaks Opco, LLC, Maybrook-C Overlook Opco, LLC, Maybrook-C Latrobe Opco, LLC, Maybrook-C Whitecliff Opco, LLC and Maybrook-C Kade Opco, LLC.

⁶ The Maybrook PropCo Debtors include Maybrook-C Evergreen Propco, LLC, Maybrook-C Briarcliff Propco, LLC, Maybrook-C Silver Oaks Propco, LLC, Maybrook-C Overlook Propco, LLC, Maybrook-C Latrobe Propco, LLC, Maybrook-C Whitecliff Propco, LLC and Maybrook-C Kade Propco, LLC.

⁷ The Consulate OpCo Debtors include Cheswick Rehabilitation and Wellness Center, LLC and North Strabane Rehabilitation and Wellness Center, LLC.

lease their facilities from the two (2) “Consulate PropCo Debtors”⁸ (collectively, the “Consulate Debtors”). The four (4) Cuarzo Debtors lease their facilities pursuant to a master lease dated February 1, 2017 (the “Master Lease”) with affiliates of Cuarzo Healthcare Capital (“Cuarzo”)⁹ Neither Cuarzo nor the Cuarzo Landlords have any overlapping ownership or management with any of the Debtors.

On July 1, 2024, the Court approved a private sale of substantially of the Debtors’ Cuarzo Debtor assets. *See* Doc. No. 331.

On September 30, 2024, the Court entered an order granting the approval of the sale of substantially all of the Maybrook and Consulate Debtors’ assets. *See* Doc. No. 701.

Following the approval of the aforementioned sales, a number of contested matters and disputes (the “Contested Matters”) arose between the Committee, the Debtors, and CIBC Bank, USA (“CIBC” and together with the Committee and the Debtors referred to as the “Parties”).¹⁰ On May 23, 2025, the Parties filed a *Joint Expedited Motion for an Order Approving Settlement Pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure and Request for Expedited Hearing* (the “9019 Motion”) [Doc. No. 1404] for the purpose of (i) settling and resolving the Contested Matters and (ii) facilitating the Plan Proponent’s pursuit in filing and obtaining confirmation of a chapter 11 plan.

5.7 The 9019 Order

On June 9, 2025, the Court entered the 9019 Order, which provides 9019 Settlement Proceeds in part and terms generally as follows:

Court Approval of Settlement	This Settlement shall be filed with the Court for approval pursuant to Bankruptcy Rule 9019. The Settlement shall not go into effect until the Court enters an order approving the Settlement. Settlement approval must occur no later than June 10, 2025.
Cash Distribution to CIBC	All cash held in the Maybrook accounts upon entry of an order approving this settlement, less those amounts necessary to cover Maybrook Professional Fees, are collateral of and shall be distributed to CIBC.

⁸ The Consulate PropCo Debtors include 3876 Saxonburg Boulevard Propco, LLC and 100 Tandem Village Road Propco, LLC.

⁹ The lessors of these facilities are GPH Canonsburg LP, GPH Monroeville LP, GPH Murrys ville LP and GPH Mt. Lebanon LP (collectively, the “Cuarzo Landlords” or “Cuarzo DIP Lenders”). These entities are affiliates of Cuarzo and are also the DIP Lender to the Cuarzo Debtors.

¹⁰ *See* Doc. Nos. 779, 898, 901, 1183.

All other outstanding sale proceeds	All outstanding sale proceeds, including those held in escrow, are collateral of CIBC and shall be distributed to CIBC upon their release.
Maybrook Uncollected Accounts Receivable	Upon entry of an order approving this Settlement, the proceeds from all uncollected Maybrook accounts receivable that are subsequently collected shall be split 50% to CIBC and 50% for the benefit of the Debtors' estates. CIBC shall oversee continued collection of accounts receivable. In the event that CIBC deems an account receivable to be uncollectible or otherwise does not wish to pursue collection of an account receivable, the Debtors' Estates shall have the right, but not the obligation, to pursue such account receivable. Further, CIBC and the Committee (or its designee) shall work together in good faith to select and monitor an agency to collect the Maybrook and Consulate accounts receivable in order to maximize efficiency.
Maybrook Professional Fees	CIBC will carve out the following amounts from its cash collateral for Maybrook Professional Fees. The amounts are cumulative to cover any amounts already accrued and outstanding and to cover future fees and expenses: • Debtors' Counsel - \$100,000 • Ankura - \$250,000 • Debtors' Local Counsel - \$40,000 • Debtors' Claims Agent - \$100,000 • The Committee and its professionals - \$325,000 • CIBC's Professionals - \$325,000
Adequate Protection Claim/Settlement	CIBC and the Debtors will withdraw the existing 9019 settlement motion, including CIBC's adequate protection claim.
Relief From Automatic Stay	The Committee will withdraw its objection and support CIBC's motion to lift the automatic stay. Approval of the lift stay is a condition precedent for the effectuation of this Settlement.
CIBC Deficiency Claim	CIBC will agree to an allowed deficiency claim subordinated in payment to all general unsecured creditor claims. Other than as specifically described herein, CIBC waives and shall not

	assert any other claims against the Debtors or their Estates.
Plan Support	CIBC will support the confirmation of a plan of liquidation submitted by the Committee and vote in its favor to the extent the terms of the plan fully incorporate the terms of this Settlement.
Committee Challenge	Any and all Committee challenges against CIBC shall be withdrawn and the Challenge Period expired. Expiration of the Challenge Period is a condition precedent to the effectuation of this Settlement.
Releases	The Debtors, Committee, and CIBC shall mutually release each other and their professionals, including the Debtors' chief restructuring officer, from any and all liability and causes of action. For the avoidance of doubt, the releases shall exclude CHMS Group and the Debtors' members, managers, directors, and other officers.
Confirmation of Plan Date Certain	To the extent any debtor does not have a confirmed chapter 11 plan by July 31, 2025, unless extended by the Court or otherwise not due to the fault of the Committee after diligently pursuing confirmation, the corresponding case shall automatically convert to chapter 7. This settlement shall survive confirmation of a chapter 11 plan, conversion to chapter 7, or case dismissal.

SECTION 6 - CONFIRMATION AND VOTING PROCEDURES

6.1 *Confirmation Hearing*

On [], the Court entered the Conditional Approval and Procedures Order conditionally approving the Combined Plan and Disclosure Statement for solicitation purposes only and authorizing the Plan Proponent to solicit the Combined Plan and Disclosure Statement. The Confirmation Hearing has been scheduled for **July 21, 2025 (prevailing Eastern Time)** to consider (a) final approval of the Combined Plan and Disclosure Statement as providing adequate information pursuant to section 1125 of the Bankruptcy Code and (b) confirmation of the Combined Plan and Disclosure Statement pursuant to section 1129 of the Bankruptcy Code. The Confirmation Hearing may be adjourned from time to time by the Plan Proponent, which shall

not be unreasonably withheld, without further notice, except for an announcement of the adjourned date made at the Confirmation Hearing or by filing a notice with the Court.

6.2 *Procedures for Objections*

Any objection to final approval of the Combined Plan and Disclosure Statement as providing adequate information pursuant to section 1125 of the Bankruptcy Code and/or confirmation of the Combined Plan and Disclosure Statement must be made in writing and filed with the Court by no later than **[] (prevailing Eastern Time)** and be served in accordance with the local rules of the Court on the following parties: (i) counsel to the Official Committee of Unsecured Creditors at Bernstein-Burkley, P.C., 601 Grant Street, 9th Floor, Pittsburgh, PA 15219, Attn: David Ross, and (ii) the Office of the United States Trustee at 1001 Liberty Avenue, Suite 970, Pittsburgh, PA 15222. **Unless an objection is timely filed and served, it may not be considered by the Court at the Confirmation Hearing.**

6.3 *Requirements for Confirmation*

The Court will confirm the Combined Plan and Disclosure Statement only if it meets all the applicable requirements of section 1129 of the Bankruptcy Code. Among the requirements for confirmation in the Chapter 11 Cases is that the Combined Plan and Disclosure Statement be: (i) accepted by all Impaired Classes of Claims and Interests or, if rejected by an Impaired Class, that the Combined Plan and Disclosure Statement “does not discriminate unfairly” against, and is “fair and equitable” with respect to, such Class; and (ii) feasible. The Court must also find that:

- a. the Combined Plan and Disclosure Statement has classified Claims and Interests in a permissible manner;
- b. the Combined Plan and Disclosure Statement complies with the technical requirements of Chapter 11 of the Bankruptcy Code; and
- c. the Combined Plan and Disclosure Statement has been proposed in good faith.

The Plan Proponent believes that the Combined Plan and Disclosure Statement complies, or will comply, with all such requirements.

6.4 *Classification of Claims and Interests*

Section 1123 of the Bankruptcy Code provides that a plan must classify the claims and interests of a debtor’s creditors and equity interest holders. In accordance with section 1123 of the Bankruptcy Code, the Combined Plan and Disclosure Statement divides Claims and Interests into Classes and sets forth the treatment for each Class (other than those claims which pursuant to section 1123(a)(1) of the Bankruptcy Code need not be and have not been classified).

Section 1122 of the Bankruptcy Code requires the Combined Plan and Disclosure Statement to place a Claim or Interest in a particular Class only if such Claim or Interest is substantially similar to the other Claims or Interests in such class. The Combined Plan and Disclosure Statement creates separate Classes to deal respectively with Priority Non-Tax Claims, various Secured Claims, General Unsecured Claims, and Interests. The Plan Proponent believes that the Combined Plan and Disclosure Statement's classifications place substantially similar Claims or Interests in the same Class and, thus, meet the requirements of section 1122 of the Bankruptcy Code.

The Bankruptcy Code also requires that a plan provide the same treatment for each claim or interest of a particular class unless the claim holder or interest holder agrees to a less favorable treatment of its claim or interest. The Plan Proponent believes that the Combined Plan and Disclosure Statement complies with such standard. If the Court finds otherwise, however, it could deny confirmation of the Combined Plan and Disclosure Statement if the holders of Claims or Interests affected do not consent to the treatment afforded them under the Combined Plan and Disclosure Statement.

A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim also is placed in a particular Class for the purpose of receiving distributions pursuant to the Combined Plan and Disclosure Statement only to the extent that such Claim is an Allowed Claim in that Class and such Claim has not been paid, released, or otherwise settled prior to the Effective Date.

The Plan Proponent believes that the Combined Plan and Disclosure Statement has classified all Claims and Interests in compliance with the provisions of section 1122 of the Bankruptcy Code and applicable case law. It is possible that a holder of a Claim or Interest may challenge the Plan Proponent's classification of Claims or Interests and that the Court may find that a different classification is required for the Combined Plan and Disclosure Statement to be confirmed. If such a situation develops, the Plan Proponent intends, in accordance with the terms of the Combined Plan and Disclosure Statement, to make such permissible modifications to the Combined Plan and Disclosure Statement as may be necessary to permit its confirmation. Any such reclassification could adversely affect holders of Claims by changing the composition of one or more Classes and the vote required of such Class or Classes for approval of the Combined Plan and Disclosure Statement.

EXCEPT AS SET FORTH IN THE COMBINED PLAN AND DISCLOSURE STATEMENT, UNLESS SUCH MODIFICATION OF CLASSIFICATION MATERIALLY AND ADVERSELY AFFECTS THE TREATMENT OF A HOLDER OF A CLAIM AND REQUIRES RE-SOLICITATION, ACCEPTANCE OF THE COMBINED PLAN AND DISCLOSURE STATEMENT BY ANY HOLDER OF A CLAIM PURSUANT TO THIS SOLICITATION WILL BE DEEMED TO BE A CONSENT TO THE COMBINED PLAN AND DISCLOSURE STATEMENT'S TREATMENT OF SUCH HOLDER OF A CLAIM REGARDLESS OF THE CLASS AS TO WHICH SUCH HOLDER ULTIMATELY IS DEEMED TO BE A MEMBER.

The amount of any Impaired Claim that ultimately is Allowed by the Court may vary from any estimated Allowed amount of such Claim; accordingly, the total Claims that are ultimately Allowed by the Court with respect to each Impaired Class of Claims may also vary from any estimates contained herein with respect to the aggregate Claims in any Impaired Class. Thus, the actual recovery ultimately received by a particular holder of an Allowed Claim may be adversely or favorably affected by the aggregate amounts of Claims Allowed in the applicable Class. Additionally, any changes to any of the assumptions underlying the estimated Allowed amounts could result in material adjustments to recovery estimates provided herein or the actual Distribution received by creditors. The projected recoveries are based on information available to the Plan Proponent as of the date hereof and reflect the Plan Proponent's views as of the date hereof only.

The classification of Claims and Interests and the nature of distributions to members of each Class are summarized herein. The Plan Proponent believes that the consideration, if any, provided under the Combined Plan and Disclosure Statement to holders of Allowed Claims reflects an appropriate resolution of their Allowed Claims taking into account the differing nature and priority of such Claims and Interests. The Court must find, however, that a number of statutory tests are met before it may confirm the Combined Plan and Disclosure Statement. Many of these tests are designed to protect the interests of holders of Claims or Interests who are not entitled to vote on the Combined Plan and Disclosure Statement, or do not vote to accept the Combined Plan and Disclosure Statement, but who will be bound by the provisions of the Combined Plan and Disclosure Statement if it is confirmed by the Court.

6.5 *Impaired Claims or Interests*

Pursuant to section 1126 of the Bankruptcy Code, only the holders of Claims in Classes Impaired by the Combined Plan and Disclosure Statement and receiving a payment or Distribution under the Combined Plan and Disclosure Statement may vote to accept or reject the Combined Plan and Disclosure Statement. Pursuant to section 1124 of the Bankruptcy Code, a Class of Claims may be Impaired if the Combined Plan and Disclosure Statement alters the legal, equitable, or contractual rights of the holders of such Claims or Interests treated in such Class. The holders of Claims not Impaired by the Combined Plan and Disclosure Statement are deemed to accept the Combined Plan and Disclosure Statement and do not have the right to vote on the Combined Plan and Disclosure Statement. The holders of Claims or Interests in any Class which will not receive any payment or Distribution or retain any property pursuant to the Combined Plan and Disclosure Statement are deemed to reject the Combined Plan and Disclosure Statement and do not have the right to vote. Finally, the holders of Claims or Interests whose Claims or Interests are not classified under the Combined Plan and Disclosure Statement are not entitled to vote on the Combined Plan and Disclosure Statement. Under the Combined Plan and Disclosure Statement, holders of Claims in the Voting Classes are Impaired and are entitled to vote to accept or reject the Combined Plan and Disclosure Statement.

ACCORDINGLY, A BALLOT FOR ACCEPTANCE OR REJECTION OF THE COMBINED PLAN AND DISCLOSURE STATEMENT IS BEING PROVIDED ONLY TO HOLDERS OF CLAIMS IN THE VOTING CLASSES.

6.6 *Confirmation Without Necessary Acceptances; Cramdown*

In the event that any impaired class of claims or interests does not accept a plan, a plan proponent nevertheless may move for confirmation of the plan. A plan may be confirmed, even if it is not accepted by all impaired classes, if the plan has been accepted by at least one impaired class of claims, determined without including any acceptance of the plan by any insider holding a claim in that class, and the plan meets the “cramdown” requirements set forth in section 1129(b) of the Bankruptcy Code. Section 1129(b) of the Bankruptcy Code requires that a court find that a plan (a) “does not discriminate unfairly” and (b) is “fair and equitable,” with respect to each non-accepting impaired class of claims or interests. The Plan Proponent believes that such requirements are satisfied, as no holder of a Claim or Interest junior to those in the Impaired Classes is entitled to receive any property under the Combined Plan and Disclosure Statement.

The concept of “unfair discrimination” is not defined in the Bankruptcy Code but has been suggested in recent case law to arise when a difference in a plan’s treatment of two classes of equal priority results in a materially lower percentage recovery for the non-accepting class. Based upon its understanding of existing case law, the Plan Proponent does not believe that the Plan unfairly discriminates against any Class of Claims.

