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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:
SOUND SHORE MEDICAL CENTER OF
WESTCHESTER, et al.,¹

Chapter 11
Case No. 13- 22840 (RDD)

Debtors.

(Jointly Administered)

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**FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER CONFIRMING FIRST
AMENDED PLAN OF LIQUIDATION UNDER CHAPTER 11 OF THE
BANKRUPTCY CODE OF SOUND SHORE MEDICAL
CENTER OF WESTCHESTER, ET AL.**

*The First Amended Plan of Liquidation Under Chapter 11 of the Bankruptcy Code of
Sound Shore Medical Center of Westchester, et al.*, dated September 17, 2014 [Docket No. 821]
(the “Plan”),² having been filed with this Court (the “Court”) by the above-captioned debtors and
debtors in possession (collectively, the “Debtors”); and the Court having entered, after due notice
and a hearing, an order dated September 17, 2014 (the “Approval Order”) [Docket No. 822],
pursuant to section 1125 of title 11 of the United States Code (the “Bankruptcy Code”): (i)

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number include: Sound Shore Health System, Inc. (1398), Sound Shore Medical Center of Westchester (0117), The Mount Vernon Hospital (0115), Howe Avenue Nursing Home, Inc. d/b/a Helen and Michael Schaffer Extended Care Center (0781), NRHMC Services Corporation (9137), The M.V.H. Corporation (1514) and New Rochelle Sound Shore Housing, LLC (0117). There are certain additional affiliates of the Debtors who are not Debtors and have not sought relief under Chapter 11.

² Unless otherwise defined, capitalized terms used herein shall have the meanings ascribed to such terms in the Plan.

approving the *First Amended Disclosure Statement Pursuant to Section 1125 of the Bankruptcy Code, For First Amended Plan of Liquidation Under Chapter 11 of the Bankruptcy Code of Sound Shore Medical Center of Westchester, et al.*, dated September 17, 2014 [Docket No. 820] (the “Disclosure Statement”), (ii) scheduling a hearing on confirmation of the Plan (the “Confirmation Hearing”), and (iii) establishing voting and confirmation procedures; and the Approval Order, the Disclosure Statement, notice of the Confirmation Hearing (“Confirmation Hearing Notice”), and individualized ballots having been transmitted to all holders of Claims in Class 3 (the “Voting Class”), and the Approval Order, Confirmation Hearing Notice and Notice of Non-Voting Status having been provided to holders of Administrative Claims, Priority Tax Claims, Secured Claims in Class 1, Other Priority Claims in Class 2, and holders of Interests in Class 4, all as provided for by the Approval Order; and the Plan Supplement [Docket Nos. 861 & 862] (as it may be supplemented or otherwise further amended or modified, the “Plan Supplement”) having been filed on October 13, 2014 as required by the Plan; and the Debtors having filed their *Memorandum of Law in Support of Confirmation of The First Amended Plan of Liquidation of Sound Shore Medical Center of Westchester, et al.*, [Docket No. 895] (the “Confirmation Memorandum”); and the following objections to the Plan having been filed: Limited Objection to Confirmation of Plan of Liquidation filed by First Financial Corporate Leasing, LLC dba First Financial Healthcare Solutions, and its related entities FFCSI Fund 6, LLC and FFCSI Fund 7, LLC [Docket No. 873]; Limited Objection of 3M Company to Debtors’ First Amended Plan of Liquidation under Chapter 11 of Bankruptcy Code of Sound Shore Medical Center of Westchester, *et al.* [Docket No. 879]; and, Notice of Objection of Ralph Oyague 9640918 [Docket No. 880] (collectively, the “Plan Objections”); and the Confirmation Hearing having been held before the Court on November 3, 2014 after due

notice to holders of Claims and Interests and other parties in interest in accordance with the Approval Order, the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”); and upon all of the proceedings held before the Court, and after full consideration of: (i) the Confirmation Memorandum; (ii) the declarations filed with the Court in connection therewith, including (a) the *Declaration of Monica Terrano in Support of Confirmation of First Amended Plan of Liquidation Under Chapter 11 of the Bankruptcy Code of Sound Shore Medical Center of Westchester, et al.*, [Docket No. 896] (the “Terrano Declaration”), (b) and the *Declaration of Craig Johnson of GCG, Inc. Certifying Methodology for the Tabulation of Votes and Results of Voting with Respect to the First Amended Chapter 11 Plan of Liquidation of Sound Shore Medical Center, et al.*, filed on October 27, 2014 [Docket No. 884] (the “Voting Declaration”), and the testimony contained therein; (iii) the Plan Objections; and (iv) all other evidence adduced, memoranda and objections filed in connection with, and the proffers and arguments of counsel made at the Confirmation Hearing; and the Plan Objections having either been resolved prior to or as stated on the record of the Confirmation Hearing or overruled; and after due deliberation and sufficient cause appearing therefor,

It hereby is DETERMINED AND FOUND THAT:

A. Exclusive Jurisdiction; Venue; Core Proceeding (28 U.S.C. §§ 157(b)(2), 1334(a)). The Court has jurisdiction over these Cases pursuant to sections 157 and 1334 of title 28 of the United States Code. Venue is proper pursuant to sections 1408 and 1409 of title 28 of the United States Code. Confirmation of the Plan is a core proceeding pursuant to section 157(b)(2)(L) of title 28 of the United States Code.

