

Next Ord:2068-23
Next Res:1138-24

CITY COUNCIL AGENDA

February 14, 2024

6:00 PM

**Sedro-Woolley Municipal Building
Council Chambers
325 Metcalf Street**

- a. Call to Order**
- b. Pledge of Allegiance**
- c. Roll Call**
- d. Approval of Agenda**
- e. Consent Agenda**

Note: Items on the Consent Agenda are considered routine in nature and may be adopted by the Council by a single motion, unless any Councilmember wishes an item to be removed. The Council on the Regular Agenda will consider any item so removed after the Consent Agenda.

- 1. Minutes - Regular Meeting - January 10, 2024
- 2. Minutes - Regular Meeting - January 24, 2024
- 3. Check Register - Regular
- 4. Check Register - Off Cycle
- 5. Check Register - Off Cycle
- 6. Reappointment to Civil Service Commission - Commissioner Ken Clark
- 7. Community Development Grant - Low Auto Sales
- 8. Purchase - Site Furnishing for the Olmsted Park Development Project
- 9. Endo Bankruptcy Settlement

- f. Introduction of Special Guests and Presentation**
- g. City Administrator Report**
- h. Councilmember and Mayor's Report**
- i. Proclamation(s)**
- j. Public Comments**

Please keep comments to three minutes or less. Because State law prohibits the use of city facilities for the purpose of supporting or opposing a campaign or ballot proposition, we respectfully request that public comment not make reference to such matters.

Written comments will be accepted by letter or via email at finance@sedro-woolley.gov Attn: 'Public Comment.'

- k. Public Hearing(s)**

l. Unfinished Business

1. Master Fee Schedule - Resolution 1141-24 - 3rd Read
2. 2024 Budget Amendment No. 1 - Ordinance 2066-24 - 2nd Read
3. Amendment to Municipal Code to Update Sidewalk Café Regulations and to Possibly Add Regulations for "Streeteries" - Ordinance 2065-23 - 2nd Read
4. Sidewalk Municipal Code - Ordinance 2064-24 - 2nd Read and Possible Adoption
Sidewalk Replacement Program - Resolution 1136-24 - 2nd Read and Possible Adoption

m. New Business

1. Grant Approval - 2024 RAISE Application Due February 28, 2024
2. City Council Goal Setting

n. Information Only Items

o. Executive Session

p. Adjournment

Next Meeting(s) City Council Meeting and Finance and Information Technology Committee - February 28, 2024

The City of Sedro-Woolley complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, limited English proficiency, age, disability, or sex. The City of Sedro-Woolley doesn't exclude people or treat them differently because of race, color, national origin, limited English proficiency, age, disability, or sex.

The City of Sedro-Woolley also complies with applicable state laws and doesn't discriminate on the basis of creed, gender, gender expression or identity, sexual orientation, marital status, religion, honorably discharged veteran or military status, or the use of a trained dog guide or service animal by a person with a disability.

Join Zoom Meeting:

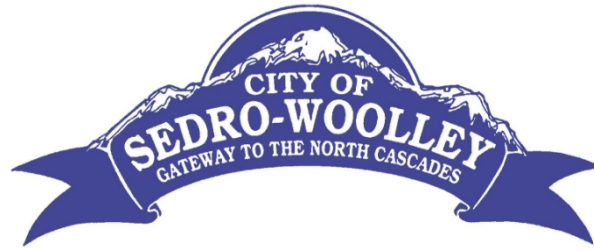
<https://zoom.us/j/91786850179?pwd=Vys0Y29XalZmQTRmemJBM2txVDIUQT09>

or dial by location at:

- +1 253 215 8782 US (Tacoma)
- +1 669 900 6833 US (San Jose)
- +1 346 248 7799 US (Houston)
- +1 929 205 6099 US (New York)
- +1 301 715 8592 US (Washington DC)
- +1 312 626 6799 US (Chicago)

Meeting ID: 917 8685 0179

Passcode: 091845



City Council Agenda Item

Agenda Item No.: e.1.

Date: February 14, 2024

From: Kelly Kohnken, Finance Director / City Clerk

Subject: Minutes - Regular Meeting - January 10, 2024

RECOMMENDED ACTION:

Motion to approve City Council meeting minutes for the regular meeting held on January 10, 2024.

ISSUE:

BACKGROUND/SUMMARY INFORMATION:

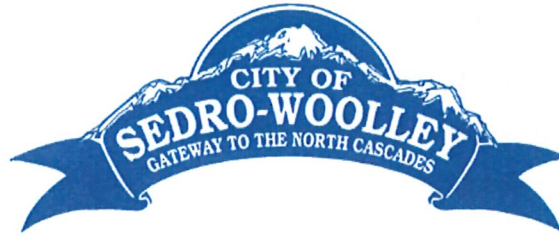
Minutes recorded for the Regular City Council Meeting, held on January 10, 2024.

FISCAL IMPACT, IF APPROPRIATE:

None

ATTACHMENTS:

1. January 10, 2024 Regular City Council minutes



Regular Meeting of the City Council
January 10, 2024 - 6:00 PM Hybrid Meeting

a. Call to Order

Mayor Julia Johnson called the meeting to order at 6:00 P.M.

b. Pledge of Allegiance

c. Roll Call

Present: Mayor Julia Johnson, Councilmembers JoEllen Kesti, Paul Cocke, Kevin Loy, Joe Burns, Sarah Diamond, Nick Lavacca and Allan Henderson.

Councilmember Lavacca made a request to be excused from the January 24, 2024, City Council Meeting.

Motion made by Councilmember Burns and seconded by Councilmember Diamond to approve Councilmember Lavacca's absence for the January 24, 2024, City Council Meeting. Motion carried (7-0).

d. Approval of Agenda

Motion made by Councilmember Cocke and seconded by Councilmember Lavacca to approve the agenda. Motion carried (7-0).

e. Consent Agenda

Note: Items on the Consent Agenda are considered routine in nature and may be adopted by the Council by a single motion, unless any Councilmember wishes an item to be removed. The Council on the Regular Agenda will consider any item so removed after the Consent Agenda.

Motion made by Councilmember Burns and seconded by Councilmember Cocke to approve the consent agenda. Motion carried (7-0).

1. Minutes - City Council Study Session Meeting - December 6, 2023
2. Minutes - Regular City Council Meeting - December 13, 2023
3. Minutes - Regular City Council Meeting - January 3, 2024
4. Check Register - Regular
5. Contract - 2024 WWTP Plant Water Building HVAC Upgrade

6. Purchase - Solid Waste Roll Off Container
7. Agreement - Transportation Improvement Board - Fuel Tax Grant Agreement

f. Introduction of Special Guests and Presentation

1. Skagit County Assessor Danny Hagen

Skagit County Assessor Danny Hagen provided a PowerPoint presentation regarding property taxes and how they work in Washington State.

Skagit County Assessor Danny Hagen shared a detailed background and summary of why property tax is a good tax.

g. City Administrator Report

City Administrator Charlie Bush spoke about the current positions available for the Community Development Director and Public Works Director.

h. Councilmember and Mayor's Report

Councilmember Loy had nothing to report.

Councilmember Kesti had nothing to report.

Councilmember Diamond shared Sedro-Woolley little league, t-ball, baseball, and softball are open for registration online and stated you can register in person at Cascade Middle School on Saturday, January 13, 2024.

Councilmember Diamond shared feedback regarding the online park survey and feedback that a dog park be considered as green space in or around the 17 new developments and shared that citizens are concerned about naming Sedro-Woolley the fastest growing city in Skagit County.

Councilmember Henderson shared concerns about the traffic and accidents located on Township St between Highway 20 and State St and noted several parked cars had been hit recently, and shared a separate complaint about Jameson St, with a suggestion to put another stop sign on Ferry St and Township St as a 3-way stop.

Councilmember Cocke shared concerns on Carter St, and stated that cars are speeding, and that bus traffic is becoming an issue.

Councilmember Burns shared concerns about Railroad Ave and Jameson St because of vehicle speeding, prowling and vandalism.

Councilmember Lavacca shared concerns about weather conditions and preparation for the cold weather.

Councilmember Lavacca shared feedback about the online park survey and made

suggestions about features on the city website brought forward by the Parks and Recreation Committee by adding interactive maps and pictures of the parks.

Mayor Julia Johnson shared information on cold weather shelters and noted that Goodwill will be offering a hard hat tour. The Goodwill hopes to open by the end of February 2024.

Mayor Julia Johnson spoke about the Skagit County Board of Commissioners that will be holding a public meeting regarding the Emergency Medical Services Levy renewal on January 22, 2024, at 2pm, and it will be placed as a special election ballot item for the April 23, 2024, Skagit County election.

Mayor Julia Johnson spoke about an event last Saturday celebrating Jeanne Williams, our former Central Skagit Rural Partial County Library District Director, who was thanked for her library programs and leadership.

i. Proclamation(s)

1. National Blood Donation Month

j. Public Comments

Please keep comments to three minutes or less. Because State law prohibits the use of city facilities for the purpose of supporting or opposing a campaign or ballot proposition, we respectfully request that public comment not make reference to such matters.

Written comments will be accepted by letter or via email at finance@sedro-woolley.gov Attn: 'Public Comment.'

Lisa Niegowski shared traffic concerns and speeding on Puget St and Northern Ave and suggested a stop sign within the 4 blocks of open street to slow traffic down.

David Anderson spoke about the city of Sedro-Woolley sistering with a European city and wanted to meet with Mayor Julia Johnson to discuss it.

Bobby Castilleja spoke about traffic concerns and speeding on Township St regarding the Cascade trail with pedestrians walking from the trail across Township St.

k. Public Hearing(s)

l. Unfinished Business

m. New Business

1. Master Fee Schedule - Resolution 1141-24 - 1st Read

Finance Director Kelly Kohnken spoke about the updates and formatting changes to the master fee schedule.

No action was taken.

2. Collective Bargaining Agreement - AFSCME

City Administrator Charlie Bush provided an update of the collective bargaining agreement with AFSME and requested action to complete the agreement.

Councilmember Kesti recused herself from the collective bargaining agreement.

Motion made by Councilmember Burns and seconded by Councilmember Diamond to approve the collective bargaining agreement. Motion carried (6-0).

3. Amend Interlocal Agreement - Skagit Public Utility District - Fire Hydrant Ownership and Maintenance

City Administrator Charlie Bush spoke about the updates to the Interlocal Agreement with Public Utility District for the fire hydrant ownership and maintenance.

Motion to approve the amendment to the Interlocal Agreement made by Councilmember Lavacca and seconded by Councilmember Diamond. Motion carried (7-0).

4. Community Development Grant - El Patron

City Administrator Charlie Bush reopened discussion about the Community Development Grant regarding El Patron.

Motion made to approve El Patron Community Development Grant by Councilmember Lavacca and seconded by Councilmember Burns. Motion carried (5-2). Councilmember Kesti and Councilmember Henderson opposed.

n. Information Only Items

1. City Council Strategic Planning Committee Meeting Minutes - December 6, 2023
2. Public Works Director Signing Authority Record

o. Executive Session

p. Adjournment

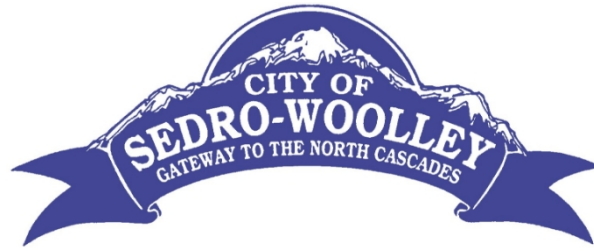
The meeting adjourned at 7:24 P.M.

ATTEST:

APPROVED:

Kelly Kohnken, City Clerk

Julia Johnson, Mayor



City Council Agenda Item

Agenda Item No.: e.2.

Date: February 14, 2024

From: Kelly Kohnken, Finance Director / City Clerk

Subject: Minutes - Regular Meeting - January 24, 2024

RECOMMENDED ACTION:

Motion to approve City Council meeting minutes for the regular meeting held on January 24, 2024.

ISSUE:

BACKGROUND/SUMMARY INFORMATION:

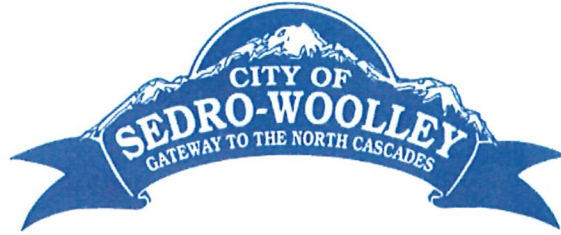
Minutes recorded for Regular City Council Meeting, held on January 24, 2024.

FISCAL IMPACT, IF APPROPRIATE:

None

ATTACHMENTS:

1. January 24, 2024 Regular City Council minutes



Regular Meeting of the City Council
January 24, 2024 - 6:00 PM Hybrid Meeting

a. Call to Order

Mayor Julia Johnson called the meeting to order at 6:00 P.M.

b. Pledge of Allegiance

c. Roll Call

Present: Mayor Julia Johnson, Councilmembers JoEllen Kesti, Paul Cocke, Kevin Loy, Joe Burns, Sarah Diamond, Allan Henderson. Councilmember Nick Lavacca had an excused absence.

d. Approval of Agenda

Motion made by Councilmember Cocke and seconded by Councilmember Burns to approve the agenda. Motion carried (6-0).

e. Consent Agenda

Note: Items on the Consent Agenda are considered routine in nature and may be adopted by the Council by a single motion, unless any Councilmember wishes an item to be removed. The Council on the Regular Agenda will consider any item so removed after the Consent Agenda.

Councilmember Burns made a request to pull item 3 for discussion regarding the Community Development Grant - Old Mill Projects LLC.

Motion made by Councilmember Cocke and seconded by Councilmember Burns to approve the consent agenda approving items 1, 2 and 4. Motion carried (6-0).

A second motion was made by Councilmember Burns and seconded by Councilmember Henderson to approve the consent agenda item 3. Motion carried (6-0).

1. Check Register - Regular
2. Check Register - Regular
3. Community Development Grant - Old Mill Projects LLC
4. Final Project Acceptance - 2023 Pavement and Pedestrian Improvements Project

f. Introduction of Special Guests and Presentation

1. Manager of the Sedro-Woolley Evergreen Goodwill Brian Wolbert

Manager Brian Wolbert of Sedro-Woolley Evergreen Goodwill did not present.

g. City Administrator Report

City Administrator Charlie Bush had nothing to report.

h. Councilmember and Mayor's Report

Councilmember Loy had nothing to report.

Councilmember Kesti had nothing to report.

Councilmember Diamond shared information regarding the Strategic and Planning Committee and the departments' operational plans.

Councilmember Diamond shared concerns from constituents who requested a greater police presence on Ferry St and State St with vehicles coming by more frequently, multiple times a day, and showing up after hours. Citizens shared concern that there is more than the normal flow of traffic.

Councilmember Henderson shared concerns from constituents regarding the cold weather infrastructure deficit that was pushed onto everyone via Skagit breaking and social media asking citizens to conserve heat and power, and recommended people turn down their thermostats to restrict the usage of electricity and gas. Citizens are concerned we can't afford new development with an already strained infrastructure.

Councilmember Henderson shared information from a citizen regarding Skagit Transit. This citizen has seen multiple Skagit Transit routes empty daily, and wants information from the city about lowering the sales tax.

Councilmember Henderson brought up another concern with regard to affordable housing, and stated that traffic and speeding on Township St. is getting bad.

Councilmember Henderson also wanted to mention there was a district swim meet in Anacortes last Saturday.

Councilmember Henderson asked for a citizen in regard to whether first responders and firefighters fall under the vaccine mandate for new applicants. City Administrator Charlie Bush answered, the vaccine mandate is no longer in place.

Councilmember Cocke had nothing to report.

Councilmember Burns had nothing to report.

Mayor Julia Johnson shared the Sedro-Woolley Evergreen Goodwill is having a ribbon

cutting next Friday at 8:45am and mentioned everyone is welcome. The Sedro-Woolley Evergreen Goodwill will be opening their doors at 9am following the ribbon cutting.

Mayor Julia Johnson spoke about the park survey ending at the end of January, and stated the city is gathering more information regarding survey results, for discussion prior to the goal setting that has been moved to February 14, 2024.

i. Proclamation(s)

j. Public Comments

Please keep comments to three minutes or less. Because State law prohibits the use of city facilities for the purpose of supporting or opposing a campaign or ballot proposition, we respectfully request that public comment not make reference to such matters.

Written comments will be accepted by letter or via email at finance@sedro-woolley.gov Attn: 'Public Comment.'

Val Mullen spoke in opposition to the need for a Human Resource Manager and School Resource Officer in the proposed amended budget.

Lena McCord spoke about federal debt and other debt related to budgets.

k. Public Hearing(s)

1. 2024 Budget Amendment No. 1 - Ordinance 2066-24 - 1st Read

Finance Director Kelly Kohnken provided an overview and presented information including detail regarding the proposed 2024 Budget Amendment No. 1 Ordinance 2066-24.

There was discussion regarding the School Resource Officer that is included in the proposed 2024 budget amendment.

City Administrator Charlie Bush spoke about some highlights in the budget amendment regarding the Interlocal Agreement with Skagit County for the Department of Emergency Management and the Economic Alliance of Skagit County.

City Administrator Charlie Bush shared information about the Human Resource Manager position, provided a detailed summary and explained the needs of the city.

A motion was made to remove the Human Resources Manager position from the proposed 2024 Budget Amendment No. 1 - Ordinance 2066-24.

Motion made by Councilmember Henderson and seconded by Councilmember Loy. Motion carried (4-2). Councilmember Burns and Councilmember Cocke opposed.

l. Unfinished Business

1. Master Fee Schedule - Resolution 1141-24 - 2nd Read

Finance Director Kelly Kohnken provided an update and shared changes made to the 2nd read of the Master Fee Schedule.

No action was taken.

m. New Business

1. Lodging Tax Grants - Committee Recommendations

Finance Director Kelly Kohnken gave an update and provided a background of the lodging tax grants and committee recommendations.

Councilmember Kesti recused herself from the lodging tax grants, committee recommendations.

Motion to approve the lodging tax grants, committee recommendations made by Councilmember Burns and seconded by Councilmember Cocke. Motion carried (6-0).

n. Information Only Items

1. Police Staff Report

o. Executive Session

1. Discussion with Legal Counsel About Current or Potential Litigation (RCW 42.30.110(1)(i)).

At 7:32pm, Mayor Julia Johnson announced the City Council along with City Attorney Nikki Thompson, Police Chief McIlraith and the City Administrator Charlie Bush would be in executive session until 7:52pm.

Mayor Julia Johnson, announced the executive session would be extended to 7:56pm.

Mayor Julia Johnson, announced the executive session had ended at 7:56pm.

Mayor Julia Johnson announced in regard to current or potential litigation (RCW 42.30.110(1)(i)), there would be a motion.

Motion made by Councilmember Henderson and seconded by Councilmember Cocke to pursue litigation in the Harris case. Motion carried (6-0).

2. Discussion on Property Acquisition (RCW 42.30.110(1)(b)).

Mayor Julia Johnson announced regarding discussion on property acquisition (RCW 42.30.110(1)(b)).

No action was taken.

p. Adjournment

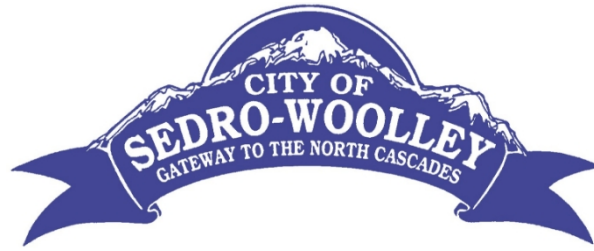
The meeting adjourned at 7:58 P.M.

ATTEST:

Kelly Kohnken, City Clerk

APPROVED:

Julia Johnson, Mayor



City Council Agenda Item

Agenda Item No.: e.3.

Date: February 14, 2024

From: Kelly Kohnken, Finance Director / City Clerk

Subject: Check Register - Regular

RECOMMENDED ACTION:

Motion to approve check register, EFTs, and payroll as described.

ISSUE:

BACKGROUND/SUMMARY INFORMATION:

Claims Checks #201449 through #201549, plus EFTs and Payroll Checks #61102 through #61113, plus EFT's.

FISCAL IMPACT, IF APPROPRIATE:

Claims Checks and EFTs totaling \$436,922.81 and Payroll Checks and EFT's totaling \$462,645.34.

ATTACHMENTS:

1. 2024-02-14 Check Register

CHECK REGISTER

City Of Sedro-Woolley

Time: 15:53:15 Date: 00/00/0000

02/06/2024 To: 02/14/2024

Page: 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
1305	02/06/2024	Claims	2	EFT	Cascade Natural Gas Corp	108.41	
					101 - 576 80 47 052 - Bingham Caretaker	108.41	
1306	02/06/2024	Claims	2	EFT	Cascade Natural Gas Corp	566.88	
					001 - 522 50 47 000 - Public Utilities	566.88	
1307	02/06/2024	Claims	2	EFT	Cascade Natural Gas Corp	574.77	
					412 - 537 80 47 000 - Public Utilities	574.77	
1308	02/06/2024	Claims	2	EFT	Cascade Natural Gas Corp	29.59	
					401 - 535 80 47 000 - Public Utilities	29.59	
1309	02/06/2024	Claims	2	EFT	Cascade Natural Gas Corp	629.96	
					103 - 542 63 47 000 - Public Utilities	629.96	
1310	02/06/2024	Claims	2	EFT	Cascade Natural Gas Corp	87.39	
					101 - 576 80 47 050 - Hammer Square	87.39	
1311	02/06/2024	Claims	2	EFT	Cascade Natural Gas Corp	589.22	
					101 - 576 80 47 020 - Senior Center	589.22	
1312	02/06/2024	Claims	2	EFT	Cascade Natural Gas Corp	2,004.05	
					101 - 576 80 47 070 - City Hall	2,004.05	
1313	02/06/2024	Claims	2	EFT	Cascade Natural Gas Corp	105.80	
					001 - 521 20 47 000 - Public Utilities	105.80	
1314	02/06/2024	Claims	2	EFT	Cascade Natural Gas Corp	15.15	
					401 - 535 80 47 000 - Public Utilities	15.15	
1315	02/06/2024	Claims	2	EFT	Cascade Natural Gas Corp	315.99	
					101 - 576 80 47 053 - Other Utilities	315.99	
1316	02/06/2024	Claims	2	EFT	Cascade Natural Gas Corp	375.10	
					101 - 576 80 47 010 - Community Center	375.10	
1317	02/06/2024	Claims	2	EFT	Cascade Natural Gas Corp	741.60	
					101 - 576 80 47 070 - City Hall	741.60	
1318	02/06/2024	Claims	2	EFT	Cascade Natural Gas Corp	1,417.56	
					401 - 535 80 47 000 - Public Utilities	1,417.56	
1319	02/06/2024	Claims	2	EFT	City of Sedro-Woolley	14.45	
					101 - 576 80 47 053 - Other Utilities	14.45	
1320	02/06/2024	Claims	2	EFT	City of Sedro-Woolley	14.45	
					104 - 595 20 63 082 - RW Trail Road Extension	14.45	
1321	02/06/2024	Claims	2	EFT	City of Sedro-Woolley	14.45	
					104 - 595 20 63 082 - RW Trail Road Extension	14.45	
1322	02/06/2024	Claims	2	EFT	Cnty of Skagit Public Utility	83.10	
					401 - 535 80 47 000 - Public Utilities	83.10	
1323	02/06/2024	Claims	2	EFT	Cnty of Skagit Public Utility	83.10	
					401 - 535 80 47 000 - Public Utilities	83.10	
1324	02/06/2024	Claims	2	EFT	Cnty of Skagit Public Utility	83.10	
					101 - 576 80 47 053 - Other Utilities	83.10	
1325	02/06/2024	Claims	2	EFT	Cnty of Skagit Public Utility	192.92	
					001 - 522 50 47 000 - Public Utilities	192.92	
1326	02/06/2024	Claims	2	EFT	Cnty of Skagit Public Utility	83.10	
					001 - 522 50 47 000 - Public Utilities	83.10	
1327	02/06/2024	Claims	2	EFT	Cnty of Skagit Public Utility	74.92	

CHECK REGISTER

City Of Sedro-Woolley

Time: 15:53:15 Date: 00/00/0000

02/06/2024 To: 02/14/2024

Page: 2

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
			001 - 522 50 47 000 - Public Utilities			74.92	
1328	02/06/2024	Claims	2	EFT	Comcast Holdings Corp	470.81	
			001 - 518 80 42 021 - Internet Services			470.81	
1329	02/06/2024	Claims	2	EFT	Comcast Holdings Corp	71.95	
			101 - 576 80 47 020 - Senior Center			71.95	
1330	02/06/2024	Claims	2	EFT	Cellco Partnership dba Verizon Wireless	3,270.24	
			001 - 513 10 42 020 - Telephone			154.35	
			001 - 514 23 42 020 - Telephone			84.42	
			001 - 518 80 42 020 - Telephone			84.42	
			001 - 521 20 42 020 - Telephone			968.63	
			001 - 524 20 42 020 - Telephone			82.22	
			401 - 535 80 42 030 - Cell Phones			513.21	
			102 - 536 20 42 020 - Telephone			82.22	
			412 - 537 80 42 025 - Cell Phones			432.82	
			103 - 542 30 42 020 - Telephone			233.77	
			001 - 558 60 42 020 - Telephone			82.22	
			101 - 576 80 42 020 - Telephone			343.11	
			001 - 595 10 42 025 - Cell Phones			208.85	
1331	02/06/2024	Claims	2	EFT	Cellco Partnership dba Verizon Wireless	1,000.59	
			001 - 521 20 42 020 - Telephone			880.56	
			001 - 522 20 42 020 - Telephone			80.02	
			101 - 576 80 42 020 - Telephone			40.01	
1332	02/06/2024	Claims	2	EFT	NW Fiber LLC, dba Ziply Fiber	71.59	
			101 - 576 80 47 010 - Community Center			71.59	
1333	02/06/2024	Claims	2	EFT	NW Fiber LLC, dba Ziply Fiber	773.29	
			001 - 521 20 42 020 - Telephone			215.20	
			001 - 521 20 42 020 - Telephone			121.18	
			101 - 576 80 47 070 - City Hall			436.91	
1334	02/06/2024	Claims	2	EFT	NW Fiber LLC, dba Ziply Fiber	438.51	
			401 - 535 80 42 020 - Telephone			438.51	
1335	02/06/2024	Claims	2	EFT	NW Fiber LLC, dba Ziply Fiber	896.94	
			001 - 512 50 42 020 - Telephone			53.82	
			001 - 513 10 42 020 - Telephone			80.72	
			001 - 514 23 42 020 - Telephone			80.72	
			001 - 515 31 42 001 - Telephone			35.88	
			001 - 518 80 42 020 - Telephone			26.91	
			001 - 521 20 42 020 - Telephone			269.08	
			001 - 522 20 42 020 - Telephone			98.66	
			001 - 524 20 42 020 - Telephone			26.91	
			401 - 535 80 42 020 - Telephone			71.76	
			412 - 537 80 42 020 - Telephone			35.88	
			103 - 542 30 42 020 - Telephone			8.97	
			001 - 558 60 42 020 - Telephone			26.91	
			101 - 576 80 42 020 - Telephone			17.94	
			001 - 595 10 42 020 - Telephone			62.78	
1336	02/14/2024	Claims	2	201449	A-1 Mobile Lock & Key	312.23	
			001 - 522 50 48 010 - Repairs/Maint-Dorm			312.23	
1337	02/14/2024	Claims	2	201450	Amazon Capital Svcs, Inc	5,230.72	
			001 - 512 50 31 000 - Supplies			19.32	
			001 - 512 50 31 000 - Supplies			26.55	
			001 - 512 50 31 000 - Supplies			94.06	
			001 - 514 23 31 000 - Supplies			30.16	
			001 - 514 23 31 000 - Supplies			534.71	

CHECK REGISTER

City Of Sedro-Woolley

Time: 15:53:15 Date: 00/00/0000

02/06/2024 To: 02/14/2024

Page: 3

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
					001 - 518 80 31 000 - Office/Operating Supplies	19.70	
					001 - 521 20 26 000 - Uniforms/Accessories	21.72	
					001 - 521 20 26 000 - Uniforms/Accessories	63.95	
					001 - 521 20 26 000 - Uniforms/Accessories	146.56	
					001 - 521 20 31 002 - Office/Operating Supplies	21.17	
					001 - 521 20 31 002 - Office/Operating Supplies	20.06	
					001 - 521 20 31 002 - Office/Operating Supplies	562.23	
					001 - 521 20 31 002 - Office/Operating Supplies	58.09	
					001 - 521 20 31 002 - Office/Operating Supplies	806.74	
					001 - 521 20 31 002 - Office/Operating Supplies	21.47	
					001 - 521 20 31 002 - Office/Operating Supplies	43.17	
					001 - 521 20 31 002 - Office/Operating Supplies	302.94	
					001 - 522 20 26 000 - Uniforms	146.58	
					001 - 522 20 26 000 - Uniforms	244.30	
					001 - 522 20 31 000 - Operating Supplies	74.88	
					001 - 522 20 48 000 - Repairs/Maint-Equip	162.89	
					001 - 522 20 48 000 - Repairs/Maint-Equip	31.94	
					001 - 522 20 48 000 - Repairs/Maint-Equip	43.99	
					001 - 522 21 31 000 - Operating Supplies - Medical	81.44	
					001 - 524 20 31 000 - Off/Oper Supps & Books	92.41	
					401 - 535 80 31 000 - Office Supplies	29.31	
					412 - 537 80 31 000 - Operating Supplies	426.57	
					001 - 558 60 49 000 - Printing	67.28	
					101 - 576 80 48 005 - Senior Center	19.52	
					101 - 576 80 48 009 - Hammer Square	238.91	
					101 - 576 80 48 016 - City Hall	347.52	
					101 - 576 80 48 016 - City Hall	233.48	
					001 - 594 18 64 001 - Network Hardware	197.10	
1338	02/14/2024	Claims	2	201451	Aramark Uniform & Career Apparel Group	84.00	
					401 - 535 80 49 000 - Laundry	14.20	
					401 - 535 80 49 000 - Laundry	14.20	
					401 - 535 80 49 000 - Laundry	14.20	
					102 - 536 20 49 030 - Misc-laundry	1.04	
					102 - 536 20 49 030 - Misc-laundry	1.04	
					102 - 536 20 49 030 - Misc-laundry	1.04	
					412 - 537 80 49 000 - Misc-Laundry	3.97	
					412 - 537 80 49 000 - Misc-Laundry	3.97	
					412 - 537 80 49 000 - Misc-Laundry	3.97	
					103 - 542 30 49 000 - Misc-Laundry	8.79	
					103 - 542 30 49 000 - Misc-Laundry	8.79	
					103 - 542 30 49 000 - Misc-Laundry	8.79	
1339	02/14/2024	Claims	2	201452	Seth Bass	300.00	
					001 - 521 20 28 000 - Employee Wellness	300.00	
1340	02/14/2024	Claims	2	201453	Blythe Mechanical Inc	1,093.93	
					001 - 522 50 48 010 - Repairs/Maint-Dorm	1,093.93	
1341	02/14/2024	Claims	2	201454	Bonner Electrical Contracting LLC	403.99	
					101 - 576 80 48 005 - Senior Center	403.99	
1342	02/14/2024	Claims	2	201455	Boulder Park Inc	15,193.95	
					401 - 535 80 35 020 - Solids Handling	15,193.95	
1343	02/14/2024	Claims	2	201456	Peter Brown	100.00	
					101 - 582 10 01 101 - Community Center Deposit Ref	100.00	
1344	02/14/2024	Claims	2	201457	C.Hlth130, dba Cardinal Health 112 LLC	465.73	
					001 - 522 21 31 000 - Operating Supplies - Medical	72.65	
					001 - 522 21 31 000 - Operating Supplies - Medical	393.08	