The Bankruptcy Code provides a nonexclusive definition of the phrase “fair and equitable.” To determine whether a plan is “fair and equitable,” the Bankruptcy Code establishes “cramdown” tests for secured creditors, unsecured creditors, and equity holders, as follows:

- a. Secured Creditors. Either (i) each impaired secured creditor retains its liens securing its secured claim and receives on account of its secured claim deferred Cash payments having a present value equal to the amount of its allowed secured claim, (ii) each impaired secured creditor realizes the “indubitable equivalent” of its allowed secured claim or (iii) the property securing the claim is sold free and clear of liens with such liens to attach to the proceeds of the sale and the treatment of such liens on proceeds to be as provided in clause (i) or (ii) above.
- b. Unsecured Creditors. Either (i) each impaired unsecured creditor receives or retains under the plan property of a value equal to the amount of its allowed claim or (ii) the holders of claims and interests that are junior to the claims of the dissenting class will not receive any property under the plan.
- c. Interests. Either (i) each holder of an equity interest will receive or retain under the plan property of a value equal to the greatest of the fixed liquidation preference to which such holder is entitled, the fixed redemption price to which such holder is entitled or the value of the interest or (ii) the holder of an interest that is junior to the nonaccepting class will not receive or retain any property under the plan.

As discussed above, the Plan Proponent believes that the distributions provided under the Combined Plan and Disclosure Statement satisfy the absolute priority rule, where required.

6.7 *Feasibility*

Section 1129(a)(11) of the Bankruptcy Code requires that confirmation of a plan not be likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor (unless such liquidation or reorganization is proposed in the Combined Plan and Disclosure Statement). For purposes of determining whether the Combined Plan and Disclosure Statement meets this requirement, the Plan Proponent has completed a preliminary analysis of its ability to meet its obligations under the Combined Plan and Disclosure Statement.

In the Plan Proponent's opinion, the funds available as a result of the 9019 Order and through the Avoidance Actions and Causes of Action will provide the best opportunity to satisfy the amounts due and owing to Holders of Administrative Expense Claims, and fund a partial distribution to holders of Priority Tax Claims and Allowed General Unsecured Claims. Accordingly, the Plan Proponent believes that sufficient funds will exist to make the payments required by the Combined Plan and Disclosure Statement and that the Combined Plan and Disclosure Statement satisfies the feasibility requirement of section 1129(a)(11) of the Bankruptcy Code.

The Plan Proponent believes that the feasibility analysis required for liquidating plans is necessarily different from whether a debtor's ability to fund ongoing business operations and bears no relevance for liquidating debtors. Courts have found that the feasibility requirement for liquidating plans does not need to be or is automatically satisfied. In re Heritage Org., L.L.C., 375 B.R. 230, 311 (Bankr. N.D. Tex. 2007); In re 47th & Bellevue Partners, 95 B.R. 117, 120 (Bankr. W.D. Mo. 1988). This is because the language in Section 1129(a)(11) of the Bankruptcy Code — “that confirmation is not likely to be followed by the liquidation and unless liquidation . . .” is proposed in the plan—means that this requirement is met for liquidating plans. In re Cellular Info. Sys., Inc., 171 B.R. 926, 945 (Bankr. S.D.N.Y. 1994) (quoting 11 U.S.C. § 1129(a)(11)).

To be clear, other courts have held that liquidating plans must still meet the feasibility requirement to be confirmed. These courts find that the recognition of liquidating plans in Section 1129(a)(11) does not create an exception to the feasibility requirement. See, e.g., In re Calvanese, 169 B.R. 104, 107 (Bankr. E.D. Pa. 1994); accord In re Am. Capital Equip., LLC, 688 F.3d 145, 156 (3d Cir. 2012) (“Even a planned liquidation ‘must be feasible’”). The courts that analyze feasibility in the context of liquidation (where the debtor is not going to operate the business for some period of time post-confirmation) consider whether the debtor has a reasonable likelihood of being able to satisfy the conditions precedent to the plan's effectiveness and have sufficient funds to meet its post-confirmation date obligations to pay for the costs of administering (e.g., determining claims and making distributions to claimholders) the estate, fully consummating the plan, and closing the Chapter 11 case. See In re Two Sts., Inc., 597 B.R. 309, 317 (Bankr. S.D. Miss. 2019); see also In re Loudon, 69 B.R. 723 (Bankr. E.D. Mo. 1987) (liquidating plan based upon unrealistically high real estate values was not feasible). Notwithstanding, the Plan Proponent believes that the feasibility analysis required for liquidating plans differs from a plan of reorganization and is not relevant here.

6.8 Best Interests Test and Liquidation Analysis

Even if a plan is accepted by the holders of each class of claims and interests, the Bankruptcy Code requires the Court to determine that such plan is in the best interests of all holders of claims or interests that are impaired by that plan and that have not accepted the plan. The “best interests” test, as set forth in section 1129(a)(7) of the Bankruptcy Code, requires a court to find either that all members of an impaired class of claims or interests have accepted the plan or that the plan will provide a member who has not accepted the plan with a recovery of property of a value, as of the effective date of the plan, that is not less than the amount that such holder would recover if the debtor were liquidated under chapter 7 of the Bankruptcy Code.

To calculate the probable distribution to holders of each impaired class of claims and interests if the debtor was liquidated under chapter 7, a court must first determine the aggregate dollar amount that would be generated from a debtor’s assets if its Chapter 11 Case were converted to cases under chapter 7 of the Bankruptcy Code. To determine if a plan is in the best interests of each impaired class, the present value of the distributions from the proceeds of a liquidation of the debtor’s unencumbered assets and properties, after subtracting the amounts attributable to the costs, expenses, and administrative claims associated with a chapter 7 liquidation, must be compared with the value offered to such impaired classes under the plan. If the hypothetical liquidation distribution to holders of claims or interests in any impaired class is greater than the distributions to be received by such parties under the plan, then such plan is not in the best interests of the holders of claims or interests in such impaired class.

It is impossible to determine with any specificity the value each creditor will receive as a percentage of its Allowed Claim. This difficulty in estimating the value of recoveries is due to, among other things, the Plan Proponent forecasting of expected recoveries against in the Liquidation Trust Assets. Notwithstanding the difficulty in quantifying recoveries to holders of Allowed Claims with precision, the Plan Proponent believes that the financial disclosures and sources of Liquidation Trust Assets contained herein imply a greater or equal recovery to holders of Claims in Impaired Classes than the recovery available in a Chapter 7 liquidation. As set forth below, the Debtors have set forth an estimate of the comparative distributions between a Chapter 7 liquidation and the Plan.

Substantially all of the Debtors’ Assets authorized under the Sale Orders have been transferred and the Debtors have limited Assets remaining in their estates. Because the majority of the Debtors’ assets (other than the Causes of Action) already have been liquidated to Cash, the Plan Proponent expects that the value of any Distributions if this chapter 11 case were to be converted to a case under chapter 7 of the Bankruptcy Code would be less than the value of Distributions under the Plan and Disclosure Statement. This is because conversion of this chapter 11 case to a chapter 7 case would require the appointment of a chapter 7 trustee and, in turn, such chapter 7 trustee’s likely retention of new professionals. The “learning curve” that the chapter 7 trustee and new professionals would be faced with comes with potential additional costs to the Estate and with a delay compared to the time of Distributions under the Combined Plan and Disclosure Statement. The Plan Proponent believes that a liquidation under chapter 7 would not provide for a timely distribution and that such distributions would likely be smaller because a chapter 7 trustee and his/her professionals would have to expend significant time and resources familiarizing themselves with the history of the Debtors and the Disputed Clams prior to pursuing any

objections to such claims. The costs of liquidation under chapter 7 of the Bankruptcy Code would include the compensation of a trustee in the form of statutory fees relating to the Distributions of the already monetized assets that are made to creditors, as well as the costs of counsel and other professionals retained by the trustee. The Plan Proponent believes such amount would exceed the amount of expenses that would be incurred in implementing the Combined Plan and Disclosure Statement and winding up the affairs of the Debtors. Conversion also would likely delay the liquidation process and ultimate distribution of the Assets and would also mean the establishment of a new claims bar date, which could result in new Claims being asserted against the Debtors, thereby diluting the recoveries of, among others, other holders of Allowed General Unsecured Claims. The estates would also be obligated to pay all unpaid expenses incurred by the Debtors during these chapter 11 cases (such as compensation for professionals) that are allowed in the chapter 7 cases.

The Liquidation Analysis contains a number of estimates and assumptions that, although developed and considered reasonable by the Plan Proponent, are inherently subject to significant economic and competitive uncertainties and contingencies beyond the control of the Plan Proponent. The Liquidation Analysis also is based on assumptions with regard to liquidation decisions that are subject to change and significant economic and competitive uncertainties and contingencies beyond the control of the Plan Proponent. Accordingly, the values reflected might not be realized. All holders of Claims that are entitled to vote to accept or reject the Combined Plan and Disclosure Statement are urged to examine carefully all of the assumptions on which the Liquidation Analysis is based in connection with their evaluation of the Plan and Disclosure Statement.

Accordingly, the Plan Proponent believes that holders of Allowed Claims would receive less than anticipated under the Plan and Disclosure Statement if these chapter 11 cases were converted to chapter 7 cases, and therefore, the classification and treatment of Claims and Interests in the Plan and Disclosure Statement complies with section 1129(a)(7) of the Bankruptcy Code.

6.9 *Eligibility to Vote on the Combined Plan and Disclosure Statement*

Unless otherwise ordered by the Court, only holders of Allowed Claims in the Voting Classes may vote on the Combined Plan and Disclosure Statement. Further, subject to the tabulation procedures that were approved by the Conditional Approval and Procedures Order, in order to vote on the Combined Plan and Disclosure Statement, you must hold an Allowed Claim in the Voting Classes, or be the holder of a Claim that has been temporarily Allowed for voting purposes only pursuant to the approved tabulation procedures or under Bankruptcy Rule 3018(a).

6.10 *Solicitation Package*

All holders of Allowed Claims in the Voting Classes will receive a Solicitation Package. The Solicitation Packages will contain: (i) the Combined Plan and Disclosure Statement; (ii) the Conditional Approval Order and Procedures Order; (iii) notice of the Confirmation Hearing; (iv) a form of Ballot, including voting instructions and a pre-addressed, postage prepaid return envelope; and (v) such other materials as the Court may direct or approve or that the Plan Proponent deems appropriate.

All other Creditors and parties in interest not entitled to vote on the Combined Plan and Disclosure Statement will receive only a copy of the notice of Confirmation Hearing.

Copies of the Combined Plan and Disclosure Statement shall be available on CM/ECF website at <http://www.pawb.uscourts.gov>. Any creditor or party-in-interest can request a hard copy of the Combined Plan and Disclosure Statement be sent to them by regular mail by calling David Ross, Esq, at Bernstein-Burkley, P.C. at (412) 456-8100 during regular business hours.

6.11 *Voting Procedures and Voting Deadline*

The Voting Record Date for determining which holders of Claims in the Voting Classes may vote on the Combined Plan and Disclosure Statement is _____.

In order for your Ballot to count, you must (1) complete, date, and properly execute the Ballot and (2) properly deliver the Ballot to the following address by hand-delivery or U.S. first class mail:

**Bernstein-Burkley, P.C.
601 Grant Street, 9th Floor
Pittsburgh, PA 15219**

Ballots must be received by the Plan Proponent's Counsel at the address above on or before the Voting Deadline, which is [] at 5:00 p.m. (prevailing Eastern Time). Subject to the tabulation procedures approved by the Conditional Approval and Procedures Order, you may not change your vote once a Ballot is submitted to Debtor's Counsel. Subject to the tabulation procedures approved by the Conditional Approval and Procedures Order, any Ballot that is timely and properly submitted will be counted and will be deemed to be cast as an acceptance, rejection or abstention, as the case may be, of the Combined Plan and Disclosure Statement.

IF YOU ARE ENTITLED TO VOTE ON THE COMBINED PLAN AND DISCLOSURE STATEMENT, YOU ARE URGED TO COMPLETE, DATE, SIGN, AND PROMPTLY MAIL THE BALLOT YOU RECEIVE. PLEASE BE SURE TO COMPLETE ALL BALLOT ITEMS PROPERLY AND LEGIBLY. IF YOU ARE A HOLDER OF A CLAIM ENTITLED TO VOTE ON THE COMBINED PLAN AND DISCLOSURE STATEMENT AND YOU DID NOT RECEIVE A BALLOT, YOU LOST YOUR BALLOT, OR IF YOU HAVE ANY QUESTIONS CONCERNING THE COMBINED PLAN AND DISCLOSURE STATEMENT OR PROCEDURES FOR VOTING ON THE COMBINED PLAN AND DISCLOSURE STATEMENT, PLEASE CONTACT DAVID W. ROSS, ESQ, AT BERNSTEIN-BURKLEY, P.C. AT (412) 456-8100 DURING REGULAR BUSINESS HOURS. DAVID ROSS IS NOT AUTHORIZED TO, AND WILL NOT, PROVIDE LEGAL ADVICE.

6.12 *Acceptance of the Combined Plan and Disclosure Statement*

If you are a holder of a Claim in one of the Voting Classes, your acceptance of the Combined Plan and Disclosure Statement is important. In order for the Combined Plan and Disclosure Statement to be accepted by an Impaired Class of Claims, a majority in number (i.e., more than half) and two-thirds in dollar amount of the Claims voting (of each Impaired Class of Claims) must vote to accept the Combined Plan and Disclosure Statement. At least one Impaired Class of Creditors, excluding the votes of insiders, must actually vote to accept the Combined Plan and Disclosure Statement. The Plan Proponent urges that you vote to accept the Combined Plan and Disclosure Statement.

SECTION 7 - CERTAIN RISK FACTORS, TAX CONSEQUENCES, AND OTHER DISCLOSURES

7.1 *Certain Risk Factors to be Considered*

THE COMBINED PLAN AND DISCLOSURE STATEMENT AND ITS IMPLEMENTATION ARE SUBJECT TO CERTAIN RISKS, INCLUDING, BUT NOT LIMITED TO, THE RISK FACTORS SET FORTH BELOW. HOLDERS OF CLAIMS WHO ARE ENTITLED TO VOTE ON THE COMBINED PLAN AND DISCLOSURE STATEMENT SHOULD READ AND CAREFULLY CONSIDER THE RISK FACTORS, AS WELL AS THE OTHER INFORMATION SET FORTH IN THE COMBINED PLAN AND DISCLOSURE STATEMENT AND THE DOCUMENTS DELIVERED TOGETHER HERewith OR REFERRED TO OR INCORPORATED BY REFERENCE HEREIN, BEFORE DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE COMBINED PLAN AND DISCLOSURE STATEMENT. THESE FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE COMBINED PLAN AND DISCLOSURE STATEMENT AND ITS IMPLEMENTATION.

(a) The Combined Plan and Disclosure Statement May Not Be Accepted.

The Plan Proponent can make no assurances that the requisite acceptances of the Combined Plan and Disclosure Statement will be received, and the Plan Proponent may need to obtain acceptances of an alternative plan for the Debtors, or otherwise, that may not have the support of the creditors and/or may be required to liquidate the Estates under chapter 7 of the Bankruptcy Code. There can be no assurance that the terms of any such alternative restructuring arrangement or plan would be similar to or as favorable to creditors as those proposed in the Combined Plan and Disclosure Statement.

(b) The Combined Plan and Disclosure Statement May Not Be Confirmed.

Even if the Plan Proponent receives the requisite acceptances, there is no assurance that the Court, which may exercise substantial discretion as a court of equity, will confirm the Combined Plan and Disclosure Statement. Even if the Court determined that the Combined Plan and Disclosure Statement and the balloting procedures and results were appropriate, the Court could still decline to confirm the Combined Plan and Disclosure Statement if it finds that any of the statutory requirements for confirmation had not been met. As is described in greater detail in

Section 6.3, section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a chapter 11 plan. While, as more fully set forth Section 6, the Plan Proponent believes that the Combined Plan and Disclosure Statement complies with or will comply with all such requirements, there can be no guarantee that the Court will agree.