B. Judicial Notice. The Court takes judicial notice of the docket of the Cases maintained by the Clerk of the Court, including, without limitation, all pleadings and other

documents filed and orders entered thereon. The Court also takes judicial notice of all evidence proffered or adduced and all arguments made at the hearings held before the Court during the pendency of these Cases.

C. Notice; Transmittal and Mailing of Materials. Due, adequate and sufficient notice of the Approval Order, Disclosure Statement, the Plan and the Confirmation Hearing, along with the deadlines for voting on and filing objections to the Plan, has been given to all known holders of Claims against the Debtors and Interests in accordance with the procedures set forth in the Approval Order, and no other or further notice is or shall be required;

D. Voting. Votes on the Plan were solicited after disclosure of “adequate information” as defined in section 1125 of the Bankruptcy Code. As evidenced by the Voting Declaration, votes to accept the Plan have been solicited and tabulated fairly, in good faith and in a manner consistent with the Approval Order, the Bankruptcy Code and the Bankruptcy Rules.

E. Plan Supplement. The filing of the Plan Supplement and notice of such documents were good and proper in accordance with the Bankruptcy Code, the Bankruptcy Rules and the Approval Order, and no other or further notice is or shall be required.

F. Plan Modifications (11 U.S.C. § 1127). Subsequent to solicitation, the Debtors made certain non-material modifications to the Plan, which are reflected in this Confirmation Order (the “Plan Modifications”), to reflect compromises to formal and informal plan objections or other appropriate clarifications as set forth on the record of the Confirmation Hearing. None of the Plan Modifications made since the commencement of solicitation adversely affects the treatment of any Claim against or Interest in any of the Debtors under the Plan. Accordingly, pursuant to section 1127(a) of the Bankruptcy Code and Bankruptcy Rule 3019, none of these Plan Modifications require additional disclosure under section 1125 of the Bankruptcy Code or

resolicitation of votes under section 1126 of the Bankruptcy Code. The Plan as modified shall constitute the Plan submitted for confirmation to the Court.

G. Plan Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(1)). The Plan complies with the applicable provisions of the Bankruptcy Code. Accordingly, the Plan satisfies section 1129(a)(1) of the Bankruptcy Code.

H. Proper Classification (11 U.S.C. §§ 1122 and 1123(a)(1)). In addition to Administrative Claims and Priority Tax Claims that need not be classified, the Plan classifies four Classes of Claims and Interests. The Claims and Interests placed in each Class are substantially similar to other Claims or Interests, as the case may be, in each such Class. Valid business, factual and legal reasons exist for separately classifying the various Classes of Claims and Interests created under the Plan, the classifications were not done for any improper purpose, and such Classes do not unfairly discriminate between or among holders of Claims or Interests. Accordingly, the Plan satisfies sections 1122 and 1123(a)(1) of the Bankruptcy Code.

I. Specified Unimpaired Classes (11 U.S.C. § 1123(a)(2)). Sections 3.2 and 3.3 of the Plan specify, respectively, that Class 1 (Secured Claims) and Class 2 (Other Priority Claims) are Unimpaired by the Plan. Accordingly, the Plan satisfies section 1123(a)(2) of the Bankruptcy Code.

J. Specified Treatment of Impaired Classes (11 U.S.C. § 1123(a)(3)). Sections 3.4 and 3.5 of the Plan designate, respectively, Class 3 (Unsecured Claims), and Class 4 (Interests) as Impaired, and Article IV of the Plan specifies the treatment of all of these Classes of Claims and Interests under the Plan. Accordingly, the Plan satisfies section 1123(a)(3) of the Bankruptcy Code.

K. No Discrimination (11 U.S.C. § 1123(a)(4)). The Plan provides for the same treatment by the Debtors for each Claim or Interest in each respective Class, unless the holder of a Claim or Interest has agreed to a less favorable treatment. Accordingly, the Plan satisfies section 1123(a)(4) of the Bankruptcy Code.

L. Implementation of Plan (11 U.S.C. § 1123(a)(5)). The Plan provides adequate and proper means for the Plan's implementation. Accordingly, the Plan satisfies section 1123(a)(5) of the Bankruptcy Code.

M. Nonvoting Equity Securities (11 U.S.C. § 1123(a)(6)). Section 1123(a)(6) of the Bankruptcy Code does not apply because the Debtors are not-for profit entities and have no securities with voting power.

N. Designation of Directors and Officers (11 U.S.C. § 1123(a)(7)). The Plan provides for the appointment of and identifies a Plan Administrator that will act for the Debtors in a fiduciary capacity as applicable to a board of directors, subject to the provisions of the Plan. Accordingly, the Plan satisfies section 1123(a)(7) of the Bankruptcy Code.

O. Additional Plan Provisions (11 U.S.C. § 1123(b)(6)). The Plan's provisions are appropriate and consistent with the applicable provisions of the Bankruptcy Code.