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1345	02/14/2024	Claims	2	201458	Zach Carroll	540.62	
					001 - 521 40 43 000 - Travel	540.62	
1346	02/14/2024	Claims	2	201459	Cascade Automotive & Marine	3,206.77	
					001 - 518 20 48 000 - Repair & Maintenance	3,206.77	Unit 4
1347	02/14/2024	Claims	2	201460	Central Welding Supply	249.50	
					001 - 522 21 31 000 - Operating Supplies - Medical	249.50	
1348	02/14/2024	Claims	2	201461	Cities Insurance Assoc	4,944.69	
					001 - 514 23 46 000 - Insurance & Bonds	1,000.00	
					001 - 514 23 46 000 - Insurance & Bonds	2,506.65	
					001 - 514 23 46 000 - Insurance & Bonds	1,438.04	
1349	02/14/2024	Claims	2	201462	N. Maxwell dba Climate Protection NW	2,925.00	
					001 - 558 60 41 000 - Professional Services	2,925.00	
1350	02/14/2024	Claims	2	201463	Consolidated Electrical Dist., Inc.	947.29	
					401 - 535 50 48 050 - Maint Of General Equip	140.94	
					101 - 576 80 48 000 - Repairs/Maintenance	341.00	
					101 - 576 80 48 016 - City Hall	465.35	
1351	02/14/2024	Claims	2	201464	Consumer Rental, LLC	317.26	
					001 - 558 60 49 001 - Miscellaneous	317.26	
1352	02/14/2024	Claims	2	201465	Dalco Inc	679.79	
					412 - 537 80 31 000 - Operating Supplies	679.79	Pressure washer hose
1353	02/14/2024	Claims	2	201466	Gregory Dixon	697.00	
					001 - 515 93 41 001 - Indigent Defense Conflict Cour	697.00	
1354	02/14/2024	Claims	2	201467	Dobbs Heavy Duty Holdings, LLC	15.19	
					412 - 537 80 31 000 - Operating Supplies	15.19	
1355	02/14/2024	Claims	2	201468	Donald Coggins	54.30	
					101 - 576 80 31 006 - Operating Sup - City Hall	54.30	
1356	02/14/2024	Claims	2	201469	E & E Lumber, Inc.	1,332.43	
					001 - 522 20 31 000 - Operating Supplies	61.72	
					102 - 536 20 48 030 - Repair/Maintenance-Land	82.87	
					103 - 542 30 31 000 - Operating Supplies	21.67	
					103 - 542 30 31 000 - Operating Supplies	122.98	
					103 - 542 30 31 000 - Operating Supplies	38.00	
					103 - 542 30 31 000 - Operating Supplies	19.47	
					103 - 542 30 31 000 - Operating Supplies	90.64	
					103 - 542 30 31 000 - Operating Supplies	78.16	
					103 - 542 30 31 000 - Operating Supplies	36.72	
					103 - 542 30 31 000 - Operating Supplies	19.54	
					103 - 542 30 31 000 - Operating Supplies	12.46	
					101 - 576 80 48 009 - Hammer Square	97.74	
					101 - 576 80 48 009 - Hammer Square	4.68	
					101 - 576 80 48 009 - Hammer Square	163.94	
					101 - 576 80 48 015 - Library	29.03	
					101 - 576 80 48 015 - Library	84.63	
					101 - 576 80 48 015 - Library	368.18	
1357	02/14/2024	Claims	2	201470	Edge Analytical Inc	798.00	
					401 - 535 80 41 000 - Professional Services	735.00	
					401 - 535 80 41 000 - Professional Services	63.00	
1358	02/14/2024	Claims	2	201471	Fab-Tech	461.55	
					103 - 542 63 48 000 - Repairs/Maintenance	461.55	

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1359	02/14/2024	Claims	2	201472	Fastenal Company	224.20	
					103 - 542 30 35 000 - Small Tools/Minor Equip	224.20	
1360	02/14/2024	Claims	2	201473	Ferguson US Holdings, Inc	376.89	
					101 - 576 80 31 001 - Operating Sup - Riverfront	376.89	
1361	02/14/2024	Claims	2	201474	GMP Consultants LLC	2,940.00	
					001 - 558 60 41 000 - Professional Services	2,940.00	
1362	02/14/2024	Claims	2	201475	Richard Lance George	1,978.80	
					001 - 521 20 27 000 - Retired Medical	1,978.80	
1363	02/14/2024	Claims	2	201476	Home Depot Credit Services	475.66	
					412 - 537 80 31 000 - Operating Supplies	226.97	
					101 - 576 80 35 000 - Small Tools & Minor Equip	248.69	
1364	02/14/2024	Claims	2	201477	Humane Society Of Skagit	132.00	
					001 - 521 20 41 021 - Humane Society	132.00	
1365	02/14/2024	Claims	2	201478	ICONIX Waterworks (US) Inc	3,928.61	
					401 - 535 50 48 010 - Maintenance Of Lines	-4,198.34	
					401 - 535 50 48 010 - Maintenance Of Lines	2,906.05	
					401 - 535 50 48 010 - Maintenance Of Lines	655.37	
					401 - 535 50 48 010 - Maintenance Of Lines	4,389.02	
					101 - 576 80 48 014 - Winnie Houser Park	164.94	
					101 - 594 76 63 014 - Memorial Park	11.57	
1366	02/14/2024	Claims	2	201479	General Acct Attn Wendel Janicki General Contracting	1,294.81	00 1020 DP - 1010 HODGIN ST 1020
					412 - 343 70 00 000 - Garbage/Solid Waste Fees	-1,146.00	
					412 - 343 70 00 010 - Utility Tax Collected	-122.80	
					412 - 343 75 00 000 - Fuel Surcharge	-23.42	
					412 - 361 40 00 412 - Interest On Accts	-2.59	
1367	02/14/2024	Claims	2	201480	Ronald John	1,978.80	
					001 - 521 20 27 000 - Retired Medical	1,978.80	
1368	02/14/2024	Claims	2	201481	KCDA Purchasing Cooperative	32,035.35	
					001 - 594 32 64 000 - Office Equipment	1,286.02	
					101 - 594 76 63 014 - Memorial Park	30,749.33	
1369	02/14/2024	Claims	2	201482	Kaiser Foundation Health Plan-WA	1,066.23	
					001 - 342 60 00 000 - Fire Transport Fees	-1,066.23	
1370	02/14/2024	Claims	2	201483	L N Curtis & Sons	1,481.30	
					001 - 594 21 64 000 - Machinery & Equipment	1,481.30	
1371	02/14/2024	Claims	2	201484	Lacoste, Ryan & Beardslee, Mariah	100.00	
					101 - 582 10 01 101 - Community Center Deposit Ref	100.00	
1372	02/14/2024	Claims	2	201485	Lauts Inc dba Lautenbach Industries	1,458.56	
					412 - 537 60 47 015 - Construction Demolition Land	515.16	BYK 820 Trail Rd
					412 - 537 60 47 015 - Construction Demolition Land	943.40	BYK 820 Trail Rd Parkland
1373	02/14/2024	Claims	2	201486	Lenz Enterprises, Inc	493.43	
					412 - 537 60 47 021 - Curbside Yard Waste Disposal	493.43	
1374	02/14/2024	Claims	2	201487	Les Schwab Tire Center	9,011.31	
					001 - 521 20 48 010 - Repair & Maint - Auto	1,703.46	Veh 271 Eaton
					001 - 521 20 48 010 - Repair & Maint - Auto	1,310.37	
					412 - 537 50 48 000 - Repairs/maint-equip	5,538.60	Stock tires
					412 - 537 50 48 000 - Repairs/maint-equip	105.96	Unit 521 tire repair

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			412 - 537 50 48 000 - Repairs/maint-equip			86.86	Unit 516
			412 - 537 60 47 011 - Site Recycling Disposal			119.46	Site recycle tires
			103 - 542 30 48 010 - Repair/Maintenance-Equip			146.60	
1375	02/14/2024	Claims	2	201488	Life Assist Inc.	2,615.27	
			001 - 522 20 31 000 - Operating Supplies			260.29	
			001 - 522 20 31 000 - Operating Supplies			331.88	
			001 - 522 21 31 000 - Operating Supplies - Medical			1,728.79	
			001 - 522 21 31 000 - Operating Supplies - Medical			294.31	
1376	02/14/2024	Claims	2	201489	Bruce G Lisser, DBA Lisser & Assoc, PLLC	658.75	
			104 - 595 20 63 082 - RW Trail Road Extension			658.75	
1377	02/14/2024	Claims	2	201490	NW Center Svcs, Inc dba Lithtex NW	424.43	
			001 - 514 23 31 000 - Supplies			424.43	
1378	02/14/2024	Claims	2	201491	Dan McIlraith	215.00	
			001 - 521 40 43 000 - Travel			215.00	
1379	02/14/2024	Claims	2	201492	McLoughlin & Eardley Corp	3,059.01	
			501 - 594 22 64 501 - Vehicles - Fire			580.26	
			501 - 594 22 64 501 - Vehicles - Fire			2,478.75	
1380	02/14/2024	Claims	2	201493	Miles Sand & Gravel Co.	214.40	
			101 - 576 80 48 001 - Riverfront			214.40	
1381	02/14/2024	Claims	2	201494	Joy Mullins	20.00	
			304 - 317 60 00 000 - Vehicle Fees			-20.00	
1382	02/14/2024	Claims	2	201495	Walter E Nelson Co. of N. WA	864.28	
			101 - 576 80 31 006 - Operating Sup - City Hall			864.28	
1383	02/14/2024	Claims	2	201496	North Hill Resources Inc	1,750.00	
			412 - 537 60 47 020 - Site Yard Waste Disposal			1,750.00	
1384	02/14/2024	Claims	2	201497	Northline Surveying Inc	1,615.00	
			001 - 558 60 41 000 - Professional Services			1,615.00	
1385	02/14/2024	Claims	2	201498	Northsound Auto Group, LLC	111,015.48	
			501 - 594 21 64 501 - Equip & Vehicles - Police			55,507.74	
			501 - 594 21 64 501 - Equip & Vehicles - Police			55,507.74	
1386	02/14/2024	Claims	2	201499	Oliver-Hammer, Inc	162.88	
			401 - 535 80 35 010 - Safety Equipment			162.88	
1387	02/14/2024	Claims	2	201500	PNW Emergency Equip. Co.	1,352.86	
			001 - 522 20 48 000 - Repairs/Maint-Equip			1,352.86	
1388	02/14/2024	Claims	2	201501	Pape' Group, dba Pape' Machinery Inc.	561.12	
			103 - 542 30 48 010 - Repair/Maintenance-Equip			225.76	JD Gator w/Cab
			103 - 542 30 48 010 - Repair/Maintenance-Equip			267.78	Unit 390 pins
			101 - 576 80 48 021 - Equipment			52.00	
			101 - 576 80 48 021 - Equipment			15.58	Unit 133
1389	02/14/2024	Claims	2	201502	Parker Corporate Svcs, Inc.	125.00	
			103 - 542 30 49 010 - Misc-Dues/Subscriptions			125.00	
1390	02/14/2024	Claims	2	201503	Public Safety Testing, Inc	110.00	
			001 - 521 20 41 001 - Professional Services			110.00	
1391	02/14/2024	Claims	2	201504	Pumptech Inc	5,910.70	
			401 - 535 50 48 020 - Maint Of Pumping Equip			5,910.70	
1392	02/14/2024	Claims	2	201505	RPM Performance LLC	3,897.44	

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			501 - 594 22 64 501		Vehicles - Fire	3,897.44	
1393	02/14/2024	Claims	2	201506	Red's Mobile 24-Hour Truck & Equip Repai	10,021.22	
			001 - 522 20 48 000		Repairs/Maint-Equip	801.20	
			425 - 531 50 48 000		Repairs/Maintenance	1,692.85	Unit 604
			401 - 535 50 48 040		Maintenance Of Vehicles	1,586.42	Unit 410
			412 - 537 50 48 000		Repairs/maint-equip	729.51	Unit 520
			412 - 537 50 48 000		Repairs/maint-equip	5,211.24	Unit 511
1394	02/14/2024	Claims	2	201507	Ricoh USA, Inc	232.69	
			001 - 558 60 49 040		Misc - Dept. Split	232.69	
1395	02/14/2024	Claims	2	201508	Ricoh USA, Inc	231.08	
			001 - 558 60 49 040		Misc - Dept. Split	231.08	
1396	02/14/2024	Claims	2	201509	Julie Rosario	65.30	
			001 - 595 10 43 000		Travel	65.30	
1397	02/14/2024	Claims	2	201510	SBA Structures, LLC	609.29	
			001 - 591 28 70 001		Lease - SBA	304.65	
			401 - 591 28 70 401		Lease - SBA	304.64	
1398	02/14/2024	Claims	2	201511	Sedgwick Claims	2,451.61	
			001 - 511 60 21 001		Industrial Insurance	1.78	
			001 - 512 50 21 001		Industrial Insurance	2.20	
			001 - 513 10 21 001		Industrial Insurance	4.18	
			001 - 514 23 21 001		Industrial Insurance	17.77	
			001 - 518 80 21 001		Industrial Insurance	5.96	
			001 - 521 10 21 001		Industrial Insurance	45.16	
			001 - 521 20 21 001		Industrial Insurance	603.22	
			001 - 522 20 21 001		Industrial Insurance	425.50	
			001 - 522 21 21 001		Industrial Insurance	404.59	
			001 - 522 22 21 001		Industrial Insurance	62.73	
			001 - 522 23 21 001		Industrial Insurance	324.31	
			001 - 524 20 21 001		Industrial Insurance	20.92	
			425 - 531 50 21 001		Industrial Insurance	53.32	
			401 - 535 80 21 001		Industrial Insurance	124.41	
			102 - 536 20 21 001		Industrial Insurance	19.86	
			412 - 537 80 21 001		Industrial Insurance	123.36	
			103 - 542 30 21 001		Industrial Insurance	56.45	
			501 - 548 30 21 001		Industrial Insurance	26.05	
			001 - 558 60 21 001		Industrial Insurance	5.23	
			101 - 576 80 21 001		Industrial Insurance	79.45	
			001 - 595 10 21 001		Industrial Insurance	45.16	
1399	02/14/2024	Claims	2	201512	Sedro-Woolley Auto Parts Inc	875.83	
			401 - 535 50 48 050		Maint Of General Equip	78.09	
			102 - 536 20 31 010		Operating Supplies	125.24	
			102 - 536 20 48 040		Repair/Maint-Equip & Bldg	213.28	
			102 - 536 20 48 040		Repair/Maint-Equip & Bldg	188.77	
			412 - 537 50 48 000		Repairs/maint-equip	221.07	
			103 - 542 30 31 000		Operating Supplies	17.90	
			101 - 576 80 48 005		Senior Center	10.86	
			101 - 576 80 48 021		Equipment	20.62	
1400	02/14/2024	Claims	2	201513	M.T. Gehring dba Sedro-Woolley Auto	1,211.78	
			001 - 521 20 48 010		Repair & Maint - Auto	94.50	
			001 - 521 20 48 010		Repair & Maint - Auto	955.09	Veh 263 Rosser
			001 - 521 20 48 010		Repair & Maint - Auto	162.19	
1401	02/14/2024	Claims	2	201514	Semrau Engineering & Surveying	6,718.00	

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			104 - 595 10 63 077 - Eng-SR20 Cascade Trail Phase 2			6,718.00	
1402	02/14/2024	Claims	2	201515	Skagit Cnty Auditor	10,712.62	
			001 - 514 90 41 000 - Voter Registration Costs			10,586.62	
			401 - 535 80 49 040 - Misc-Filing Fees/Lien Exp			18.00	
			401 - 535 80 49 040 - Misc-Filing Fees/Lien Exp			54.00	
			412 - 537 80 49 020 - Misc-Filing Fees/Lien Exp			54.00	
1403	02/14/2024	Claims	2	201516	Skagit Cnty District Court	4,509.25	
			001 - 512 50 41 001 - District Court Surcharge			4,509.25	
1404	02/14/2024	Claims	2	201517	Skagit Cnty Public Health	5,503.50	
			001 - 569 00 41 000 - Skagit Senior Services			5,503.50	
1405	02/14/2024	Claims	2	201518	Skagit Cnty Public Works	10,356.55	
			425 - 531 50 41 002 - Contracted Services			8,815.93	
			001 - 595 10 31 001 - Address & Street Signs-Reimb			1,030.29	
			103 - 595 30 63 020 - Resurfacing Projects			510.33	Late Billing for 2023 Chip Seal
1406	02/14/2024	Claims	2	201519	Skagit Cnty Sheriff Office	5,161.36	
			001 - 521 20 41 001 - Professional Services			1,103.38	
			001 - 523 60 41 010 - Prisoner Transport			4,057.98	
1407	02/14/2024	Claims	2	201520	Skagit Cnty Treasurer	61,322.91	
			114 - 523 60 41 022 - Jail Sales Tax Pass Through 2/10			61,286.92	
			635 - 589 30 05 635 - County Crime Victim Witness P			35.99	
1408	02/14/2024	Claims	2	201521	Skagit Council Of Governments	2,112.76	
			001 - 558 60 41 050 - SCOG			2,112.76	
1409	02/14/2024	Claims	2	201522	Skagit DV & SA Services	1,860.18	
			001 - 565 50 41 000 - Sk Domestic Violence			385.54	
			001 - 565 50 41 000 - Sk Domestic Violence			537.26	
			001 - 565 50 41 000 - Sk Domestic Violence			424.15	
			001 - 565 50 41 000 - Sk Domestic Violence			513.23	
1410	02/14/2024	Claims	2	201523	Skagit Endodontics	350.00	
			001 - 521 20 27 000 - Retired Medical			350.00	
1411	02/14/2024	Claims	2	201524	Skagit Farmers Supply	263.88	
			401 - 535 80 31 010 - Operating Supplies			110.73	
			401 - 535 80 31 010 - Operating Supplies			80.42	
			401 - 535 80 31 010 - Operating Supplies			18.45	
			101 - 576 80 31 000 - Operating Sup - Tesarik Park			54.28	
1412	02/14/2024	Claims	2	201525	PNG Media LLC, dba Skagit Publishing	532.62	
			001 - 511 60 31 001 - Legal Publications			172.16	
			001 - 558 60 41 010 - Advertising			123.74	
			001 - 558 60 41 011 - Advertising Reimbuseable			236.72	
1413	02/14/2024	Claims	2	201526	Casey Sousa	139.32	
			401 - 535 80 49 010 - Misc-Dues/Subscriptions			139.32	
1414	02/14/2024	Claims	2	201527	Pamelynn Spangler	1,000.00	
			101 - 582 10 01 101 - Community Center Deposit Ref			1,000.00	
1415	02/14/2024	Claims	2	201528	Staples, Inc.	253.41	
			401 - 535 80 31 000 - Office Supplies			253.41	
1416	02/14/2024	Claims	2	201529	Suburban Propane, LP	48.87	
			102 - 536 20 32 001 - Propane			48.87	
1417	02/14/2024	Claims	2	201530	Paul Taylor	3,101.00	
			001 - 521 20 27 000 - Retired Medical			2,916.00	
			001 - 521 20 27 000 - Retired Medical			185.00	

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1418	02/14/2024	Claims	2	201531	Teleflex LLC	677.50	
					001 - 522 20 31 000 - Operating Supplies	677.50	
1419	02/14/2024	Claims	2	201532	Transportation Solutions, Inc.	6,487.50	
					104 - 544 40 41 000 - Transportation Plan Update	6,487.50	
1420	02/14/2024	Claims	2	201533	HD Supply Inc, dba USA BlueBook	3,168.87	
					401 - 535 50 48 050 - Maint Of General Equip	356.49	
					401 - 535 50 48 050 - Maint Of General Equip	1,626.83	
					401 - 535 80 31 010 - Operating Supplies	312.52	
					401 - 535 80 31 010 - Operating Supplies	54.12	
					401 - 535 80 31 010 - Operating Supplies	775.60	
					401 - 535 80 31 010 - Operating Supplies	10.83	
					401 - 535 80 31 010 - Operating Supplies	10.83	
					401 - 535 80 31 010 - Operating Supplies	21.65	
1421	02/14/2024	Claims	2	201534	Uline, Inc.	2,243.51	
					412 - 537 80 31 000 - Operating Supplies	2,243.51	
1422	02/14/2024	Claims	2	201535	UniFirst Corp.	660.82	
					001 - 522 20 26 000 - Uniforms	331.88	
					001 - 522 20 26 000 - Uniforms	328.94	
1423	02/14/2024	Claims	2	201536	United Parcel Service, Inc.	37.72	
					001 - 522 20 42 010 - Postage	17.58	
					001 - 522 20 42 010 - Postage	20.14	
1424	02/14/2024	Claims	2	201537	Util Underground Loc Ctr	72.38	
					401 - 535 80 31 010 - Operating Supplies	72.38	
1425	02/14/2024	Claims	2	201538	Valvoline Instnt Oil Chg	108.45	
					001 - 521 20 48 010 - Repair & Maint - Auto	53.74	
					001 - 521 20 48 010 - Repair & Maint - Auto	54.71	
1426	02/14/2024	Claims	2	201539	WA St Off of Treasurer	2,832.47	
					635 - 586 30 00 635 - State Court Fees Remittance	2,832.47	Court Remit
1427	02/14/2024	Claims	2	201540	WA St Patrol	39.75	
					001 - 521 20 41 040 - Interqov Svc-Gun Permits	39.75	
1428	02/14/2024	Claims	2	201541	Wastequip, LLC	7,219.20	
					412 - 537 80 34 000 - Containers - Garbage	7,219.20	Garbage toters & lids
1429	02/14/2024	Claims	2	201542	Wesmar Company, Inc	7,401.09	
					401 - 535 80 35 020 - Solids Handling	7,401.09	
1430	02/14/2024	Claims	2	201543	S3DVBE, dba Western Fire Supply	120.80	
					001 - 522 20 31 000 - Operating Supplies	120.80	
1431	02/14/2024	Claims	2	201544	Whatcom Electric Co. Inc.	1,491.95	
					412 - 537 50 48 000 - Repairs/maint-equip	-52.50	
					412 - 537 50 48 000 - Repairs/maint-equip	1,597.89	Unit 520
					412 - 537 50 48 000 - Repairs/maint-equip	-24.44	Unit 520 battery credit
					412 - 537 60 47 000 - Solid Waste Disposal	-29.00	Site recycle batteries
1432	02/14/2024	Claims	2	201545	Woods Acquisition Corp	360.23	
					401 - 535 80 31 010 - Operating Supplies	105.56	
					102 - 536 20 48 040 - Repair/Maint-Equip & Bldg	65.06	
					412 - 537 80 31 000 - Operating Supplies	34.71	
					103 - 542 30 31 000 - Operating Supplies	19.36	
					101 - 576 80 48 021 - Equipment	15.64	
					101 - 576 80 48 021 - Equipment	119.90	
1433	02/14/2024	Claims	2	201546	Woolley Fiber Quilters	100.00	

CHECK REGISTER

City Of Sedro-Woolley

Time: 15:53:15 Date: 00/00/0000

02/06/2024 To: 02/14/2024

Page: 10

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
			303 - 362 40 10 303		- Senior Center Rental	-100.00	
1434	02/14/2024	Claims	2	201547	World Kinect Energy Services, dba	15,745.72	
			001 - 514 23 43 000		- Meals/Travel	36.92	
			001 - 518 20 32 000		- Auto Fuel	38.88	
			001 - 521 20 32 000		- Auto Fuel	2,437.67	
			001 - 521 20 32 000		- Auto Fuel	2,940.12	
			001 - 522 20 32 000		- Auto Fuel/Diesel	1,803.25	
			425 - 531 50 32 000		- Vehicle Fuel	192.00	
			425 - 531 50 32 000		- Vehicle Fuel	79.41	
			425 - 531 50 32 000		- Vehicle Fuel	166.02	
			425 - 531 50 32 000		- Vehicle Fuel	94.88	
			401 - 535 80 32 000		- Auto Fuel/Diesel	96.23	
			401 - 535 80 32 000		- Auto Fuel/Diesel	222.56	
			102 - 536 20 32 000		- Auto Fuel/Diesel	110.22	
			102 - 536 20 32 000		- Auto Fuel/Diesel	216.83	
			412 - 537 80 32 000		- Auto Fuel/Diesel	2,757.56	
			412 - 537 80 32 000		- Auto Fuel/Diesel	92.69	
			412 - 537 80 32 000		- Auto Fuel/Diesel	1,466.69	
			412 - 537 80 32 000		- Auto Fuel/Diesel	1,760.96	
			412 - 537 80 32 000		- Auto Fuel/Diesel	108.18	Fuel 514
			412 - 537 80 32 000		- Auto Fuel/Diesel	269.35	Fuel 9, 525, 514
			103 - 542 30 32 000		- Auto Fuel/Diesel	240.66	
			103 - 542 30 32 000		- Auto Fuel/Diesel	233.97	
			103 - 542 30 32 000		- Auto Fuel/Diesel	124.76	
			103 - 542 30 32 000		- Auto Fuel/Diesel	77.48	
			103 - 542 30 32 000		- Auto Fuel/Diesel	178.43	
1435	02/14/2024	Claims	2	201548	Zachor, Stock & Krepps, Inc PS	8,840.00	
			001 - 515 41 41 001		- Ext Legal-Prosecutor	8,840.00	
1436	02/14/2024	Claims	2	201549	Zoll Medical Corporation	569.33	
			001 - 522 21 31 000		- Operating Supplies - Medical	569.33	
			001		Current Expense Fund	102,352.49	
			101		Parks & Facilities Fund	42,351.52	
			102		Cemetery Fund	1,156.34	
			103		Street Fund	4,248.94	
			104		Arterial Street Fund	13,893.15	
			114		Law Enforcement Sales Tax	61,286.92	
			303		Building Maintenance Reserve	100.00	
			304		Transportation Benefit District	20.00	
			401		Sewer Operations Fund	42,517.04	
			412		Solid Waste Operations Fund	37,035.56	
			425		Stormwater Operations	11,094.41	
			501		Equipment Replacement Fund	117,997.98	
			635		Custodial Fund	2,868.46	
					* Transaction Has Mixed Revenue And Expense Accounts	436,922.81	
							Claims: 436,922.81

CHECK REGISTER

City Of Sedro-Woolley

Time: 15:53:15 Date: 00/00/0000

02/06/2024 To: 02/14/2024

Page: 11

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
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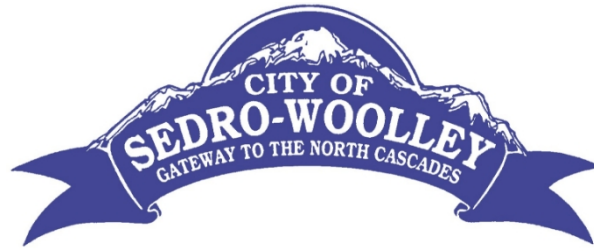
CERTIFICATION: I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described, or that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Sedro Woolley, and that I am authorized to authenticate and certify to said claim.

_____ Finance Director	_____ Date
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_____ Finance Committee Member	_____ Date
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_____ Finance Committee Member	_____ Date
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_____ Finance Committee Member	_____ Date
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City Council Agenda Item

Agenda Item No.: e.4.

Date: February 14, 2024

From: Kelly Kohnken, Finance Director / City Clerk

Subject: Check Register - Off Cycle

RECOMMENDED ACTION:

Motion to approve check register, EFTs, and payroll as described.

ISSUE:

Payments needed to be made and could not wait until the next regular check run.