Moreover, there can be no assurance that modifications to the Combined Plan and Disclosure Statement will not be required for Confirmation or that such modifications would not necessitate the re-solicitation of votes. If the Combined Plan and Disclosure Statement is not confirmed, it is unclear what distributions holders of Claims or Interests ultimately would receive with respect to their Claims or Interests in a subsequent plan.

If the Combined Plan and Disclosure Statement is not confirmed, the Combined Plan and Disclosure Statement will need to be revised. If an alternative could not be agreed to, the Debtors will have to liquidate their remaining assets in chapter 7, in which case it is likely that the holders of Allowed Claims would receive substantially less favorable treatment than they would receive under the Combined Plan and Disclosure Statement. There can be no assurance that the terms of any such alternative would be similar to or as favorable to the Debtors' creditors as those proposed in the Combined Plan and Disclosure Statement.

(c) Distributions to Holders of Allowed Claims Under the Combined Plan and Disclosure Statement May be Inconsistent with Projections.

Projected Distributions are based upon good faith estimates of the total amount of Claims ultimately Allowed and the funds available for Distribution. There can be no assurance that the estimated Claim amounts set forth in the Combined Plan and Disclosure Statement are correct. These estimated amounts are based on certain assumptions with respect to a variety of factors. Both the actual amounts of Allowed Claims in a particular Class and the funds available for distribution to such Class may differ from the Plan Proponent's estimates. If the total amount of Allowed Claims in a Class is higher than the Plan Proponent's estimates, or the funds available for Distribution to such Class are lower than the Plan Proponent's estimates, the percentage recovery to holders of Allowed Claims in such Class will be less than projected.

(d) Objections to Classification of Claims.

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an equity interest in a particular class only if such claim or equity interest is substantially similar to the other claims or equity interests in such class. As is described in greater detail in Section 6.4, the Plan Proponent believes that the classification of Claims and Interests under the Combined Plan and Disclosure Statement complies with the requirements set forth in the Bankruptcy Code. Nevertheless, there can be no assurance the Court will reach the same conclusion.

To the extent that the Court finds that a different classification is required for the Combined Plan and Disclosure Statement to be confirmed, the Plan Proponent would seek to (i) modify the Combined Plan and Disclosure Statement to provide for whatever classification might be required for Confirmation and (ii) use the acceptances received from any holder of Claims pursuant to this solicitation for the purpose of obtaining the approval of the Class or Classes of which such holder

ultimately is deemed to be a member. Any such reclassification of Claims, although subject to the notice and hearing requirements of the Bankruptcy Code, could adversely affect the Class in which such holder was initially a member, or any other Class under the Combined Plan and Disclosure Statement, by changing the composition of such Class and the vote required for approval of the Combined Plan and Disclosure Statement. There can be no assurance that the Court, after finding that a classification was inappropriate and requiring a reclassification, would approve the Combined Plan and Disclosure Statement based upon such reclassification. Except to the extent that modification of classification in the Combined Plan and Disclosure Statement requires resolicitation, the Plan Proponent will, in accordance with the Bankruptcy Code and the Bankruptcy Rules, seek a determination by the Court that acceptance of the Combined Plan and Disclosure Statement by any holder of Claims pursuant to this solicitation will constitute a consent to the Combined Plan and Disclosure Statement's treatment of such holder, regardless of the Class as to which such holder is ultimately deemed to be a member. The Plan Proponent believes that under the Bankruptcy Rules, it would be required to resolicit votes for or against the Combined Plan and Disclosure Statement only when a modification adversely affects the treatment of the Claim or Interest of any holder.

The Bankruptcy Code also requires that the Combined Plan and Disclosure Statement provide the same treatment for each Claim or Interest of a particular Class unless the holder of a particular Claim or Interest agrees to a less favorable treatment of its Claim or Interest. The Plan Proponent believes that the Combined Plan and Disclosure Statement complies with the requirement of equal treatment. To the extent that the Court finds that the Combined Plan and Disclosure Statement does not satisfy such requirement, the Court could deny confirmation of the Combined Plan and Disclosure Statement. Issues or disputes relating to classification and/or treatment could result in a delay in the confirmation and consummation of the Combined Plan and Disclosure Statement and could increase the risk that the Combined Plan and Disclosure Statement will not be consummated.

(e) Failure to Consummate the Combined Plan and Disclosure Statement

Although the Plan Proponent believes that the Effective Date will occur and may occur quickly after the Confirmation Date, there can be no assurance as to such timing, or as to whether the Effective Date will, in fact, occur.

(f) The Releases May Not Be Approved

There can be no assurance that the releases, as provided in Sections 17.1, will be granted. Failure of the Court to grant such relief may result in a plan that differs from the Combined Plan and Disclosure Statement or the Plan not being confirmed.

(g) Reductions to Estimated Creditor Recoveries

The Allowed amounts of Claims in any Class could be greater than projected, which, in turn, could cause the amount of distributions to creditors in such Class to be reduced substantially. The amount of cash realized from the monetization of the Debtors' remaining assets could be less

than anticipated, which could cause the amount of distributions to creditors to be reduced substantially.

7.2 *Releases, Exculpations, and Injunctions*

Section 17 of this Combined Plan and Disclosure Statement contains certain releases, exculpations, and injunction language. Parties are urged to read these provisions carefully to understand how Confirmation and consummation of the Plan will affect any Claim, interest, right, or action with regard to the Debtors and certain third parties.

THE COMBINED PLAN AND DISCLOSURE STATEMENT SHALL BIND ALL HOLDERS OF CLAIMS AGAINST THE DEBTORS TO THE FULLEST EXTENT AUTHORIZED OR PROVIDED UNDER THE APPLICABLE PROVISIONS OF THE BANKRUPTCY CODE AND ALL OTHER APPLICABLE LAW.

Under the voting procedures described in Section 6.11, the Plan Proponent believes that the releases, exculpations, and injunction language are considered consensual under applicable bankruptcy law.

7.3 *Alternatives to the Combined Plan and Disclosure Statement*

If the requisite acceptances are not received or the Combined Plan and Disclosure Statement is not confirmed and consummated, the theoretical alternatives to the Combined Plan and Disclosure Statement would be (a) formulation of one or more alternative chapter 11 plans, (b) conversion of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, or (c) dismissal of the Chapter 11 Cases. As discussed below, the Plan Proponent does not believe that any of these alternatives, even if viable, would afford holders of Claims or Interests a greater recovery than what is provided by the Combined Plan and Disclosure Statement.

If the Combined Plan and Disclosure Statement is not confirmed, then the Plan Proponent or any other party in interest could attempt to formulate a different plan. The additional costs, including, among other amounts, additional professional fees or asserted substantial contribution claims, all of which would constitute Administrative Expense Claims (subject to allowance thereof), may be so significant that one or more parties in interest could request that the Chapter 11 Case be converted to chapter 7. At this time, the Plan Proponent does not believe that there are viable alternative plans available that would provide a greater recovery to holders of Allowed Claims than that which is proposed in this Combined Plan and Disclosure Statement. The Plan Proponent believes that the Combined Plan and Disclosure Statement provides the greatest possible value to all stakeholders under the circumstances and has the greatest chance to be confirmed and consummated.

If the Combined Plan and Disclosure Statement is not confirmed, the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be elected or appointed to liquidate and distribute the Debtors' remaining assets in accordance with the priorities established by the Bankruptcy Code. As discussed in Section 6.8 and indicated in the Liquidation Analysis, the Plan Proponent believes that the Combined Plan and

Disclosure Statement provides a better outcome for holders of Claims than a chapter 7 liquidation would provide.

If the Combined Plan and Disclosure Statement is not confirmed, the Chapter 11 Cases also could be dismissed. Among other effects, dismissal would result in the termination of the automatic stay, thus permitting creditors to assert state-law rights and remedies against the Debtors and their assets, likely to the detriment of other creditors. While it is impossible to predict precisely what would happen in the event the Chapter 11 Cases are dismissed, it is unlikely that dismissal would result in a ratable distribution of the Debtors' assets among creditors as provided in the Combined Plan and Disclosure Statement. Thus, the vast majority of creditors could expect to receive less in the dismissal scenario than they would receive under the Combined Plan and Disclosure Statement.

SECTION 8 - UNCLASSIFIED CLAIMS

8.1 *Unclassified Claims*

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims have not been classified for purposes of voting or receiving Distributions. Rather, all such Claims are treated separately as unclassified Claims as set forth in this Section 8, and the holders thereof are not entitled to vote on the Combined Plan and Disclosure Statement.

8.2 *Administrative Expense Claims*

(a) Administrative Claims in General.

Each Holder of an Allowed Administrative Claim shall receive their Pro Rata share of the proceeds from the Liquidating Trust Assets, without interest, after payment of the reasonable compensation of the Liquidating Trustee, until the net proceeds of the Liquidating Trust Assets are exhausted or until that Holder's Allowed Administrative Claim is paid in full, whichever occurs first, at the sole option of the Liquidating Trustee, as the case may be: (a) on or as soon as practicable after the later of (i) the Effective Date, or (ii) the date upon which the Bankruptcy Court enters a Final Order determining or approving such Claim; (b) in accordance with the terms and conditions of agreements between the Holders of such Claims and the Liquidating Trustee, as the case may be; or (c) with respect to statutory fees due pursuant to 28 U.S.C. § 1930(a)(6), after the entry of a final decree or an order converting or dismissing the cases.

Holders of Administrative Claims (including, without limitation, Professionals) requesting compensation or reimbursement of such expenses pursuant to Bankruptcy Code Sections 327, 328, 330, 331, 503(b) or 1103 who do not file such requests by the applicable deadline provided for herein shall be forever barred from asserting such claims against the Debtors, their Estates, the Liquidating Trust, or its successors or assigns, or its property. Any objection to Professional Fee Claims shall be filed on or before the objection deadline specified in the application for final compensation or order of the Bankruptcy Court.

Notwithstanding any provision in the Combined Plan and Disclosure Statement regarding payment of Administrative Claims to the contrary, and without waiver of any argument available that such Claim is already time-barred by prior orders of the Bankruptcy Court, all Administrative Claims that are required to be Filed and not Filed by the Administrative Claim Bar Date shall be deemed disallowed and discharged.

(b) Statutory Fees.

On or before the Effective Date, Administrative Claims for fees payable pursuant to 28 U.S.C. § 1930 will be paid in Cash equal to the amount of such Allowed Administrative Claims. In the event the Chapter 11 Cases are not converted, closed, or dismissed, all fees payable pursuant to 28 U.S.C. § 1930 after the Effective Date will be paid by the Liquidating Trustee until the earlier of the conversion or dismissal of the Chapter 11 Cases under section 1112 of the Bankruptcy Code, or the closing of the Chapter 11 Cases pursuant to section 350(a) of the Bankruptcy Code. For purposes of calculating fees based on distributions, distributions from the Debtors to the Liquidating Trust will be counted, but subsequent distributions of the same assets from the Liquidating Trust to its beneficiaries will not be counted.

8.3 ***Professional Fees***

(a) Bar Dates for Professional Compensation.

All unpaid Fee Claims incurred by Professionals prior to the Effective Date shall be subject to final allowance or disallowance upon application to the Bankruptcy Court pursuant to sections 328, 330, or 503(b)(4) of the Bankruptcy Code. Final applications for allowance of Fee Claims for services rendered in connection with the Chapter 11 Cases shall be Filed with the Bankruptcy Court no later than thirty (30) days after the Effective Date (or within such additional period as the Bankruptcy Court may authorize, for cause shown). Objections to any Fee Claims must be Filed and served on the Notice Parties and the requesting party by the later of: (a) twenty-one (21) days after the filing of the applicable request for payment of the Fee Claim, and (b) such other period of limitation as may be specifically fixed by a Final Order for objecting to such Fee Claim. However, and for the avoidance of doubt, this Combined Plan and Disclosure Statement does not amend or supersede any previously entered order of this Bankruptcy Court regarding the payment of Fee Claims pursuant to any carveouts or budgets or otherwise.

8.4 ***Payment of Priority Tax Claims***

(a) Priority Tax Claims.

Upon final payment in full of Allowed Administrative Claims, each Holder of a Priority Tax Claim will receive, in full satisfaction of its Priority Tax Claim, except to the extent that the holder of an Priority Tax Claim has agreed to a different treatment of such claim, their pro rata share of fifty-five percent (55%) from the proceeds of the Liquidating Trust Assets, after payment of the reasonable compensation of the Liquidating Trustee, up to the full amount of any such Allowed Claim.

(b) Other Provisions Concerning Treatment of Priority Tax Claims

Notwithstanding the provisions of Section 2.1.2(a), the Holder of an Allowed Priority Tax Claim will not be entitled to receive any payment on account of any penalty (other than a penalty of the type specified in section 507(a)(8)(G) of the Bankruptcy Code) arising with respect to or in connection with the Allowed Priority Tax Claim. The Holder of an Allowed Priority Tax Claim will not assess or attempt to collect such penalty from the Debtors, the Liquidating Trust, or their respective property.

Any Assessment Claims shall not constitute, or be deemed to constitute, a Tax or a Priority Tax Claim until and unless, and then only to the extent (if any) that, those Assessment Claims are determined to constitute a tax that is entitled to priority under section 507(a)(8) of the Bankruptcy Court in a Final Order of the Bankruptcy Court or in a written agreement between the Holder of any Assessment Claims and both of the Plan Proponent or the Liquidating Trustee.

SECTION 9 - CLASSIFICATION OF CLAIMS AND INTERESTS

9.1 *Summary of Classification*

The Combined Plan and Disclosure Statement constitutes a chapter 11 Plan of liquidation for the Debtors. The provisions of this Section 9 govern Claims against and Interests in the Debtors. Except for the Claims addressed in Section 8 above (or as otherwise set forth herein), all Claims and Interests are placed in Classes. Any Class that is vacant will be treated in accordance with Section 9.3.

The following table designates the Classes of Claims against, and Interests in, the Debtors and specifies which of those Classes are (i) Impaired or Unimpaired by the Plan, (ii) entitled to vote to accept or reject the Combined Plan and Disclosure Statement in accordance with section 1126 of the Bankruptcy Code, and (iii) deemed to accept or reject the Combined Plan and Disclosure Statement. A Claim or portion thereof is classified in a particular Class only to the extent that such Claim or portion thereof qualifies within the description of such Class and is classified in a different Class to the extent that the portion of such Claim qualifies within the description of such different Class.

Class	Designation	Treatment	Entitled to Vote
1	Priority Tax Claims	Impaired	Yes
2A	Cuarzo DIP Lender	Impaired	Yes
2B	Maybrook DIP Lender	Unimpaired	No (presumed to accept)
3A	Maybrook Prepetition Lender	Impaired	Yes
3B	Consulate Prepetition Lender	Unimpaired	No (presumed to accept)

4	Secured Claims of Prepetition Cuarzo Lenders	Impaired	Yes
5(a)	General Unsecured Claims	Impaired	Yes
5(b)	CIBC Unsecured Deficiency Claims	Impaired	Yes
5(c)	Cuarzo Unsecured Deficiency Claims	Impaired	Yes
6	Intercompany Claims	Impaired	No (deemed to reject pursuant to section 1126(g) of the bankruptcy Code)
7	Insider Claims	Impaired	No (deemed to reject)
8	Interests	Impaired	No (deemed to reject)

9.2 *Special Provision Governing Unimpaired Claims*

Except as otherwise provided in the Combined Plan and Disclosure Statement, nothing under the Combined Plan and Disclosure Statement shall affect the rights of the Plan Proponent or the Liquidating Trustee, in respect of any Unimpaired Claims, including all rights in respect of legal and equitable defenses to, or setoffs or recoupments against, any such Unimpaired Claims.