P. Bankruptcy Rule 3016(a). The Plan is dated and identifies the entities submitting it as Plan Proponents. Accordingly, the Plan satisfies Bankruptcy Rule 3016(a).

Q. Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(2)). The Debtors, as the proponents of the Plan, have complied with the applicable provisions of the Bankruptcy Code. Accordingly, the Plan satisfies section 1129(a)(2) of the Bankruptcy Code.

R. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)). The Debtors have proposed the Plan in good faith and not by any means forbidden by law, thereby satisfying

section 1129(a)(3) of the Bankruptcy Code. The Plan was proposed with the purpose of (a) the distribution of proceeds generated by the sale of substantially all of the Debtors' assets, (b) the liquidation of the Debtors' remaining assets, and (c) the winding up of the Debtors' affairs, so as to maximize recoveries to creditors.

S. Payments for Services or Costs and Expenses (11 U.S.C. § 1129(a)(4)). Any payment made or to be made by any of the Debtors for services or for costs and expenses in or in connection with the Cases, or in connection with the Plan and incident to the Cases, has been approved by, or is subject to the approval of, the Court as being reasonable. Accordingly, the Plan satisfies section 1129(a)(4) of the Bankruptcy Code.

T. Directors, Officers and Insiders (11 U.S.C. § 1129(a)(5)). The identity and affiliations of the person proposed to serve as the Plan Administrator of the post-Effective Date Debtors has been fully disclosed by the Debtors, is consistent with the interests of creditors and holders of membership interests, if any, and is in accordance with public policy. Accordingly, section 1129(a)(5) of the Bankruptcy Code is satisfied.

U. No Rate Changes (11 U.S.C. § 1129(a)(6)). Section 1129(a)(6) of the Bankruptcy Code does not apply in these cases because the Debtors will not operate a business after the Effective Date and the Plan does not provide for any changes to any regulated rates.

V. Best Interests of Creditors (11 U.S.C. § 1129(a)(7)). The Plan satisfies section 1129(a)(7) of the Bankruptcy Code. The Terrano Declaration, the Voting Declaration and other evidence proffered or adduced at the Confirmation Hearing establish that each holder of an Impaired Claim or Interest either has accepted the Plan or will receive or retain under the Plan, on account of such Claim or Interest, property of a value, as of the Effective Date, that is not less

than the amount that such holder would receive or retain if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code on such date.

W. Acceptance by Certain Classes (11 U.S.C. § 1129(a)(8)). Classes 1 and 2 are each Classes of Unimpaired Claims that are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. Class 3 has voted to accept the Plan in accordance with section 1126(c) of the Bankruptcy Code.

X. Treatment of Administrative, Priority Tax, and Other Priority Claims (11 U.S.C. § 1129(a)(9)). The treatment of Administrative Claims pursuant to Section 2.2(c) of the Plan satisfies the requirements of section 1129(a)(9)(A) of the Bankruptcy Code. The treatment of Other Priority Claims pursuant to Section 4.2 of the Plan satisfies the requirements of section 1129(a)(9)(B) of the Bankruptcy Code. The treatment of Priority Tax Claims pursuant to Section 2.3 of the Plan satisfies the requirements of section 1129(a)(9)(C) of the Bankruptcy Code. Accordingly, the Plan satisfies the requirements of section 1129(a)(9) of the Bankruptcy Code.

Y. Acceptance by Impaired Classes (11 U.S.C. § 1129(a)(10)). Class 3 is an Impaired Class and has voted to accept the Plan. Thus there is at least one Class of Claims against the Debtors that is Impaired under the Plan and has accepted the Plan, determined without including any acceptance of the Plan by any insider. Accordingly, the Plan satisfies the requirements of section 1129(a)(10) of the Bankruptcy Code.

Z. Feasibility (11 U.S.C. § 1129(a)(11)). The conclusions in the Terrano Declaration, and other evidence proffered or adduced at the Confirmation Hearing regarding feasibility: (a) are persuasive and credible; (b) have not been controverted by other evidence; and (c) establish that the Debtors will have sufficient funds to administer and consummate the

Plan and to close the Cases. Accordingly, the Plan satisfies the requirements of section 1129(a)(11) of the Bankruptcy Code.

AA. Payment of Fees (11 U.S.C. § 1129(a)(12)). All outstanding fees payable to the Office of the United States Trustee under 28 U.S.C. § 1930 have been paid, or the Plan provides for the payment of all such fees on or before the Effective Date, as required by section 1129(a)(12) of the Bankruptcy Code. The Plan further provides that the Debtors or Plan Administrator shall pay fees that accrue under 28 U.S.C. § 1930 until a final decree is entered in these Cases, or this Court orders otherwise. Accordingly, the Plan satisfies the requirements of section 1129(a)(12) of the Bankruptcy Code.

BB. 11 U.S.C. §§ 1129(a)(13), (14), and (15) are Inapplicable. Sections 1129(a)(13), (14) and (15) of the Bankruptcy Code do apply in these Cases.