BACKGROUND/SUMMARY INFORMATION:

Claims Checks #201446 through #201447, plus a EFT

FISCAL IMPACT, IF APPROPRIATE:

Claims Checks and EFT totaled \$52,711.27

ATTACHMENTS:

1. 2024-02-02 Check Register - Off Cycle

CHECK REGISTER

City Of Sedro-Woolley

Time: 10:08:39 Date: 02/02/2024

02/02/2024 To: 02/02/2024

Page: 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
1099	02/02/2024	Claims	2	EFT	US Bank -- Purchase Cards	15,405.49	
		001 - 511 60 31 000 - Supplies				78.30	
		001 - 511 60 49 000 - Training				200.00	
		001 - 513 10 49 000 - Tuition/Registration				400.00	
		001 - 514 23 31 000 - Supplies				149.82	
		001 - 514 23 31 000 - Supplies				51.02	
		001 - 514 23 49 030 - Misc-Tuition/Registration				475.00	
		001 - 514 23 49 030 - Misc-Tuition/Registration				475.00	
		001 - 517 90 43 001 - Employee Recognition				260.88	
		001 - 517 90 43 001 - Employee Recognition				312.59	
		001 - 518 80 41 000 - Professional Services				156.28	
		001 - 518 80 41 000 - Professional Services				255.29	
		001 - 521 20 26 000 - Uniforms/Accessories				216.10	
		001 - 521 20 31 002 - Office/Operating Supplies				56.46	
		001 - 521 20 31 002 - Office/Operating Supplies				115.09	
		001 - 521 20 31 002 - Office/Operating Supplies				264.96	
		001 - 521 20 31 002 - Office/Operating Supplies				35.28	
		001 - 521 20 41 001 - Professional Services				5.24	
		001 - 521 20 49 010 - Dues/Subscriptions				50.00	
		001 - 521 20 49 010 - Dues/Subscriptions				50.00	
		001 - 521 40 49 000 - Tuition/Registration				795.00	
		001 - 521 40 49 000 - Tuition/Registration				425.00	
		001 - 521 40 49 000 - Tuition/Registration				1,540.00	
		001 - 521 40 49 000 - Tuition/Registration				1,424.00	
		001 - 521 40 49 000 - Tuition/Registration				425.00	
		001 - 521 40 49 000 - Tuition/Registration				550.00	
		001 - 522 21 49 020 - Tuition & Registration				10.00	
		001 - 522 21 49 020 - Tuition & Registration				10.00	
		001 - 522 21 49 020 - Tuition & Registration				15.00	
		001 - 522 21 49 020 - Tuition & Registration				25.00	
		001 - 522 21 49 020 - Tuition & Registration				3.19	
		001 - 522 21 49 020 - Tuition & Registration				9.13	
		001 - 522 21 49 020 - Tuition & Registration				275.00	
		001 - 524 20 49 010 - Misc-Dues				16.66	
		412 - 537 50 48 000 - Repairs/maint-equip				869.87	
		412 - 537 80 31 000 - Operating Supplies				69.24	
		412 - 537 80 31 000 - Operating Supplies				12.73	
		103 - 542 30 48 010 - Repair/Maintenance-Equip				163.18	
		103 - 542 30 49 010 - Misc-Dues/Subscriptions				250.00	
		001 - 558 60 49 010 - Dues/Subscript/Membership				16.67	
		101 - 576 80 35 000 - Small Tools & Minor Equip				456.04	
		001 - 594 18 64 001 - Network Hardware				446.35	
		001 - 594 21 64 000 - Machinery & Equipment				97.47	
		501 - 594 22 64 501 - Vehicles - Fire				300.94	
		401 - 594 35 63 010 - Other Improvements				3,526.04	
		001 - 595 10 41 010 - Advertising				50.00	
		001 - 595 10 49 000 - Dues/Memberships				16.67	
1100	02/02/2024	Claims	2	201446	Boundary Review Board	50.00	
		001 - 558 60 49 020 - Filing/Recording Fees				50.00	
1101	02/02/2024	Claims	2	201447	Puget Sound Energy, Inc.	37,255.78	
		001 - 521 20 47 000 - Public Utilities				275.28	
		001 - 521 20 47 000 - Public Utilities				42.92	
		001 - 522 50 47 000 - Public Utilities				739.80	
		425 - 531 50 47 000 - Public Utilities				30.91	
		425 - 531 50 47 000 - Public Utilities				169.92	
		401 - 535 80 47 000 - Public Utilities				80.36	
		401 - 535 80 47 000 - Public Utilities				185.87	
		401 - 535 80 47 000 - Public Utilities				14,817.14	
		401 - 535 80 47 000 - Public Utilities				374.34	
		401 - 535 80 47 000 - Public Utilities				129.95	
		401 - 535 80 47 000 - Public Utilities				81.55	

CHECK REGISTER

City Of Sedro-Woolley

Time: 10:08:39 Date: 02/02/2024

02/02/2024 To: 02/02/2024

Page: 2

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
		401 - 535 80 47 000 - Public Utilities				247.73	
		401 - 535 80 47 000 - Public Utilities				304.76	
		401 - 535 80 47 000 - Public Utilities				187.58	
		401 - 535 80 47 000 - Public Utilities				929.73	
		102 - 536 20 47 000 - Public Utilities				99.75	
		412 - 537 80 47 000 - Public Utilities				235.73	
		103 - 542 63 47 000 - Public Utilities				11,619.45	
		103 - 542 63 47 000 - Public Utilities				92.10	
		103 - 542 63 47 000 - Public Utilities				216.74	
		101 - 576 80 47 000 - Riverfront				669.88	
		101 - 576 80 47 000 - Riverfront				415.42	
		101 - 576 80 47 000 - Riverfront				10.86	
		101 - 576 80 47 000 - Riverfront				12.98	
		101 - 576 80 47 010 - Community Center				464.55	
		101 - 576 80 47 020 - Senior Center				418.00	
		101 - 576 80 47 030 - Museum Apartments				22.72	
		101 - 576 80 47 030 - Museum Apartments				7.97	
		101 - 576 80 47 030 - Museum Apartments				14.51	
		101 - 576 80 47 040 - Train				24.80	
		101 - 576 80 47 050 - Hammer Square				227.82	
		101 - 576 80 47 051 - Bingham / Memorial				104.25	
		101 - 576 80 47 051 - Bingham / Memorial				341.50	
		101 - 576 80 47 052 - Bingham Caretaker				210.41	
		101 - 576 80 47 053 - Other Utilities				23.52	
		101 - 576 80 47 070 - City Hall				3,397.37	
		104 - 595 20 63 082 - RW Trail Road Extension				27.61	
		001 Current Expense Fund				10,865.45	
		101 Parks & Facilities Fund				6,822.60	
		102 Cemetery Fund				99.75	
		103 Street Fund				12,341.47	
		104 Arterial Street Fund				27.61	
		401 Sewer Operations Fund				20,865.05	
		412 Solid Waste Operations Fund				1,187.57	
		425 Stormwater Operations				200.83	
		501 Equipment Replacement Fund				300.94	
						52,711.27	Claims: 52,711.27
						52,711.27	

CERTIFICATION: I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described, or that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Sedro Woolley, and that I am authorized to authenticate and certify to said claim.

APPROVED

Finance Director

Date

By Kelly Kohnken at 11:07 am, Feb 02, 2024

Finance Committee Member

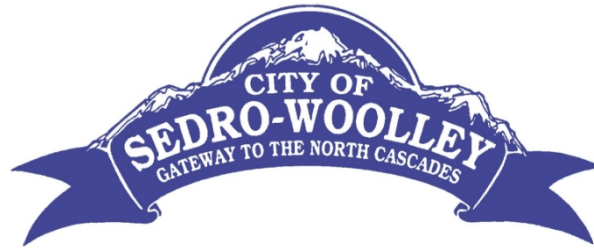
Date

Finance Committee Member

Date

Finance Committee Member

Date



City Council Agenda Item

Agenda Item No.: e.5.

Date: February 14, 2024

From: Kelly Kohnken, Finance Director / City Clerk

Subject: Check Register - Off Cycle

RECOMMENDED ACTION:

Motion to approve check register, EFTs, and payroll as described.

ISSUE:

A check from the 12-27-23 check run was lost in the mail and the vendor requested a replacement check be cut. The original check number was 201182.

BACKGROUND/SUMMARY INFORMATION:

Claims Check #204448

FISCAL IMPACT, IF APPROPRIATE:

Claims Check totaled \$15,196.78

ATTACHMENTS:

1. 2024-02-05 Check Register - Off Cycle

CHECK REGISTER

City Of Sedro-Woolley

Time: 08:31:54 Date: 02/05/2024

02/05/2024 To: 02/05/2024

Page: 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
1251	02/05/2024	Claims	2	201448	McLoughlin & Eardley Corp	15,196.78	
		501 - 594 21 64 501 - Equip & Vehicles - Police				6,406.41	
		501 - 594 22 64 501 - Vehicles - Fire				178.98	
		501 - 594 22 64 501 - Vehicles - Fire				290.12	
		501 - 594 22 64 501 - Vehicles - Fire				266.22	
		501 - 594 22 64 501 - Vehicles - Fire				388.10	
		501 - 594 22 64 501 - Vehicles - Fire				333.43	
		501 - 594 22 64 501 - Vehicles - Fire				4,411.54	
		501 - 594 22 64 501 - Vehicles - Fire				732.76	
		501 - 594 22 64 501 - Vehicles - Fire				2,189.22	
501 Equipment Replacement Fund						15,196.78	
						15,196.78	Claims: 15,196.78

CERTIFICATION: I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described, or that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the City of Sedro Woolley, and that I am authorized to authenticate and certify to said claim.

APPROVED

By Kelly Kohnken at 8:50 am, Feb 05, 2024

Finance Committee Member

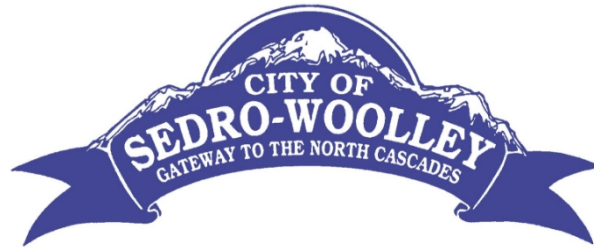
Date

Finance Committee Member

Date

Finance Committee Member

Date



City Council Agenda Item

Agenda Item No.: e.6.

Date: February 14, 2024

From: Kelly Kohnken, Finance Director / City Clerk

Subject: Reappointment to Civil Service Commission - Commissioner Ken Clark

RECOMMENDED ACTION:

Motion to appoint Ken Clark to the Civil Service Commission for an additional four years.

ISSUE:

BACKGROUND/SUMMARY INFORMATION:

At the November 29, 2023 Civil Service Meeting, the Civil Service Commission approved a motion to extend Commissioner Ken Clark's position on the commission for another four years.

FISCAL IMPACT, IF APPROPRIATE:

None

ATTACHMENTS:

1. MINUTES November 29, 2023

MINUTES OF SPECIAL CIVIL SERVICE MEETING
November 29, 2023
4:00 pm

Present: Commissioner Ken Clark, Commissioner Mike Janicki, Commission
Chairman Ken Van Liew, Police Chief Dan McIlraith, Fire Chief Frank
Wagner, and Secretary/Examiner Jeanine Goss

The meeting was called to order by Commissioner Ken Van Liew at 4:07 p.m.

OLD BUSINESS

Commissioner Janicki made a motion to approve the minutes from the previous meeting.
Commissioner Clark seconded. Motion carried 3-0.

NEW BUSINESS

POLICE DEPARTMENT:

Chief Dan McIlraith updated the commission on the hiring process for Entry level Police Officer. He requested to remove candidate #10-01 and add candidate #10-04. Commissioner Janicki made a motion to approve the changes, Commissioner Van Liew seconded the motion. Motion carried 2-0.

FIRE DEPARTMENT:

Chief Wagner gave an update on the two paramedic openings with zero qualified. The eight new positions for full-time Fire/EMT, with six internal candidates. Chief Wagner requested to do the initial testing in-house. Commissioner Clark made a motion to approve the internal written test, Commissioner Janicki seconded the motion. Motion carried 3-0.

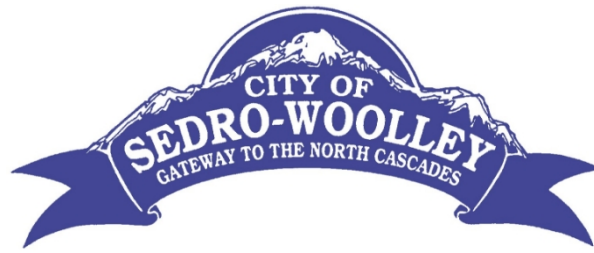
OTHER:

Commissioner Clark's position is due to expire this year. Commissioner Van Liew made a motion to extend his term another four years. Commissioner Janicki seconded the motion. Motion carried. 3-0.

Commissioner Van Liew moved to close the meeting. Commissioner Janicki seconded. The meeting was adjourned at 4:23 pm.

NEXT MEETING
TBD

Jeanine Goss, Secretary/Examiner



City Council Agenda Item

Agenda Item No.: e.7.

Date: February 14, 2024

From: Charlie Bush, City Administrator

Subject: Community Development Grant - Low Auto Sales

RECOMMENDED ACTION:

Staff recommends approval, which would authorize the Mayor to enter into a grant contract with Low Auto Sales.

ISSUE:

Should the City provide a community development grant to Low Auto Sales?

BACKGROUND/SUMMARY INFORMATION:

The City Council authorized the Community Development Grant Program in 2023, providing up to \$140,000 in funding to the community via up to \$10,000 business grants and up to \$5,000 nonprofit grants. Low Auto Sales became the 12th applicant to the program on January 24, 2024. Low Auto Sales is requesting \$10,000 to support a \$14,000 project to refresh the exterior of their building, including painting, replacing doors, and replacing windows.

FISCAL IMPACT, IF APPROPRIATE:

\$10,000 of American Rescue Plan Act Funding. If this grant is approved by Council, \$32,269 will remain available in the program.

ATTACHMENTS:

1. Low Auto Sales Grant Request
2. SWCDGP Review Sheet Low Auto Sales

Sedro-Woolley Community Development Grant Program *Application*

Date of Application: _____ January 24, 2024 _____

Full Legal Name (Organization): _____ Low Auto Sales, LLC _____

Applicant Mailing Address: _____ 760 State Route 20 _____

Project Physical Address: _____ 760 State Route 20 _____

Phone Number: _____ 360-856-1979 _____

Primary Contact: _____ Justin Trammell _____

Website (if applicable): _____ www.low-auto-sales.com _____

Email Address: _____ thelowautosales@comcast.net _____

Grant Amount Requested (maximum of \$5,000 per nonprofit and \$10,000 per business):
_____ \$10,000 _____

Optional Matching Funds: _____

Grant Eligibility Requirements:

- Businesses and non-profit organizations are eligible to apply for funds
- Businesses must possess and active City of Sedro-Woolley business license, if required by law
- Applications must be approved prior to the project start date
- Maximum funding limit is \$5,000 per nonprofit, or \$10,000 per business
- National franchises are not eligible
- Improvements must be made to a public-facing area.
- Projects will be vetted for completeness by City staff and may go to the Arts Commission for recommendation to the City Council. The City Council will make the final decision on whether to fund a project.
- Once funded, grants will be reimbursement grants. One exception is for projects greater than \$20,000 in total. Those projects can have their city-eligible funds reimbursed when they are more than 50% complete.

Proposal - provide an explanation of the project including who/what/where/when/why, attach at least three photos of the area/areas needing improvement (500 words or less)

I request the support of the City of Sedro-Woolley for a project aimed at beautifying our business, located at 760 W SR 20, Sedro-Woolley. We are pleased to hear of the City's commitment to enhancing the aesthetic appeal of our fantastic community, which creates a more inviting environment for residents and visitors and increases business within the City.

Project Details:

Who: Low Auto Sales, LLC

What: Updating the siding of the buildings, the windows, and the doors.

Where: 760 W State Route 20, Sedro-Woolley, WA 98284

When: November 2023 – June 2024

Why: The primary objective of this project is to improve the overall appearance and functionality of Low Auto Sales.

Project Description:

Our proposal involves the following key components:

1. **Updating the siding of the buildings:** The siding on the buildings is in need of paint and updating the bottom portion of the walls. The aim is to create a visually appealing and welcoming atmosphere for all of our customers and those who drive by on a daily basis.
2. **Updating Windows and Doors:** Modernizing our windows and doors will not only provide a more aesthetic appeal but will also provide better security and improved energy efficiency.



Budget – provide a line-item budget, including information and amounts of any outside funding sources

We are seeking a grant of \$10,000 to cover partial costs associated with the project. The total cost of the project is ~~\$14,665~~. A complete budget breakdown is as follows:

- New windows \$2,790
- Garage Door Repair \$525
- New metal siding \$1,500
- Paint \$9,850

Impact – discuss how your project will directly or indirectly increase tax revenues in Sedro-Woolley (250 words or less)

The specific impact on tax revenues can vary depending on economic conditions, but we believe that with the exterior updates the business will be more inviting, and essentially boost sales.

Here are ways we believe the City of Sedro-Woolley will benefit:

1. **Attracting More Customers:** An updated and visually appealing exterior can attract more customers to the business. Increased foot traffic can lead to higher sales and revenue, resulting in increased sales tax revenue for the City.
2. **Economic Growth:** A well-maintained and attractive business can encourage economic growth in the area. New businesses may be attracted to the improved environment, leading to an expansion of the local business community.
3. **Tourism and Destination Appeal:** We are known to our customers and visitors as the car lot with the “green car on the roof” and the “legs sticking out of the car”. This does bring back customers however; having appealing exteriors can also become tourist attractions, drawing visitors and tourists to the area. These are both comments we hear from customers all of the time. Attracting more tourists means that these tourists will spend money on accommodations, dining, and shopping, leading to increased hotel occupancy taxes and local sales taxes.
4. **Reinvestment in the Community:** We have been a family owned and operated business for over 40 years and are committed to our community. We know that a business that invests in its exterior sends a signal to the local community that it is committed to the area's success.

Background – provide any additional background information you feel is relevant, including an artist rendering of your project (250 words or less, an art attachment is strongly encouraged)

Updating the exterior of a building is often driven by a variety of factors and goals, each of which contributes to the overall rationale for the renovation or enhancement. Here's a background on why we want to update the exterior of our building:

1. **Aging or Deteriorating Appearance:** Over time, buildings can show signs of wear and tear, such as peeling paint, cracked facades, or outdated design elements. Updating the exterior is necessary to maintain a fresh and appealing look.
2. **Enhancing Curb Appeal:** A visually appealing exterior can attract more customers, clients, or tenants. First impressions matter.
3. **Energy Efficiency:** Updating windows and doors can lead to energy savings and a reduced carbon footprint.
4. **Competitive Advantage:** In competitive business environments, an updated exterior can help a business stand out from the competition. It signals to customers that the business is progressive and attentive to its image.
5. **Neighborhood Improvement:** Updating the exterior will contribute to the revitalization of a neighborhood. The neighborhood is growing and the updates will contribute to a more attractive and vibrant community.
6. **Customer Experience:** A welcoming exterior can create a positive customer experience, making it more likely for customers to return or recommend the business to others.

Overall, the decision to update the exterior of our business is driven by a combination of practical, aesthetic, and strategic considerations aimed at improving the property's functionality, aesthetics, and marketability while aligning with the values and goals of the City of Sedro-Woolley.

Authorization

I, (print name) Justin Trammell, the (print title, if applicable) Owner/Operator, of (print organization name, if applicable) Low Auto Sales, LLC, have approved the submission of this proposal.

If I/we receive a grant, I/we agree to enter into a contract with the City of Sedro-Woolley promising to:

- 1) Execute the project, as planned;
- 2) If a religious organization, not proselytize as any part of the project to be completed;
- 3) Provide all documentation necessary (included in the contract) to verify receive reimbursement for the project.

Name and Title of Authorizing Member Justin Trammell

Signature 

Date January 24, 2024

Proposals can be mailed to: Charlie Bush, City Administrator
City of Sedro-Woolley
325 Metcalf Street
Sedro-Woolley, WA 98284

OR submitted via email to: cbush@sedro-woolley.gov

Please include a completed and signed application and proposal with "Sedro-Woolley Community Development Grant Program" on the subject line.

Sedro-Woolley Community Development Grant Program

Review Sheet

Basic Information

Application Number: ____12____

Applicant: ____Low Auto Sales____

Application Complete (yes/no): ____yes____

Check One

Local Business (non-franchise, yes-no): ____yes____

City Woolley Business License (yes/no): ____yes____

Address verification (yes/no): ____yes____

Nonprofit Organization (yes/no): ____no____

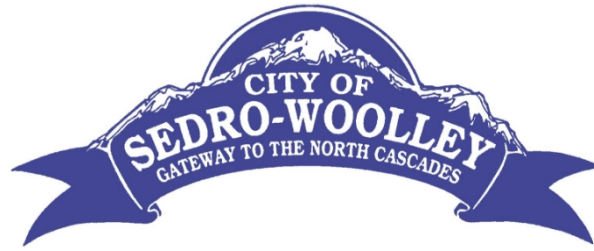
Project Information

Is the Project Public Facing (yes/no): ____yes____

Grant Request Amount at \$10,000 maximum for a business or \$5,000 maximum for a nonprofit, or under that amount (yes/no): ____\$10,000____

Other Review

Arts Commission (yes/no): ____no____



City Council Agenda Item

Agenda Item No.: e.8.

Date: February 14, 2024

From: Nathan Salseina , Maintenance Operations Supervisor

Subject: Purchase - Site Furnishing for the Olmsted Park Development Project

RECOMMENDED ACTION:

Authorize the Mayor to sign Purchase Order No 2024-PO-03 issued to King County Directors Association (KCDA) for the purchase of site furnishing for the Olmsted Park Development Project.

ISSUE:

Should the Council authorize Mayor Johnson to sign Purchase Order No 2024-PO-03 issued to KCDA for the purchase of site furnishing for the Olmsted Park Development Project?

BACKGROUND/SUMMARY INFORMATION:

As we prepare to move forward with the Olmsted Park Development project, staff has solicited the attached quote from Great Western Recreation using our cooperative agreement with KCDA for owner-supplied site amenities for the project. The owner supplied items including bike racks, benches, picnic tables, bollards, and information kiosks. These items are identified as “owner supplied” in the bid documents for the larger Olmsted Development Project. The city will be responsible for supplying them, but the contractor will be responsible for installing them once they get to that stage of the project.

FISCAL IMPACT, IF APPROPRIATE:

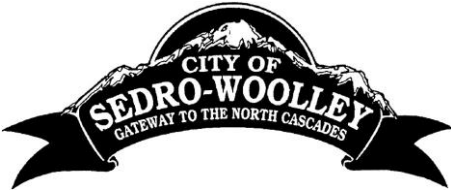
The quote in the amount of \$32,910.24 utilizes KCDA purchasing cooperative discount pricing. Funding to support this purchase is budgeted in the 2024 Budget in the city Parks & Facilities Fund 101.

ATTACHMENTS:

1. 2024-PO-03 KCDA - Great Western Recreation

City of Sedro-Woolley

325 Metcalf Street
Sedro-Woolley, WA 98284
Phone (360) 855-0771 Fax (360) 855-0707



The following number must appear on all related correspondence, shipping papers, and invoices:

P.O. NUMBER: 2024-PO-03

VENDOR:
KCDA
Karri Wyman
18639 80th Ave South
Kent, WA 98032
Tel: 425-251-8115 Ext. 133
Email: kwyman@kcda.org

SHIP TO:
City of Sedro-Woolley
501 Alexander Street
Sedro-Woolley, WA 98284
Tel: (360) 333-0771
Email: nsalseina@sedro-woolley.gov

PURCHASE ORDER

P.O. DATE	REQUISITIONER	SHIPPED VIA	F.O.B. POINT	TERMS
02/15/2024	Nathan Salseina		Sedro-Woolley, WA	NET 30

QTY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL
1	EA	Olmsted Park Site Amenities Option 2C Great Western Recreation Quote 109102-02, dated 2/8/2024 (Attached for Reference) Per Purchasing Agreement KCDA 22-315 Playground Equipment, Surfacing & Site Amenities	\$28,371.09	\$28,371.09
			SUBTOTAL	\$28,371.09
			DISCOUNT	INCL
			ESTIMATED SHIPPING & HANDLING	\$1,933.00
			.086 SALES TAX	\$2,606.15
			OTHER	N/A
			TOTAL	\$32,910.24

- 1. Please send two copies of your invoice.
- 2. Enter this order in accordance with the prices, terms, delivery method, and specifications listed above.
- 3. Please notify us immediately if you are unable to ship as specified.
- 4. Send all correspondence to:

594.76.63.025.101 Olmsted Park \$32,910.24

Accounts Payable
City of Sedro-Woolley
325 Metcalf Street
Sedro-Woolley, WA 98284
Phone (360) 855-1661 Fax (360) 855-0707
Email: ap@ci.sedro-woolley.wa.us

Authorized by _____ Date _____

Proposal for City of Sedro-Woolley

Prepared by



02-08-2024
Job # 109102-02

Olmsted Park Site Amenities - Option 2C



Great Western Recreation
 975 S. State Hwy 89
 Logan, UT 84321
 Cell: 435-901-9544
 Office: 435-245-5055
 Fax: 435-245-5057
 quinn@gwpark.com
 www.gwpark.com

02/08/2024
 Quote #
 109102-02-05

Olmsted Park Site Amenities Option 2C

City of Sedro-Woolley
 Attn: Nathan Salseina
 409 Alexander Street
 Sedro-Woolley, WA 98284
 Phone: 360-856-0151
 nsalseina@sedro-woolley.gov

Ship to Zip 98284

Qty	Part #	Description	List \$	Selling \$	Ext. Selling \$
1	HOOP RACK	Dero Bike Rack Co. - Surface Mount, Lean Bar, Powder Coated, No Color- Please select Color Option w/ order	\$242.00	\$229.90	\$229.90
4	WEDGE-.375-3.000	Dero Bike Rack Co. - Wedge Anchor .375 x 3.000			
4	3/8X1 BOND WSHR GV	Dero Bike Rack Co. - 3/8 X 1 Bonded Washer GV			
1	TS-TRI08-02-MB	RCP - 8' x 8' x 8' Steel Three Sided Message Board Kiosk- INCLUDED: • WA Cert Drawings: includes standard RCP foundation design • Frame: powder coated tube steel • Roof Deck: 24-ga. exposed fastener Mega-Rib • (3) aluminum lockable message board cases • Hardware: all required fasteners • Eave Height: 7'-6" ± • Roof pitch: 2:12 • Delivery: to an accessible site • Installation Not Included Add-Alt Option 1 - \$738 for Plate Steel Templates, HDG Anchor Bolts, F1554-36 w/ Washer & Nuts Add-Alt Option 2 - \$1563 for Electrical Cutouts	\$24,387.00	\$23,167.65	\$23,167.65
1	DB-36	Wishbone - Denman Bollard- Frame Color : TBD	\$600.00	\$564.00	\$564.00
1	INST-1.5	Wishbone - Stainless Steel Installation Kit 1-1/2" Bolts	\$20.00	\$18.80	\$18.80
1	P338SH3-PT48*	UltraSite - 3-SEAT, 48" SINGLE PED. ADA TABLE, INGROUND, PRESSURE TREATED	\$1,365.00	\$1,283.10	\$1,283.10
1	P338S-PT48*	UltraSite - 48" SINGLE PEDESTAL TABLE, INGROUND, PRESSURE TREATED - PC	\$1,479.00	\$1,390.26	\$1,390.26
1	T954-S6*	UltraSite - 6' LEXINGTON BENCH, WITH BACK SLAT - THERMO FRAME	\$1,827.00	\$1,717.38	\$1,717.38
Contract: King County Director's Association			Sub Total		\$28,371.09
			Estimated Freight		\$1,933.00
			Tax		\$2,606.15
			Total		\$32,910.24





Great Western Recreation
975 S. State Hwy 89
Logan, UT 84321
Cell: 435-901-9544
Office: 435-245-5055
Fax: 435-245-5057
quinn@gwpark.com
www.gwpark.com

02/08/2024
Quote #
109102-02-05

Olmsted Park Site Amenities Option 2C

Comments

Your Sales Rep is Quinn Connell. Please reach out to Quinn at 435-901-9544 if you should have any questions regarding this quote.

Due to the volatility of freight costs, the freight pricing is subject to change at the time of order.

Pricing is subject to change. Request updated pricing when purchasing from quotes more than 30 days old.

Shipping to Site Address:
501 Alexander St
Sedro-Woolley, WA 98284

*Freight charges are based on listed zip code and are subject to change if shipping information changes.

*Deposit may be required.

Customer is responsible for offloading.

Installation not included.

Pricing on this quote includes KCDA discount on all applicable items, based on the 2022 KCDA Playground Contract #22-315. All prices include KCDA service charges, with no additional service fees to the purchaser. If this project requires a Payment and Performance Bond and the amount of the bond is not listed in the line item cost above, the cost of the bond and sales tax (if applicable) will be added to the invoice. *Purchase order needs to be made payable to "King County Director's Association" and submitted directly to KCDA for processing; for more information, please contact Karri Wyman by email: kwyman@kcda.org or by phone: 435-251-8155 ext. 133.

TERMS & CONDITIONS:

Remittance Address:

975 S. Hwy 89
Logan, UT 84321

- **PRICING:** Pricing is subject to change. Request updated pricing when purchasing from quotes more than 30 days old.
- **PAYMENT TERMS:** Net 30 days subject to approval by Credit Manager. A signed P.O. made out to Great Western Recreation or this signed quotation is required for all orders unless otherwise noted. Equipment shall be invoiced separately from other services and shall be payable in advance of those services and project completion. Checks should be made payable to Great Western unless otherwise directed.
- **FINANCE CHARGE:** A 1.5% monthly finance charge (or as permitted by law) will be added to invoices over 30 days past due.
- **TAXES:** Taxes will be shown as a separate line item when included. Any applicable taxes not shown will be added to final invoice. A copy of your tax exemption certificate must be submitted at time of order or taxes will be added to your invoice.
- **MINIMUM ORDER:** Our minimum order is \$50 (USD) Any order less than \$5000 requires cash with order or payment by major credit card.
- **SHIPMENT:** Multiple shipments may be required based on point of origin. Above costs assume one shipment for each vendor quoted.
- **DELIVERY:** It is the responsibility of the owner to offload and inventory equipment, unless other arrangements have been made. Missing or damaged equipment must be reported within 60 days of acceptance of delivery.

SUPPLY ONLY:

- All items are quoted supply only.
- Installation services are not included.
- Customer is responsible for coordinating delivery, receipt, unloading, and inventory equipment.
- Missing or damaged equipment must be reported within 60 days of delivery.