9.3 *Vacant and Abstaining Classes*

Any Class of Claims or Interests that is not occupied as of the commencement of the Confirmation Hearing by an Allowed Claim or Interest or a Claim or Interest temporarily Allowed under Bankruptcy Rule 3018 shall be deemed eliminated from the Combined Plan and Disclosure Statement for purposes of voting to accept or reject the Combined Plan and Disclosure Statement and for purposes of determining acceptance or rejection of the Combined Plan and Disclosure Statement by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

9.4 *Subordinated Claims*

The allowance, classification, and treatment of all Allowed Claims and Interests and the respective distributions and treatments under the Combined Plan and Disclosure Statement take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Plan Proponent reserves the right to re-classify any Allowed Claim or Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

SECTION 10 - TREATMENT OF CLAIMS AND INTERESTS

10.1 *Class 1—Priority Tax Claims*

- (a) Classification. Class 1 consists of all prepetition tax claims asserted by any governmental creditor.
- (b) Treatment. Upon final payment in full of Allowed Administrative Claims, each Holder of a Class 1 Claim will receive, in full satisfaction of its Priority Tax Claim, except to the extent that the holder of an Priority Tax Claim has agreed to a different treatment of such claim, their pro rata share of fifty-five percent (55%) from the proceeds of the Liquidating Trust Assets, after payment of the reasonable compensation of the Liquidating Trustee pursuant to Section 14.5.4 of the Plan, up to the full amount of any such Allowed Claim. Notwithstanding the provisions of Section 2, the Holder of an Allowed Priority Tax Claim will not be entitled to receive any payment on account of any penalty (other than a penalty of the type specified in section 507(a)(8)(G) of the Bankruptcy Code) arising with respect to or in connection with the Allowed Priority Tax Claim. The Holder of an Allowed Priority Tax Claim will not assess or attempt to collect such penalty from the Debtors, the Liquidating Trust, or their respective property. Any Assessment Claims shall not constitute, or be deemed to constitute, a Tax or a Priority Tax Claim until and unless, and then only to the extent (if any) that, those Assessment Claims are determined to constitute a tax that is entitled to priority under section 507(a)(8) of the Bankruptcy Court in a Final Order of the Bankruptcy Court or in a written agreement between the Holder of any Assessment Claims and both of the Plan Proponent or the Liquidating Trustee.
- (c) Impairment and Voting. Class 1 Priority Tax Claims are impaired and therefore may vote to accept or reject the Combined Plan and Disclosure Statement.

10.2 *Class 2A—Cuarzo DIP Lender*

- (a) Classification. Class 2A consists of all secured claims of the Cuarzo DIP Lender.
- (b) Treatment. On the Closing Date, each Holder of an Allowed Class 2A Secured Claim received the net proceeds of the sale of property securing such Secured Claim. The balance due to the Cuarzo DIP Lender is approximately \$5,846,000 as of June 11, 2025. The Cuarzo DIP Lender continues to and shall have the right to collect accounts receivable as provided

Pursuant to that certain Settlement Between Cuarzo and the Official Committee of Unsecured Creditors for the Debtors [Dkt. No. 244], the “Cuarzo DIP Lender agree[d] that the Committee shall have the rights to bring and recover all amounts for Chapter 5 claims, D&O claims, and commercial tort claims (whether such claims constitute DIP Collateral or not), Cuarzo DIP Lender’s liens shall not encumber such claims or the proceeds of such claims (as approved, the “Final DIP Order”) and the Cuarzo DIP Lender shall not be

otherwise entitled to any proceeds from such claims.” As a result, the Cuarzo DIP Lender will not receive any distributions under this Combined Plan and Disclosure Statement for its Class 2A Claim.

- (c) Impairment and Voting. Class 2A Secured Claims are impaired and therefore may vote to accept or reject the Combined Plan and Disclosure Statement.

10.3 ***Class 2B—Maybrook and Consulate DIP Lender***

- (a) Classification. Class 2B consists of Claims of the Maybrook and Consulate DIP Lenders for Maybrook and Consulate DIP Debt. For the avoidance of doubt in this Combined Plan and Disclosure Statement, the Maybrook and Consulate DIP Lender do not include Lahasky.
- (b) Treatment. On the Closing Date, each Holder of an Allowed Class 2B Secured Claim received the net proceeds of the sale of property securing such Secured Claim.
- (c) Impairment and Voting. Class 2B is unimpaired. The Plan Proponent believes that there are no unpaid Claims that are Class 2B Secured Claims. Class 2B Secured Claims are Unimpaired and are thus deemed to accept the Combined Plan and Disclosure Statement.

10.4 ***Class 3A— Maybrook Prepetition Lender***

- (a) Classification. Class 3A consists of the Secured Claims of the Maybrook Prepetition Lender.
- (b) Treatment. Each Holder of an Allowed Class 3A Secured Claim shall retain its liens and security interests on, and at the Closing its liens and security interests shall attach to, the net proceeds of the Maybrook Sale to the same extent, and with the same validity, perfection, and priority, that those liens and security interests had on the property securing such Secured Claim immediately before the Closing. In accordance with the 9019 Order, each Holder of an Allowed Class 3A Secured Claim shall receive in full satisfaction of its Class 3A Secured Claim: (a) their portion of the Residual Proceeds as ordered by this Court or as agree to by the Liquidating Trustee, up to the amount of the Allowed Class 3A Secured Claim of such Holder less any amounts due to professionals under the Final Maybrook / Consulate DIP Financing Order or any winddown budget. In the event that all or any portion of the remaining amounts, if any, owed to each Holder of an Allowed Class 3A Secured Claim is determined in a Final Order of the Bankruptcy Court or in a written agreement between the Holder(s) thereof and the Liquidating Trustee to be a General Unsecured Claim, then that amount shall be treated as a Class 5(b) General Unsecured Claim, to the extent it is Allowed.

- (c) Impairment and Voting. Class 3A is Impaired. Class 3A Secured Claims are impaired and therefore may vote to accept or reject the Combined Plan and Disclosure Statement.

10.5 ***Class 3B— Consulate Prepetition Lenders***

- (a) Classification. Class 3B consists of the Secured Claims of the Consulate Prepetition Lenders.
- (b) Treatment. Each Holder of an Allowed Class 3B Claim shall be deemed to have received in full satisfaction of its Class 3B Claim the net proceeds of the sale of property securing such Class 3B Claim. As a result, all Allowed Class 3B Claims have been paid and satisfied in full and shall not receive any distribution under this Plan.
- (c) Impairment and Voting. Class 3B is impaired. The Plan Proponent believes there to be no unpaid Claims that are Class 3B Claims. Class 3B Claims are unimpaired and are thus deemed to accept the Combined Plan and Disclosure Statement.

10.6 ***Class 4—Secured Claims of Prepetition Cuarzo Lenders***

- (a) Classification. Class 4 consists of the Secured Claims of the Prepetition Cuarzo Lenders.
- (b) Treatment. To the extent the proceeds have not been distributed to Allowed Class 4 Claims, each Holder of an Allowed Class 4 Secured Claim shall retain its liens and security interests on, and at the Closing its liens and security interests shall attach to, the net proceeds of the Cuarzo Sale to the same extent, and with the same validity, perfection, and priority, that those liens and security interests had on the property securing such Secured Claim immediately before the Closing. Pursuant to that certain Settlement Between Cuarzo and the Official Committee of Unsecured Creditors for the Debtors [Dkt. No. 244], the “Cuarzo DIP Lender agree[d] that the Committee shall have the rights to bring and recover all amounts for Chapter 5 claims, D&O claims, and commercial tort claims (whether such claims constitute DIP Collateral or not), Cuarzo DIP Lender’s liens shall not encumber such claims or the proceeds of such claims (as approved, the “Final DIP Order”) and the Cuarzo DIP Lender shall not be otherwise entitled to any proceeds from such claims.” As a result, the Cuarzo DIP Lender will not receive any distributions under this Combined Plan and Disclosure Statement for its Class 4 Claim.
- (c) Impairment and Voting. Class 4 Secured Claims are impaired and therefore may vote to accept or reject the Combined Plan and Disclosure Statement.

10.7 ***Class 5(a)—General Unsecured Claims***

- (a) Classification. Class 5(a) “**General Unsecured Claims**” consists of any Claim that is not an Administrative Claim, Class 1 Priority Tax Claim, Class 2A or 2B Secured Claim, Class 3 Secured Claim, Class 4A or 4B Secured Claim, Class 5 Secured Claim, Intercompany Claim, or Insider Claim.
- (b) Treatment. On one or more Distribution Dates, each Holder of an Allowed General Unsecured Claim shall receive their Pro Rata share of 45% of the net proceeds of the Liquidating Trust Assets after the payment of the costs and expenses of the Liquidating Trust and Liquidating Trustee and the payment of all Allowed Fee Claims and Allowed Administrative Claims. The obligations to Holders of Allowed General Unsecured Claims shall be governed by the Liquidating Trust Agreement.
- (c) Impairment and Voting. Class 5(a) General Unsecured Claims are impaired and therefore may vote to accept or reject the Plan.

10.8 ***Class 5(b)—CIBC Unsecured Deficiency Claims***

- (a) Classification. Class 5(b) consists of the “CIBC Deficiency Claim”, i.e., not a Claim that is an Administrative Claim, Class 1 Priority Tax Claim, Class 2A or 2B Secured Claim, Class 3A or 3B Secured Claim, Class 4 Secured Claim, Class, General Unsecured Claim, Intercompany Claim, or Insider Claim.
- (b) Treatment. Pursuant to the terms of the 9019 Order, CIBC has agreed to subordinate any Class 5(b) Claims to all other Class 5(a) creditors. Upon payment in full of all Class 5(a) Claims, Class 5(b) Claims shall be entitled to receive 100%.
- (c) Impairment and Voting. Class 5(b) are impaired and therefore may vote to accept or reject the Plan.

10.9 ***Class 5(c)—Cuarzo Unsecured Deficiency Claims***

- (a) Classification. Class 5(c) consists of any “Cuarzo Deficiency Claim”, i.e., not a Claim that is an Administrative Claim, Class 1 Priority Tax Claim, Class 2A or 2B Secured Claim, Class 3A or 3B Secured Claim, Class 4 Secured Claim, General Unsecured Claim, Intercompany Claim, or Insider Claim.
- (b) Treatment. Pursuant to that certain Settlement Between Cuarzo and the Official Committee of Unsecured Creditors for the Debtors [Dkt. No. 244], the “Cuarzo DIP Lender agree[d] that the Committee shall have the rights to bring and recover all amounts for Chapter 5 claims, D&O claims, and commercial tort claims (whether such claims constitute DIP Collateral or not), Cuarzo DIP Lender’s liens shall not encumber such claims or the proceeds of such claims (as approved, the “Final DIP Order”) and the Cuarzo DIP Lender shall not be

otherwise entitled to any proceeds from such claims.” As a result, the Cuarzo DIP Lender will not receive any distributions under this Combined Plan and Disclosure Statement for its Class 5(c) Claim.

- (c) Impairment and Voting. Class 5(c) Claims are impaired and therefore may vote to accept or reject the Plan.

10.10 ***Class 6—Intercompany Claims***

- (a) Classification. Class 6 consists of all Intercompany Claims, which means any Claim held by one Debtor against another Debtor.
- (b) Treatment. No distributions shall be made on account of such Intercompany Claims.
- (c) Impairment and Voting. Class 6 Intercompany Claims are impaired, will receive no distribution, and are deemed to reject the Combined Plan and Disclosure Statement pursuant to section 1126(g) of the Bankruptcy Code.

10.11 ***Class 7—Insider Claims***

- (a) Classification. Class 7 consists of all Insider Claims held by Insiders in their personal (and not professional (i.e. Fee Claims)) capacities.
- (b) Treatment. Any right that any Insiders otherwise might have to share in the net proceeds of the Liquidating Trust Assets shall be subordinated to the right of Holders of Allowed Class 5 Claims to be paid, and Insiders shall not receive any net proceeds of the Liquidating Trust on account of any Allowed Class 7 Claims until and unless all Allowed Class 5 Claims are paid in full. If and only if (and then only to the extent) residual funds in the Liquidating Trust Assets may ultimately be available after payment in full of all Allowed Class 5 Claims, Holders of Allowed Class 7 Claims shall be entitled to payment from any such residual funds in the Liquidating Trust Assets on a Pro Rata basis.
- (c) Impairment and Voting. Class 7 Claims are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code.

10.12 ***Class 8—Interests***

- (d) Classification. Class 8 consists of all Interests in the Debtors.
- (e) Treatment. On the Effective Date, all Interests shall be deemed cancelled, null, and void; provided, however, if and only if (and then only to the extent) residual funds in the Liquidating Trust Assets may ultimately be available after payment in full of all Allowed Class 5 Claims and all Allowed Class 7 Claims, Holders

of Interests shall be entitled to payment from any such residual funds in the Liquidating Trust Assets on a Pro Rata basis..

- (f) Impairment and Voting. Class 8 Interests are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code.

SECTION 11 - DISTRIBUTIONS TO HOLDERS OF ALLOWED CLAIMS

11.1 *Distributions*

Except as otherwise provided herein or as may be ordered by the Bankruptcy Court, distributions of Cash to be made after Effective Date to Holders of Claims as provided by Section 9 that are Allowed as of the Effective Date shall be made pursuant to Section 11.4.

11.2 *Method of Distributions to Holders of Claims*

The Liquidating Trustee, as Disbursing Agent, will make all distributions of Cash and other instruments or documents required under the Combined Plan and Disclosure Statement. The Disbursing Agent shall serve without bond.

11.3 *Delivery of Distributions and Undeliverable or Unclaimed Distributions*

11.3.1 Delivery of Distributions

Distributions to Holders of Allowed Claims will be made: (a) at the addresses set forth on the respective proof of Claim or proof of Administrative Claim Filed by Holders of such Claims, as applicable; (b) at the address for a Claim transferee set forth in a valid and timely notice of transfer of Claim Filed with the Bankruptcy Court; (c) at the addresses set forth in any written notice of address change Filed with the Bankruptcy Court; (d) at the addresses reflected in the Debtors' Schedules if no proof of Claim has been Filed; or (e) if clauses (a) through (d) are not applicable, at the last address known for or directed by such Holder after such Claim becomes an Allowed Claim

11.3.2 Undeliverable Distributions Held by Disbursing Agent

a) Holding of Undeliverable Distributions

Subject to Section 11.3.2.c, distributions returned to the Disbursing Agent or otherwise undeliverable will remain in the possession of the Disbursing Agent until such time as a distribution becomes deliverable. The Liquidating Trustee, holding undeliverable Cash will invest such Cash in a manner consistent with the Liquidating Trust Agreement.

b) After Distributions Become Deliverable

On each Distribution Date, the Disbursing Agent will make all distributions that became deliverable to Holders of Allowed Claims since the previous Distribution Date; *provided, however,*

that the Disbursing Agent may, in its sole discretion, establish a record date prior to each periodic Distribution Date, such that only Allowed Claims as of the record date will participate in such periodic distribution. Notwithstanding the foregoing, the Disbursing Agent reserves the right, to the extent it determines a distribution on any periodic Distribution Date is uneconomical or unfeasible, or is otherwise not advisable, to postpone a Distribution Date.

c) Failure to Claim Undeliverable Distributions

Any Holder of an Allowed Claim that does not assert its right to an undeliverable distribution within the earlier of two (2) months of such distribution and the date that is ninety (90) days prior to the Final Distribution Date will be forever barred from asserting any such Claim against the Debtors, the Disbursing Agent, the Liquidating Trust, and their respective property or accounts. In such cases, unclaimed distributions held by the Disbursing Agent will be returned to the Liquidating Trust for distribution to other creditors, and the Liquidating Trustee shall have no responsibility to make further distributions to such creditor. Any unclaimed distributions or any distributions that are returned as undeliverable and unclaimed under this Section 11.3.2.c, will become property of the Liquidating Trust free of any restrictions thereon. Any distributions that are made on the Final Distribution Date and that are undeliverable or (in the event of a distribution made by check) remain uncashed for sixty (60) days after the Final Distribution Date shall be distributed to a charitable organization chosen by the Liquidating Trustee in his or her sole discretion. Upon such distribution, the Liquidating Trustee shall be deemed to have satisfied his, her, or its obligations to make distributions under the Combined Plan and Disclosure Statement and shall not be required to make additional distributions. Nothing contained in the Combined Plan and Disclosure Statement shall require the Debtors or the Disbursing Agent to attempt to locate any Holder of an Allowed Claim.