CC. Transfers of Property (11 U.S.C. § 1129 (a)(16)). As required by New York state law, the Debtors obtained approval for the transfer of all or substantially all of their assets from the New York State Supreme Court in accordance with the provisions set forth in sections 510 and 511 of the New York Not-for-Profit laws, as required under New York law. Accordingly, section 1129(a)(16) is inapplicable.

DD. No Unfair Discrimination; Fair and Equitable (11 U.S.C. § 1129(b)). Based upon the evidence proffered or adduced at the Confirmation Hearing, the Disclosure Statement and all other evidence before the Court, the Plan does not discriminate unfairly because Class 4 contains Interests that are distinct in nature and dissimilarly situated from the claims of the holders of Claims in Class 3 and because there are no Interests junior to Class 4 (Interests) under the Plan. Thus, the Plan complies with the requirements of sections 1129(b)(1) and (2) of the Bankruptcy

Code and may be confirmed notwithstanding the Debtors' failure to satisfy section 1129(a)(8) of the Bankruptcy Code.

EE. Principal Purpose of the Plan (11 U.S.C. § 1129(d)). The principal purpose of the Plan, as evidenced by its terms, is not the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act of 1933.

FF. Good Faith Solicitation (11 U.S.C. § 1125(e)). Based on the record before this Court in these Cases, the exculpated parties have acted in "good faith" within the meaning of section 1125(e) of the Bankruptcy Code and in compliance with the applicable provisions of the Bankruptcy Code and the Bankruptcy Rules in connection with all of their respective activities relating to the solicitation of acceptances to the Plan and their participation in the activities described in section 1125 of the Bankruptcy Code, and the exculpated parties are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and the exculpation provisions set forth in Section 13.3 of the Plan.

GG. Satisfaction of Confirmation Requirements. Based upon the foregoing, the Plan satisfies the requirements for confirmation set forth in section 1129 of the Bankruptcy Code.

HH. Assumption or Rejection of Executory Contracts and Unexpired Leases. The Debtors have exercised reasonable business judgment in determining whether to assume or reject each of their executory contracts and unexpired leases as set forth in Article VIII of the Plan.

II. Conditions to Confirmation. The conditions to Confirmation set forth in Section 10.1 of the Plan have been satisfied, waived or will be satisfied by entry of this Confirmation Order.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. Confirmation. The Plan, a copy of which is attached hereto as Exhibit A, together with the Plan Modifications contained herein, is approved and confirmed under section 1129 of the Bankruptcy Code.

2. Objections. Any objections to the Plan or to Confirmation of the Plan that have not been withdrawn, waived or settled, and all reservations of rights pertaining to Confirmation of the Plan, are overruled on the merits.

3. Provisions of Plan and Order Nonseverable and Mutually Dependent. The provisions of the Plan and this Confirmation Order, including the findings of fact and conclusions of law set forth herein, are nonseverable and mutually dependent.

4. Implementation of the Plan. Monica Terrano is hereby appointed as the Plan Administrator. The Plan Administrator shall have the powers and obligations, and shall be compensated, as set forth in Section 5.7 of the Plan and is authorized and directed to implement the Plan in a manner consistent with the terms and conditions set forth in the Plan and the Confirmation Order.

5. Vesting of Assets in the Debtors. Except as expressly provided otherwise in the Plan, on the Effective Date, all Assets shall vest in the Debtors free and clear of all Claims against the Debtors, liens, encumbrances, charges, Interests and other rights and interests of Creditors and holders of Interests arising on or before the Effective Date, but subject to the terms and conditions of the Plan and the Confirmation Order.

6. Continuing Existence. From and after the Effective Date, the Debtors shall continue in existence for the purposes of (i) winding up their affairs, (ii) liquidating, by conversion to Cash, or other methods, any remaining Assets, (iii) enforcing and prosecuting Causes of Action, interests, rights and privileges of the Debtors, (iv) resolving Disputed Claims,

(v) administering the Plan, (vi) filing appropriate tax returns and (vii) performing all such other acts and conditions required by and consistent with consummation of the terms of the Plan.

7. Management of Debtors. On the Effective Date, the operation of the Debtors shall become the general responsibility of the Plan Administrator in accordance with and subject to the terms of the Plan. Monica Terrano is hereby appointed as Plan Administrator.

8. Post Effective Date Committee. On the Effective Date, the Committee shall continue as the Post Effective Date Committee.

9. Rights of Action. In accordance with Section 1123(b)(3)(B) of the Bankruptcy Code, the Plan Administrator may pursue all reserved rights of action, including, without limitation, Causes of Action of the Debtors. Any distributions provided for in the Plan and the allowance of any Claim for the purpose of voting on the Plan is and shall be without prejudice to the rights of the Plan Administrator to pursue and prosecute any reserved rights of action. Except as otherwise set forth in the Plan, all Causes of Action of the Debtors, including, without limitation, any claims for reimbursement or other amounts due from Centers for Medicare and Medicaid Services, United States Department of Health and Human Services, and those Causes of Action of the Debtors set forth in the Plan Supplement, shall survive confirmation of the Plan and the commencement and prosecution of Causes of Action of the Debtors shall not be barred or limited by res judicata or any estoppel, whether judicial, equitable or otherwise.