Great Western Recreation
975 S. State Hwy 89
Logan, UT 84321
Cell: 435-901-9544
Office: 435-245-5055
Fax: 435-245-5057
quinn@gwpark.com
www.gwpark.com

02/08/2024
Quote #
109102-02-05

Olmsted Park Site Amenities Option 2C

ACCEPTANCE OF QUOTATION:

Acceptance of this proposal indicates your agreement to the terms and conditions stated herein.

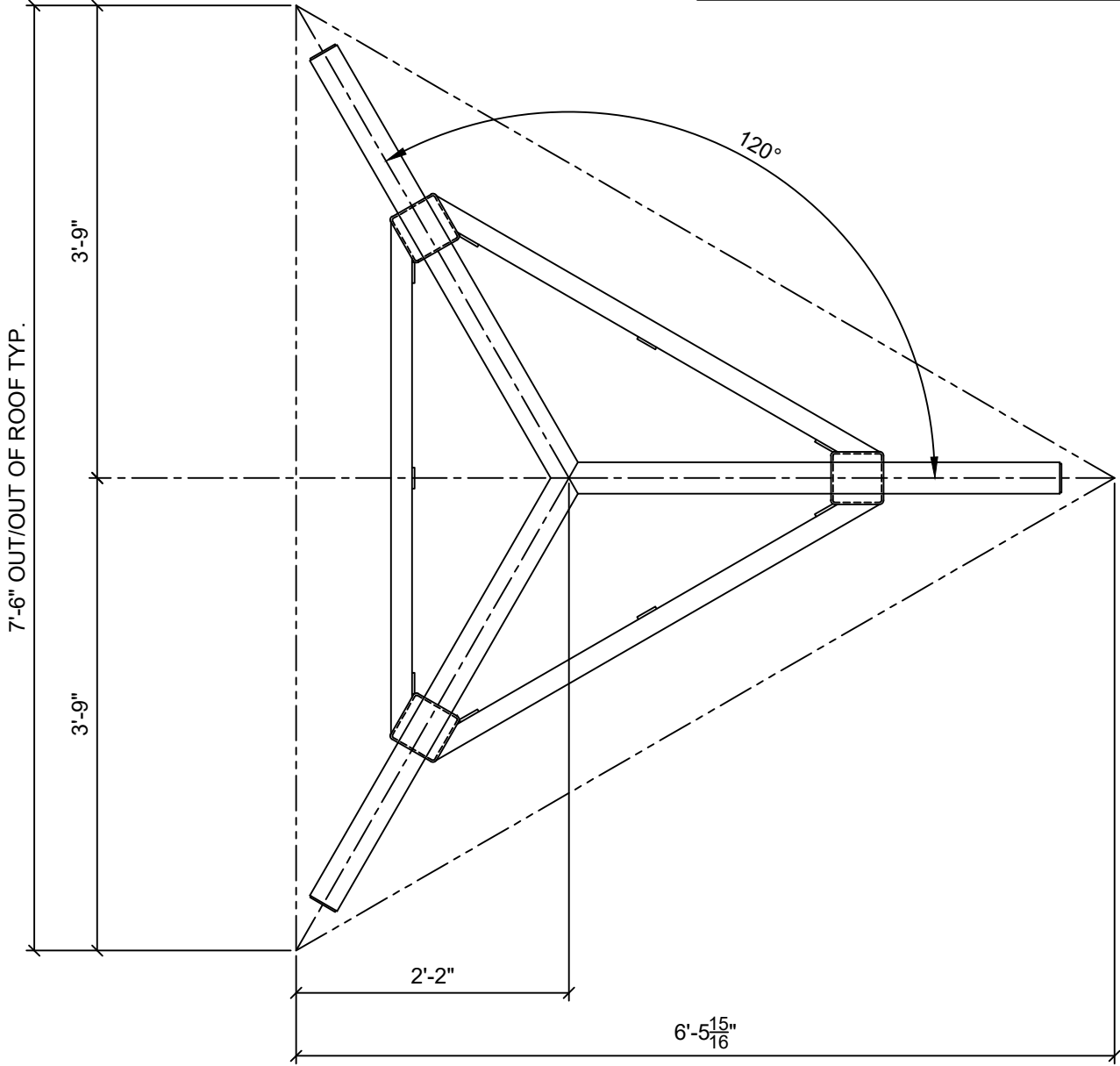
Purchase Amount: **\$32,910.24**

Date: _____

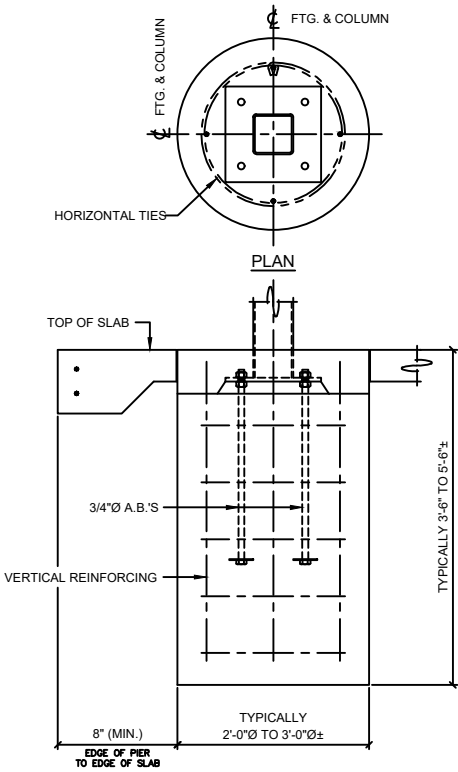
Signature

Please fill out this [ORDER FORM](#), this is required to process the order.



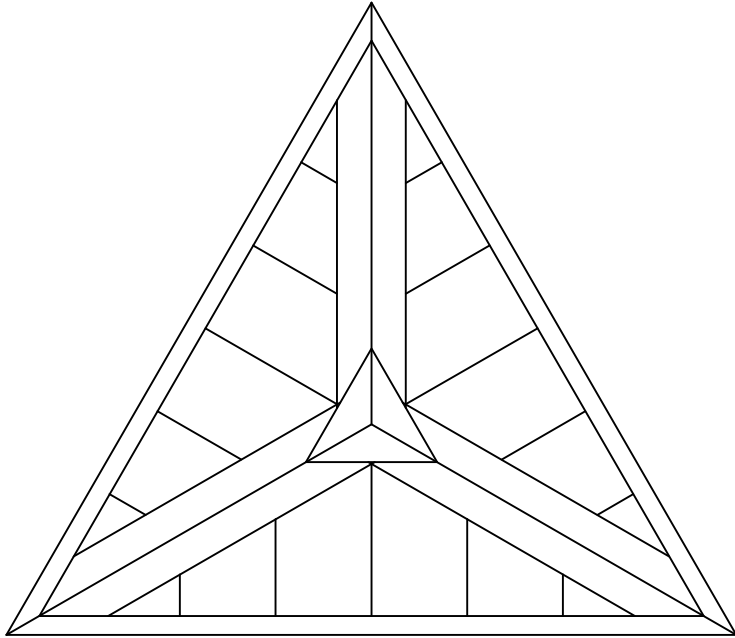


ROOF FRAMING PLAN

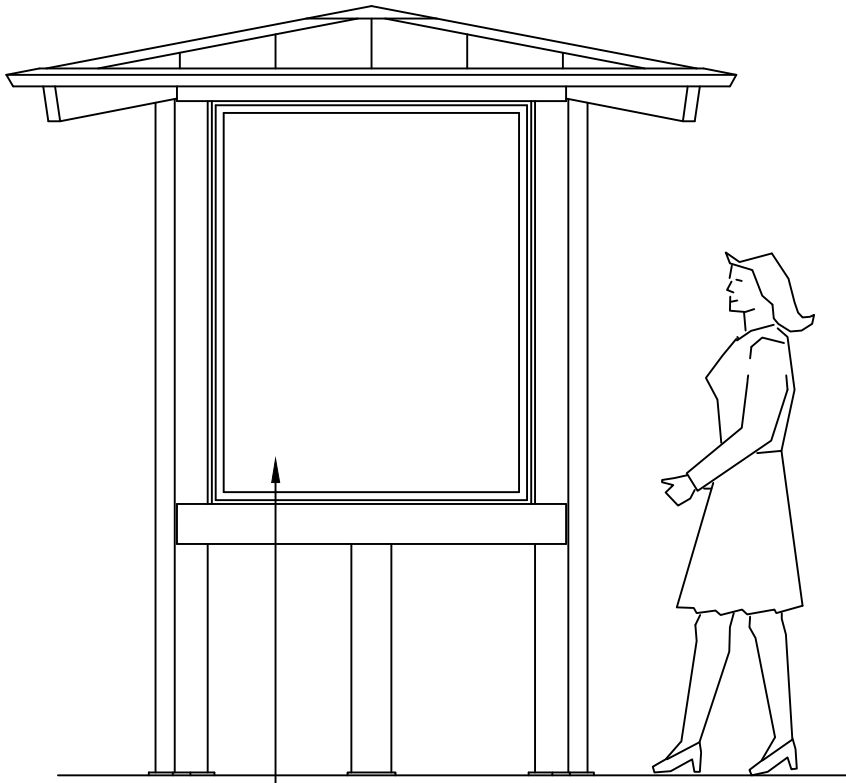


COLUMN PIER DETAIL

ACTUAL DESIGN WILL VARY DUE TO BUILDING CODE REQUIREMENTS AND MAY BE SUBSTANTIALLY LARGER



PLAN



ELEVATION

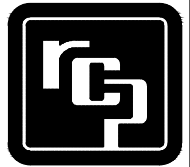
40" x 50" ALUMINUM FRAMED ENCLOSED
CORKBOARD DISPLAY BOARD WITH SHATTER
RESISTANT ACRYLIC WINDOWS AND LOCKABLE
DOORS (3 REQ'D.).

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TS-TRI8-02-MB

NUMBER OF PURLINS MAY VARY DEPENDING UPON DESIGN LOADS. SIZES AND SPACING OF PURLINS TO BE DETERMINED DURING FINAL DESIGN.

RCP SHELTERS, INC.
2100 SE RAYS WAY STUART, FL 34994 PO BOX 25 STUART, FL 34995-0025
SHELTERS ■ PAVILIONS ■ CONCESSIONS ■ KIOSKS ■ FABRIC SHADE
RESTROOMS ■ BANDSHELLS ■ MINI-SHELTERS ■ DUGOUTS ■ FABRIC SAIL
Phone 800-525-0207 Fax 772-288-0207
www.rcpselters.com Email info@rcpselters.com



PROJ. NO.:
DRAWN: RAR
CHK'D:
REV 1:
REV 2:
REV 3:
REV 4:
REV 5:
CAD NO.:
EEC JOB NO.:
SHEET NO.:

GUIDE SPECIFICATIONS FOR THE DERO HOOP BIKE RACK

SECTION 129313 or 323313 BIKE RACKS

These specifications were current at the time of publication but are subject to change at any time without notice. Please confirm the accuracy of these specifications with the manufacturer and/or distributor prior to installation.

PART 1 GENERAL

1.1 Summary

A. This section includes specifications for the Hoop Bike Rack.

1. Bikes parked per unit: 2

1.2 Quality Assurance

- A. Installer Qualifications: An experienced installer who has completed installation of bicycle racks similar in material, design, and extent to that indicated for this project and whose work has resulted in construction with a record of successful in-service performance.
- B. Manufacturer Qualifications: A firm experienced in manufacturing bicycle racks similar to those required for this project and with a record of successful in-service performance.
- C. Source Limitations: Obtain each color, finish, shape and type of bicycle rack from a single source with resources to provide components of consistent quality in appearance and physical properties.
- D. Product Options: Drawings indicate size, shape and dimensional requirements of bicycle racks and are based on the specific system indicated.

1.3 Submittals

- A. Product Data: Include physical characteristics such as shape, dimensions, bicycle, material parking capacity and finish for each bicycle rack.
- B. Shop Drawings: Show installation details for each bicycle rack.
- C. Samples for Verification: Submit finish samples for review and verification.
- D. Maintenance Data: For each bicycle rack.

1. Include recommended methods for repairing damage to the finish.

1.4 Delivery, Storage and Handling

- A. Upon delivery, before signing for shipment, inspect for any damages and notate on the B.O.L.
- B. Store bicycle racks in original undamaged packages and containers until ready for installation. Handle bicycle racks with sufficient care to prevent any scratches or damage to the finish.

PART 2 PRODUCTS

2.1 Acceptable Manufacturers

- A. Provide bicycle racks manufactured by DERO BIKE RACK CO., 5522 Lakeland Avenue N., Minneapolis, MN 55429, 1-888-337-6729. Fax: 612-331-2731
Website: www.dero.com

2.2 Materials

- A. 1.5" schedule 40 uncoated pipe (1.90" OD)
- B. Installation Methods: In-ground mount is embedded into concrete base. Flange mount has two 2.5" x 6" x .25" feet - 4 anchors. In-ground mount, foot mount, and rail mount models are available.
- C. Rail Racks: Hoops are bolted to two parallel rails. Hoops can be left free standing or anchored to the ground. See Rail Racks section below. Rail material is AISI C3 x 4.1 steel channel.

2.3 Finishes

- A. A hot-dipped galvanized finish performed after fabrication is standard.
- B. Over 250 high quality TGIC powder-coated colors are available from Dero Bike Rack Co.
 - 1. A TGIC powder coat finish is available.
 - 2. For powder coated/ painted racks, the following specifications are required: Part is prepared for painting with hard sandblasting. An epoxy primer is electrostatically applied. A final TGIC, UV resistant polyester powder coat is applied. Final coating mil thickness shall be no less than 6 mils.
- C. A 304 grade stainless steel finish is also available. Either a satin #4 finish or high luster electropolish finish. Both finish options include the Spectra Shield finish for maximum corrosion protection.
- D. Six durable thermoplastic colors are available.
- E. A rubbery PVC dip is available in many colors. Black is standard.

2.4 Hoop Bike Rack

- A. Setbacks
 - 1. Wall Setback: For Hoops set parallel to the wall, a minimum of 24" should be left between the wall and the rack. 36" is the recommended setback. For Hoops installed perpendicular to the wall, a 28" setback is the minimum distance. 36" is recommended.
 - 2. Distance Between Racks: 24" is the minimum distance between racks. 36" is recommended.
 - 3. Street Setback: 24" is the minimum distance between the street and the rack. 36" is recommended.
 - 4. The foot-mounted Hoop Rack has a 2.5" x 6" x .25" foot which is installed onto a concrete base with 4 masonry anchors. The foot-mounted Hoop Rack is generally less expensive to install and easier to remove than the in-ground mount model, while still maintaining the same degree of security.
- C. Rail Racks

1. Rail-mounted Hoops are standard foot-mounted Hoop Racks attached with bolts to a rail in the configurations from 3 to 7 Hoops. Rail racks provide more flexibility than mounted racks, but still provide the same degree of security.
2. Rail-mounted Hoops can be left either free-standing or can be anchored to the ground using several anchors. This portability allows for easy snow-removal or sweeping. It also means installation is much less expensive than imbedded bike racks.
3. The Advantages to rail-mounted racks are:
 1. Easier and inexpensive installation
 2. Can be left freestanding or anchored to the ground
 3. Can be easily removed
4. Rail Racks are commonly used where snow removal/sweeping is an issue, or when no suitable base material is available.

PART 3 EXECUTION

3.1 Installation

- A. Installation Method
 1. In ground mount
 2. Surface mount
 3. Rail-mounted (free standing)
 4. It is the responsibility of the installer to ensure that all base materials into which the rack will be installed can support the rack and will not be damaged by any required installation procedures.

3.2 Ordering Information

- A. When ordering or specifying this rack, make sure the product type, finish and fastener type (if applicable) are included. Contact your Dero representative for a current price list or to place an order.
- B. Included in the price is either a hot-dipped galvanized finish, a TGIC powder coat finish, or a stainless steel finish. The foot-mounted and Rail Rack Hoops include 4 wedge anchors or concrete spikes.

3.3 Freight

- A. Call 1-888-337-6729 for freight quotes.

Denman Bollard

Model Number:

DB-36



Designer Notes

The Denman Bollard combines robust construction, contemporary aesthetics, and innovative features to provide an exceptional pedestrian safety solution. Crafted with a sturdy all-aluminum frame, this bollard boasts a minimalistic design that effortlessly blends into any environment. Engineered specifically for pedestrian areas, the Denman Bollard prioritizes safety without compromising on style. Please note that it is not intended for stopping vehicles; its primary purpose is to ensure the well-being of pedestrians. Built to withstand even the harshest environmental conditions, the Denman Bollard is constructed using marine grade aluminum. This material choice guarantees exceptional durability and corrosion resistance. Furthermore, our cutting-edge powder coating application adds an extra layer of protection, extending the lifespan of the bollard and maintaining its pristine appearance over time. We understand that every location has unique requirements, which is why the Denman Bollard is highly customizable. With the ability to adjust the height to your specifications, this bollard seamlessly adapts to various surroundings, ensuring optimal visibility and functionality. Additionally, eyelets can be added to accommodate rope or chain applications, providing versatile functionality as needed. In situations where access is necessary, the Denman Bollard offers a convenient solution. Our removable twist lock version allows for easy removal when required, granting unobstructed passage without compromising on safety or security. This feature ensures a hassle-free experience in areas where occasional access or temporary modifications are essential. Whether it's a bustling urban plaza, a serene park, or any pedestrian-centric space, the Denman Bollard is the ideal choice for safeguarding pedestrians while enhancing the visual appeal of the surroundings. Its enduring design and exceptional quality make it a long-lasting investment in pedestrian safety and architectural aesthetics.

Material Specifications

Marine Grade Aluminum Frame
Stainless Steel Hardware
Super Durable Powder Coating

Recycled Content

Recycled Content by Weight: 100%
100% Recyclable

Standard Powdercoat Colours



Customized Solutions

Custom Powder Coating (Setup Charges May Apply)
Removeable version - DRB-36
Height Can Be Modified to 48"
Optional Eyelets for Rope or Chain
INST-1.5 Stainless Steel Bolt-Down Kit

Product Dimensions

Height: 36.5 inches / 93 cm
Top Diameter: 7.25 inches / 19 cm
Center Tube Diameter: 5.75 inches / 15 cm
Weight: 16 lbs / 7.25 kg



A **PLAYCORE** Company



Model # 338S-PT48

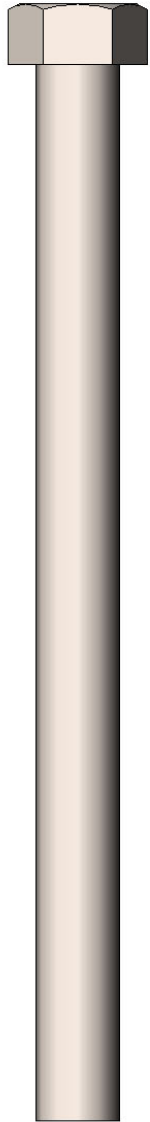


A PLAYCORE Company

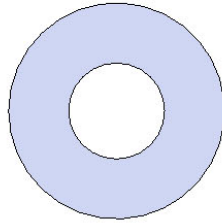
SAFETY WARNINGS & EQUIPMENT INSPECTION

- Owners and installers please note these safety warnings and make use of this checklist on a regular basis.
- Follow installation instructions when erecting equipment.
- Ground surfaces around equipment should be restored as needed. Concrete footings should never be exposed. Surface depth should comply with ASTM and CPSC specifications.
- Check for and repair damage caused by wear or vandalism, a major factor in injury causing situations.
- All protruding bolts should be covered or cut off and finished smooth. Sharp edges on pipes should be capped or removed. Check for bent, broken, or severely worn pipe, and replace.
- All equipment should be free of rust and repainted whenever necessary to deter rusting.
- We provide our customers with layout sheets and installation instructions. Please keep on file the specifications sheet that contains the listing of every part used.
- Never add components not intended for use with this product.
- Regular maintenance is necessary in this and all park and recreational equipment to insure the safety of the user.
- Note: Proper maintenance of equipment requires regular tightening of all bolts, nuts, and setscrews.
- Note: Regular checking of all parts, castings, etc. should be made. If a part is broken or worn, it should be replaced immediately.
- Check to be sure all fittings are tight and that bars and pipes do not move.
- Replace all worn S-hooks. S-hooks must be completely closed. Failure to close S-hooks can result in serious injury to the user. NEVER reuse S-hooks.
- Test for free movement of swing hanger and other moving attached parts.
- Check for worn chains and replace them.
- A soft resilient surface should be placed under all swings extending at least twice the height of the top rail both front and back.

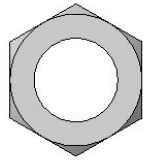
HARDWARE



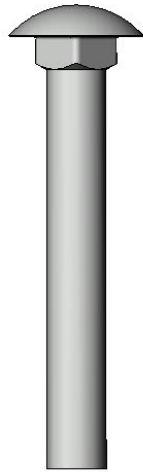
7/16" x 5-1/2"
Machine Bolt



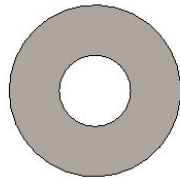
7/16" Washer



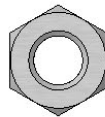
7/16" Hex Nut



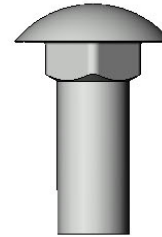
5/16" x 2-1/4"
Carriage Bolt



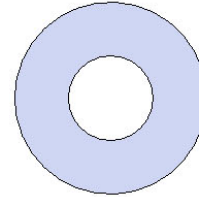
5/16" Washer



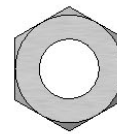
5/16" Hex Nut



3/8" x 1"
Carriage Bolt

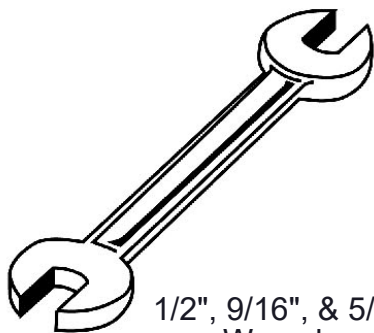


3/8" Washer

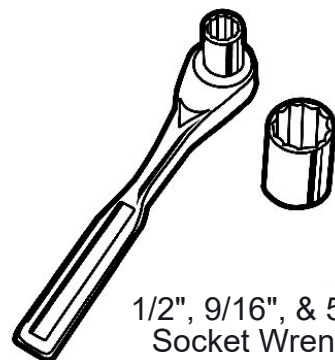


3/8" Hex Nut

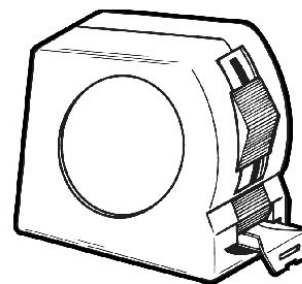
TOOLS REQUIRED



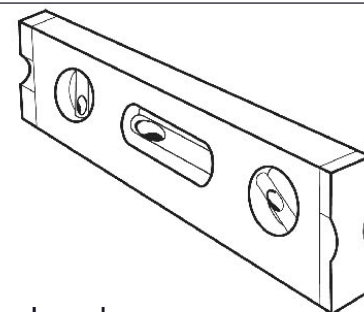
1/2", 9/16", & 5/8"
Wrench



1/2", 9/16", & 5/8"
Socket Wrench



Tape Measure



Level

ULTRA SITE PRODUCT SPECIFICATIONS

338S-PT48 48" SQUARE INGROUND TABLE WITH 4 SEATS

Top & Seats: No. 1 KDAT Southern Yellow Pine ACQ pressure treated lumber is used exclusively by Ultra Play Systems.

Frame: Main support column is 4"x4"x11 gauge pre-galvanized structural steel tubing. Arms are fabricated from 2-7/8" O.D. x 12 gauge pre-galvanized structural steel tubing welded to 3/8" laser cut plates for attachment to the main column and 2"x2"x3/16" structural steel angle for lateral seat support. Seat mounting angle is 2" x 2" x 3/16" formed steel angle which is MIG welded to the arms. Table top attachment structure is fabricated from 2"x2"x3/16" structural steel angle.

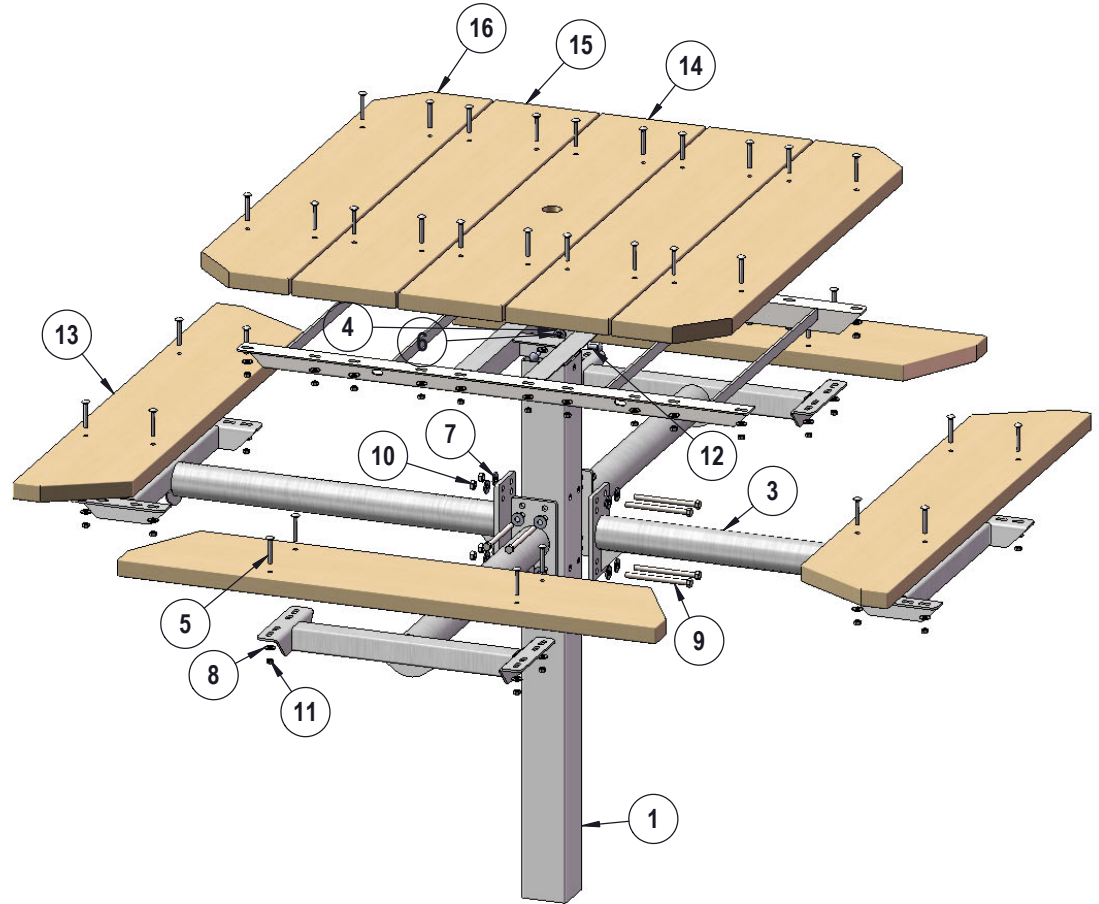
Frame Coating: Electrostatic powder coated application oven cured or optional hot dipped galvanized.

Hardware: All zinc coated steel hardware fasteners.

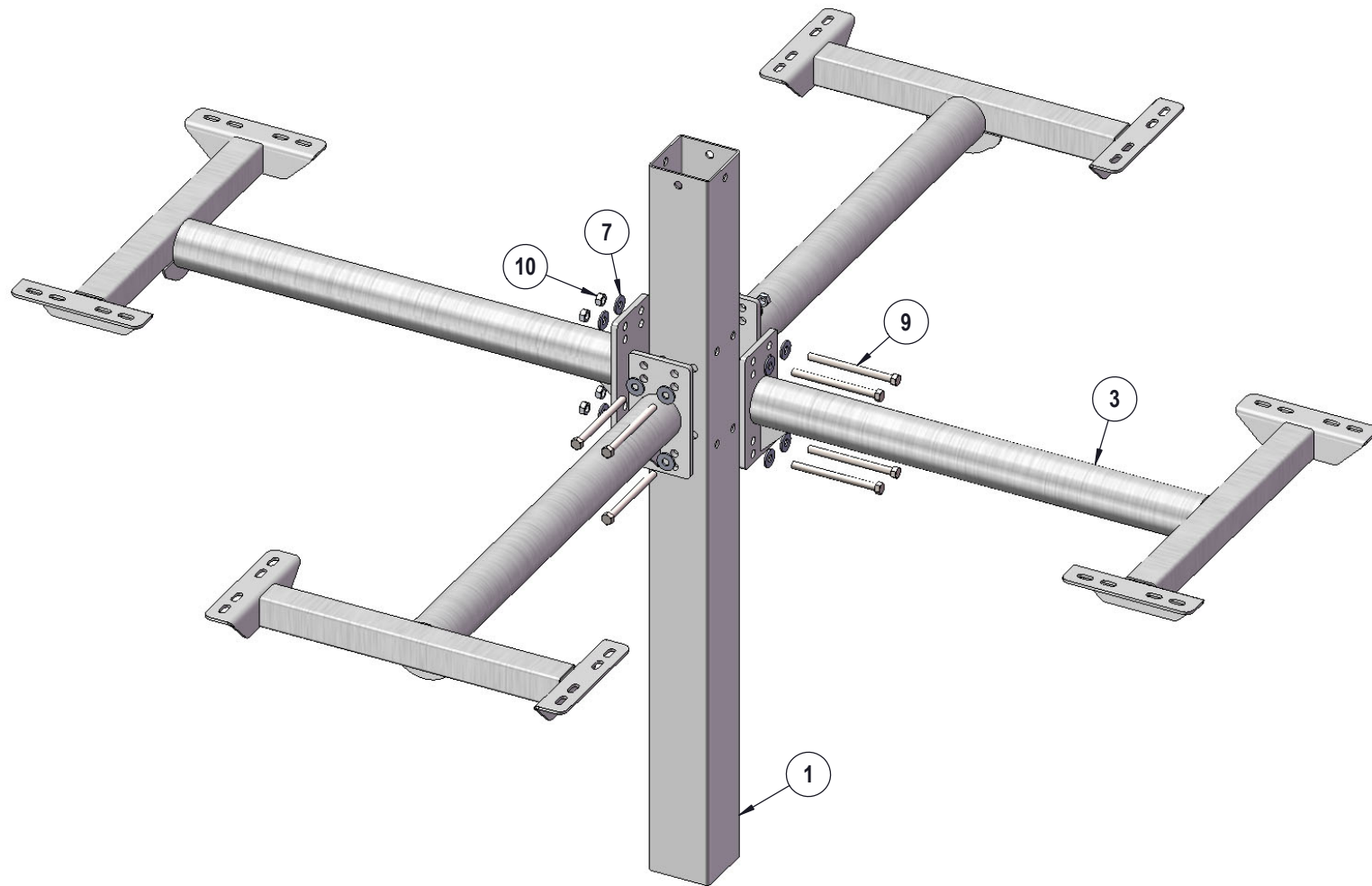
Dimensions: Top is 48" x 47-1/4" x 31-1/2" high. Seats are 9-1/4" wide x 48" long x 17-1/2" high. Outside to outside dimensions of 4 seat table is 74" square.