11.3.3 Tax Information

The Liquidating Trustee shall require Holders of Allowed Claims to furnish to the Liquidating Trustee an employer or tax identification number as assigned by the IRS or any other applicable governmental entity, and the Liquidating Trustee may condition any Distribution to any Holder of an Allowed Claim upon receipt of such identification number. For the avoidance of doubt, the Liquidating Trustee may request Bankruptcy Court authority to release funds set aside for Distribution to Holders of Allowed Claims who have not provided proper tax identification numbers and make those funds available to the remaining Holders of Allowed Claims. The Liquidating Trustee shall not be required to make any distributions to Holders of Claims who have not provided the Disbursing Agent with requested tax reporting information.

11.4 *Timing and Calculation of Amounts to be Distributed*

11.4.1 Distributions on Account of Certain Allowed Claims

Distributions to be made to Holders of Allowed Other Secured Claims and Other Priority Claims shall be made on the Distribution Date, whichever is later.

11.4.2 Distributions on Account of Other Allowed Claims

a) Selection of Distribution Dates

Except where this Combined Plan and Disclosure Statement requires the making of a distribution on account of a particular Allowed Claim within a particular time, the Liquidating Trustee shall have the authority to select Distribution Dates that, in the judgment of the Liquidating Trustee, provide Holders of Allowed Claims with payments as quickly as reasonably practicable while limiting the costs incurred by the distribution process.

Distributions to Holders of Allowed Administrative Claims may be made at any time by the Liquidating Trustee, in his, her, or its sole discretion, subject only to order of the Bankruptcy Court. After Allowed Administrative Claims are paid in full, Priority Tax Claims and General Unsecured Claims shall be entitled to receive a Distribution.

b) Calculation of Amounts to be Distributed to Holders of Allowed Claims

Prior to any distribution to holders of Allowed Claims, the Liquidating Trustee shall estimate the amount of Cash on hand (the “Net Available Cash”) that will remain after funding (without duplication) the Disputed Claims Reserve and the Cash Reserve. Such estimation of Net Available Cash shall utilize assumptions that: (a) litigation with claimants with respect to any issue that is being reasonably contested will be unsuccessful; (b) all Disputed Claims will be deemed Allowed Claims; (c) any unresolved Causes of Action shall result in no recovery for the Liquidating Trust; and (d) remaining non-Cash assets shall produce no recovery for the Liquidating Trust. Only if, after applying such assumptions, the estimated Net Available Cash is greater than zero shall the Liquidating Trustee be permitted to make any distributions to holders of Allowed Claims, unless the Liquidating Trustee obtains an order of the Bankruptcy Court allowing a distribution on other terms.

c) Estimation of Claims

The Liquidating Trustee may, at any time, request that the Bankruptcy Court, on proper notice, estimate any Disputed Claim pursuant to section 502(c) of the Bankruptcy Code, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Disputed Claim, including during the pendency of any appeal relating to any such objection. If the Bankruptcy Court estimates any Disputed Claim, that estimated amount will constitute either the Allowed amount of such Claim or a maximum limitation of such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Liquidating Trustee may elect to pursue any supplemental proceedings to object to any ultimate Distribution on such Claim. All of the objection, estimation, settlement, and resolution procedures set forth in the Combined Plan and Disclosure Statement are cumulative and not necessarily exclusive of one another. Disputed Claims may be estimated and subsequently comprised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

d) *De Minimis* Distributions

On each Distribution Date prior to the Final Distribution Date, the Liquidating Trustee shall not distribute Cash to the Holder of an Allowed General Unsecured Claim if the amount of Cash to be distributed on account of such Claim is less than \$100.00 in the aggregate. Any Cash not distributed pursuant to this Section 6.4.2.e will be retained in the Liquidating Trust until the next Distribution Date. On the Final Distribution Date, if the aggregate amount of distributions to

be made to such claimant is \$100.00 or greater, such distribution shall be made. Otherwise, the amount shall be redistributed to other Holders of Allowed Claims in such Class and such Holder of an Allowed Claim will be forever barred from asserting its Claim for such distribution against the Liquidating Trust or its property.

e) Provisions for Excess Funds

After the Final Distribution Date, if the Liquidating Trust receives or retains any funds and, in good faith, does not believe that an additional distribution will be cost effective or materially beneficial to creditors, the Liquidating Trustee may donate such excess funds to a charitable organization or entity chosen by the Liquidating Trustee in his or her sole discretion.

f) Provisions Governing Disputed Claims Reserve

(i) Funding

On the Effective Date or otherwise prior to the initial distributions under Section 11.4.2, the Disputed Claims Reserve will be established by the Liquidating Trustee for the benefit of Holders of Disputed Claims that become Allowed Claims. Except with respect to duplicate claims filed in more than one of the Debtors' Chapter 11 Cases, solely for the purpose of calculating the Assets to be contributed to the Disputed Claims Reserve, all Disputed Claims will be treated (solely for purposes of establishing the Disputed Claims Reserve) as Allowed Claims in the Face Amount of such Claims as of the Effective Date. In making and establishing the Disputed Claims Reserve with respect to unliquidated claims, the Liquidating Trustee may rely on the Debtors' estimates as to Disputed Claims and will have no liability therefore in the absence of bad faith or gross negligence, and the Debtors shall have no liability for its estimation of unliquidated Disputed Claims in the absence of bad faith or gross negligence. As Disputed Claims are resolved, the Liquidating Trustee shall make adjustments to the reserves for Disputed Claims, but neither the Debtors nor the Liquidating Trustee shall be required to increase such reserves from and after the Effective Date. The Liquidating Trustee may File a motion seeking an order of the Bankruptcy Court approving additional procedures for the establishment of the Disputed Claims Reserve.

(ii) Recourse

Each Holder of an Allowed Claim and each Holder of a Disputed Claim that ultimately becomes an Allowed Claim will have recourse only against the Disputed Claims Reserve and not to any other assets held by the Liquidating Trust, its property, or any assets previously distributed on account of any Allowed Claim.

(iii) No Transfer of Rights

The rights of Holders of Allowed Claims to receive distributions from the Disputed Claims Reserve in accordance with the Combined Plan and Disclosure Statement will be non-transferable, except with respect to a transfer by will, the laws of descent and distribution, or operation of law.

11.5 *Other Provisions Applicable to Distributions in All Classes*

11.5.1 Postpetition Interest

On and after the Petition Date, no interest shall have accrued on any Claim.

11.5.2 Allocation of Distributions

All distributions to a Holder of an Allowed Claim that has components of principal and interest will be deemed to apply first to the principal amount of such Claim until such principal amount is paid in full, and then the remaining portion of such distributions, if any, will be deemed to apply to any applicable accrued interest included in such Claim to the extent interest is payable under this Combined Plan and Disclosure Statement.

11.6 *Holders of Record*

Transferees of Claims that are transferred pursuant to Bankruptcy Rule 3001 for which a notice of transfer has been Filed on or prior to the close of business on the Confirmation Date will be treated as the Holders of such Claims for all purposes, notwithstanding that any period provided by Bankruptcy Rule 3001 for objecting to such transfer has not expired by the Confirmation Date. No transfers Filed with the Bankruptcy Court after the Confirmation Date shall be recognized by the Liquidating Trustee.

11.7 *Means of Cash Payments*

Except as otherwise specified in this Combined Plan and Disclosure Statement, Cash payments made pursuant to the Combined Plan and Disclosure Statement will be in U.S. currency by checks drawn on a domestic bank selected by the Debtors or the Disbursing Agent, as applicable, or by wire transfer, electronic funds or ACH from a domestic bank; provided, however, that Cash payments to foreign Holders of Allowed Claims may be made, in the sole discretion of the Disbursing Agent, in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

11.8 *Withholding Requirements*

11.8.1 Withholding

In connection with the Combined Plan and Disclosure Statement, to the extent applicable, the Disbursing Agent will comply with all applicable Tax withholding and reporting requirements imposed on it by any governmental unit, and all distributions pursuant to the Combined Plan and Disclosure Statement will be subject to applicable withholding and reporting requirements. Notwithstanding any provision in the Combined Plan and Disclosure Statement to the contrary, the Disbursing Agent will be authorized to take any actions that may be necessary or appropriate to comply with such withholding and reporting requirements, including, but not limited to, liquidating a portion of the distribution to be made under the Combined Plan and Disclosure Statement to generate sufficient funds to pay applicable withholding Taxes or establishing any other mechanisms the Disbursing Agent believes are reasonable and appropriate, including requiring Claim Holders to submit appropriate Tax and withholding certifications. To the extent any Claim Holder fails to submit appropriate Tax and withholding certifications as required by the Disbursing Agent, such Claim Holder's distribution may be deemed undeliverable and subject to Section 11.3.2.

11.8.2 Distributions

Notwithstanding any other provision of the Combined Plan and Disclosure Statement, each entity receiving a distribution of Cash pursuant to the Combined Plan and Disclosure Statement will have sole and exclusive responsibility for the satisfaction and payment of any Tax obligations imposed on it by any governmental unit on account of the distribution, including income, withholding and other Tax obligations.

11.8.3 Allocations

The Plan Proponent reserves the right to allocate and distribute all distributions made under the Combined Plan and Disclosure Statement in compliance with all applicable wage garnishments, alimony, child support and other spousal awards, liens, and similar encumbrances, but only to the extent such garnishments, alimony payments, child support payments and other spousal awards, liens, and similar encumbrances have been made known to the Liquidating Trustee.

11.9 *Setoffs*

Except with respect to claims of the Debtors released pursuant to any contract, instrument, release or other agreement or document entered into or delivered in connection with the Combined Plan and Disclosure Statement, if any, the Debtors or the Liquidating Trustee on behalf of the Debtors may, pursuant to section 553 of the Bankruptcy Code or applicable non-bankruptcy law, set off against any Allowed Claim and the distributions to be made pursuant to the Combined Plan and Disclosure Statement on account of such Claim (before any distribution is made on account of such Claim) the claims, rights, and Causes of Action of any nature that the Debtors, Committee or Liquidating Trust may hold against the Holder of such Allowed Claim; provided, however, that neither the failure to effect a setoff nor the allowance of any Claim hereunder will constitute a waiver or release by the Debtors, Committee or Liquidating Trustee of any claims, rights, and Causes of Action that the Debtors, Committee or Liquidating Trustee may possess against a Claim Holder, which are expressly preserved under Section 14.5.11.

SECTION 12 - PROCEDURES FOR RESOLVING DISPUTED CLAIMS

12.1 *No Distributions Pending Allowance*

Notwithstanding any other provision of the Combined Plan and Disclosure Statement, no payments or distributions will be made on account of a Disputed Claim until such Claim becomes an Allowed Claim, if ever.

12.2 *Prosecution of Objections to Claims*

12.2.1 Objections to Claims

All objections to Claims must be Filed and served on the Holders of such Claims, and any amendment to the Schedules to reduce the scheduled Claim of such Holder must be made by the Debtors or the Liquidating Trustee, on or before the Bar Date.

12.2.2 Authority to Prosecute Objections

On or after the Effective Date, the Liquidating Trustee will have the sole authority to File, settle, compromise, withdraw, or litigate to judgment objections to Claims.

12.2.3 Authority to Amend Schedules

The Liquidating Trustee will have the authority to amend the Schedules with respect to any Claim, and to make distributions based on such amended Schedules without approval of the Bankruptcy Court, *provided, however*, that the Liquidating Trustee will seek prior approval from the Bankruptcy Court prior to increasing by more than Fifty Thousand and 00/100 Dollars (\$50,000.00) the proposed Allowed amount of any Claim on the Schedules. In addition, if any such amendment to the Schedules reduces the amount of a Claim or changes the nature or priority of a Claim, the Liquidating Trustee will provide the Holder of such Claim with notice of such amendment and such Holder will have thirty (30) days to File an objection to such amendment with the Bankruptcy Court or the Liquidating Trustee shall file an objection to the Claim on or before the Claims Objection Bar Date. The notice will contain the same specificity to affected creditors that would be required if the Schedules amendment was a Claim objection.

If no such objection is Filed by the creditor, the Liquidating Trustee may proceed with distributions based on such amended Schedules without approval of the Bankruptcy Court. Notwithstanding anything contained in the Combined Plan and Disclosure Statement to the contrary, the Liquidating Trustee shall have the authority to object to the amount of any Claim indicated on the Schedules if the Liquidating Trustee determines in good faith that the Claim is fully or partially invalid or has previously been paid or satisfied.

12.2.4 Request for Extension of Claims Objection Bar Date

Upon motion to the Bankruptcy Court, the Liquidating Trustee may request, and the Bankruptcy Court may grant, one or more extensions of the Claims Objection Bar Date generally or with respect to a specific list of Claims. Any extension(s) granted by the Bankruptcy Court shall not be considered to be a Plan modification under section 1127 of the Bankruptcy Code.

12.3 *Distributions on Account of Disputed Claims Once Allowed*

Distributions on account of Disputed Claims that become Allowed Claims after the Effective Date shall be made in accordance with Section 11.4 of the Combined Plan and Disclosure Statement.

SECTION 13 - TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

13.1 *Rejection of Executory Contracts and Unexpired Leases*

To the extent not previously assumed or rejected in accordance with an Order of the Bankruptcy Court (including, but not limited to, the Sale Orders), all Executory Contracts, Unexpired Leases, or other agreements will be deemed rejected under the Combined Plan and Disclosure Statement as of the Effective Date.

13.2 *Cure of Defaults*

The Plan Proponent submits that any Cure Amounts associated with the assumption and assignment of each Executory Contract or Unexpired Lease have been or will be determined in connection with the Sale(s) and will be paid at or promptly after the Closing(s) of the Sale(s). For the avoidance of doubt, the payment of any cure amounts shall not be the responsibility of the Liquidating Trustee or be payable from the Liquidating Trust Assets unless agreed to by the Liquidating Trustee.

13.3 *Bar Date for Rejection Damage Claims*

To any extent not previously rejected in accordance with an Order of the Bankruptcy Court, claims arising out of the rejection of an Executory Contract or Unexpired Lease pursuant to Section 13.1 must be Filed with the Bankruptcy Court and served on the Notice Parties by no later than thirty (30) days after the earliest of: (a) notice of entry of an order approving the rejection of such Executory Contract or Unexpired Lease, (b) the Closing Date or (c) the Effective Date, and, upon allowance, shall be an Allowed Class 5(a) General Unsecured Claim. Any Claims not Filed within such applicable time periods will be forever barred from receiving a distribution from the Debtors, the Liquidating Trust, or the Purchaser.

13.4 *Approval of Rejection*

Entry of the Confirmation Order shall constitute, pursuant to sections 365 and 1123 of the Bankruptcy Code, the approval of the rejection of all Executory Contracts and Unexpired Leases pursuant to Section 13.1 effective as of the Effective Date or the date of any order approving the rejection thereof, whichever is earlier (to the extent not previously assumed by order of the Bankruptcy Court, including the Sale Orders).