10. Corporate Action. On the Effective Date, the appointment of the Plan Administrator, and any and all other matters provided for under the Plan involving corporate action by the Debtors, their directors, their trustees or their shareholders, including, without limitation, the transfer of management responsibilities of the Debtors to the Plan Administrator, shall be deemed to have occurred and shall be in effect from and after the Effective Date

pursuant to applicable law, without any requirement of further action by the Debtors' directors, officers, trustees or shareholders. Upon the distribution of all Assets pursuant to the Plan and the filing by the Plan Administrator of a certification to that effect with the Bankruptcy Court (which may be included in the application for the entry of the final decree), the Debtors shall be deemed dissolved for all purposes without the necessity for any other or further actions to be taken by or on behalf of the Debtors or payments to be made in connection therewith; provided, however, that the Debtors may take appropriate action to dissolve under applicable law. From and after the Effective Date, the Debtors shall not be required to file any document, or take any action, to withdraw their business operations from any states where the Debtors previously conducted business.

11. Cancellation of Existing Securities, Instruments and Agreements. On the Effective Date, except as otherwise provided in the Plan, all securities, instruments, and agreements governing any Impaired Claim or Interest shall be deemed cancelled and terminated, and the obligations of the Debtors relating to, arising under, in respect of, or in connection with such securities, instruments, or agreements shall be deemed released and/or satisfied as to the Debtors.

12. Full and Final Satisfaction. All payments and all distributions under the Plan shall be in full and final satisfaction, settlement and release of all Claims against the Debtors and Interests, except as otherwise provided in the Plan.

13. Setoffs. The Plan Administrator may, pursuant to and to the extent permitted by applicable law, setoff against any Claim asserted against the Debtors and/or the Assets, and the payments or other distributions to be made pursuant to the Plan in respect of such Claim, any Claims of any nature whatsoever that that Debtors or the Estates may have against the holder of

such Claim, provided that the Plan Administrator shall give the holders of such Claim notice of the proposed setoff and the holder of such Claim does not object to the proposed setoff within thirty (30) days of service of such notice; provided further that if an objection is timely raised to a proposed setoff, the Plan Administrator may seek relief from the Court to effectuate the setoff; and provided further that neither the failure to effect a setoff, nor the allowance of any Claim against the Debtors under the Plan, shall constitute a waiver or release of any such Claim the Debtors or the Estates may have against such holder.

14. Abandoned Estate Assets. Upon the election of the Plan Administrator, with the approval of the Post Effective Date Committee, the Plan Administrator may abandon any Assets without the need for additional approval of the Court, and upon such abandonment, such Assets shall cease to be Assets of the Estate.

15. Indefeasibility of Distributions. All distributions provided for under the Plan shall be indefeasible.

16. Distribution of Unclaimed Property. Any distribution of property (Cash or otherwise) provided for under the Plan which is unclaimed after one hundred eighty (180) days following such distribution (collectively, the “Unclaimed Property”) shall irrevocably revert to the Estate for re-distribution in accordance with the Plan.

17. Final Order. Any requirement in the Plan for a Final Order may be waived by the Plan Proponents.

18. Substantive Consolidation. On the Effective Date: (a) all Assets (and all proceeds thereof) and liabilities of each Debtor shall be deemed merged or treated as though they were merged into and with the assets and liabilities of the other Debtors, (b) no distributions shall be made under the Plan on account of intercompany Claims among the Debtors and all such

Claims shall be eliminated, (c) all guarantees of the Debtors of the obligations of any other Debtor shall be deemed eliminated and extinguished so that any Claim against any Debtor and any guarantee thereof executed by any other Debtor and any joint and several liability of any of the Debtors shall be deemed to be one obligation of the consolidated Debtors, (d) each and every Claim filed or to be filed in any of the Cases shall be deemed filed against the consolidated Debtors, and shall be deemed one Claim against and obligation of the consolidated Debtors, and (e) for purposes of determining the availability of the right of set-off under section 553 of the Bankruptcy Code, the Debtors shall be treated as one entity so that, subject to the other provisions of section 553 of the Bankruptcy Code, debts due to any of the Debtors may be set-off against the debts of the other Debtors. Such substantive consolidation shall not (other than for purposes related to the Plan) affect the legal and corporate structures of the Debtors. Notwithstanding anything in Section 7.1 of the Plan to the contrary, all Post Effective Date U.S. Trustee Fees pursuant to 28 U.S.C. § 1930 shall be calculated on a separate legal entity basis for each Debtor.

19. Approval of Assumption or Rejection of Executory Contracts. Entry of the Confirmation Order by the Clerk of the Court, but subject to the condition that the Effective Date occur, shall constitute (a) the approval, pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the assumption or assumption and assignment of the Executory Contracts assumed or assumed and assigned pursuant to Section 8.1 of the Plan, and (b) the approval, pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the rejection of the Executory Contracts rejected pursuant to Section 8.1 of the Plan.