COMPONENTS

ITEM NO.	PartNo	DESCRIPTION	QTY
1	P-338S or G-338S	338 IG post asem	1
2	01-04-0830	48" wood-recycled table H frame	1
3	W-338-ARM or G-338-ARM	338 wood arm	4
4	33-02-0002	3/8" Zinc Plated Washer	4
5	33-06-0006	5/16" x 2 1/4" Carriage Bolt (Zinc)	36
6	33-01-0002	3/8" Hex Nut (Zinc)	4
7	33-02-0004	7/16" SS Washer	16
8	33-02-0001	5/16" Zinc Plated Washer	36
9	33-06-0050	7/16" x 5-1/2" Machine Bolt	8
10	33-01-0006	7/16" Hex Nut (SS)	8
11	33-01-0001	5/16" Hex Nut (Zinc)	36
12	33-06-0063	3/8" x 1" Carriage Bolt (Zinc)	4
13	PT48-2x10-MS, RST48-2x10-MS, or U48-2x10-MS	2 x 10 Pressure Treated Mitered Seat Plank (48"), 2 x 10 Redwood Stained Mitered Seat Plank (48"), or 2 x 10 Untreated Mitered Table Plank (48")	4
14	PT48-2x10-UT, RST48-2x10-UT, or U48-2x10-UT	2 x 10 Pressure Treated Umbrella Table Plank (48"), 2 x 10 Redwood Stained Umbrella Table Plank (48"), or 2 x 10 Untreated Umbrella Table Plank (48")	1
15	PT48-2x10-T, RST48-2x10-T, or U48-2x10-T	2 x 10 Pressure Treated Table Plank (48"), 2 x 10 Redwood Stained Table Plank (48"), or 2 x 10 Untreated Table Plank (48")	2
16	PT48-2x10-MT, RST48-2x10-MT, or U48-2x10-MT	2 x 10 Pressure Treated Mitered Table Plank (48"), 2 x 10 Redwood Stained Mitered Table Plank (48"), or 2 x 10 Untreated Mitered Table Plank (48")	2

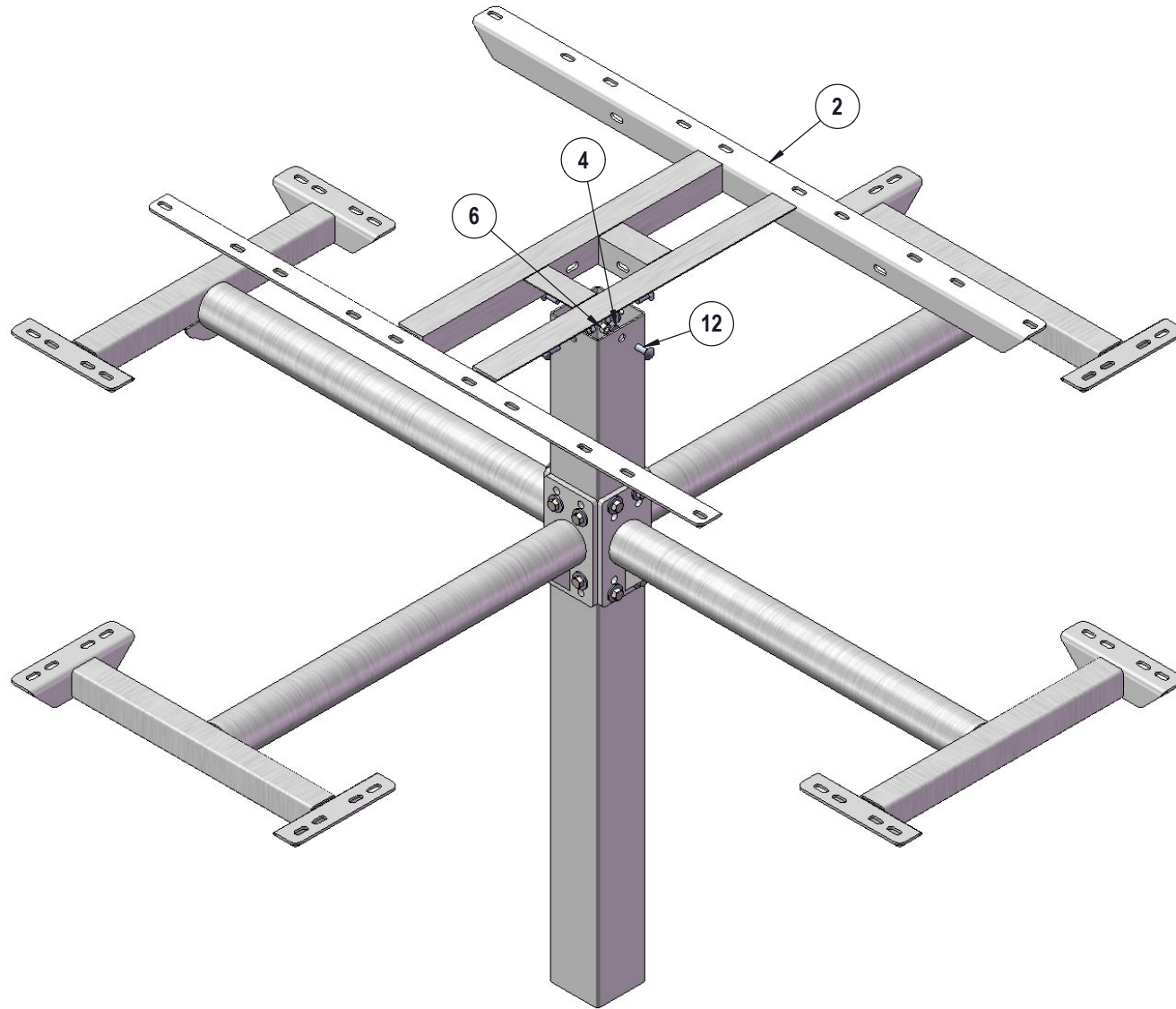


STEP 1



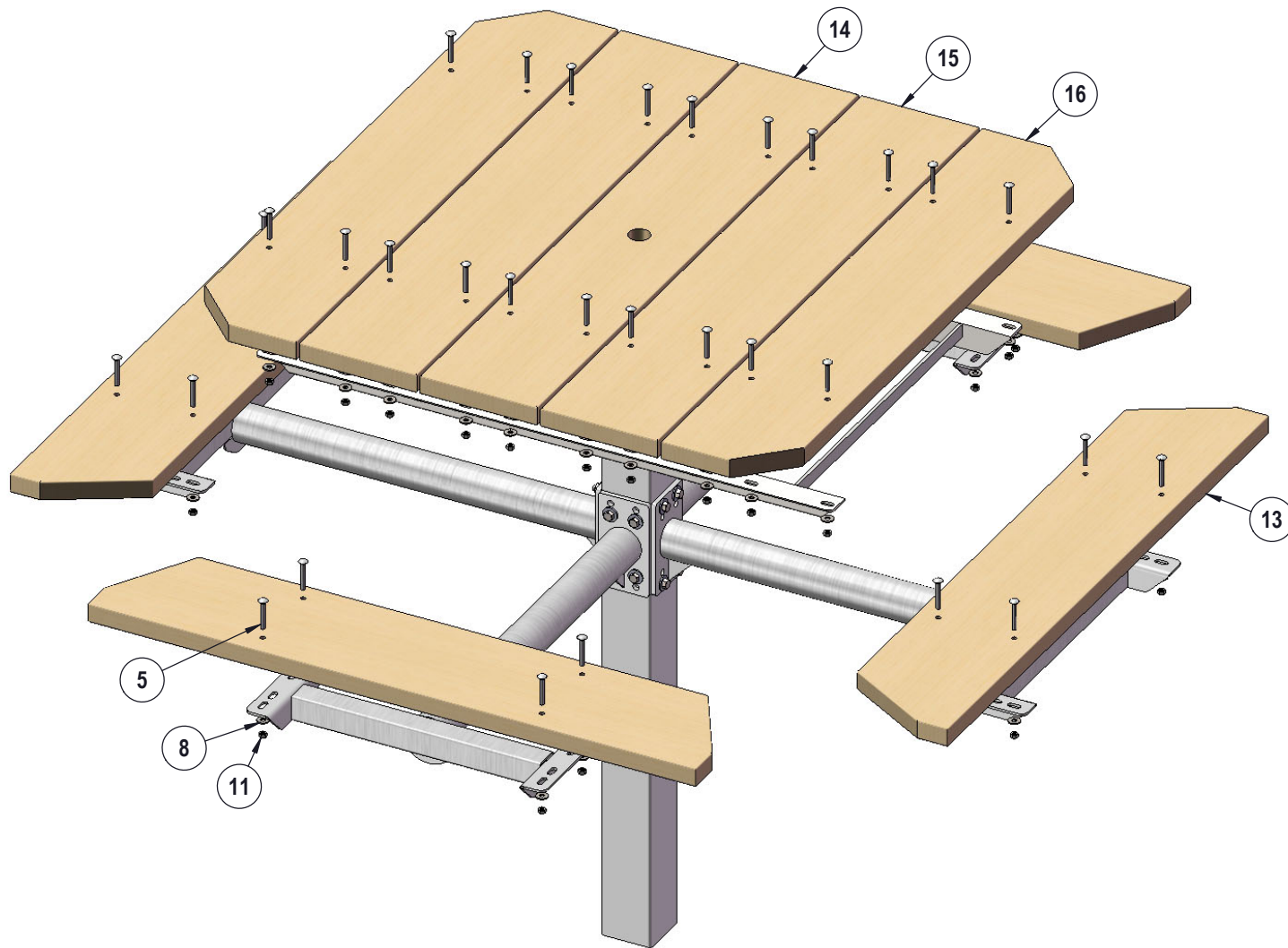
Attach the 338 Wood Arms to the 338 Post using specified hardware.

STEP 2



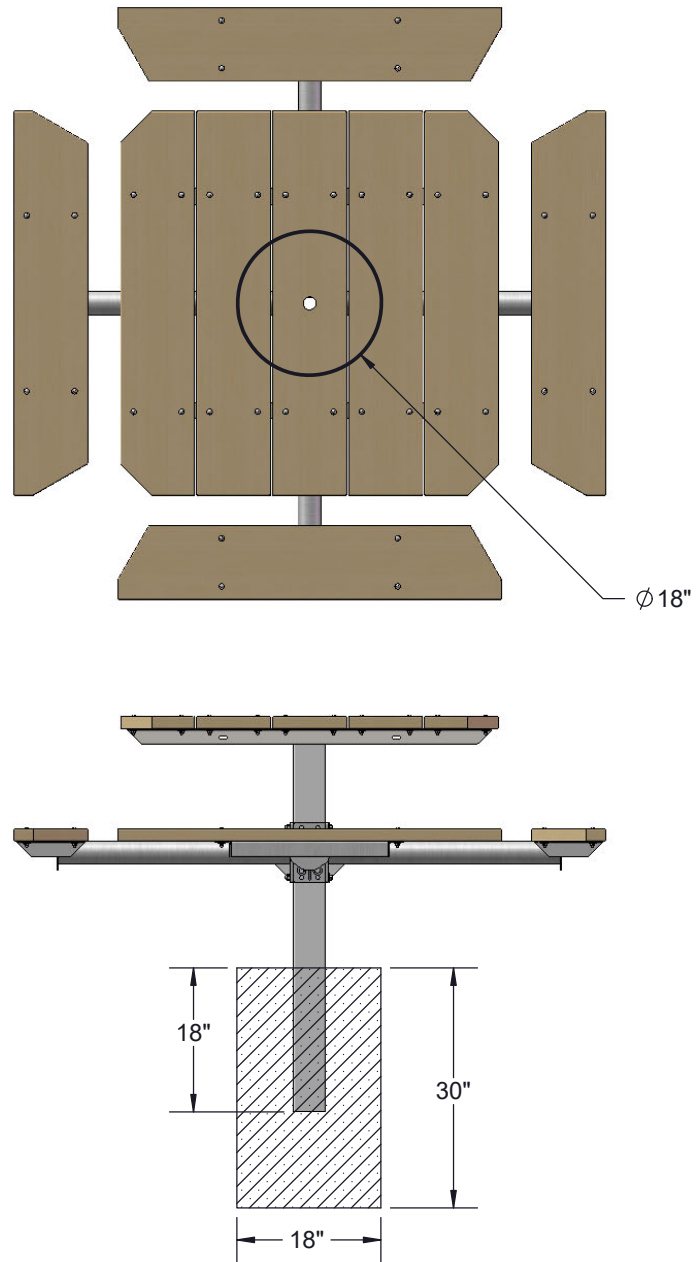
Attach the 48" wood-recycled H Frame to the 338 Post using specified hardware.

STEP 3



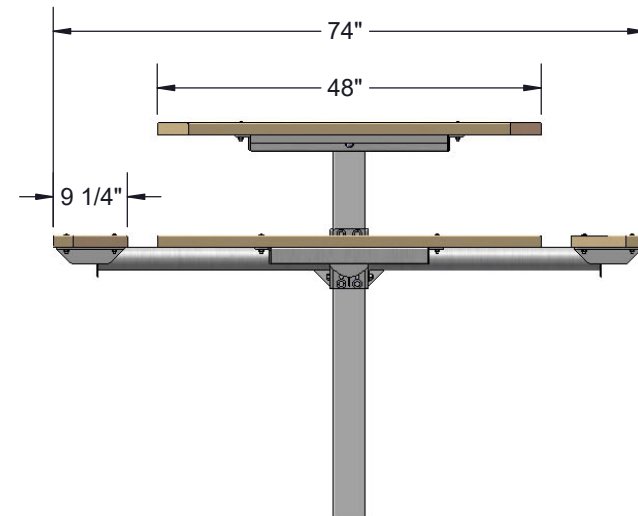
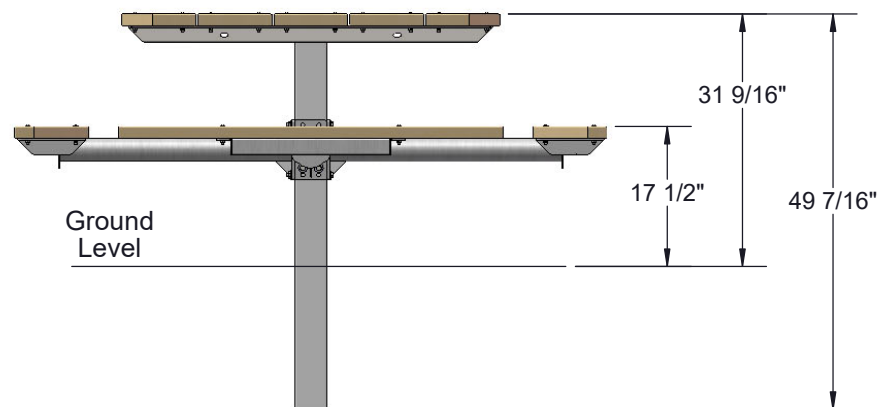
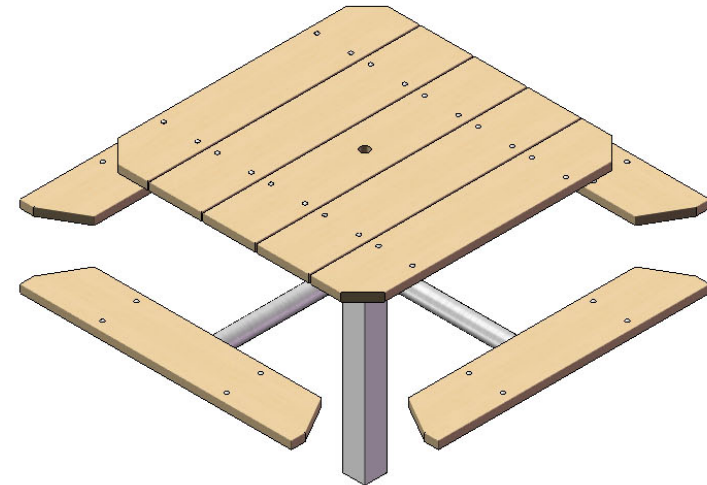
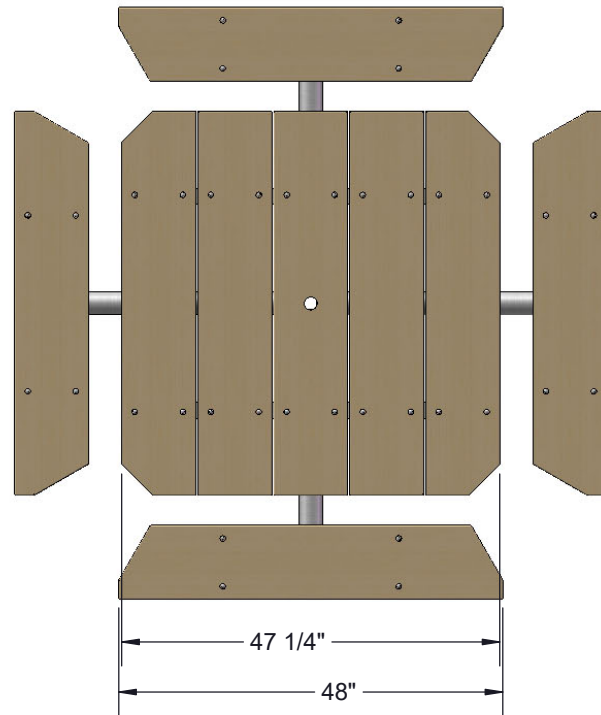
Attach the 48" Seat and Top Planks to the 338 Wood Arms and 338 wood-recycled H Frame as shown using specified hardware.

FOOTINGS



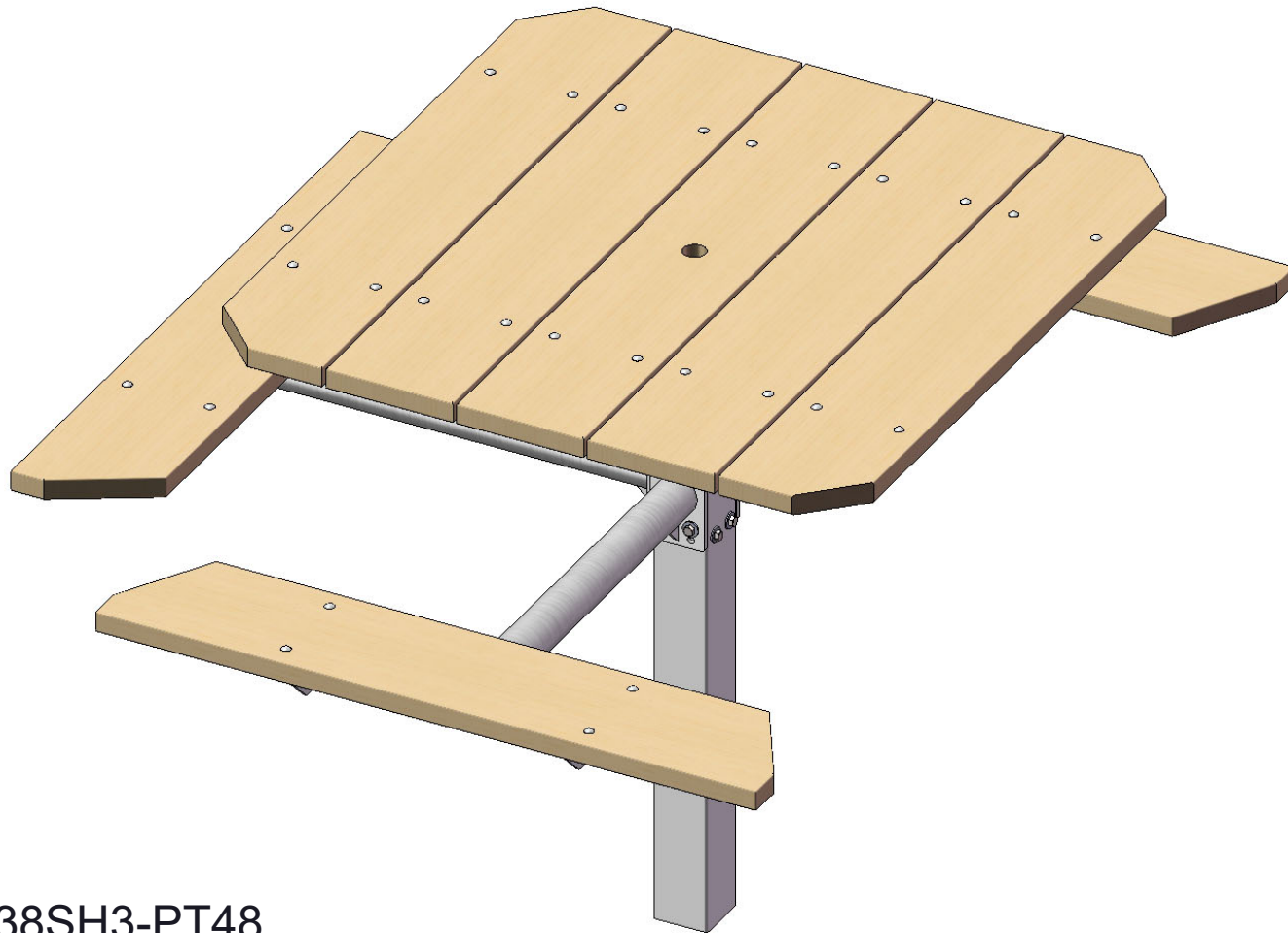
Estimated Required Concrete:
12 - 50lb Bags of Concrete Mix

OVERALL DIMENSIONS





A **PLAYCORE** Company



Model # 338SH3-PT48

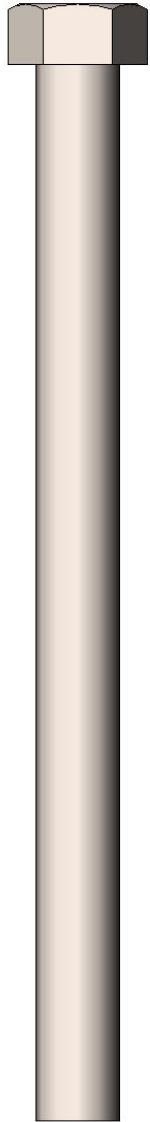


A PLAYCORE Company

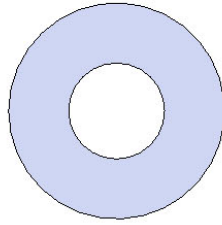
SAFETY WARNINGS & EQUIPMENT INSPECTION

- Owners and installers please note these safety warnings and make use of this checklist on a regular basis.
- Follow installation instructions when erecting equipment.
- Ground surfaces around equipment should be restored as needed. Concrete footings should never be exposed. Surface depth should comply with ASTM and CPSC specifications.
- Check for and repair damage caused by wear or vandalism, a major factor in injury causing situations.
- All protruding bolts should be covered or cut off and finished smooth. Sharp edges on pipes should be capped or removed. Check for bent, broken, or severely worn pipe, and replace.
- All equipment should be free of rust and repainted whenever necessary to deter rusting.
- We provide our customers with layout sheets and installation instructions. Please keep on file the specifications sheet that contains the listing of every part used.
- Never add components not intended for use with this product.
- Regular maintenance is necessary in this and all park and recreational equipment to insure the safety of the user.
- Note: Proper maintenance of equipment requires regular tightening of all bolts, nuts, and setscrews.
- Note: Regular checking of all parts, castings, etc. should be made. If a part is broken or worn, it should be replaced immediately.
- Check to be sure all fittings are tight and that bars and pipes do not move.
- Replace all worn S-hooks. S-hooks must be completely closed. Failure to close S-hooks can result in serious injury to the user. NEVER reuse S-hooks.
- Test for free movement of swing hanger and other moving attached parts.
- Check for worn chains and replace them.
- A soft resilient surface should be placed under all swings extending at least twice the height of the top rail both front and back.

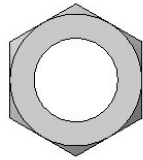
HARDWARE



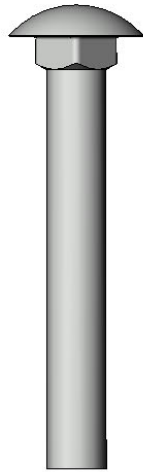
7/16" x 5-1/2"
Machine Bolt



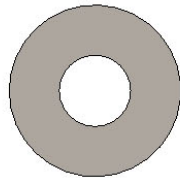
7/16" Washer



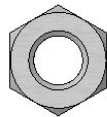
7/16" Hex Nut



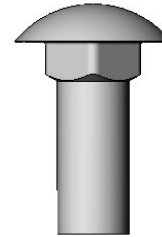
5/16" x 2-1/4"
Carriage Bolt



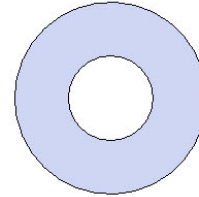
5/16" Washer



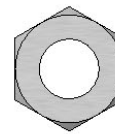
5/16" Hex Nut



3/8" x 1"
Carriage Bolt

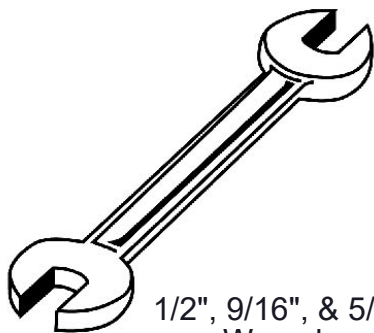


3/8" Washer

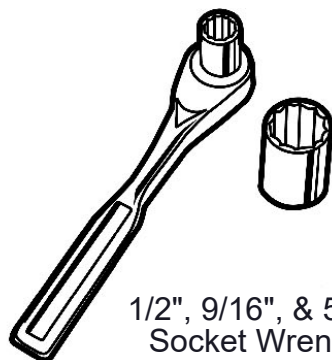


3/8" Hex Nut

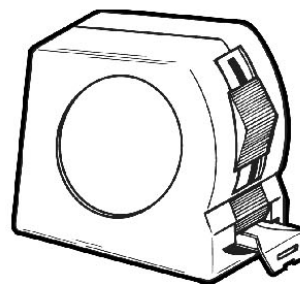
TOOLS REQUIRED



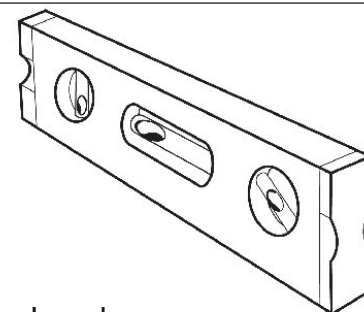
1/2", 9/16", & 5/8"
Wrench



1/2", 9/16", & 5/8"
Socket Wrench



Tape Measure



Level

ULTRA SITE PRODUCT SPECIFICATIONS

338SH3-PT48 48" SQUARE INGROUND TABLE WITH 3 SEATS

Top & Seats: No. 1 KDAT Southern Yellow Pine ACQ pressure treated lumber is used exclusively by Ultra Play Systems.

Frame: Main support column is 4"x4"x11 gauge pre-galvanized structural steel tubing. Arms are fabricated from 2-7/8" O.D. x 12 gauge pre-galvanized structural steel tubing welded to 3/8" laser cut plates for attachment to the main column and 2"x2"x3/16" structural steel angle for lateral seat support. Seat mounting angle is 2" x 2" x 3/16" formed steel angle which is MIG welded to the arms. Table top attachment structure is fabricated from 2"x2"x3/16" structural steel angle.