13.5 *Compensation and Benefit Programs*

To the extent not assumed and assigned in connection with consummation of the Sales, all employment and severance contracts and policies, and all compensation and benefit plans, policies, collective bargaining agreements, and programs of the Debtors applicable to their officers, employees, retirees, and non-employee directors, including, including, but not limited to, all deferred compensation plans, savings plans, pension plans, retirement plans, healthcare plans, disability plans, severance benefit plans, incentive plans, life, and accidental death and dismemberment insurance plans and contracts, are deemed and treated as executory contracts under the Combined Plan and Disclosure Statement and on the Effective Date will be rejected and terminated pursuant to the provisions of sections 365 and 1123 of the Bankruptcy Code. For the avoidance of doubt, the Debtors and their successors, including the Liquidating Trustee, shall have no further obligation to perform under the foregoing programs other than as the Liquidating Trustee deems necessary in the performance of his, her, or its duties, in the Liquidating Trustee's sole discretion.

**SECTION 14 -
MEANS FOR IMPLEMENTATION AND
THE REORGANIZED DEBTOR**

14.1 *Overview*

This Combined Plan and Disclosure Statement provides for the liquidation of the Assets and the Remaining Assets and the distribution of the net proceeds thereof to Holders of Allowed Claims, consistent with provisions of the Bankruptcy Code. On or as soon as practical following the Effective Date, the Disputed Claims Reserve shall be established by the Liquidating Trustee and funded with the Available Cash to the extent of any unencumbered Cash and all Residual Sale Proceeds, subject to any outstanding claims by CIBC not otherwise resolved by the 9019 Order, which funds shall constitute Liquidating Trust Assets. Thereafter, from time to time, upon receipt of any Liquidation Proceeds or any Cause of Action, the Liquidating Trustee may deposit such funds into the Disputed Claims Reserve and shall become part of the Liquidating Trust Assets.

14.2 *Sales of Assets*

The Sales of the Assets and the distribution of net proceeds derived therefrom shall be (or shall have been) conducted in accordance with the Sale Orders and, to the extent applicable, this Combined Plan and Disclosure Statement. The Closing(s) of the Sales are contemplated to have occurred before this Combined Plan and Disclosure Statement's Effective Date. All Residual Sale Proceeds from the Sales have been escrowed in an account controlled by the Debtors. Those Residual Sale Proceeds consist of the net proceeds that remained at the Closing(s) of the Sale(s) after payment of the Allowed Class 3 Secured Real Estate Tax Claims, Allowed Class 2A Secured Claims and Allowed Class 2B Secured Claims (excluding any Claim of Lahasky). On the Effective Date, the Debtors shall cause all Residual Sale Proceeds (including any amount allegedly owed to Lahasky in respect of his Class 1B-1 Secured Claim) to be transferred and delivered to the Liquidating Trust except as otherwise provided in the 9019 Order which shall govern.

14.3 *Establishment of Liquidating Trust*

On or prior to the Effective Date, the Debtors shall execute the Liquidating Trust Agreement and take all steps necessary to establish the Liquidating Trust. On the Effective Date, as set forth in more detail below, the Liquidating Trust Assets shall be delivered by the Reorganized Debtors to and shall vest in the Liquidating Trust and thereafter will be managed by the Liquidating Trustee. On or promptly after the Effective Date or the Closing Date, whichever occurs first, all Residual Sale Proceeds and all cash shall be delivered by the Reorganized Debtors to and shall vest in the Liquidating Trust and thereafter will be managed by the Liquidating Trustee. For the avoidance of doubt, on the Effective Date the Cuarzo DIP Lender or the Committee, as applicable, shall assign all right, title, and interest it holds in the Cuarzo Payroll Funding Documents to the Liquidating Trust. The Liquidating Trustee shall cooperate to take all necessary steps to effect the orderly wind down and dissolution of the Debtors. The Plan Proponent (to the extent any still exists) and the Insiders shall cooperate fully with the Liquidating Trustee in execution of this Combined Plan and Disclosure Statement.

14.4 *Purpose of Liquidating Trust*

The Liquidating Trust is established for the purpose of collecting and managing the Liquidating Trust Assets (including, but not limited to, all Residual Sale Proceeds) contributed under this Combined Plan and Disclosure Statement to the Liquidating Trust and distributing the proceeds of the Liquidating Trust Assets as identified in and prescribed by this Combined Plan and Disclosure Statement and according to the Trust Agreement. Unless otherwise required by law, it is intended that all parties shall treat the Liquidating Trust as a liquidating trust for all federal income tax purposes.

14.5 *Liquidating Trust*

14.5.1 Liquidating Trust Generally

On or prior to the Effective Date, the Liquidating Trust shall be established pursuant to the Liquidating Trust Agreement for the purpose of liquidating the Estates, administering all claims, investigations and Causes of Action (including Avoidance Actions) and distributing the proceeds of all Remaining Assets (including, but not limited to, all Residual Sale Proceeds and all proceeds of Causes of Action) to creditors according to the terms of this Combined Plan and Disclosure Statement.

The Liquidating Trust (and the Liquidating Trustee) shall be empowered to: (a) take all actions and execute all agreements, instruments and other documents necessary to implement the Liquidating Trust provisions of the Combined Plan and Disclosure Statement; (b) accept, preserve, receive, collect, manage, invest, supervise, prosecute, settle, and protect the Liquidating Trust Assets (directly or through its professionals, in accordance with the Combined Plan and Disclosure Statement); (c) sell, liquidate, transfer, distribute, abandon, or otherwise dispose of the Liquidating Trust Assets (directly or through its professionals) or any part thereof or any interest in the Combined Plan and Disclosure Statement upon such terms as the Liquidating Trustee determines to be necessary, appropriate, or desirable; (d) calculate and make distributions to Holders of Allowed Claims; (e) comply with the Combined Plan and Disclosure Statement and exercise the Liquidating Trustee's rights and fulfill his, her, or its obligations thereunder; (f) review, reconcile, or object to Claims and resolve such objections as set forth in the Combined Plan and Disclosure Statement; (g) investigate and pursue Causes of Action (including, but not limited to, any Challenge) transferred to the Liquidating Trust; (h) retain and compensate professionals to represent the Liquidating Trustee without further authority from the Bankruptcy Court; (i) establish and maintain a Disputed Claims Reserve, if any; (j) file, with the cooperation of the Debtors, their accountants and advisors, appropriate Tax returns and other reports on behalf of the Debtors and the Liquidating Trust and pay Taxes or other obligations, if any, owed by the Liquidating Trust; (k) exercise such other powers as may be vested in the Liquidating Trustee under the Liquidating Trust Agreement or the Combined Plan and Disclosure Statement, or as deemed by the Liquidating Trustee to be necessary and proper to implement the provisions of the Combined Plan and Disclosure Statement and the Liquidating Trust Agreement; (l) object to the amount of any Claim on the Schedules or that are Filed including, but not limited to, Administrative Claims, if the Liquidating Trustee determines in good faith that the Claim is invalid, overstated, or has previously been paid or satisfied; (m) exercise or enforce all rights and remedies in connection with the Cuarzo Payroll Funding Documents, including to initiate and prosecute any Causes of Action related to, arising from, or in connection with those documents or the payroll funding to which those documents relate; (n) file any required reports and pay any and all residual statutory fees of the Debtors as provided in the Combined Plan and Disclosure

Statement; (p) maintain all rights and privileges to exercise attorney client privilege; and (p) dissolve the Liquidating Trust in accordance with the terms of the Liquidating Trust Agreement and Combined Plan and Disclosure Statement.

Without limiting the generality of the foregoing, the Liquidating Trustee is hereby authorized to take all reasonable and necessary action to hold, preserve, and protect the Liquidating Trust Assets and to collect on, sell or otherwise liquidate or dispose of the trust assets and distribute net proceeds in a prompt, efficient, and orderly fashion. The Liquidating Trustee shall have the power to institute, join, or defend actions or declaratory judgments, and to take such other action (including, but not limited to, settlement of any such action) on any terms deemed reasonable by the Liquidating Trustee in his, her, or its discretion, and to investigate with respect to and enforce any instruments, contracts, agreements, or causes of action relating to or forming part of the Liquidating Trust (including, but not limited to, the right to apply to the Bankruptcy Court for authority to conduct examinations and require production of documents pursuant to Rule 2004 of the Bankruptcy Rules). The Liquidating Trust's primary purpose is liquidating the Liquidating Trust Assets transferred to it by the Debtors, Reorganized Debtors, or Committee and making distributions from the Liquidating Trust to Holders of Allowed Claims.

14.5.2 Funding of and Transfer of Assets Into the Liquidating Trust

On the Effective Date, the Liquidating Trust Assets (including all Residual Sale Proceeds) shall be deemed transferred and assigned to the Liquidating Trust and the Liquidating Trustee shall thereafter make a good faith determination of the fair market value of the Liquidating Trust Assets. The Liquidating Trust Assets, including the Causes of Action, will be transferred to, assigned, vest in, and be preserved for the Liquidating Trust on the Effective Date, free and clear of all liens. The Debtors, Reorganized Debtors, Committee and Insiders shall take such action as requested by the Liquidating Trustee to effectuate the transfer of the Liquidating Trust Assets (including all Residual Sale Proceeds).

- a) The Liquidating Trustee shall have the authority to create sub-accounts or sub-trusts within the Liquidating Trust, into which the Liquidating Trustee may deposit any non-Cash property, including real or personal property pending its liquidation. The Liquidating Trustee, as trustee of such sub-accounts or sub-trusts, may hold legal title to such property. Once liquidated, any Cash proceeds of such sub-accounts or sub-trusts shall be deposited directly into the primary trust account.
- b) The act of transferring assets and rights to the Liquidating Trustee of the Liquidating Trust, as authorized by the Combined Plan and Disclosure Statement, shall not be construed to destroy or limit any such assets or rights or be construed as a waiver of any right, and such rights may be asserted by the Liquidating Trust as if the asset or right was still held by the Debtors or the Committee. In connection with the transfer of the Liquidating Trust Assets, any attorney-client privilege, work product privilege, or other privilege or immunity attaching to any Causes of Action, other property, documents, or communications (whether written or oral) transferred to the Liquidating Trust shall vest in the Liquidating Trust and its representatives, and the Debtors and the Liquidating Trustee are authorized to take all necessary actions to effectuate the transfer of such privileges.

- c) During the term of the Liquidating Trust Agreement (including as such term may be extended), the Debtors and their professionals, including the CRO and Ankura, shall preserve and make available for inspection and copying by the Liquidating Trustee or his, her or its professionals or other designees (without imposing or collecting any charge by the Debtors, Reorganized Debtors any person or entity in possession, custody or control, or their respective representatives), such books and records, bank statements, instruments, agreements, documents and other information (in whatever medium or form such information is stored or maintained, including, but not limited to, that which is stored or maintained electronically or in computer format) as the Liquidating Trustee reasonably requests from time to time (the “Books and Records”), and such copies of the Books and Records requested by the Liquidating Trustee shall constitute part of the Liquidating Trust Assets. Without limiting the generality of the preceding sentence, copies of all Books and Records, including files and papers, whether in hard copy, electronic form or computer format, related to any of the Sold Assets, including any information relating to any tax imposed on the Sold Assets, and further including, but not limited to, copies of computer servers, electronic mail records and all financial records of the Debtors, shall be turned over and transferred to the Liquidating Trust. The Debtors, Reorganized Debtors, and any other person or entity in possession, custody or control of any Books and Records, any information contained therein or any copies thereof (including any purchasers of any Sold Assets or their agents), shall retain and preserve any and all information related to the Cuarzo Debtors, Maybrook Debtors and Consulate Debtors, as the case may be, in their possession, custody or control that was prepared by any third party, including, but not limited to, Comprehensive Healthcare Management Services, LLC (“CHMS”) its agents, affiliates or assigns, consistent with CHMS’ obligations to preserve financial information under Order of this Court [Dkt. No. 701]; *provided that*, without permission from the Committee, the Liquidating Trustee, or an Order of the Bankruptcy Court, the Cuarzo Debtors, Maybrook Debtors, Consulate Debtors or CHMS shall not take any action to destroy, conceal or alter any paper, electronic files, emails or their existing records of the Cuarzo Debtors, Maybrook Debtors and/or Consulate Debtors, or allow the lapse of any cloud backup subscription or licenses other than with respect to medical records which will be transferred to the persons or entities who purchased the Sold Assets or their agents.

14.5.3 Liquidating Trustee and Advisory Board

The initial Liquidating Trustee shall be [To be identified in a Plan Supplement] not individually, but solely as Liquidating Trustee of the Liquidating Trust Assets. The powers, rights, and responsibilities of the Liquidating Trustee shall be specified in the Liquidating Trust Agreement and shall include the authority and responsibility to fulfill the rights and obligations identified in the Combined Plan and Disclosure Statement. For the avoidance of doubt, the Liquidating Trustee shall have exclusive standing to investigate, initiate, pursue, manage, withdraw, and compromise all Causes of Action (including, but not limited to, any Challenge). The Liquidating Trust

Agreement may also provide for a Liquidating Trust Advisory Board (the “Advisory Board” or, individually, “Advisor”), the initial composition of which shall be comprised of those members or an individual member of the Committee who agree in writing to serve as members of the Advisory Board, with which the Liquidating Trustee shall consult and to which the Liquidating Trustee shall report as further described in the Liquidating Trust Agreement.

14.5.4 Liquidating Trust Agreement

The Liquidating Trust Agreement generally will provide for, among other things: (a) the payment of reasonable compensation to the Liquidating Trustee; (b) the payment of other expenses of the Liquidating Trust, including the cost of pursuing the claims, rights, and Causes of Action assigned to the Liquidating Trust; (c) the retention of counsel, accountants, financial advisors, or other professionals and the payment of their compensation; (d) the investment of Cash by the Liquidating Trustee within certain limitations; (e) the preparation and filing of appropriate Tax returns and other reports on behalf of the Liquidating Trust and the Debtors and the payment of Taxes or other obligations owed by the Liquidating Trust; (f) the orderly liquidation of the Liquidating Trust Assets; and (g) the litigation, settlement, abandonment, or dismissal of any claims, rights, or Causes of Action assigned to the Liquidating Trust. The Liquidating Trustee may retain, employ, and compensate professionals without motion, notice, hearing, or further order of the Bankruptcy Court.

14.5.5 Reports to be Filed by the Liquidating Trustee

The Liquidating Trustee, on behalf of the Liquidating Trust, shall File with the Bankruptcy Court (and provide to any other party entitled to receive any such report pursuant to the Liquidating Trust Agreement), as soon as practicable after June 30 of each calendar year, an annual report regarding the administration of property subject to its ownership and control pursuant to the Combined Plan and Disclosure Statement and Liquidating Trust, distributions made by it, and other matters relating to the implementation of the Combined Plan and Disclosure Statement; *provided, however*, that the filing of any such report is solely to provide centralized access to information and there is no implication or suggestion that the Bankruptcy Court is supervising the Liquidating Trustee, and, provided further, that the Liquidating Trustee and the Liquidating Trust shall have access to the Bankruptcy Court to pursue any actions it deems necessary or for relief it deems required.

14.5.6 Fees and Expenses of the Liquidating Trust

Except as otherwise ordered by the Bankruptcy Court, the reasonable fees and expenses of the Liquidating Trust (including the reasonable fees and expenses of the Liquidating Trustee and any professionals assisting the Liquidating Trustee in carrying out his, her, or its duties under the Combined Plan and Disclosure Statement) will be funded by the Liquidating Trust Assets in accordance with the Liquidating Trust Agreement without further order from the Bankruptcy Court.

14.5.7 Indemnification; Insurance

The Liquidating Trust Agreement may include reasonable and customary indemnification provisions for the benefit of the Liquidating Trustee and/or other parties. Any such indemnification

shall be the sole responsibility of the Liquidating Trust and payable solely from the Liquidating Trust Assets. The Liquidating Trustee is authorized under this Combined Plan and Disclosure Statement to obtain reasonable and applicable insurance to protect the Liquidating Trustee and the assets of the Liquidating Trust.