20. Bar Date for Filing Proofs of Claim Relating to Executory Contracts Rejected Pursuant to the Plan. Claims against the Debtors arising out of the rejection of Executory

Contracts pursuant to the Plan must be filed with the Court no later than forty-five (45) days after the later of service of (a) notice of entry of an order approving the rejection of such Executory Contract, and (b) notice of occurrence of the Effective Date. Any such Claims not filed within such time shall be forever barred from assertion against the Debtors and any and all of their respective properties and Assets.

21. Compensation and Benefit Programs. To the extent not previously terminated, all employment and severance agreements and policies, and all employee compensation and benefit plans, policies and programs of the Debtors applicable generally to their respective current employees or officers as in effect on the Confirmation Date, including, without limitation, all savings plans, retirement plans, health care plans, disability plans, severance benefit plans, incentive plans and life, accidental death and dismemberment insurance plans, shall be terminated as of the Confirmation Date.

22. Modification of Plan: After the Confirmation Date and prior to substantial consummation of the Plan, the Plan Proponents may, so long as the treatment of holders of Claims against the Debtors or Interests under the Plan is not adversely affected, institute proceedings in Court to remedy any defect or omission or to reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order, and any other matters as may be necessary to carry out the purposes and effects of the Plan; provided, however, notice of such proceedings shall be served in accordance with Bankruptcy Rule 2002 or as the Court shall otherwise order.

23. Revocation or Withdrawal of Plan. The Plan Proponents reserve the right to revoke or withdraw the Plan at any time prior to the Effective Date. If the Plan Proponents revoke or withdraw the Plan prior to the Effective Date, then the Plan shall be deemed null and

void, and nothing contained in the Plan shall be deemed to constitute a waiver or release of any Claims by or against the Debtors or any other Person or to prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtors.

24. Retention of Jurisdiction. Following the Effective Date, the Court will retain exclusive jurisdiction of the Cases for the purposes set forth in Section 12.1 of the Plan, including, without limitation, to hear and determine any motion respecting the Covered Medical Professionals Injunction set forth in Section 13.1(b) of the Plan. Following the Effective Date, the Court will retain non-exclusive jurisdiction of the Cases for the purposes set forth in Section 12.2 of the Plan. If the Court abstains from exercising or declines to exercise jurisdiction over any matter arising under, arising in or related to the Cases, including with respect to the matters set forth in Article XII of the Plan, Article XII of the Plan shall not prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such subject matter.

25. Injunction.

(a) Except as otherwise expressly provided in the Plan including, without limitation, the treatment of Claims against and Interests in the Debtors, provided that the Effective Date shall have occurred, all Persons that have held, currently hold or may hold a Claim against or Interest in the Debtors, are permanently enjoined from taking any of the following actions against the Debtors, the Plan Administrator, the Committee or members thereof, the Post Effective Date Committee or members thereof, present and former directors, officers, trustees, agents, attorneys, advisors, members or employees of the Debtors, the Committee or members thereof, the Post Effective Date Committee or members thereof, or the Plan Administrator, or any of their respective successors or assigns, or any of their respective

assets or properties, on account of any Claim against or Interest in the Debtors: (a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind with respect to a Claim against or Interest in the Debtors; (b) enforcing, levying, attaching, collecting or otherwise recovering in any manner or by any means, whether directly or indirectly, any judgment, award, decree or order with respect to a Claim against or Interest in the Debtors; (c) creating, perfecting or enforcing in any manner, directly or indirectly, any lien or encumbrance of any kind with respect to a Claim against or Interest in the Debtors; (d) asserting any setoff, right of subrogation or recoupment of any kind, directly or indirectly, against any Debt, liability or obligation due to the Debtors or their property or Assets with respect to a Claim against or Interest in the Debtors; and (e) proceeding in any manner in any place whatsoever that does not conform to or comply with or is inconsistent with the provisions of the Plan; provided, however, nothing in this injunction shall preclude the holder of a Claim against the Debtors from pursuing any applicable insurance after the Cases are closed, from seeking discovery in actions against third parties or from pursuing third-party insurance that does not cover Claims against the Debtors; provided further, however, nothing in this injunction shall limit the rights of a holder of an Allowed Claim against the Debtors to enforce the terms of the Plan.

(b) Covered Medical Professionals Injunction. Except as otherwise provided in the Plan, upon the Effective Date, all Persons are permanently enjoined from commencing or continuing any medical malpractice or related action against any Covered Medical Professional and/or from enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against a Covered Medical Professional with respect to any such actions, provided however, that such injunction shall not extend to recoveries against any available

insurance. In exchange for this injunction, each Covered Medical Professional shall be deemed to waive any Indemnification Claim and any Claims against the Debtors and their Estates, administrative or otherwise, related to, or arising in connection with, the Debtors' alleged obligation to purchase or provide medical malpractice insurance and/or any related extended reporting period coverage, provided that the waiver of the Indemnification Claims and other claims hereunder shall not impair this injunction and neither the waiver of the Indemnification Claims, nor this injunction shall release the obligations of any insurance company to defend a Covered Medical Professional under an otherwise applicable insurance policy.

26. Releases by the Debtors and Holders of Claims. To the greatest extent permissible by law, and except as otherwise specifically provided in Section 13.2 of the Plan or this Order, as of the Effective Date, the "Releases" set forth in Section 13.2 of the Plan are hereby approved.