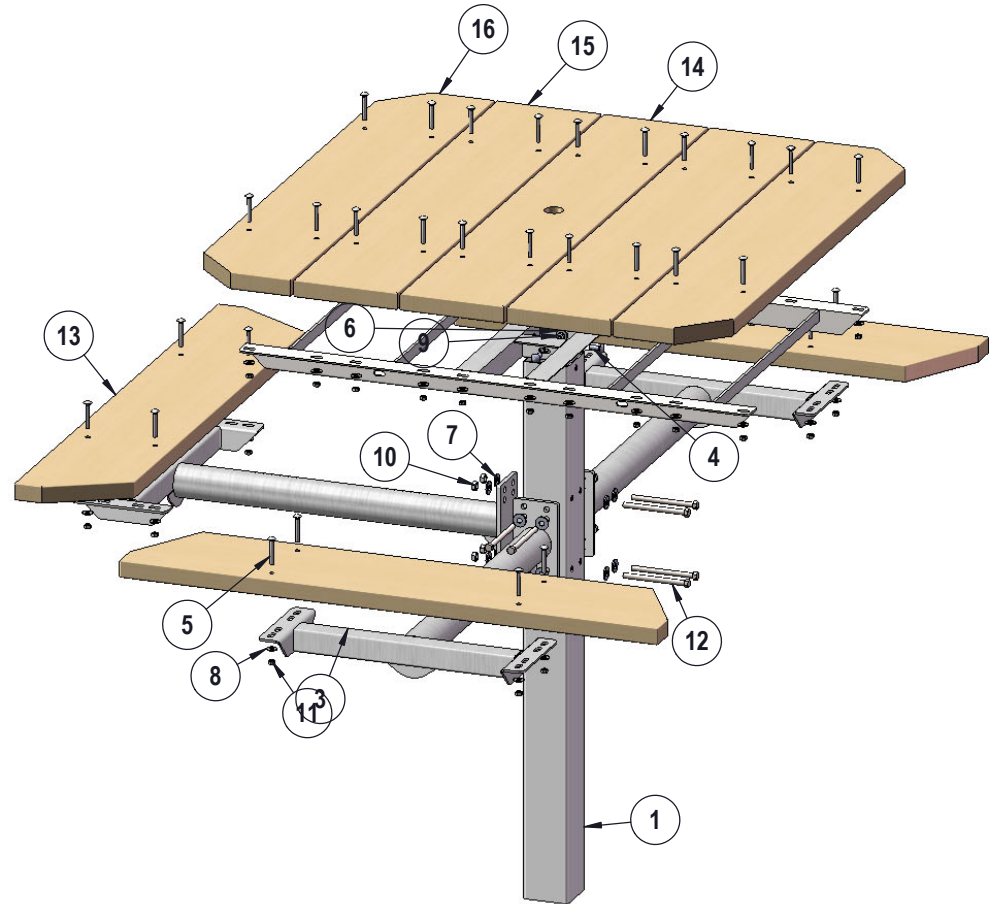
Frame Coating: Electrostatic powder coated application oven cured or optional hot dipped galvanized.

Hardware: All zinc coated steel hardware fasteners.

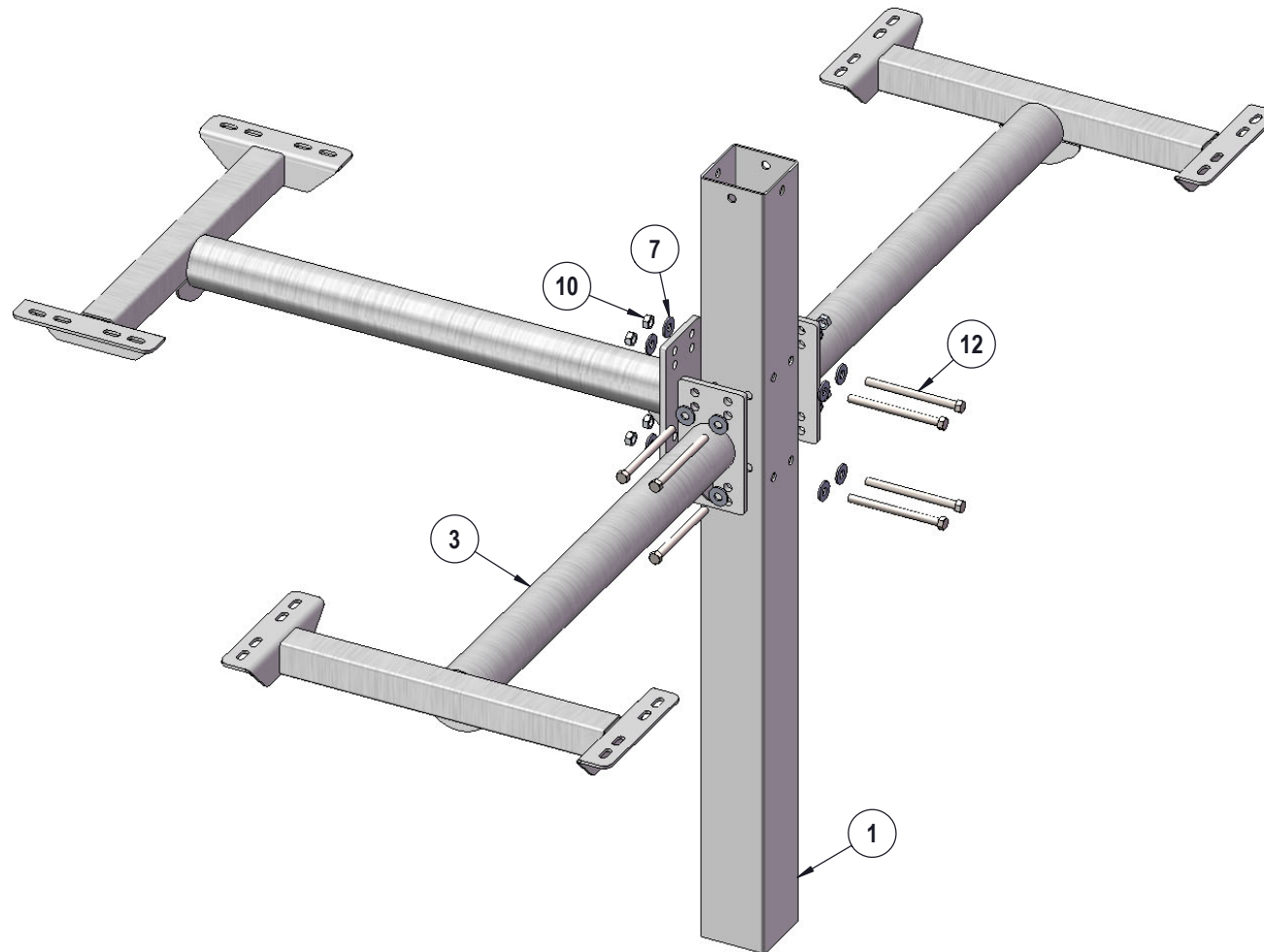
Dimensions: Top is 48" x 47-1/4" x 31-1/2" high. Seats are 9-1/4" wide x 48" long x 17-1/2" high. Outside to outside dimensions of 3 seat table is 74" x 61".

COMPONENTS

ITEM NO.	PartNo	DESCRIPTION	QTY
1	P-338S or G-338S	338 IG post asem	1
2	01-04-0830	48" wood-recycled table H frame	1
3	W-338-ARM or G-338-ARM	338 wood arm	3
4	33-06-0063	3/8" x 1" Carriage Bolt (Zinc)	4
5	33-06-0006	5/16" x 2 1/4" Carriage Bolt (Zinc)	32
6	33-02-0002	3/8" Zinc Plated Washer	4
7	33-02-0004	7/16" SS Washer	16
8	33-02-0001	5/16" Zinc Plated Washer	32
9	33-01-0002	3/8" Hex Nut (Zinc)	4
10	33-01-0006	7/16" Hex Nut (SS)	8
11	33-01-0001	5/16" Hex Nut (Zinc)	32
12	33-06-0050	7/16" x 5-1/2" Machine Bolt	8
13	PT48-2x10-MS, RST48-2x10-MS, or U48-2x10-MS	2 x 10 Pressure Treated Mitered Seat Plank (48"), 2 x 10 Redwood Stained Mitered Seat Plank (48"), or 2 x 10 Untreated Mitered Table Plank (48")	3
14	PT48-2x10-UT, RST48-2x10-UT, or U48-2x10-UT	2 x 10 Pressure Treated Umbrella Table Plank (48"), 2 x 10 Redwood Stained Umbrella Table Plank (48"), or 2 x 10 Untreated Umbrella Table Plank (48")	1
15	PT48-2x10-T, RST48-2x10-T, or U48-2x10-T	2 x 10 Pressure Treated Table Plank (48"), 2 x 10 Redwood Stained Table Plank (48"), or 2 x 10 Untreated Table Plank (48")	2
16	PT48-2x10-MT, RST48-2x10-MT, or U48-2x10-MT	2 x 10 Pressure Treated Mitered Table Plank (48"), 2 x 10 Redwood Stained Mitered Table Plank (48"), or 2 x 10 Untreated Mitered Table Plank (48")	2

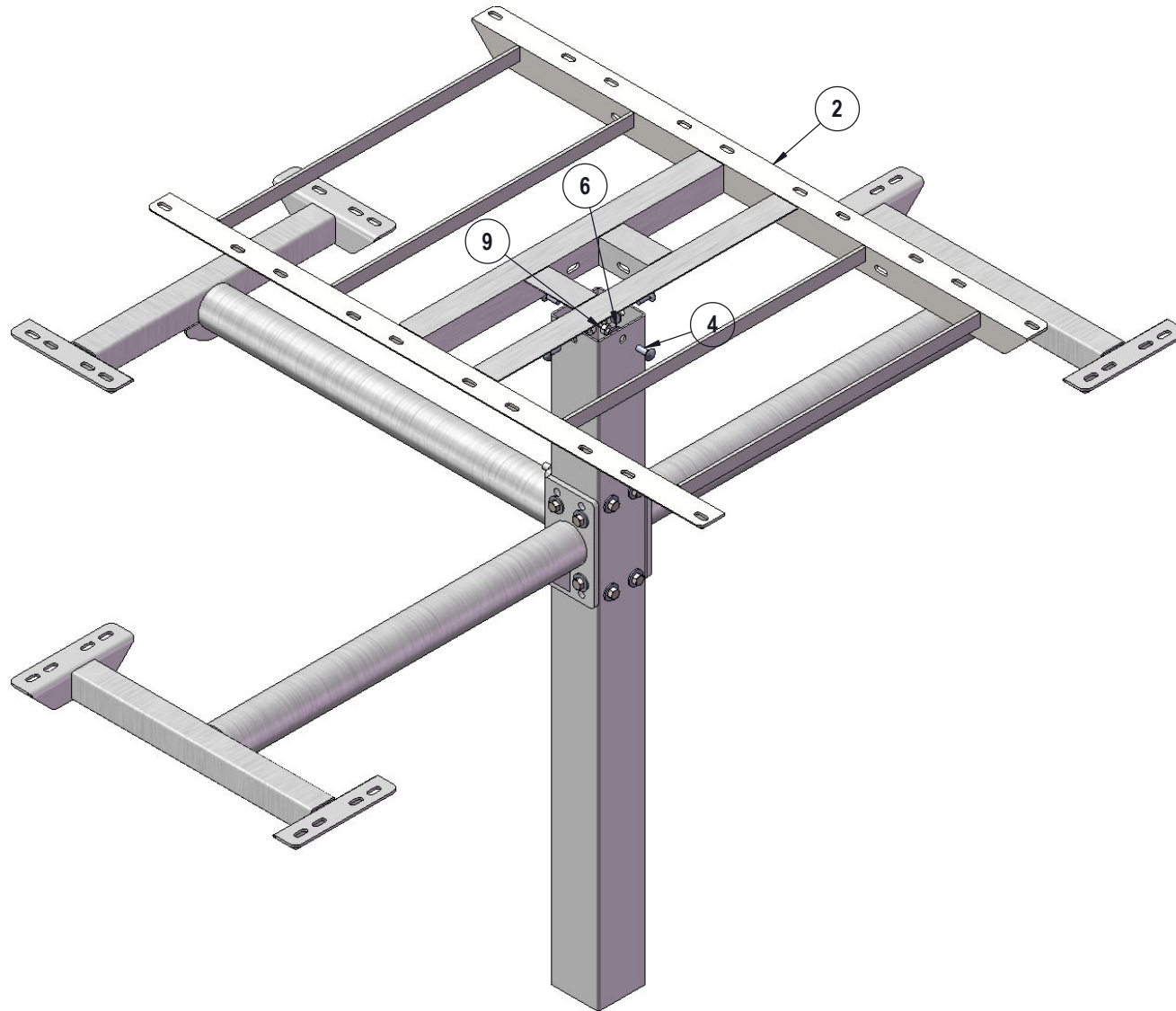


STEP 1



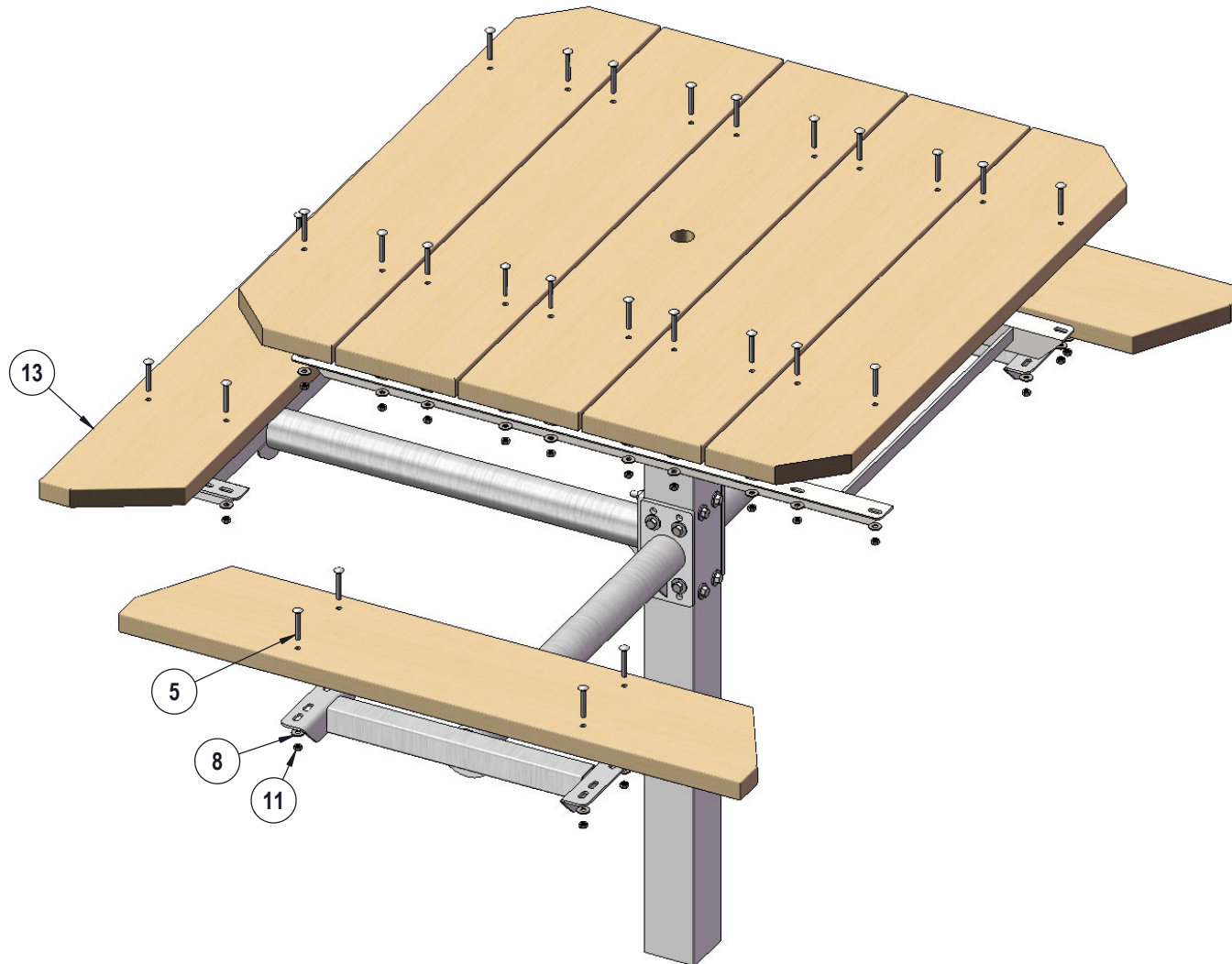
Attach the 338 Wood Arms to the 338 Post using specified hardware.

STEP 2



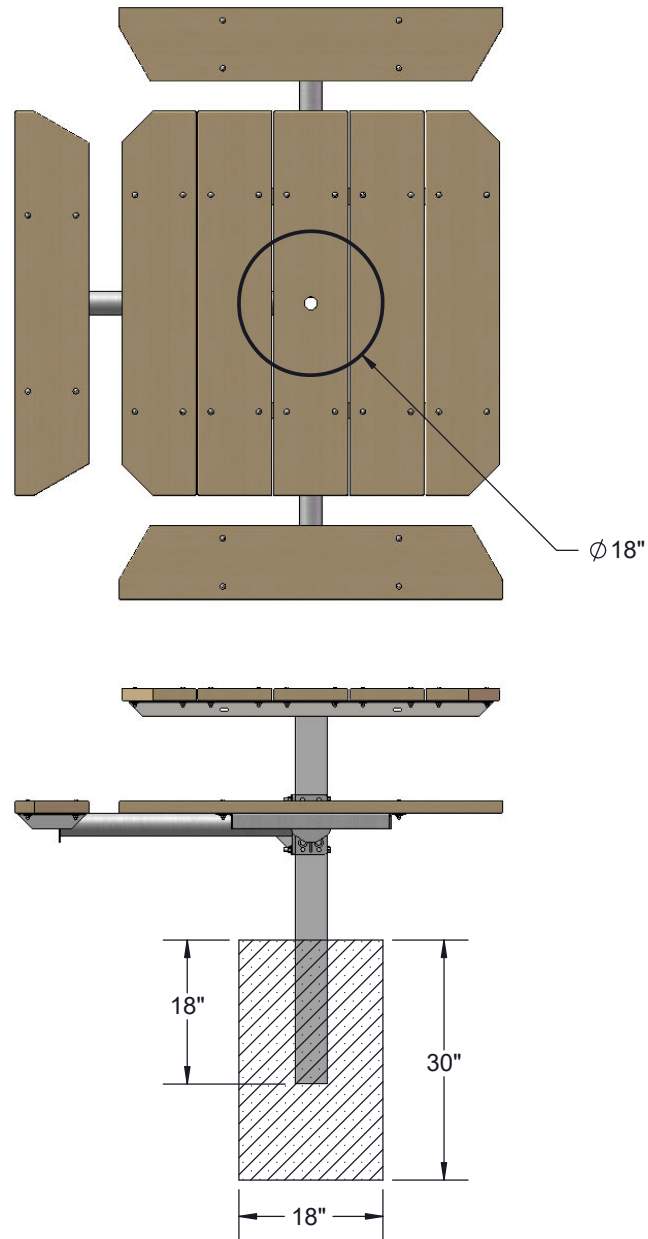
Attach the 48" wood-recycled H Frame to the 338 Post using specified hardware.

STEP 3



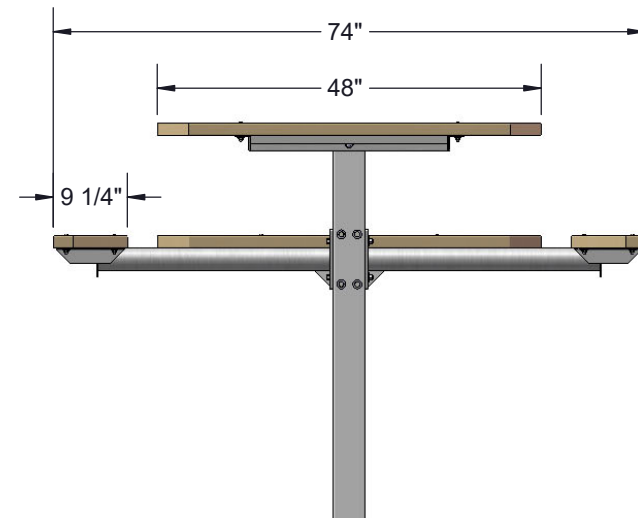
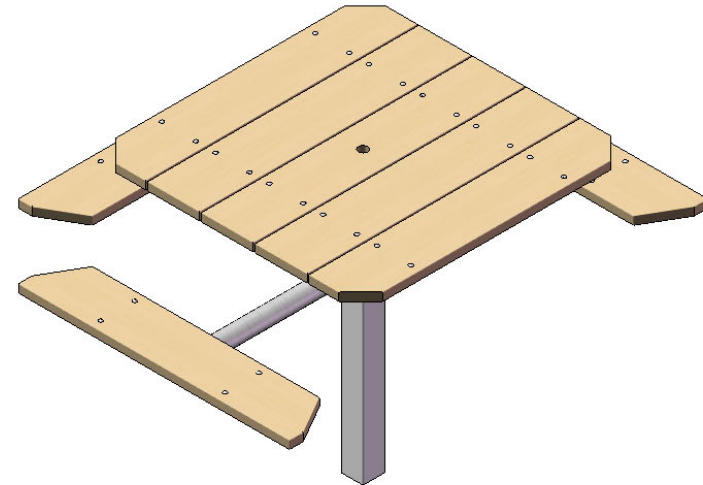
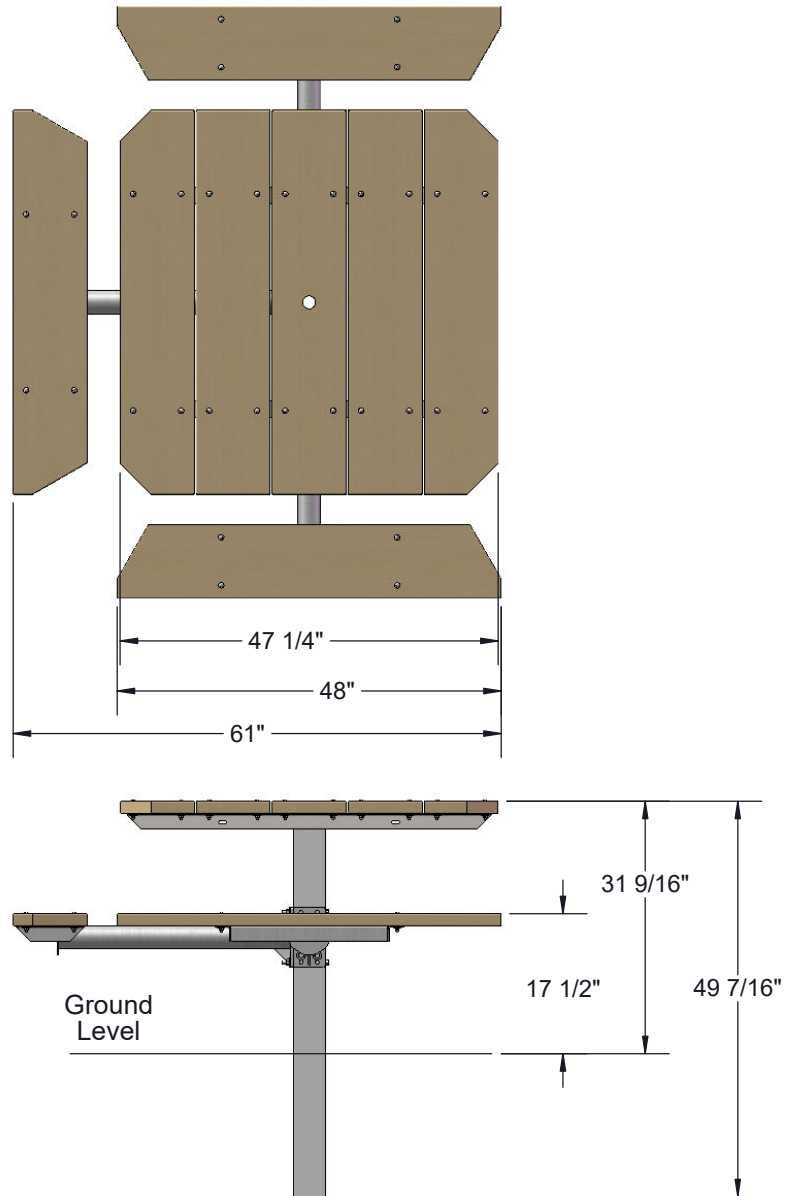
Attach the 48" Seat and Top Planks to the 338 Wood Arms and 338 wood-recycled H Frame as shown using specified hardware.

FOOTINGS



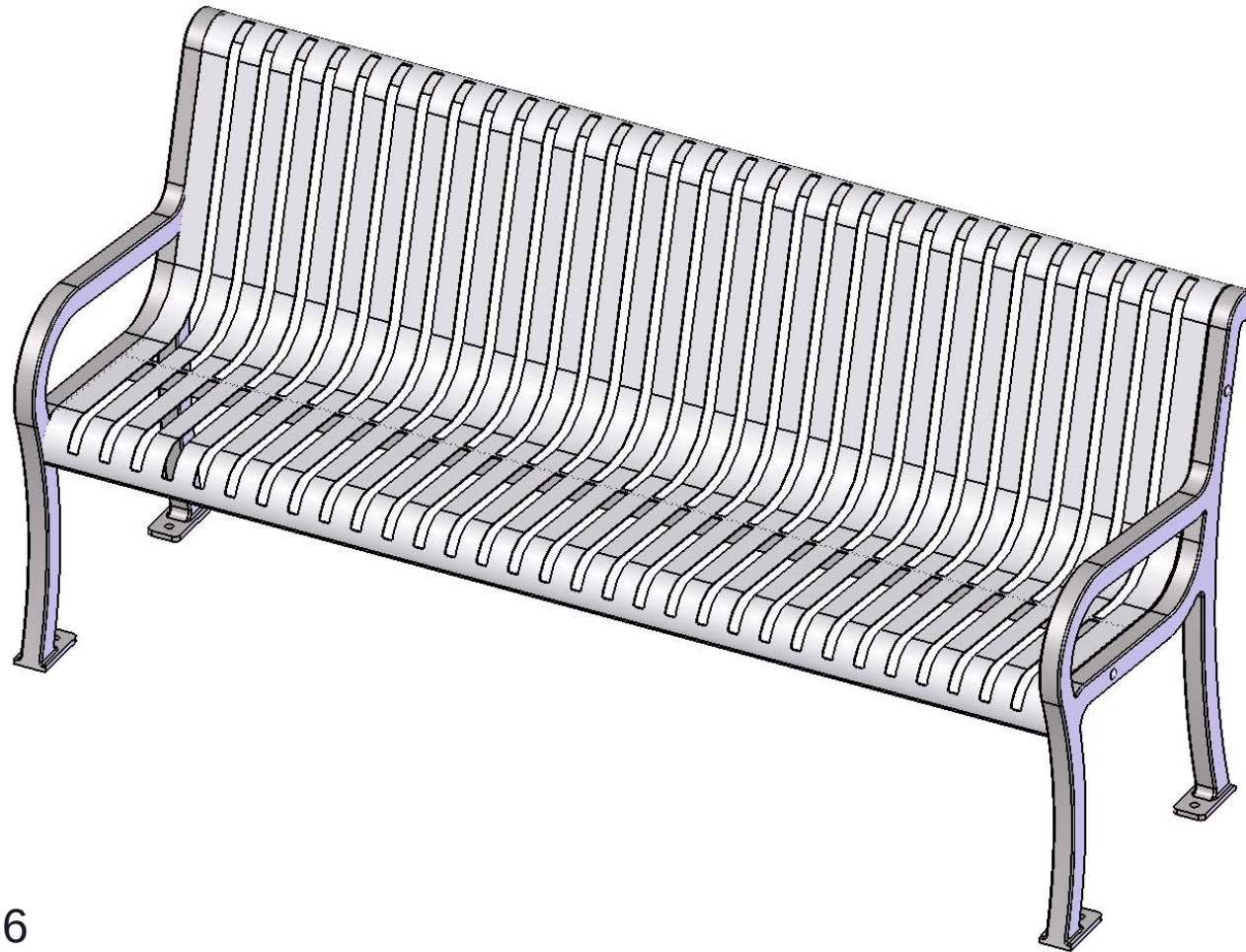
Estimated Required Concrete:
12 - 50lb Bags of Concrete Mix

OVERALL DIMENSIONS





A **PLAYCORE** Company



Model # 954-S6



A PLAYCORE Company

1675 Locust Street
Red Bud, IL 62278
Phone: 618-282-8200
Fax: 618-282-8202

WARRANTY & TERMS

WARRANTY: 5 Year Limited Warranty on Thermoplastic coated elements. Ultra Play guarantees all items for one full year to be free of defects in workmanship or materials when installed and maintained properly. We agree to repair or replace, any items determined to be defective. Items specifically not covered by this warranty include vandalism, man made or natural disasters, lack of maintenance, normal weathering or wear and tear due to public abuse.

Damages or loss in transit is the responsibility of the carrier, whether visible or concealed. It is the responsibility of the recipient to assure that the order is received complete. Before signing the delivery receipt, inspect the shipment immediately and completely. Note any damages or shortages on the bill of lading. Damage reports must be filed within 10 days. Ultra Play is NOT responsible for damages or loss in transit. Title to all goods passes to the customer at the time of shipment. Ultra Play will assist in filing claims if the freight arrangements were made by Ultra Play at your request.

CANCELLATIONS AND RETURNS: Cancellations are only accepted with approval of Ultra Play. No merchandise shall be returned without a Return Goods Authorization number which is issued by customer service. Any authorized merchandise must be carefully packed and received in saleable condition. A restocking charge of up to 25% will be applied to all returned goods when the error is not the fault of Ultra Play. All returns must be shipped freight prepaid.

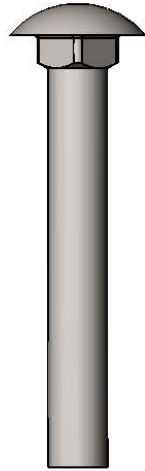


A PLAYCORE Company

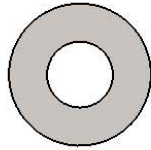
SAFETY WARNINGS & EQUIPMENT INSPECTION

- Owners and installers please note these safety warnings and make use of this checklist on a regular basis.
- Follow installation instructions when erecting equipment.
- Ground surfaces around equipment should be restored as needed. Concrete footings should never be exposed. Surface depth should comply with ASTM and CPSC specifications.
- Check for and repair damage caused by wear or vandalism, a major factor in injury causing situations.
- All protruding bolts should be covered or cut off and finished smooth. Sharp edges on pipes should be capped or removed. Check for bent, broken, or severely worn pipe, and replace.
- All equipment should be free of rust and repainted whenever necessary to deter rusting.
- We provide our customers with layout sheets and installation instructions. Please keep on file the specifications sheet that contains the listing of every part used.
- Never add components not intended for use with this product.
- Regular maintenance is necessary in this and all park and recreational equipment to insure the safety of the user.
- Note: Proper maintenance of equipment requires regular tightening of all bolts, nuts, and setscrews.
- Note: Regular checking of all parts, castings, etc. should be made. If a part is broken or worn, it should be replaced immediately.
- Check to be sure all fittings are tight and that bars and pipes do not move.
- Replace all worn S-hooks. S-hooks must be completely closed. Failure to close S-hooks can result in serious injury to the user. NEVER reuse S-hooks.
- Test for free movement of swing hanger and other moving attached parts.
- Check for worn chains and replace them.
- A soft resilient surface should be placed under all swings extending at least twice the height of the top rail both front and back.