14.5.8 Tax Treatment

The Liquidating Trust is intended to be treated for U.S. federal income tax purposes in part as a liquidating trust described in Treasury Regulation § 301.7701-4(d) and in part as one or more Disputed Claims reserves treated either as discrete trusts taxed pursuant to Section 641 *et seq.* of the Internal Revenue Code or as disputed ownership funds described in Treasury Regulation § 1.468B-9. For federal income tax purposes, the transfer of assets by the Debtors to the Liquidating Trust will be treated in part as the transfer of assets by the Debtors to the Holders of Allowed Claims, subject to any Liabilities of the Debtors or the Liquidating Trust payable from the proceeds of such assets, followed by the transfer of such assets (subject to such Liabilities) by such Holders to the Liquidating Trust in exchange for interests in the trust, and in part as the transfer of assets by the Debtors to one or more Disputed Claims reserves. The Holders of Allowed Claims will be treated for federal income tax purposes as the grantors and deemed owners of their respective shares of the assets in the Liquidating Trust (subject to such Liabilities), depending on their rights to distributions under the Combined Plan and Disclosure Statement. As grantors and deemed owners of such assets, the Holders of Allowed Claims will be required to include in income their respective shares of the income, deductions, gains, losses and credits attributable to such assets. The Holders of Allowed Claims will be required to use the values assigned to such assets by the Liquidating Trustee for all federal tax purposes, including the recognition of income, deduction, gain or loss with respect to their Allowed Claims and any gain or loss recognized on the subsequent disposition of an asset in which the Holder holds an interest. The Liquidating Trust Agreement will contain certain provisions to comply with IRS guidance for trusts treated as liquidating trusts. Among other things, the agreement will: (a) require that the Liquidating Trust terminate no later than five (5) years after the Effective Date, subject to extension with Bankruptcy Court approval within six (6) months of the beginning of the extended term, (b) limit the Liquidating Trustee's investment powers, (c) limit the business operations carried on by the Liquidating Trust to activities reasonably necessary to and consistent with the Liquidating Trust's liquidating purpose, (d) prohibit the Liquidating Trust from receiving or retaining Cash or Cash equivalents in excess of an amount reasonably necessary to meet Claims and contingent Liabilities or to maintain the value of the trust assets during liquidation and, (e) distribute at least annually to the Holders of Allowed General Unsecured Claims the Liquidating Trust's net income and the net proceeds from the sale of Liquidating Trust Assets in excess of an amount reasonably necessary to meet senior Claims and contingent Liabilities (including Disputed Claims) and to maintain the value of the Liquidating Trust Assets. Liquidating Trust Assets reserved for Holders of Disputed Claims will be treated as one or more Disputed Claims reserves for tax purposes, which will be subject to an entity-level Tax on some or all of their net income or gain. No Holder of a Claim will be treated as the grantor or deemed owner of an asset reserved for Disputed Claims until such Holder receives or is allocated an interest in such asset. The Liquidating Trustee will file all Tax returns on a basis consistent with the treatment of the Liquidating Trust in part as a liquidating trust (and grantor trust pursuant to Treasury Regulation § 1.671-1(a)) and, subject to definitive guidance by the IRS, in part as one or more Disputed Claims reserves taxed as discrete trusts or disputed ownership funds, and will pay all Taxes owed from Liquidating Trust Assets, provided that income taxes of the Disputed Claims reserves shall only be paid from the Liquidating Trust Assets allocable to the Disputed Claims reserves.

14.5.9 Disposition of Assets by the Liquidating Trustee

Subject to the provisions of the Liquidating Trust Agreement, the Liquidating Trustee may, without further order of the Bankruptcy Court, conduct any sales or liquidations of non-Cash Liquidating Trust Assets (including Causes of Action) from the Liquidating Trust on any terms he, she, or it deems reasonable.

14.5.10 Settlement of Causes of Actions and Disputed Claims

Subject to the provisions of the Liquidating Trust Agreement, the Liquidating Trustee may settle, compromise, abandon, or withdraw any Cause of Action on any grounds or terms he, she, or it deems reasonable, without further order of the Bankruptcy Court.

14.5.11 Preservation of Causes of Action; Avoidance Actions

On the Effective Date, the Debtors and, to the extent necessary, the Committee shall transfer, and shall be deemed to have transferred, and assign all rights, title, and interest to the Liquidating Trustee, and the Liquidating Trustee shall have exclusive standing to pursue and compromise, all Causes of Action (including, including, but not limited to, any Challenge and Avoidance Actions) as the representative of the Estates under section 1123(b) of the Bankruptcy Code, and the Liquidating Trustee may enforce any Causes of Action that the Debtors or the Estates may hold against any Person to the extent not specifically described and expressly released by any Final Order of the Bankruptcy Court. Such Causes of Action include all litigation that may presently be pending in other forums for later adjudication, as applicable, by the Debtors or the Liquidating Trustee. For the avoidance of doubt, and notwithstanding any provision in this Combined Plan and Disclosure Statement to the contrary, nothing in this Combined Plan and Disclosure Statement enjoins, exculpates or releases (and the Debtors and Estates do not enjoin, exculpate or release under the Combined Plan and Disclosure Statement) any Causes of Action (including, but not limited to, any Challenge) against Holders of Class 1B-1 Claims, Class 3A Secured Claims, Class 3B Secured Claims, Class 4 Secured Claims, Insiders and/or Holders of Class 9 Interests.

14.6 *Restructuring Transactions*

The Liquidating Trustee will be authorized to execute, deliver, File, or record such contracts, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and implement the provisions of the Combined Plan and Disclosure Statement.

14.7 *Deposits*

All utilities holding a Utility Deposit or any other deposit, if any, shall immediately after the Effective Date return or refund such Utility Deposit or other deposit to the Liquidating Trust. At the sole option of the Liquidating Trustee, the Liquidating Trust may apply any Utility Deposit or other deposit that has not been refunded to the Liquidating Trustee in satisfaction of any payments due or to become due from the Liquidating Trust to a utility holding such a Utility Deposit or other deposit.

The Debtors purportedly believe that there are no Utility Deposits held by any utilities.

14.8 *Sources of Cash for Plan Distributions*

Except as otherwise provided in this Combined Plan and Disclosure Statement or the Confirmation Order, all Cash necessary for the payments pursuant to this Combined Plan and Disclosure Statement shall be obtained from existing Cash balances, Sale(s) of the Assets, any Residual Sale Proceeds, proceeds from Causes of Action (including Avoidance Actions) or, in the case of payments to be made by the Liquidating Trustee, from the proceeds of the Liquidating Trust Assets.

14.9 *Comprehensive Settlement of Claims and Controversies*

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under the Combined Plan and Disclosure Statement, the provisions of the Combined Plan and Disclosure Statement will constitute a good faith compromise and settlement of all claims or controversies relating to the rights that a Holder of a Claim or Interest may have with respect to any Allowed Claim or Allowed Interest or any distribution to be made pursuant to the Combined Plan and Disclosure Statement on account of any Allowed Claim or Allowed Interest. The entry of the Confirmation Order will constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such claims or controversies and the Bankruptcy Court's finding that such compromise or settlement is in the best interests of the Debtors, their Estates, and Claim and Interest Holders and is fair, equitable, and reasonable.

14.10 *Substantive Consolidation*

If and only if, prior to the Confirmation Hearing, the Plan Proponent files a notice of election to substantively consolidate some or all of the Debtors' Estates (the "Consolidation Notice"), the Plan Proponent hereby requests that the Bankruptcy Court approve that election to substantively consolidate the Estates to the extent set forth in the Consolidation Notice. If the Committee Files a Consolidation Notice, then, for purposes of implementing the Combined Plan and Disclosure Statement, pursuant to such order: (a) all assets and liabilities of all the Debtors whose assets the Committee proposes to substantively consolidate in its Consolidation Notice will be pooled; and (b) with respect to any guarantees by one Debtor of the obligations of any other Debtor whose Estate is proposed to be substantively consolidated in the Consolidation Notice, and with respect to any or several liability of any Debtor whose Estate is proposed to be substantively consolidated in the Consolidation Notice, the Holder of any Claims for such obligations will receive a single recovery on account of any such obligations of the Debtors whose Estates are substantively consolidated, in each case except to the extent otherwise provided in the Combined Plan and Disclosure Statement. Any Holder of a Claim for such obligations owed by any Debtor whose Estate is not substantively consolidated shall remain entitled to a recovery from that Debtor's non-consolidated Estate to the extent such Holder's Claim is Allowed and as provided in the Combined Plan and Disclosure Statement.

Such election to treat some or all of the Estates as consolidated will not constitute a waiver of the mutuality requirement for setoff under section 553 of the Bankruptcy Code, except to the extent otherwise expressly waived in writing by the Liquidating Trustee.

14.11 *[Reserved]*

14.12 *Rights Under Section 505*

All Claims for taxes by any federal, state, or local governmental units and any claim to a refund regarding the same or other relief regarding the same shall remain subject to section 505 of the Bankruptcy Code and are transferred under this Combined Plan and Disclosure Statement to the Liquidating Trust.

14.13 *Automatic Stay*

The automatic stay provided by section 362(a) of the Bankruptcy Code shall remain in effect through the Effective Date, unless otherwise specifically modified, annulled, or terminated by the Bankruptcy Court pursuant to separate order, and shall terminate on the Effective Date, at which time the discharge and injunction provisions of this Combined Plan and Disclosure Statement and the Bankruptcy Code shall control.

14.14 *Exemption from Certain Transfer Taxes and Recording Fees*

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant to the Combined Plan and Disclosure Statement, including but not limited to the Sale(s), shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, sales tax, use tax, or other similar tax or governmental assessment to the fullest extent contemplated by section 1146(a) of the Bankruptcy Code, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forego the collection of any such tax or governmental assessment and shall accept for filing and recordation any instruments or other documents without the payment of any such tax or governmental assessment.

**SECTION 15 -
PROVISIONS FOR THE ESTABLISHMENT AND
MAINTENANCE OF DISBURSEMENT ACCOUNTS**

15.1 *Establishment of Disbursement Account*

On the Effective Date, the Liquidating Trustee may establish one or more segregated bank accounts, as disbursing agent under the Combined Plan and Disclosure Statement, which accounts shall be utilized solely for the investment of recoveries from Causes of Action (including Avoidance Actions) and the distribution of Cash consistent with the terms and provisions of the Combined Plan and Disclosure Statement.

15.2 *Post-Confirmation Administration*

On the Effective Date and for each month thereafter until the disbursements under the Combined Plan and Disclosure Statement are completed, the Liquidating Trustee shall pay, in the

ordinary course of business, all post-Effective Date Administration Expenses in connection with the administration and implementation of the Combined Plan and Disclosure Statement, including, without limitation, the prosecution of Causes of Action (including Avoidance Actions) by the Liquidating Trustee, the prosecution of objections to Disputed Claims, and the payment of compensation and reimbursement of expenses to the Liquidating Trustee and its counsel to the extent allowed by the Bankruptcy Court upon application therefor.

15.3 *Maintenance of Disbursement Account(s)*

To the extent established, Disbursement Account(s) shall be maintained by the Liquidating Trustee, as the case may be, at one or more domestic banks or financial institutions of the Liquidating Trustee's choice; provided, however, that any account(s) maintained by the Liquidating Trustee shall be identified on the Approved Depository Listing maintained by the United States Trustee for the Western District of Pennsylvania.

SECTION 16 - EFFECT OF CONFIRMATION

16.1 *Vesting of Assets.*

Pursuant to sections 1141(b) of the Bankruptcy Code, and except as provided in the Combined Plan and Disclosure Statement, the Plan Documents, or the Confirmation Order, on the Effective Date, all Liquidating Trust Assets shall vest in the Liquidating Trust free and clear of all liens, claims, interest, and encumbrances, all judgements shall be voided, and all holders of Claims and Interest are enjoined with respect to any debt discharged by the Combined Plan and Disclosure Statement.

16.2 *Binding Effect*

Subject to the occurrence of the Effective Date, on and after the Confirmation Date, the provisions of the Combined Plan and Disclosure Statement shall bind any holder of a Claim against, or Interest in, the Debtor, and such holder's respective successors and assigns, whether or not the Claim or Interest of such holder is Impaired under the Combined Plan and Disclosure Statement and whether or not such holder has accepted the Combined Plan and Disclosure Statement.

16.3 *Retention of Causes of Action/Reservation of Rights*

In accordance with section 1123(b) of the Bankruptcy Code, the Liquidating Trustee shall retain and may enforce all rights to commence and pursue any and all Causes of Action, whether arising before or after the Petition Date, and the Liquidating Trustee's rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date.

The Liquidating Trustee may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Liquidating Trust. **No Entity may rely on the absence of a specific**

reference in the Combined Plan and Disclosure Statement or the Plan Supplement to any Cause of Action against it as any indication that the Liquidating Trustee will not pursue any and all available Causes of Action of that Entity against it. Except as specifically released under the Combined Plan and Disclosure Statement or pursuant to a Final Order, the Liquidating Trustee expressly reserves all rights to prosecute any and all Causes of Action against any Entity. In pursuing any Cause of Action, the Liquidating Trustee shall be entitled to the extensions provided under section 108 of the Bankruptcy Code. Unless any Causes of Action of the Debtors against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Combined Plan and Disclosure Statement or pursuant to a Final Order, the Liquidating Trustee expressly reserves all such Causes of Action for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or consummation of the Combined Plan and Disclosure Statement. The Liquidating Trustee, as applicable, may abandon, settle, or release any or all such Causes of Action as it deems appropriate without further order of the Court.

SECTION 17 - EXCULPATIONS, INJUNCTIONS, AND RELEASES

17.1 *Exculpation*

Effective as of the Effective Date, to the fullest extent permissible under applicable law and without affecting or limiting either of the releases contained in Sections 16.2 or 16.3, and except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur, and each Exculpated Party is released and exculpated from any Cause of Action for any claim arising from and after the Petition Date through the Effective Date and related to any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, the Combined Plan and Disclosure Statement, the Final Maybrook / Consulate DIP Financing Order, the Sales, or any other transaction, contract, instrument, release or other agreement or document created or entered into in connection with the Chapter 11 Cases, the Combined Plan and Disclosure Statement, the Final Maybrook / Consulate DIP Financing Order, the Sales, the filing of the Chapter 11 Cases, the pursuit of confirmation and consummation of the Combined Plan and Disclosure Statement, and from any Cause of Action for any claim arising before or after the Effective Date and related to any act or omission in connection with, relating to, or arising out of, the administration and implementation of the Combined Plan and Disclosure Statement, or the distribution of property under the Combined Plan and Disclosure Statement or any other related agreement, so long as, in each case, such act or omission did not constitute gross negligence, willful misconduct, or fraud as determined by a Final Order. The Liquidating Trustee shall have no liability for any action taken or omitted to be taken in connection with or related to the winding down and post-confirmation administration of the Liquidating Trust, except for gross negligence, willful misconduct, or fraud as determined by a Final Order. In all respects, each Exculpated Party shall be entitled to rely on the advice of counsel and financial and other experts or professionals employed by such Exculpated Party with respect to its duties and responsibilities in the Chapter 11 Cases, and such reliance shall conclusively establish

the absence of gross negligence, willful misconduct, and fraud. In addition, any act or omission taken with the approval of the Court shall be conclusively deemed not to constitute gross negligence, willful misconduct, or fraud.

In the event that the Court determines that applicable law does not permit a Person or Entity to be an Exculpated Party, the Combined Plan and Disclosure Statement shall be deemed modified to exclude such Person or Entity from the definition of Exculpated Party. For the avoidance of doubt, such exclusion shall not affect the exculpations contained in the Combined Plan and Disclosure Statement with respect to the other Exculpated Parties.