27. Exculpation. The exculpation provisions set forth in Section 13.3 of the Plan are hereby approved.

28. Certain Plan Provisions Inapplicable to United States Government.

(a) As to the United States of America, its agencies, departments, or agents (collectively, the "United States"), nothing in the Plan or Confirmation Order shall limit or expand the scope of any release or injunction to which the Debtors are entitled to under the Bankruptcy Code, if any. The release or injunction provisions contained in the Plan and Confirmation Order are not intended and shall not be construed to bar the United States from, subsequent to the Confirmation Order, pursuing any police or regulatory action. The Plan and Confirmation Order shall bind the United States only to the extent that the United States is a creditor, as defined in 11 U.S.C. § 101(10).

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

(c) Moreover, nothing in the Confirmation Order or the Plan shall release or exculpate any non-Debtor (including any non-Debtors covered by Sections 13.1, 13.2 and 13.3 of the Plan), from any liability to the United States, including but not limited to any liabilities arising under the Internal Revenue Code, the environmental laws, or the criminal laws against any non-Debtor (including any non-Debtors covered by Sections 13.1, 13.2 and 13.3 of the Plan), nor shall anything in this Confirmation Order or the Plan enjoin the United States from bringing any claim, suit, action or other proceeding against any non-Debtor (including any non-Debtors covered by Sections 13.1, 13.2 and 13.3 of the Plan) for any liability whatsoever.

29. Reservation of Rights for Pension Benefit Guaranty Corporation.

Notwithstanding anything to the contrary in the Plan or this Confirmation Order, any claim of the Pension Benefit Guaranty Corporation arising under Title 1 of ERISA for breach of fiduciary duty or relating to a prohibited transaction with respect to the MVH Pension Plan shall not be discharged, released, or enjoined.

30. Release of Collateral. Except as expressly provided otherwise in the Plan, unless a holder of a Secured Claim receives a return of its Collateral in respect of such Claim under the Plan: (i) each holder of; (A) an Allowed Secured Claim; and/or (B) an Allowed Claim that is purportedly secured, on the Effective Date shall (x) turn over and release to the Debtors any and all property that secures or purportedly secures such Claim; and (y) execute such documents and instruments as the Plan Administrator requires to evidence such claimant's release of such property; and (ii) on the Effective Date, all claims, rights, title and interest in such property shall revert to the Debtors, free and clear of all Claims against the Debtors, including (without limitation) liens, charges, pledges, encumbrances and/or security interests of any kind. No Distribution under the Plan shall be made to or on behalf of any holder of such Claim unless and until such holder executes and delivers to the Plan Administrator such release of liens. Any such holder that fails to execute and deliver such release of liens within 60 days of any demand thereof shall be deemed to have no further Claim against the Debtors and shall not participate in any Distribution under the Plan. Notwithstanding the immediately preceding sentence, a holder of a Disputed Claim shall not be required to execute and deliver such release of liens until the time such Claim is Allowed or disallowed.

31. Cause of Action Injunction. On and after the Effective Date, all Persons other than the Plan Administrator and, to the extent applicable pursuant to Section 5.11 of the Plan, the

Post Effective Date Committee will be permanently enjoined from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively or otherwise) on account of, or respecting any, claim, debt, right or Cause of Action that the Plan Administrator retains authority to pursue in accordance with the Plan.

32. Withholding and Reporting Requirements. In connection with the Plan and all instruments issued in connection therewith and distributions thereon, the Plan Administrator shall comply with all withholding, reporting, certification and information requirements imposed by any federal, state, local or foreign taxing authority and all distributions under the Plan shall, to the extent applicable, be subject to any such withholding, reporting, certification and information requirements. Persons entitled to receive distributions under the Plan shall, as a condition to receiving such distributions, provide such information and take such steps as the Plan Administrator may reasonably require to ensure compliance with such withholding and reporting requirements, and to enable the Plan Administrator to obtain the certifications and information as may be necessary or appropriate to satisfy the provisions of any tax law. Any person that fails to comply with the Plan Administrators requests in the preceding sentence within ninety (90) days of any such request thereof, shall not be entitled to participate in any distribution under the Plan and no such distribution shall be made on account of any such persons Allowed Claim, and the Plan Administrator shall reallocate such distribution for the benefit of all other holders of Allowed Claims in accordance with the Plan.

33. Section 1146 Exemption. Pursuant to Section 1146(a) of the Bankruptcy Code, the issuance, transfer, or exchange of any security under the Plan; or the execution, delivery, or recording of an instrument of transfer pursuant to, in implementation of or as contemplated by the Plan; or the vesting, transfer, or sale of any real property of the Debtors pursuant to, in

implementation of or as contemplated by the Plan shall not be taxed under any state or local law imposing a stamp tax, transfer tax, or similar tax or fee. Consistent with the foregoing, each recorder of deeds or similar official for any county, city or governmental unit in which any instrument under the Plan is to be recorded shall, pursuant to the Confirmation Order, be ordered and directed to accept such instrument, without requiring the payment of any documentary stamp tax, deed stamps, stamp tax, transfer tax, intangible tax, or similar tax.