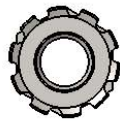
HARDWARE



5/16" x 2-1/4"
Carriage Bolt

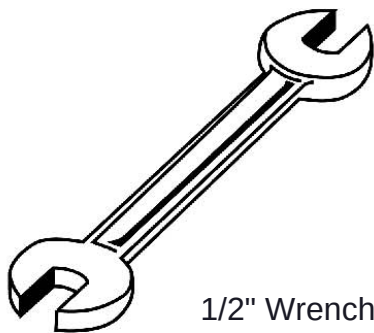


5/16" Washer

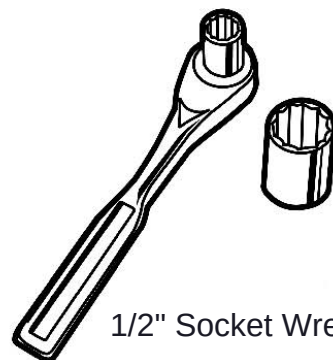


5/16" Kep Nut

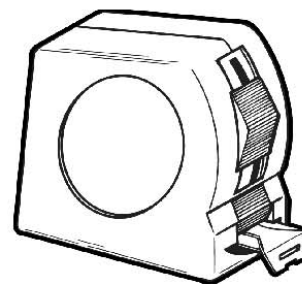
TOOLS REQUIRED



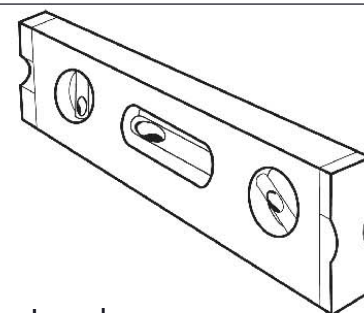
1/2" Wrench



1/2" Socket Wrench



Tape Measure



Level

ULTRA SITE PRODUCT SPECIFICATIONS

954-S6 LEXINGTON BENCH WITH BACK

Seats: Seats dimensions are 18" x 20" x 72". 12 gauge die formed flat steel plate with laser cut design. End plates are made of 10 gauge flat steel plate. Reinforced with 3/16 x 1-1/2" flat strip. Electrically MIG welded.

Frame: Legs are cast aluminum.

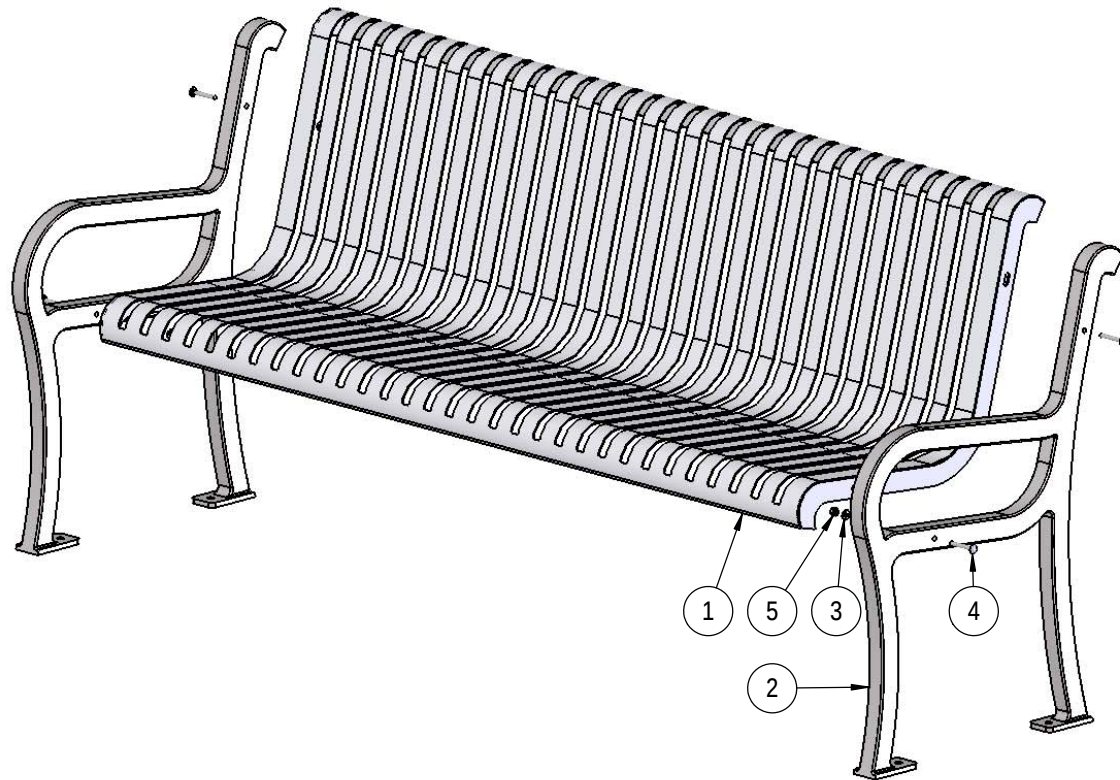
Seat & Frame Coating: Oven fused functionalized polyethylene copolymer-based thermoplastic. Fluidized bed coating application with superior mechanical performance, impact resistance and UV-stability.

Hardware: All stainless steel hardware fasteners.

Dimensions: 6' portable/surface mount bench with back. Seats are 25-1/2" wide x 72" long. Seat height is 18" from the ground to the top of the seat. The overall dimensions are 76" x 27" x 35-1/2".

COMPONENTS

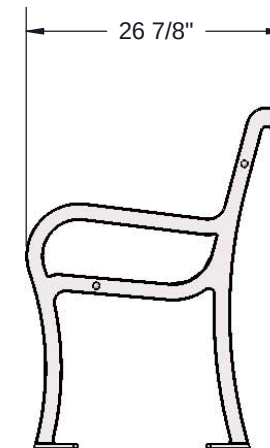
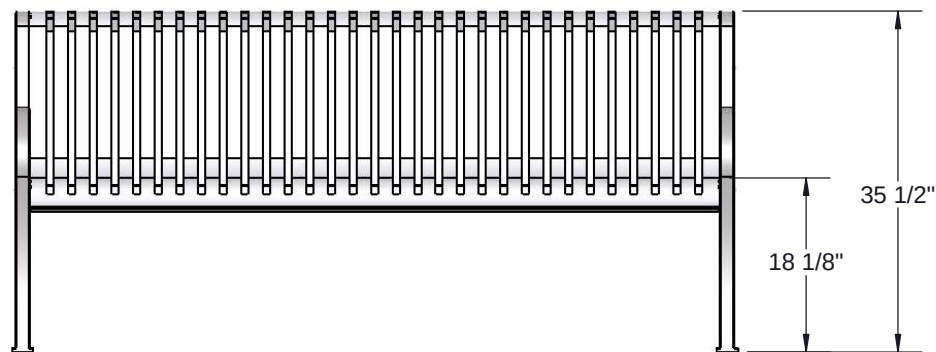
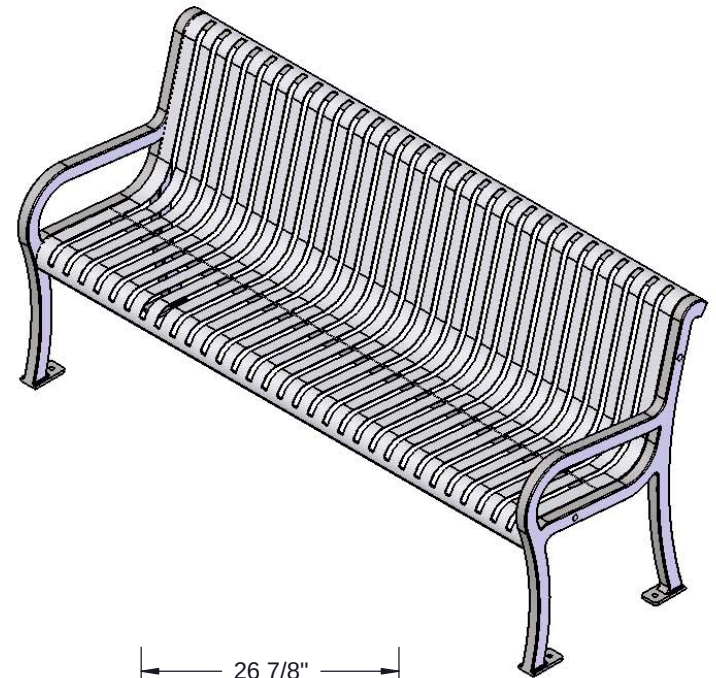
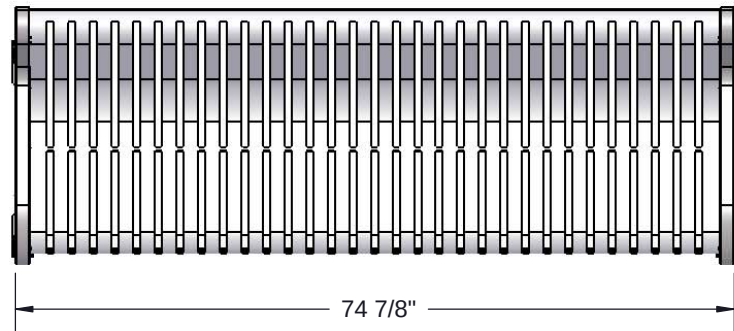
Attach the 6' Contour Seat to the 954 Legs using specified hardware.

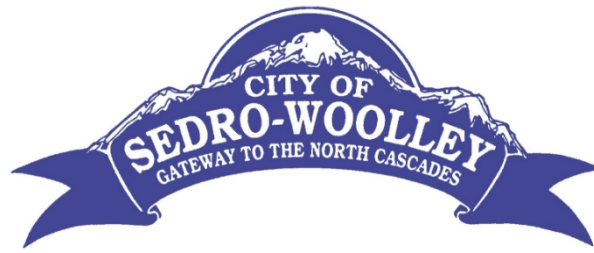


ITEM NO.	PartNo	DESCRIPTION	QTY
1	T-S72CT-S	6' Slat Contour Seat	1
2	T-11-01-CAST	954 Cast Endframe	2
3	33-02-0007	5/16" SS Washer	4
4	33-06-0053	5/16" x 2-1/4" Carriage Bolt (SS)	4
5	33-03-0012	5/16" Kep Nut (SS)	4

Recommended Surface Mount Hardware:
3/8" x 3-1/2" Concrete Expansion Anchor Bolts
(Not Included)

OVERALL DIMENSIONS





City Council Agenda Item

Agenda Item No.: e.9.

Date: February 14, 2024

From: Charlie Bush, City Administrator, Nikki Thompson, City Attorney

Subject: Endo Bankruptcy Settlement

RECOMMENDED ACTION:

Motion to approve, endorsement of The Plan, preserving the possibility that the City will receive some opioid mitigation funding from Endo's bankruptcy.

ISSUE:

Should the Council authorize City staff to instruct Keller Rohrback, the City's legal representative in opioid bankruptcy cases, to cast a vote on behalf of the City in favor of The Plan?

BACKGROUND/SUMMARY INFORMATION:

Keller Rohrback is the firm representing Sedro-Woolley and other Washington cities in the bankruptcy cases. Keller Rohrback recently requested that the City determine if it is willing to endorse a plan for Endo's bankruptcy settlement. "The Plan," as it is known, is projected to provide the best chance for the State of Washington to receive opioid mitigation funding from Endo's bankruptcy. An alternative to voting for The Plan is to vote for abstention, which will not support The Plan and lead to Endo's liquidation and no mitigation funding provided nationwide. The third option is not to vote, which would also not support The Plan and lead to liquidation. Supporting documents for this analysis are attached to this agenda item.

By supporting The Plan, the City will agree to release Endo, and related third parties leading up to the Endo settlement, from this matter. Third party releases are common in bankruptcies. If approved, The Plan would provide up to \$460 million nationally over a ten-year period.

Staff recommend approving voting for The Plan by approving this item as a part of the consent agenda. The City must provide its vote preference to Keller Rohrback by Thursday, February 22nd.

FISCAL IMPACT, IF APPROPRIATE:

None at this time, possibly if the State of Washington decides to share this funding.

ATTACHMENTS:

1. Endo OCC Cover Letter
2. Endo Disclosure Statement 1 25 24
3. Endo Notice of Confirmation Hearing

4. Endo Disclosure Statement Order 1 12 24

In re Endo International Plc, Case No. 22-22549 (JLG)

The OCC's Letter to Opioid Claimants in Support of the Plan

To all holders of Opioid Claims against Endo International Plc and its subsidiaries and affiliates (collectively, the “Debtors” or “Endo”):

We write this letter as counsel to, and on behalf of the Official Committee of Opioid Claimants (the “OCC”) appointed in the Debtors’ bankruptcy cases (the “Chapter 11 Cases”) to share the OCC’s views on the *Joint Chapter 11 Plan of Reorganization of Endo International Plc and its Affiliates Debtors* (the “Plan”)¹ and the resolution for private² Opioid Claimants that is part of the Plan (the “OCC Resolution”).

In summary, the OCC recommends that you (a) vote to accept the Plan and (b) grant the third party release by checking the box on your ballot (if you are a PI, NAS, or IERP claimant) or by not opting out of the release on your ballot (if you are any other type of opioid claimant, such as a Hospital or Third Party Payor).

Your Ballot must be received by February 22, 2024 at 4:00 p.m. (ET) to be counted.

This letter is divided into the following sections:

1. The OCC and its Members
2. The Reasons that the OCC Supports the Plan
3. A Summary of the Chapter 11 Cases
4. The OCC Settlement/the Plan
5. Important Information About Voting and Granting the Releases

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan. This summary is for informational purposes only and is subject in all respects to the Plan. In the event of a conflict between this summary and the Plan, the Plan controls.

² The OCC Resolution included in the Plan, and as discussed in this letter, provides recoveries to present private opioid claimants (PI’s, NAS Claimants, Hospitals, Third Party Payors, and Independent Emergency Room Physicians). The Plan provides for separate recoveries for various Public Opioid Claimants: (1) More than 40 states (the majority of which negotiated a resolution with Endo prior to the Petition Date) will receive \$273 million on the Effective Date (which will increase to \$460 million if paid over 8 years); (2) Tribes will receive up to \$15 million paid over 8 years (subject to potential prepayment at a discount); (3) certain Canadian governmental entities will receive up to \$7.25 million paid over a number of years (subject to potential prepayment at a discount); and (4) Public Schools will receive up to \$3 million paid over a number of years (subject to a potential prepayment at a discount). Local governments in the United States will receive the right to participate in their applicable State distribution, subject to the determination of each State. Although the OCC did not directly negotiate any of these resolutions, the OCC facilitated many of them and supports all of them. The OCC would also note that Endo paid approximately \$240 million in settlement payments prior to chapter 11 to various States, political subdivisions, and one NAS claimant. Therefore, the sum total of Endo’s payment for its opioid liability, on an NPV basis, is more than \$600 million, and on a nominal basis, is close to \$800 million. The OCC recommends that each State, Public School, Tribe, and Canadian Governmental entity that is subject to these various settlements vote in favor of the Plan and, to the extent applicable, grants the releases.

1. The OCC And Its Members

The OCC is the official independent fiduciary for the interests of *all* Opioid Claimants. Each member of the OCC was appointed by the Office of the United States Trustee (the “UST”)³ to serve on the OCC.

The OCC consists of the following *unpaid* and *volunteer* members:⁴

1. **Robert Asbury**, who serves as a Guardian *Ad Litem* representing two children afflicted with Neonatal Abstinence Syndrome (“NAS”) who are plaintiffs in a Tennessee lawsuit seeking damages under Tennessee’s Drug Dealer Liability Act from certain of the Debtors.
2. **Sabrina Barry**, who is a mother and caregiver of two children exposed to opioids in utero. In 2011, Ms. Barry suffered a car accident. When she was admitted to the hospital for treatment for her injuries, she learned she was pregnant. Without receiving information from her doctors regarding the risks, Ms. Barry was prescribed opioids, including Percocet, throughout her entire pregnancy and for a year and a half after she gave birth.
3. **Blue Cross and Blue Shield Association**, a national association of 34 independent, community-based Blue Cross and Blue Shield companies (the “BCBS Companies”). The BCBS Companies provide healthcare coverage to one-third of all Americans, including approximately 5.5 million federal employees and annuitants who are members of a health plan established under the Federal Employee Health Benefits Act that BCBSA administers.⁵
4. **Erie County Medical Center Corporation**, one of Western New York’s leading hospitals, serving Western New York and its surrounding areas. ECMCC specializes in trauma care, transplantation and kidney care, oncology and behavioral health, including the care and treatment of those afflicted with opioid addiction. ECMCC has been at the forefront of addressing the opioid crisis in Western New York, and has borne the brunt of uncompensated and undercompensated care for harm inflicted by the Debtors. Not only is ECMCC a leader in the treatment and care of those afflicted with opioid addiction, but it also is at the cutting-edge of researching, strategizing and developing new protocols and remedies to fight the opioid crisis to ease the burdens of those affected most.

³ The UST is an agency within the United States Department of Justice (the “DOJ”) tasked, among other things, with determining whether to appoint a committee (or multiple committees) of unsecured creditors to represent the interests of unsecured creditors in chapter 11 cases.

⁴ For more information about the members of the OCC, we refer you to the *Verified Statement of the Official Committee of Opioid Claimants of Endo International plc, et al., Pursuant to Bankruptcy Rule 2019*, dated September 27, 2022 [ECF No. 299], a copy of which can be accessed on the Debtors’ case website at: <https://restructuring.ra.kroll.com/endo/Home-DownloadPDF?id1=MTM0NzI1OA==&id2=-1>.

⁵ BCBSA’s claims arise from payments of excessive amounts for prescription medications used by members of private Medicare Part C and Medicaid plans, Federal Employee Health Benefits Act plans and coverage and administrative services for fully insured and self-funded employer health plans under ERISA. BCBSA’s claims also arise from the downstream effects of these opioid prescriptions, including paying for the treatment—emergency treatment and protracted rehabilitation—of current and former members who have suffered the effects of improper opioid prescriptions.

5. ***Sean Higginbotham***, is the husband of Lisa, whom he met in Texas. Sean and Lisa moved to rural Oklahoma to raise their family. However, a hit-and-run accident left Lisa with severe back problems and intense chronic pain. A number of surgeries and years of use of prescription opioids—including opioids manufactured by certain of the Debtors—did little to solve these issues. By 2012, Lisa had a noticeable change in her personality, having become increasingly reserved and refusing to leave her home. Lisa’s opioid dependence symptoms worsened until her children found her deceased due to an opioid overdose in 2018.
6. ***Alan MacDonald*** was prescribed opioids—including oxycodone manufactured by certain of the Debtors—to treat his pain after suffering an injury. Soon thereafter, his growing dependence on opioids affected his life and his family. Mr. MacDonald lost his job, suffered a divorce from his wife and lost custody of his two daughters. He subsequently pursued rehabilitation seeking the help he needed; however, he needed more time than he had to recover from his dependence on opioids. After struggling with recovery for many years, Mr. MacDonald now attends and hosts AA meetings to help others who have also suffered from opioid addiction.
7. ***Michael Masiowski, M.D.***, is an independent emergency room physician who has provided emergency opioid treatment services to patients who were uninsured, indigent or otherwise eligible for services through programs such as Medicaid. Dr. Masiowski is the putative class representative for a class of emergency room physicians who have been forced to provide an inordinate amount of emergency room services related to the “opioid epidemic,” either for no compensation or for compensation substantially below market rates.

In addition to these voting members, Rochester City School District serves as an *ex officio* member of the OCC on behalf of certain public school districts.

On September 8, 2022, the OCC selected Cooley LLP to serve as lead and general bankruptcy counsel and Akin Gump Strauss Hauer & Feld LLP (“Akin”) to serve as special counsel. The OCC selected Province, Inc. (“Province”) to serve as its financial advisor and Jefferies LLC (“Jefferies”) to serve as its investment banker on September 9, 2022. Akin, Province and Jefferies also served as the main legal and financial advisors to the opioid claimants’ committees or official committees of unsecured creditors in the bankruptcy cases of *Purdue* and *Mallinckrodt*, and Akin and Province also served as the main legal and financial advisors to the official committee of unsecured creditors in the bankruptcy case of *Insys Therapeutics*.

2. The Reasons that the OCC Supports the OCC Settlement in the Plan

The opioid epidemic is the single worst man-made public health crisis of our time. Countless lives have been devastated by the opioid crisis, and the number continues to grow. The OCC is sensitive to and focused on the harm suffered by every Opioid Claimant and its sole mandate in the Chapter 11 Cases has been to advocate for Opioid Claimants and to do whatever is possible to further the

efforts of obtaining compensation for victims and abating the opioid crisis resulting from the harm that these particular Debtors have allegedly caused.⁶

The OCC acknowledges that the OCC Resolution included in the Plan (as well as the other settlements that public opioid claimants have reached) is not perfect and that the amount of money being provided to Opioid Claimants by Endo to resolve the OCC's objections and issues in the Chapter 11 Cases (as well as to resolve the issues raised by various public opioid claimants) will never provide enough value to make up for the harm allegedly caused by the Debtors—indeed, that no amount of money would ever remedy such harm. The OCC has had to balance this understanding against the need for Opioid Claimants to receive material cash in a meaningful timeframe. This was particularly challenging in these Chapter 11 Cases given the relatively small size of the Debtors' business, particularly as compared to *Purdue* (and even *Mallinckrodt*), and the significant amount of secured financial debt that the Company had (billions of dollars).

After significant work, the OCC concluded that the OCC Resolution embodied in the Plan—*i.e.*, the payment of \$119.7 million over two years to Private Opioid Claimants (or \$89.7 million if paid entirely on the Effective Date of the Plan)—was the best way now available to meet the OCC's goals and to ensure that funds reach Opioid Claimants as quickly as possible. The OCC Resolution, along with resolutions reached with public Opioid Claimants both during and before the chapter 11 case, will provide for more than \$600 million (net present value)⁷ in funding for critical abatement efforts and victim compensation.

One of the factors that led the OCC to this conclusion is the substantial delay in payments to Opioid Claimants that has occurred in other opioid chapter 11 cases. In *Mallinckrodt*, for example, the settlement for opioid claimants in Mallinckrodt's first bankruptcy filing provided for an eight-year payment stream. However, as a result of Mallinckrodt's second bankruptcy filing, only a portion of those payments were ever made, and the remaining payments were heavily discounted, cutting off hundreds of millions of dollars that would have gone to opioid abatement and victim compensation. In *Purdue*, as a result of ongoing appeals brought by the DOJ and the UST, opioid claimants other than the DOJ have not received any money from Purdue or the Sackler family since Purdue filed for bankruptcy in September 2019, despite approval of the Purdue plan of reorganization by the bankruptcy court in the fall of 2021. In light of these cases, the OCC negotiated for a resolution that requires that all payments be made within two years of the Effective Date of the Plan. Private Opioid Claimants who filed proofs of claim, elect or are deemed to give the third party releases⁸ and who meet the other relevant criteria for their specific sub-trust can

⁶ The OCC also considers its mandate in these opioid cases to include doing what it can to protect public health and safety from the results of Endo's opioid practices. To that end, the OCC was instrumental in negotiating for the appointment of a monitor to oversee Endo's compliance with the voluntary business injunction it negotiated with the States to ensure that its business practices concerning opioids comply with such injunction. The OCC was also pleased that the States negotiated for the funding of a document repository to include tens of thousands of Endo documents to help educate the public about Endo's role in the opioid crisis.

⁷ As noted earlier, Endo paid approximately \$242 million in settlement payments to public opioid claimants and one NAS claimant prior to chapter 11. If Endo pays the amounts due under the Plan entirely on the Effective Date—which is likely—the net present value of those payments to Opioid Claimants is approximately \$370 million.

⁸ The third-party releases are discussed in more detail below.

expect to receive payment on their claim as soon after the Effective Date as the trustees for their trusts are able to do so.

Another factor that led the OCC to support this Plan is the desire to distribute money to Private Opioid Claimants without harming the settlement reached by the State Attorneys General on their public side opioid claims. Private Opioid Claimants are not parties to the approximately **\$50 billion** in settlements negotiated outside of bankruptcy by certain public opioid claimants (including the Federal government, states, political subdivisions and Native American Tribes) with other opioid defendants (*i.e.*, companies not in bankruptcy such as Teva, McKesson and CVS). As a result, private Opioid Claimants have received almost none of the cash distributed to date in connection with those settlements and will receive none in the future. Indeed, to date, private opioid claimants have received only limited distributions in connection with just two bankruptcy cases: *Insys* and *Mallinckrodt*. The Endo Plan, conversely, will deliver \$119 million to private opioid claimants in two years (or, if prepaid, approximately \$90 million on the Effective Date).

A third important factor is the OCC's determination that the certainty of cash in the near term was more important than the more speculative possibility of value from non-cash and contingent assets, such as the rights to seek recovery from the Debtors' insurance assets or prosecute causes of action against third parties. This determination was based in part on the immediate need faced by Opioid Claimants, but also—and more importantly—on the OCC's work to evaluate these contingent assets and the problems that could be encountered in trying to recover from them. The OCC's advisors conducted extensive diligence regarding the Debtors' insurance assets, including the Debtors' access to products liability insurance coverage for claims related to their manufacture, marketing, and sale of opioid products. Based on this diligence, the OCC considered the strengths and weaknesses of any claims against such insurance, as well as potential estate causes of action against other defendants relating to such insurance and determined that the better option, in light of the OCC's goals set forth above, was to negotiate for payment of cash as soon as possible. The OCC also recognized that even if contingent assets could be more valuable in the longer term, the process of obtaining that value would delay much-needed recoveries for Opioid Claimants and would require funding that could be better used for opioid abatement and victim compensation. By negotiating for cash payment in the near term, the OCC Resolution avoids the significant costs and delays associated with pursuit of these contingent assets.

Fourth, the OCC considered the strength of its legal arguments against the proposed Plan (and prior to that, against the proposed sale), and weighed the strength of those legal arguments and the potential recoveries for opioid claimants if the OCC were successful, against the OCC Resolution and the associated factors discussed in this letter. The OCC included in that analysis the risks, costs, and delay associated with bringing any such litigation. The OCC concluded that the OCC Resolution was preferable.

A final important factor considered by the OCC was the recovery for Private Opioid Claimants (and the allocation among them) as compared to the recovery for Public Opioid Claimants. First, the OCC looked at both (i) the proposed allocations between public and private opioid claimants in *Purdue* and *Mallinckrodt* and (ii) the relative size of the resolution reached with the public Opioid Claimants in these Chapter 11 Cases. After engaging in this analysis, the OCC was comfortable that the outcome in this case was comparable to the allocations and total

proposed recoveries agreed to in those cases. Second, the OCC worked with the various private claimant sub-groups (including through a two day mediation session) to ensure that each subgroup of private Opioid Claimants will receive an allocation percentage that is similar (taking into consideration the relative size of these Chapter 11 Cases when compared to *Purdue* and *Mallinckrodt*) to what its respective sub-group of private opioid claimants were allocated in *Purdue* and *Mallinckrodt*. The OCC was satisfied that these considerations also weighed in favor of supporting the OCC Resolution.

For all of these reasons, the OCC determined that it was in the best interests of private Opioid Claimants to support the settlement incorporated in the OCC Resolution and the Plan. **The OCC encourages all holders of private Opioid Claims to vote to accept the Plan and to grant the releases as we explain herein.**

In addition, the OCC is pleased the settlements were reached between Endo, its secured creditors, and certain Public Opioid Claimants. Therefore, and as noted above, the OCC recommends that each State, Public School, Tribe, and Canadian Governmental entity that is subject to the various settlements contained in the Plan for their claimant category vote in favor of the Plan and, to the extent applicable, grants the release.

3. A Summary of the Chapter 11 Cases

Endo filed for Chapter 11 on August 16, 2022. At that time, it announced, among other things, three important aspects of the framework it intended to use for the Chapter 11 Cases:

First, that it had entered into a restructuring support agreement with an ad hoc group of its first-lien secured lenders, pursuant to which that group would purchase Endo's assets during the bankruptcy case;

Second, that the ad hoc group of first lien lenders had in turn reached a resolution with the vast majority of State Attorneys General for a payment of roughly \$450 million over 10 years to resolve those States' opioid-related claims against Endo; and

Third, that the ad hoc group of first lien lenders would offer to any *private opioid claimant* the chance to participate in its pro rata share of \$85 million paid no earlier than *ten years* after the Closing Date (*i.e.*, no earlier than 2033), if and only if such claimants would agree to provide certain releases for the benefit of third parties, including Endo, Endo's directors and officers and the first-lien lenders themselves. This "open offer" had a total net present value of approximately \$27.4 million.

The OCC did not support the "open offer" to Private Opioid Claimants and resolved to challenge the proposed sale of Endo's assets, to seek ownership of Endo's insurance assets and causes of action, and to generally increase the value being "offered" to Private Opioid Claimants⁹.

⁹ At that time, there were no resolutions yet negotiated with the Canadian Provinces nor the Public Schools.

The OCC's advisors concluded that the total value that could be available for distribution to Opioid Claimants would have to come from, among others, the following sources (and would come only after subtracting any amounts that would need to be paid to more senior or secured *valid* creditors): (i) the value of the Company's business operations; (ii) the Debtors' cash balance of approximately \$1 billion as of the Petition Date; and (iii) potential claims and causes of action for the benefit of the estate, including claims to recover from the Debtors' insurance policies and claims against fiduciaries and other third parties.

Unlocking portions of this value for Opioid Claimants may have depended on the results of litigation against certain of the Debtors' secured creditors. At the beginning of the Chapter 11 Cases, the OCC's advisors investigated, among other things, claims that could be pursued to bring value into the Debtors' estates and/or make value available for the benefit of Opioid Claimants, as well as other potential sources of value for Opioid Claimants. The OCC coordinated with the Official Committee of Unsecured Creditors (the "UCC") on investigating any such claims and on considering and analyzing the likelihood of success of any such claims and the likely recovery associated with any such claims, as well as the likelihood of collecting on any judgment rendered in favor of such claims.