17.2 *Injunction*

Except as provided in the Combined Plan and Disclosure Statement or the Confirmation Order, as of the Confirmation Date, all Persons or entities that have held, currently hold, or may hold a Claim or other debt or liability against the Debtors or an Interest or other right of an equity security holder are permanently enjoined from taking any of the following actions on account of or respecting any such Claims, debts, Liabilities, Interests, or rights: (a) commencing or continuing in any manner any action or other proceeding against the Exculpated Parties, the Committee, the Liquidating Trust, or the Liquidating Trustee, or their respective property; (b) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order against the Exculpated Parties, the Liquidating Trust, or the Liquidating Trustee, or their respective property; (c) creating, perfecting, or enforcing any lien or encumbrance against the Exculpated Parties, the Liquidating Trust, or the Liquidating Trustee, or their respective property; (d) asserting a right of subordination of any kind against any debt, liability, or obligation due to the Exculpated Parties, the Liquidating Trust, or the Liquidating Trustee, or their respective property; or (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Combined Plan and Disclosure Statement.

17.3 *Terms of Injunction and Automatic Stay*

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

17.4 *Limitation of Rights of Holders of Claims*

Pursuant to section 1141(d)(3) of the Bankruptcy Code, Confirmation will not discharge Claims against the Debtors; provided, however, that no Holder of a Claim against the Debtors may, on account of such Claim, seek or receive any payment or other distribution from, or seek recourse against, the Debtors, the Liquidating Trustee, or property of the Estates or the Liquidating Trust, except as expressly provided in the Combined Plan and Disclosure Statement.

**SECTION 18 -
CONDITIONS PRECEDENT TO CONFIRMATION
AND CONSUMMATION OF THE PLAN**

18.1 *Conditions to the Effective Date*

The Effective Date will not occur, and the Plan will not be consummated, unless and until each of the following conditions have been satisfied or duly waived pursuant to Section 8.3:

A. The Bankruptcy Court shall have entered the Confirmation Order, and the Confirmation Order shall be a Final Order.

B. No stay of the Confirmation Order shall then be in effect.

C. The Liquidating Trust Agreement shall be executed, the Liquidating Trust shall be created, and the Liquidating Trustee shall have been appointed and accepted such appointment.

D. The Plan shall not have been materially amended, altered, or modified from the Plan as confirmed by the Confirmation Order, unless such material amendment, alteration, or modification has been made in accordance with Section 10.1 of the Plan.

E. The Plan Proponent and the Liquidating Trustee shall file a Notice of Effective Date with the Court signifying their good faith belief that the Plan is reasonably capable of consummation.

18.2 *Waiver of Conditions Precedent*

The conditions to Confirmation and the conditions to the Effective Date may be waived in whole or in part at any time only by the Plan Proponent without an order of the Bankruptcy Court.

18.3 *Effect of Non-Occurrence of Effective Date*

If each of the conditions to the Effective Date is not satisfied or duly waived in accordance with Section 18.1, then upon motion by the Plan Proponent made before the time that each of such conditions has been satisfied and upon notice to such parties in interest as the Bankruptcy Court may direct, the Confirmation Order will be vacated by the Bankruptcy Court; provided, however, that, notwithstanding the Filing of such motion, the Confirmation Order may not be vacated if each of the conditions to the Effective Date is satisfied or waived before the Bankruptcy Court enters an order granting such motion. If the Confirmation Order is vacated pursuant to this Section 18.3: (a) the Plan will be null and void in all respects; (b) nothing contained in the Plan will: (i) constitute a waiver or release of any Claims by or against the Debtors or (ii) prejudice in any manner the rights of the Debtors or any other party in interest; (c) the Liquidating Trust, if already created, shall be promptly dissolved; and (d) the Debtors' Chapter 11 Cases shall be dismissed.

**SECTION 19 -
RETENTION OF JURISDICTION**

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court will retain such jurisdiction over the Chapter 11 Cases after the Effective Date as is legally permissible, including jurisdiction to:

A. Allow, disallow, determine, liquidate, reduce, classify, re-classify, estimate, or establish the priority or secured or unsecured status of any Claim, including the resolution of any request for payment of any Administrative Claim and the resolution of any objections to the amount, allowance, priority, or classification of Claims;

B. Resolve any issues with respect to the Sales, the Sale Orders, or the Closing(s) of the Sales;

C. Either grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Plan for periods ending on or before the Effective Date;

D. Resolve any matters related to the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which the Debtors are a party or with respect to which the Debtors may be liable and to hear, determine, and, if necessary, liquidate any Claims arising therefrom, including any Cure Amount Claims;

E. Hear and determine any Causes of Action (including, but not limited to, any Challenge and any Avoidance Actions);

F. Ensure that distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Combined Plan and Disclosure Statement;

G. Decide or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters and either grant or deny any applications involving the Debtors that may be pending on the Effective Date or brought thereafter;

H. Enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases, and other agreements or documents entered into or delivered in connection with the Combined Plan and Disclosure Statement, the Liquidating Trust Agreement, or the Confirmation Order;

I. Resolve any cases, controversies, suits, or disputes that may arise in connection with the consummation, interpretation, or enforcement of the Combined Plan and Disclosure Statement, the Liquidating Trust Agreement, or any contract, instrument, release, or other agreement or document that is entered into or delivered pursuant to the Combined Plan and Disclosure Statement, the Liquidating Trust Agreement, or any entity's rights arising from or obligations incurred in connection with the Combined Plan and Disclosure Statement, the Liquidating Trust Agreement, or such documents;

J. Modify the Combined Plan and Disclosure Statement before or after the Effective Date pursuant to section 1127 of the Bankruptcy Code; modify, the Confirmation Order, or any contract, instrument, release, or other agreement or document entered into or delivered in connection with the Combined Plan and Disclosure Statement, or the Confirmation Order; or remedy any defect or omission or reconcile any inconsistency in any Bankruptcy Court order, the Combined Plan and Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document (including, but not limited to, the Liquidating Trust Agreement) entered into, delivered, or created in connection with the Combined Plan and Disclosure Statement, or the Confirmation Order, in such manner as may be necessary or appropriate to consummate the Combined Plan and Disclosure Statement;

K. Issue injunctions, enforce the injunctions or exculpations contained in the Combined Plan and Disclosure Statement and the Confirmation Order, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Person or entity with consummation, implementation, or enforcement of the Combined Plan and Disclosure Statement, the Confirmation Order, or the Liquidating Trust Agreement;

L. Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason or in any respect modified, stayed, reversed, revoked, or vacated or distributions pursuant to the Combined Plan and Disclosure Statement are enjoined or stayed;

M. Determine any other matters that may arise in connection with or relate to the Combined Plan and Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document entered into or delivered in connection with the Combined Plan and Disclosure Statement or the Confirmation Order (including, but not limited to, the Liquidating Trust Agreement);

N. Enforce or clarify any orders previously entered by the Bankruptcy Court in the Chapter 11 Cases;

O. Enter a final decree or decrees closing the Chapter 11 Cases;

P. Determine matters concerning state, local, and federal Taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code, including any Disputed Claims for Taxes;

Q. Hear all matters arising out of the consummation of the Sales;

R. Recover all assets of the Debtors and their Estates, wherever located; and

S. Hear any other matter not inconsistent with the Bankruptcy Code.

SECTION 20 - MISCELLANEOUS PROVISIONS

20.1 *Modification of the Combined Plan and Disclosure Statement*

Subject to the restrictions on alteration, amendment and modification set forth in section 1127 of the Bankruptcy Code, the Plan Proponent reserves the right to alter, amend, or modify the Plan before the Effective Date. A Holder of an impaired Claim that has voted to accept this Combined Plan and Disclosure Statement shall be deemed to have accepted the Combined Plan and Disclosure Statement, as altered, amended, or modified, if the proposed alteration, amendment, or modification does not materially and adversely change the treatment of the Claim or such Holder.

20.2 *Revocation or Withdrawal of the Combined Plan and Disclosure Statement*

The Plan Proponent reserves the right to revoke or withdraw this Combined Plan and Disclosure Statement prior to the Confirmation Date and to File subsequent plans of liquidation. If the Plan Proponent revokes or withdraws this Combined Plan and Disclosure Statement, or if confirmation or consummation does not occur, then: (a) this Combined Plan and Disclosure Statement shall be null and void in all respects; (b) any settlement or compromise embodied in this Combined Plan and Disclosure Statement (including the fixing or limiting to an amount certain any Claim or Interest or Class of Claims or Interests), rejection of executory contracts or leases affected by this Combined Plan and Disclosure Statement, and any document or agreement executed pursuant to this Combined Plan and Disclosure Statement shall be deemed null and void; and (c) nothing contained in this Combined Plan and Disclosure Statement shall: (i) constitute a waiver or release of any Claims by or against, or any Interests in, the Debtors or any other Person, (ii) prejudice in any manner the rights of the Debtors or any other Person; or (iii) constitute an admission of any sort by the Debtors or any other Person.

20.3 *Severability of Plan Provisions*

If, prior to Confirmation, any term or provision of the Combined Plan and Disclosure Statement is held by the Bankruptcy Court to be invalid, void, or unenforceable, the remainder of the terms and provisions of the Combined Plan and Disclosure Statement will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration, or interpretation. The Confirmation Order will constitute a judicial determination and will provide that each term and provision of the Combined Plan and Disclosure Statement, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

20.4 *Payment of Statutory Fees*

On or before the Effective Date, Administrative Claims for fees payable pursuant to 28 U.S.C. § 1930 will be paid in Cash equal to the amount of such Allowed Administrative Claims. In the event the Chapter 11 Cases are not converted, closed, or dismissed, all fees payable pursuant to 28 U.S.C. § 1930 after the Effective Date will be paid by the Liquidating Trustee until the earlier of the conversion or dismissal of the Chapter 11 Cases under section 1112 of the Bankruptcy Code, or the closing of the Chapter 11 Cases pursuant to section 350(a) of the Bankruptcy Code. For purposes of calculating fees based on distributions, distributions from the Debtors to the Liquidating Trust will be counted, but subsequent distributions of the same assets from the Liquidating Trust to its beneficiaries will not be counted.

20.5 *Dissolution of the Committee*

On the Effective Date, the Committee shall dissolve and all members, employees or agents thereof shall be discharged from all rights and duties arising from or related to the Chapter 11 Cases; *provided, however*, that the Liquidating Trustee shall be substituted for the Committee with respect to any pending litigation or contested matter to which the Committee is a party, with full standing to pursue such action(s), and the Committee shall remain intact with respect to any appeals Filed regarding Confirmation and the resolution of applications for Fee Claims by the Committee's Professionals.

20.6 *Reservation of Rights*

If the Combined Plan and Disclosure Statement is not confirmed by a Final Order, or if the Combined Plan and Disclosure Statement is confirmed and does not become effective, the rights of all parties in interest in the Chapter 11 Cases are and shall be reserved in full. Any concessions or settlements reflected herein, if any, are made for purposes of the Combined Plan and Disclosure Statement only, and if the Combined Plan and Disclosure Statement does not become effective, no party in interest in the Chapter 11 Cases shall be bound or deemed prejudiced by any such concession or settlement. Moreover, if the Combined Plan and Disclosure Statement does not become effective, no party in interest in the Chapter 11 Cases shall be bound or prejudiced by any representation, written or oral, made by any party in connection with the Combined Plan and Disclosure Statement or the negotiation or prosecution of the Combined Plan and Disclosure Statement, including, without limitation, the representations made in the Combined Plan and Disclosure Statement, or the Confirmation Order.

20.7 *Governing Law*

Except to the extent that the Bankruptcy Code or other federal law is applicable, or to the extent an exhibit hereto or a schedule in the Plan Supplement provides otherwise, the rights, duties, and obligations arising under the Combined Plan and Disclosure Statement shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Pennsylvania, without giving effect to the principles of conflict of laws thereof.

20.8 *Computation of Time*

In computing any period of time prescribed or allowed by the Combined Plan and Disclosure Statement, the provisions of Bankruptcy Rule 9006(a) shall apply.

20.9 *Successors and Assigns*

The rights, benefits, and obligations of any Entity named or referred to in the Combined Plan and Disclosure Statement shall be binding on, and shall inure to the benefit of any heir, executor, administrator, estate, successor, or permitted assign, if any, of each Entity.

20.10 *Exhibits/Schedules*

All exhibits and schedules to the Combined Plan and Disclosure Statement, the Plan Supplement, and the exhibits and schedules to the Plan Supplement are incorporated into and are a part of the Combined Plan and Disclosure Statement as if set forth in full herein.

20.11 *Entire Agreement*

On the Effective Date, the Combined Plan and Disclosure Statement and the Confirmation Order shall supersede all previous and contemporaneous negotiations, promises, covenants,

agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Combined Plan and Disclosure Statements.

20.12 *Inconsistencies*

To the extent of any inconsistencies between the terms and provisions of the Combined Plan and Disclosure Statement and the factual findings and conclusions of law in the Confirmation Order, the factual findings and conclusions of law contained in the Confirmation Order shall govern.

20.13 *Notices*

All notices, requests, and demands to or upon the Committee to be effective shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

Kirk B. Burkley, Esq.
David W. Ross, Esq.
BERNSTEIN-BURKLEY, P.C.
601 Grant Street, 9th Floor
Pittsburgh, PA 15219
Telephone: (412) 456-8100
Facsimile: (412) 456-8135

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

Glenn B. Rose
Bass, Berry & Sims PLC
21 Platform Way South, Suite 3500
Nashville, TN 37203
615-742-6273
Fax : 615-742-0464
Email: grose@bassberry.com

Daniel R. Schimizzi
Raines Feldman Littrell LLP
11 Stanwix Street, Suite 1100
Pittsburgh, PA 15222
412-899-6474
Email: dschimizzi@raineslaw.com

All notices, requests, and demands to or upon the Liquidating Trustee (including as Disbursing Agent) to be effective shall be in writing and, unless otherwise expressly provided herein or in the Liquidating Trust Agreement, shall be deemed to have been duly given or made

when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows (or to such other address as may hereafter be set forth in the Liquidating Trust Agreement):

[To be added in a Plan Supplement]

20.18 *Effectuating Documents and Further Transactions*

The Debtors and Liquidating Trustee are authorized to execute, deliver, File, or record such contracts, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of this Combined Plan and Disclosure Statement.

20.19 *Corporate Action*

Prior to, on, or after the Effective Date (as appropriate), all matters expressly provided for under this Combined Plan and Disclosure Statement that would otherwise require approval of the interest owners, members, or directors of the Debtors shall be deemed to have occurred and shall be in effect prior to, on, or after the Effective Date without any requirement of further action by the interest owners, members, or directors of the Debtors.

20.20 *Filing of Additional Documents*

On or before substantial consummation of this Plan, the Plan Proponent shall File such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Combined Plan and Disclosure Statement.

20.21 *Events of Default*

Unless otherwise provided elsewhere in the Combined Plan and Disclosure Statement, default with respect to the Liquidating Trustee's obligations under the Combined Plan and Disclosure Statement to any Person entitled to receive a Distribution under the Combined Plan and Disclosure Statement will not occur unless and until such Person has delivered written notice of such default to the Liquidating Trustee at the address set out in the Combined Plan and Disclosure Statement and in the Liquidating Trust Agreement, and the Liquidating Trustee has failed to cure such default within thirty (30) days after receipt of such written notice. If the Liquidating Trustee fails to cure a default, a Person shall have such remedies as are provided under applicable law. If the Liquidating Trustee disagrees that a claimed default has occurred or is continuing, or if the Liquidating Trustee or such Person disagree as to whether a claimed default has been cured, the Liquidating Trustee may, but is not obligated to, seek a determination from the Bankruptcy Court or any other court of competent jurisdiction that no default occurred or is continuing or that any such default has been cured, and the Liquidating Trustee shall have any other remedies as are provided under applicable law.

Dated: June 13, 2025

Respectfully submitted,

BERNSTEIN-BURKLEY, P.C.

By: /s/ David W. Ross
Kirk B. Burkley, Esq., PA ID 89511
kburkley@bernsteinlaw.com
David W. Ross, Esq. PA ID 62202
dross@bernsteinlaw.com
Mason S. Shelton, Esq. PA ID 332792
mshelton@bernsteinlaw.com
601 Grant St., 9th Floor
Pittsburgh, PA 15219
Phone: (412) 456-8121

*Counsel for the Official Committee of
Unsecured Creditors*