34. Severability. In the event that any provision of the Plan is determined to be unenforceable, such determination shall not limit or affect the enforceability and operative effect of any other provisions of the Plan.

35. Binding Effect; Counterparts. The provisions of the Plan shall bind all holders of Claims against the Debtors and Interests, whether or not they have accepted the Plan.

36. Effectuating Documents; Further Transaction. The Debtors and/or the Plan Administrator (as the case may be) 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 and further evidence the terms and conditions of the Plan.

37. Approval of Consents. This Confirmation Order shall constitute all approvals and consents required, if any, by the laws, rules and regulations of all states and any other governmental authority with respect to the implementation or consummation of the Plan and any documents, instruments, or agreements, and any amendments or modifications thereto, and any other acts and transactions referred to in or contemplated by the Plan, the Plan Supplement, the Disclosure Statement, and any related documents, instruments or agreements, and any amendments or modifications thereto.

38. Post Effective Date Services. The fees and expenses of professionals retained by the Plan Administrator and the Post Effective Date Committee on and after the Effective Date, shall be paid by the Plan Administrator upon receipt of invoice(s) therefor, or on such other terms as the Plan Administrator and the applicable professional may agree to, without the need for further Court authorization or entry of a Final Order, but subject to the approval of the Post Effective Date Committee, which approval shall not unreasonably be withheld. If the Plan Administrator and the professional cannot agree on the amount of post Effective Date fees and expenses to be paid to such professional, such amount shall be determined by the Court.

39. Supplemental Administrative Claims Bar Date. Except as provided otherwise in the Plan for (1) Professional Persons requesting compensation or reimbursement for Professional Fee Claims, and (2) U.S. Trustee Fees, requests for payment of Administrative Claims, for which a Bar Date to file such Administrative Claim was not previously established, must be filed no later than forty-five (45) days after the occurrence of the Effective Date, or such later date as may be established by Order of the Bankruptcy Court (the “Supplemental Administrative Claims Bar Date”). Holders of Administrative Claims who are required to file a request for payment of such Claims and who do not file such requests by the applicable Bar Date, shall be forever barred from asserting such Claims against the Debtors or their property, and the holder thereof shall be enjoined from commencing or continuing any action, employment of process or act to collect, offset or recover such Administrative Claim.

40. Professional Fee Claims Bar Date. All final applications for payment of Professional Fee Claims for the period through and including the Effective Date shall be filed with the Court and served on the Plan Administrator and the other parties entitled to notice pursuant to the *Interim Compensation and Reimbursement Procedures Order* [Docket No. 148]

on or before the Professional Fee Claims Bar Date, or such later date as may be agreed to by the Plan Administrator. Any Professional Fee Claim that is not asserted in accordance with Section 2.4(a) of the Plan shall be deemed Disallowed under the Plan and the holder thereof shall be enjoined from commencing or continuing any Cause of Action, employment of process or act to collect, offset, recoup or recover such Claim against the Estates or any of their respective Assets or property.

41. Notice of Entry of Confirmation Order and Effective Date. Pursuant to Bankruptcy Rules 2002(f)(7), 2002(k) and 3020(c), the Debtors shall file and serve notice of entry of this Confirmation Order, the occurrence of the Effective Date and notice of the Supplemental Administrative Claims Bar Date (the “Notice of Confirmation”) on all holders of Claims against the Debtors and Interests, the United States Trustee for the Southern District of New York and other parties in interest by causing the Notice of Confirmation to be delivered to such parties by first-class mail, postage prepaid, within ten business days after the Effective Date. The Notice of Confirmation shall also be posted on the Debtors’ restructuring website at <http://cases.gcginc.com/soundshore/index.php>. Such notice is adequate under the particular circumstances and no other or further notice is necessary.

42. Substantial Consummation. Upon the occurrence of the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

43. Findings of Fact. The determinations, findings, judgments, decrees and orders set forth and incorporated herein constitute this Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. Each finding of fact set forth or incorporated herein, to the extent it is or may be

deemed a conclusion of law, shall also constitute a conclusion of law. Each conclusion of law set forth or incorporated herein, to the extent it is or may be deemed a finding of fact, shall also constitute a finding of fact.

44. Conflicts Between Confirmation Order and Plan. The provisions of the Plan and of this Confirmation Order shall be construed in a manner consistent with each other so as to effect the purposes of each; provided, however, that if there is determined to be any inconsistency between any Plan provision and any provision of this Confirmation Order that cannot be so reconciled, then, solely to the extent of such inconsistency, the provisions of this Confirmation Order shall govern and any such provision of this Confirmation Order shall be deemed a modification of the Plan and shall control and take precedence.

45. Final Order. This Confirmation Order is a final order and the period in which an appeal must be filed shall commence upon the entry hereof

46. Order Effective Immediately. Notwithstanding Bankruptcy Rule 3020(e), this Confirmation Order shall be immediately effective as of the entry hereof and the Debtors are authorized to consummate the Plan at any time after the entry of this Confirmation Order, subject to the satisfaction or waiver of the conditions to the Effective Date set forth in Section 10.2 of the Plan.