To that end, in late January 2023, the OCC—together with the UCC—filed a motion seeking standing to bring certain causes of action, and attached four draft complaints, including complaints seeking to invalidate certain liens of the secured creditors, and a complaint seeking to unwind approximately \$90 million in bonus payments made to Endo's officers prior to filing for bankruptcy. (Of course, if the OCC had not ultimately reached a settlement, it would have pursued this litigation).

In late January, the Court ordered that certain parties participate in mediation and appointed Judge Shelley C. Chapman (Ret.) as mediator. The mediation parties consisted of, among others, (i) the Debtors, (ii) the Ad Hoc First Lien Group (*i.e.* the secured creditors whose liens the OCC was challenging), (iii) the UCC, (iv) the OCC, and (v) the United States of America (*i.e.* the DOJ).

Following multiple rounds of contentious negotiations, the OCC eventually entered into an agreement in principle with the Ad Hoc First Lien Group to resolve any and all disputes between the parties, which was subsequently reflected in the *Voluntary Present Private Opioid Claimant Trust Term Sheet*. This term sheet was initially filed in March 2023. The terms of the OCC resolution are more fully explained below. A resolution was also reached with the UCC.

Between March 2023 and August 2023, Endo and the Ad Hoc First Lien Group negotiated resolutions with other parties representing opioid interests, including certain Canadian provinces and certain public school districts. Endo and the Ad Hoc First Lien Group also negotiated a resolution with the court appointed future claimants' representative, which settlement included a resolution of future opioid-related claims. The OCC was not a party to these resolutions, but helped to facilitate them.

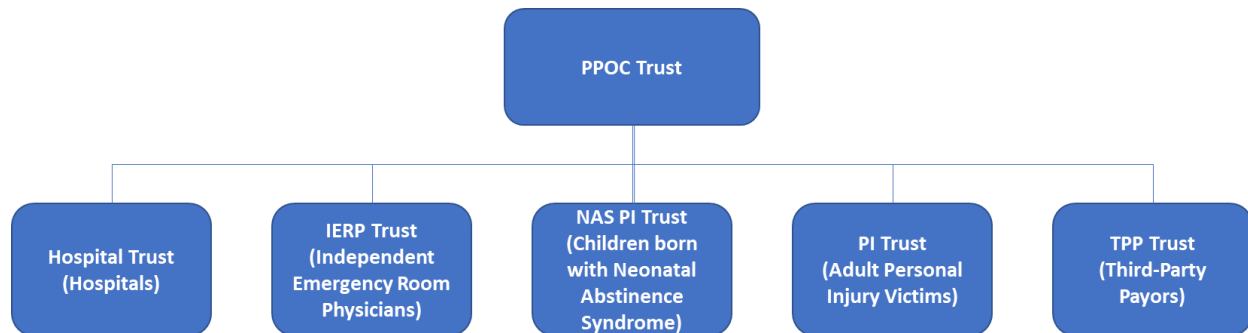
Beginning in the summer of 2023 and continuing into the fall, Endo and the Ad Hoc First Lien Group also negotiated with the Department of Justice regarding both civil and criminal opioid and non-opioid claims against Endo. As a result of those negotiations, Endo determined to pursue a plan of reorganization as opposed to a sale of its assets to its first lien secured lenders.

4. The OCC Settlement/The Plan

The OCC Resolution reflects an agreement between the OCC and the Ad Hoc First Lien Group for the payment of \$119.7 million to present private opioid claimants, to be paid within no more than two years of closing (as opposed to one payment in ten years, per the original “open offer”), which may be paid in full in the amount of \$89.7 million if paid on the Effective Date. This resolution is in exchange for (i) the OCC’s agreement to resolve all of the disputed matters (including those mentioned above) and (ii) present private Opioid Claimants agreeing to provide releases to, among others, the Ad Hoc First Lien Group and certain of Endo’s directors and officers. More specifically, the Plan provides that each present private Opioid Claimant will:

- (i) Have its opioid claim channeled to a trust (the “PPOC Trust”);
- (ii) Obtain payment, if any, from such trust in accordance with trust distribution procedures (“TDPs”); and
- (iii) Have the opportunity to release third parties from related claims in exchange for a right to a greater recovery (*i.e.*, an additional payment of four times the base amount) under the applicable TDPs.

The Plan contemplates the establishment of the following trusts, for the following groups of present private Opioid Claimants:



The PPOC Trust will be the initial recipient of all assets used to pay present private Opioid Claimants’ claims. The PPOC Trust will forward this money, less administrative costs, to the various sub-trusts (the “PPOC Sub-Trusts”) created for specific private Opioid Claimant constituencies, in the following allocation:

Trust	Allocation Percentage ¹⁰	Nominal Allocation Assuming:	
		No Prepayment	Prepayment at Emergence
Hospital Trust	17.3%	\$20,621,600.00	\$15,431,600.00
IERP Trust II	2.2%	\$2,622,400.00	\$1,962,400.00
NAS PI Trust	7.2%	\$9,082,400.00	\$6,922,400.00
PI Trust	44.5%	\$53,044,000.00	\$39,694,000.00
TPP Trust	28.8%	\$34,329,600.00	\$25,689,600.00
TOTAL:	100.0%	\$119,700,000.00	\$89,700,000.00

Each of these PPOC Sub-Trusts will distribute their share of the money to the relevant group of claimants in accordance with its applicable TDPs, current drafts of which are available on the Bankruptcy Court docket and at the informational website established by the OCC, (<https://cases.ra.kroll.com/EndoOpioidClaimantInfo/>). **It is anticipated that updated drafts of these trusts should be available around mid-February.**

Importantly, each Present Private Opioid Claimant (assuming you hold a valid claim under your applicable TDP) will be entitled to receive an ***additional four times*** (thus, a total of five times the base amount) distribution if it provides releases to certain third parties (including certain of the Debtors' directors and officers) from claims and causes of action related to their Opioid Claims against Endo. Conversely, present private Opioid Claimants who choose not to grant the releases, but who are otherwise entitled to a distribution from their PPOC Sub-Trust, will only receive 20% of what they would be entitled to receive had they elected to grant the releases. **For this reason, the OCC encourages all holders of present private Opioid Claims to elect to grant the releases.**

For the avoidance of doubt, electing to grant the releases will not release any claims you may have against, among others, McKinsey & Company, Inc., Arnold and Porter, LLP or any of the opioid distributors, manufacturers (other than the Debtors) or pharmacies that have been frequently named as defendants in any of the nationwide opioid litigations. A summary of which parties are and are not being released if you choose to grant the releases is set forth in the following chart. This summary is qualified in its entirety by reference to the Disclosure Statement and the Plan.

Claim Type/Classes	Who Is Getting a Release?	Who is NOT Getting a Release?
Present Private Opioid Claimants ("PPOCs") that opt into, or do not opt out of, the release	1) The Debtors and their Estates ¹¹	1) McKinsey Parties
Classes 7(A), 7(B), 7(C), 7(D), 7(E)	2) The Non-Debtor Affiliates	2) Arnold & Porter Parties
	3) The Post-Emergence Entities	3) Any of the Debtors' current or former third-party agents, partners, representatives, or consultants involved in the production, distribution, marketing, promotion, or
	4) Each Consenting First Lien Creditor and Prepetition Secured Party, solely in their respective capacities as such	

¹⁰ In connection with the overall settlement of allocation of the consideration to be contributed to the PPOC Trust among the PPOC Sub-Trusts, certain third parties agreed to contribute an additional \$500,000 to the PPOC Trust, which will be directly reallocated to the NAS PI Trust.

¹¹ Regardless of whether you choose to grant a release, if the Plan is confirmed any claims you may have against the Debtors and the Post-Emergence Entities will be discharged by the Plan.

Claim Type/Classes	Who Is Getting a Release?	Who is NOT Getting a Release?
	5) The Ad Hoc Cross-Holder Group, the Ad Hoc First Lien Group, and each of the members of the foregoing, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the individual members hereof, in each case solely in their respective capacities as such 6) The OCC and each of the members thereof, in each case solely in their respective capacities as such, and each of the advisors thereto or of the individual members thereof, in each case, solely in their respective capacities as such 7) The UCC and each of the members thereof, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the members thereof, in each case, solely in their respective capacities as such 8) The FCR, solely in his capacity as such, and the advisors to the FCR, solely in their respective capacities as such 9) The Endo EC and each of the States that are members thereof and their respective officers and Representatives in each case solely in their respective capacities as such 10) The PPOC Trust, the PPOC Sub-Trusts, the GUC Trust, the Distribution Sub-Trusts, the Future PI trust, the Public Opioid Trust, the Tribal Opioid Trust and the Trustees, administrators, boards or governing bodies of, any advisors to, and any other Persons with similar administrative or supervisory roles in connection with, any of the foregoing, in each case, solely in their respective capacities as such 11) The First Lien Backstop Commitment Parties and the GUC Backstop Commitment Parties, in each case, solely in their respective capacities as such 12) The Unsecured Notes Indenture Trustees, solely in their capacities as such 13) With respect to anyone listed in (1) through (12) above, such Persons' predecessors, successors, permitted assigns, current and former subsidiaries and Affiliates, respective heirs, executors, estates, and nominees, in each case, solely in their respective capacities as such 14) With respect to anyone listed in (1) through (13) above, such Persons' current and former officers, directors (including any Persons in analogous roles under applicable law), employees, and Representatives, in each case, solely in their respective capacities as such	sale of Opioids or Opioid Products (excluding the Debtors' (i) current and former officers, directors and employees (in each case, solely in their respective capacities as such); and (ii) professionals retained by the Debtors in the Chapter 11 Cases (including any ordinary course professionals) 4) Practice Fusion, Inc. 5) Publicis Health Parties 6) ZS Associates Parties 7) Co-Defendants 8) Any distributor, manufacturer or pharmacy engaged in the distribution, manufacture, or dispensing/sale of Opioids or Opioid Products
Canadian Governments that do not opt out of the release Class 9	Same as the PPOCs	Same as the PPOCs

Claim Type/Classes	Who Is Getting a Release?	Who is NOT Getting a Release?
Public School Districts that do not opt out (or are deemed not to opt out) of the release Class 8	Same as the PPOCs	Same as the PPOCs
State Opioid Claimants Class 6(A)	1) The Debtors and their Estates 2) The Non-Debtor Affiliates 3) The Post-Emergence Entities 4) Each Consenting First Lien Creditor and Prepetition Secured Party, solely in their respective capacities as such 5) The Ad Hoc Cross-Holder Group, the Ad Hoc First Lien Group, and each of the members of the foregoing, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the individual members hereof, in each case solely in their respective capacities as such 6) The OCC and each of the members thereof, in each case solely in their respective capacities as such, and each of the advisors thereto or of the individual members thereof, in each case, solely in their respective capacities as such 7) The UCC and each of the members thereof, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the members thereof, in each case, solely in their respective capacities as such 8) The FCR, solely in his capacity as such, and the advisors to the FCR, solely in their respective capacities as such 9) The Endo EC and each of the States that are members thereof and their respective officers and Representatives in each case solely in their respective capacities as such 10) The First Lien Backstop Commitment Parties and the GUC Backstop Commitment Parties, in each case, solely in their respective capacities as such 11) With respect to anyone listed in (1) through (10) above, such Persons' predecessors, successors, permitted assigns, current and former subsidiaries and Affiliates, respective heirs, executors, estates, and nominees, in each case, solely in their respective capacities as such 12) With respect to anyone listed in (1) through (11) above, such Persons' current and former officers, directors (including any Persons in analogous roles under applicable law), employees, and Representatives, in each case, solely in their respective capacities as such	1) McKinsey Parties 2) Arnold & Porter Parties 3) Any of the Debtors' current or former third-party agents, partners, representatives, or consultants involved in the production, distribution, marketing, promotion, or sale of Opioids or Opioid Products (excluding the Debtors' (i) current and former officers, directors and employees (in each case, solely in their respective capacities as such); and (ii) professionals retained by the Debtors in the Chapter 11 Cases (including any ordinary course professionals) 4) Practice Fusion, Inc. 5) Publicis Health Parties 6) ZS Associates Parties 7) The PPOC Trust, the PPOC Sub-Trusts, the GUC Trust, the Distribution Sub-Trusts, the Future PI trust, the Public Opioid Trust, the Tribal Opioid Trust and the Trustees, administrators, boards or governing bodies of, any advisors to, and any other Persons with similar administrative or supervisory roles in connection with, any of the foregoing, in each case, solely in their respective capacities as such and any of their predecessors, successors, permitted assigns, current and former subsidiaries and Affiliates, respective heirs, executors, estates, and nominees, or such Persons'

Claim Type/Classes	Who Is Getting a Release?	Who is NOT Getting a Release?
		current and former officers, directors (including any Persons in analogous roles under applicable law), employees, and Representatives in each case, solely in their respective capacities as such 8) The Unsecured Notes Indenture Trustees, solely in their capacities as such and any predecessors, successors, permitted assigns, current and former subsidiaries and Affiliates, respective heirs, executors, estates, and nominees or such Persons' current and former officers, directors (including any Persons in analogous roles under applicable law), employees, and Representatives, in each case, solely in their respective capacities as such
Local Government or Tribal Opioid Claimants that do not opt out of the release Classes 6(B) and 6(C)	Same as the PPOCs	1) McKinsey Parties 2) Arnold & Porter Parties 3) Any of the Debtors' current or former third-party agents, partners, representatives, or consultants involved in the production, distribution, marketing, promotion, or sale of Opioids or Opioid Products (excluding the Debtors' (i) current and former officers, directors and employees (in each case, solely in their respective capacities as such); and (ii) professionals retained by the Debtors in the Chapter 11 Cases (including any ordinary course professionals) 4) Practice Fusion, Inc. 5) Publicis Health Parties 6) ZS Associates Parties

5. Important Information About Voting and Granting the Releases:

Please read this section, as it contains important information about voting and how you can ensure that you remain eligible for the enhanced compensation in these cases.

IF YOU VOTE TO ACCEPT THE PLAN, YOU WILL BE DEEMED TO CONSENT TO GRANT THE RELEASES and (i) automatically release such claims in the event the Plan is confirmed and goes effective and (ii) automatically receive an additional payment of **four times** the compensation to which you are entitled under the relevant TDPs. WE ENCOURAGE YOU TO VOTE TO ACCEPT THE PLAN AND GRANT THE RELEASES.

If you do not vote to accept the Plan, then your ability to receive the increased compensation in exchange for “giving” a release depends upon what type of claim you hold:

IF YOU HOLD A PERSONAL INJURY, NAS PERSONAL INJURY OR INDEPENDENT EMERGENCY ROOM PHYSICIAN CLAIM:

If you vote to reject the Plan, to receive the increased compensation, you must specifically elect to grant the releases by checking the “OPT IN” election in the same row on your ballot as your vote to “REJECT.”

If you choose to abstain from voting on the Plan, in order to receive the increased compensation, you must specifically elect to grant the releases by checking the “OPT IN” election in the same row on your ballot as your election to “ABSTAIN.”

To be clear, if you vote to reject the Plan or elect to abstain from voting on the Plan and you do not make the “OPT IN” election on your ballot, you will receive a greatly reduced distribution from your applicable PPOC Sub-Trust. If you fail to return your ballot by the voting deadline set forth on your ballot, you will be deemed to have elected to not grant the releases, and you will receive a greatly reduced distribution from your applicable PPOC Sub-Trust.

IF YOU HOLD A HOSPITAL OR THIRD PARTY PAYOR CLAIM:

If you vote to reject the Plan, to receive the increased compensation, you must specifically elect to grant the releases by checking the “OPT IN” election in the same row on your ballot as your vote to “REJECT.”

If you choose to abstain from voting on the Plan, in order to receive the increased compensation, you should not check the “OPT OUT” election in the same row on your ballot as your election to “ABSTAIN.” If you elect to “OPT OUT” of the releases, you will receive a greatly reduced distribution from your applicable PPOC Sub-Trust.

Finally, if you fail to return your ballot by the voting deadline set forth on your ballot, you will be deemed to have elected to grant the releases, which will entitle you to the greater recovery from your applicable PPOC Sub-Trust.

The following chart explains the above:

<u>Type of Claimant</u>	<u>If you Vote Yes/Accept the Plan</u>	<u>If you Don't Vote on the Plan/Abstain</u>	<u>If you Vote No/Reject the Plan</u>
<u>State/DOJ</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u>PI/NAS/IERP</u>	<u>Deemed to grant the Release and will receive the enhanced distribution</u>	<u>You must check a box to "Opt in" to the Release in order to get the enhanced distribution</u>	<u>You must check a box to "Opt in" to the Release in order to get the enhanced distribution</u>
<u>Any Other Opioid Claimant¹²</u>	<u>Deemed to Grant the Release and will receive the enhanced distribution</u>	<u>You should refrain from checking a box to "Opt Out" of the Release in order to get the enhanced distribution</u>	<u>You must check a box to "Opt in" to the Release in order to get the enhanced distribution</u>

To the extent that any Opioid Claimant has any questions about the above (including voting or the release process), the Plan in general or these Chapter 11 Cases, the OCC encourages such claimant to reach out to the OCC's counsel at EndoCreditorInfo@akingump.com.

Very truly yours,

The Official Committee of Opioid Claimants of Endo International plc., et al.

¹² To be clear, the OCC would encourage any claimant that is part of a public opioid claimant group that negotiated its own resolution to discuss the specifics of that resolution and how claimants in that group can receive a distribution. The OCC can provide contact information for each public opioid claimant group upon request. Further, the OCC would note that some opioid claimants may not receive any distribution but are still required to "opt out" of the release in order to avoid granting the release. If you have any questions about the voting or release process, please contact the OCC at the contact information above.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

ENDO INTERNATIONAL plc, et al.,

Debtors.¹

Chapter 11

Case No. 22-22549 (JLG)

(Jointly Administered)

**DISCLOSURE STATEMENT WITH RESPECT TO THE
SECOND AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION
OF ENDO INTERNATIONAL PLC AND ITS AFFILIATED DEBTORS**

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Dated: January 16, 2024

New York, New York

¹ The last four digits of Debtor Endo International plc's tax identification number are 3755. Due to the large number of debtors in these chapter 11 cases, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' Solicitation Agent (as defined below) at <https://restructuring.ra.kroll.com/Endo>. The location of the Debtors' service address for purposes of these chapter 11 cases is: 1400 Atwater Drive, Malvern, PA 19355.

DISCLAIMER

THIS DISCLOSURE STATEMENT WITH RESPECT TO THE JOINT CHAPTER 11 PLAN OF REORGANIZATION OF ENDO INTERNATIONAL PLC AND ITS AFFILIATED DEBTORS CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE DEBTORS' JOINT CHAPTER 11 PLAN OF REORGANIZATION AND CERTAIN OTHER DOCUMENTS AND FINANCIAL INFORMATION. THE INFORMATION INCLUDED IN THIS DISCLOSURE STATEMENT IS PROVIDED FOR THE PURPOSES OF SOLICITING ACCEPTANCES OF THE PLAN AND SHOULD NOT BE RELIED UPON FOR ANY PURPOSES OTHER THAN TO DETERMINE WHETHER AND HOW TO VOTE ON THE PLAN.

THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE. THE SUMMARIES OF THE FINANCIAL INFORMATION AND THE DOCUMENTS WHICH ARE ATTACHED TO, OR INCORPORATED BY REFERENCE IN, THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO SUCH INFORMATION AND DOCUMENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR THE OTHER DOCUMENTS AND FINANCIAL INFORMATION INCORPORATED IN THIS DISCLOSURE STATEMENT BY REFERENCE, THE PLAN OR THE OTHER DOCUMENTS AND FINANCIAL INFORMATION, AS THE CASE MAY BE, SHALL GOVERN FOR ALL PURPOSES.

THE STATEMENTS AND FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAVE BEEN MADE AS OF THE DATE OF THIS DISCLOSURE STATEMENT UNLESS OTHERWISE SPECIFIED. HOLDERS OF CLAIMS AND INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT ASSUME AT THE TIME OF SUCH REVIEW THAT THERE HAVE BEEN NO CHANGES IN THE FACTS SET FORTH IN THIS DISCLOSURE STATEMENT SINCE THE DATE OF THIS DISCLOSURE STATEMENT.

EACH HOLDER OF A CLAIM OR INTEREST ENTITLED TO VOTE ON THE PLAN SHOULD CAREFULLY REVIEW THE PLAN AND THIS DISCLOSURE STATEMENT IN THEIR ENTIRETIES BEFORE CASTING A BALLOT. THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE LEGAL, BUSINESS, FINANCIAL, OR TAX ADVICE. ANY ENTITY OR PERSON DESIRING ANY SUCH ADVICE SHOULD CONSULT WITH THEIR OWN ADVISORS.

NO REPRESENTATIONS CONCERNING THE DEBTORS OR THE VALUE OF THEIR PROPERTY HAVE BEEN AUTHORIZED BY THE DEBTORS OTHER THAN AS EXPLICITLY SET FORTH IN THIS DISCLOSURE STATEMENT AND THE DOCUMENTS ATTACHED TO THIS DISCLOSURE STATEMENT. ANY INFORMATION, REPRESENTATIONS, OR INDUCEMENTS MADE TO OBTAIN AN ACCEPTANCE OF THE PLAN WHICH ARE OTHER THAN AS SET FORTH IN, OR INCONSISTENT WITH, THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, THE DOCUMENTS ATTACHED TO THIS DISCLOSURE STATEMENT, AND THE PLAN SHOULD NOT BE RELIED UPON BY ANY HOLDER OF A CLAIM OR INTEREST.

WITH RESPECT TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, AND OTHER PENDING, THREATENED, OR POTENTIAL LITIGATION OR OTHER ACTIONS, THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER, BUT RATHER AS A STATEMENT MADE IN THE CONTEXT OF SETTLEMENT NEGOTIATIONS UNDER RULE 408 OF THE FEDERAL RULES OF EVIDENCE.

THE FINANCIAL INFORMATION CONTAINED IN OR INCORPORATED BY REFERENCE IN THIS DISCLOSURE STATEMENT HAS NOT BEEN AUDITED, UNLESS SPECIFICALLY INDICATED OTHERWISE.

THE FINANCIAL PROJECTIONS DESCRIBED IN THIS DISCLOSURE STATEMENT, HAVE BEEN PREPARED BY THE DEBTORS' MANAGEMENT TOGETHER WITH THEIR ADVISORS. THE FINANCIAL PROJECTIONS, WHILE PRESENTED WITH NUMERICAL SPECIFICITY, ARE NECESSARILY BASED ON A VARIETY OF ESTIMATES AND ASSUMPTIONS WHICH, THOUGH CONSIDERED REASONABLE BY THE DEBTORS' MANAGEMENT AND THEIR ADVISORS AT THE TIME SUCH FINANCIAL PROJECTIONS WERE PREPARED, MAY NOT ULTIMATELY BE REALIZED, AND ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, COMPETITIVE, INDUSTRY, REGULATORY, MARKET, AND FINANCIAL UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH ARE BEYOND THE DEBTORS' CONTROL. THE DEBTORS CAUTION THAT NO REPRESENTATIONS CAN BE MADE AS TO THE ACCURACY OF THESE PROJECTIONS OR TO THE ABILITY TO ACHIEVE THE PROJECTED RESULTS. SOME ASSUMPTIONS INEVITABLY WILL NOT MATERIALIZE. FURTHER, EVENTS AND CIRCUMSTANCES OCCURRING SUBSEQUENT TO THE DATE ON WHICH THE FINANCIAL PROJECTIONS WERE PREPARED MAY BE DIFFERENT FROM THOSE ASSUMED OR, ALTERNATIVELY, MAY HAVE BEEN UNANTICIPATED, AND THE OCCURRENCE OF THESE EVENTS MAY AFFECT FINANCIAL RESULTS IN A MATERIALLY ADVERSE OR MATERIALLY BENEFICIAL MANNER. THEREFORE, THE FINANCIAL PROJECTIONS MAY NOT BE RELIED UPON AS A GUARANTEE OR OTHER ASSURANCE OF THE ACTUAL RESULTS THAT WILL OCCUR. EXCEPT WHERE SPECIFICALLY NOTED, THE FINANCIAL INFORMATION CONTAINED HEREIN HAS NOT BEEN AUDITED BY A CERTIFIED PUBLIC ACCOUNTANT AND MAY NOT HAVE BEEN PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. THE DEBTORS UNDERTAKE NO OBLIGATION TO UPDATE SUCH FINANCIAL PROJECTIONS.

THE PLAN HAS NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION AND NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED HEREIN OR THEREIN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. NEITHER THE SOLICITATION NOR THIS DISCLOSURE STATEMENT CONSTITUTES AN OFFER TO SELL, OR THE SOLICITATION OF AN OFFER TO BUY, SECURITIES IN ANY STATE OR JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED.

PLEASE REFER TO ARTICLE VII (*RISK FACTORS TO BE CONSIDERED*) OF THIS DISCLOSURE STATEMENT FOR A DISCUSSION OF CERTAIN FACTORS THAT A CREDITOR VOTING ON THE PLAN SHOULD CONSIDER.

IN THE OPINION OF THE DEBTORS, THE PLAN IS PREFERABLE TO ALL OTHER AVAILABLE ALTERNATIVES AND PROVIDES FOR A LARGER DISTRIBUTION TO THE DEBTORS' STAKEHOLDERS THAN WOULD OTHERWISE RESULT IN ANY OTHER SCENARIO. ACCORDINGLY, THE DEBTORS RECOMMEND THAT HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN VOTE TO ACCEPT THE PLAN AND SUPPORT CONFIRMATION OF THE PLAN.

THE COMMITTEES ENCOURAGE EACH CREDITOR TO VOTE TO ACCEPT THE PLAN. THE COMMITTEES' RESPECTIVE POSITIONS REGARDING THE MATTERS IN THIS DISCLOSURE STATEMENT ARE MORE SPECIFICALLY SET FORTH IN THEIR RESPECTIVE LETTERS TO UNSECURED CREDITORS AND OPIOID CLAIMANTS (THE "UCC LETTER" AND THE "OCC LETTER," RESPECTIVELY), WHICH ARE INCLUDED IN THE SOLICITATION MATERIALS. THE COMMITTEES ENCOURAGE EACH CREDITOR TO REVIEW THE APPROPRIATE LETTER AND COMMUNICATE DIRECTLY WITH THE APPROPRIATE COMMITTEE REGARDING ANY QUESTIONS THEY HAVE ABOUT THE APPLICABLE LETTER, THE PLAN, OR THIS DISCLOSURE STATEMENT.

SPECIAL NOTICE REGARDING SECURITIES LAWS

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016(B) AND IS NOT NECESSARILY PREPARED IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER SIMILAR LAWS. THE SECURITIES TO BE ISSUED ON OR AFTER THE EFFECTIVE DATE WILL NOT HAVE BEEN THE SUBJECT OF A REGISTRATION STATEMENT FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") UNDER THE SECURITIES ACT, ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE UNDER ANY STATE SECURITIES LAW ("BLUE SKY LAWS"), OR ANY SIMILAR FOREIGN REGULATORY AGENCY. EACH OF THE DISCLOSURE STATEMENT AND THE PLAN HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE REGULATORY AUTHORITY AND NEITHER THE SEC, ANY STATE REGULATORY AUTHORITY, NOR ANY FEDERAL REGULATORY AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT OR THE PLAN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

UPON CONFIRMATION OF THE PLAN, CERTAIN OF THE SECURITIES DESCRIBED IN THIS DISCLOSURE STATEMENT WILL BE ISSUED WITHOUT REGISTRATION UNDER THE SECURITIES ACT, OR SIMILAR FEDERAL, STATE, LOCAL, OR FOREIGN LAWS, IN RELIANCE ON THE EXEMPTION SET FORTH IN SECTION 1145 OF THE

BANKRUPTCY CODE TO THE EXTENT PERMITTED UNDER APPLICABLE LAW. OTHER SECURITIES MAY BE ISSUED PURSUANT TO OTHER APPLICABLE EXEMPTIONS UNDER THE FEDERAL SECURITIES LAWS. TO THE EXTENT EXEMPTIONS FROM REGISTRATION UNDER SECTION 1145 OF THE BANKRUPTCY CODE OR APPLICABLE FEDERAL SECURITIES LAW DO NOT APPLY, THE SECURITIES MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO A VALID EXEMPTION OR UPON REGISTRATION UNDER THE SECURITIES ACT. NEITHER THE SOLICITATION & VOTING PROCEDURES NOR THIS DISCLOSURE STATEMENT CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY SECURITIES IN ANY STATE OR JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED.

VOTING

FOR A VOTE ON THE PLAN TO BE COUNTED, THE BALLOT INDICATING ACCEPTANCE OR REJECTION OF THE PLAN MUST BE RECEIVED BY KROLL RESTRUCTURING ADMINISTRATION LLC, THE DEBTORS' CLAIMS, NOTICING, AND SOLICITATION AGENT ("KROLL" OR THE "SOLICITATION AGENT"), NO LATER THAN **4:00 P.M. (PREVAILING EASTERN TIME) ON FEBRUARY 22, 2024** (THE "VOTING DEADLINE"). BALLOTS SHOULD BE CAST IN ACCORDANCE WITH THE SOLICITATION & VOTING PROCEDURES ATTACHED TO THE DISCLOSURE STATEMENT ORDER AS EXHIBIT 1 AND SUMMARIZED IN ARTICLE VIII OF THIS DISCLOSURE STATEMENT. ANY BALLOT RECEIVED AFTER THE VOTING DEADLINE SHALL NOT BE COUNTED UNLESS OTHERWISE DETERMINED BY THE DEBTORS, WITH THE CONSENT OF THE REQUIRED CONSENTING GLOBAL FIRST LIEN CREDITORS, THE CREDITORS' COMMITTEE SOLELY WITH RESPECT TO ANY SUCH BALLOTS IN CLASSES 4(A)-(F), AND THE OPIOID CLAIMANTS' COMMITTEE SOLELY WITH RESPECT TO ANY SUCH BALLOTS IN CLASSES 7(A)-(E).

PLEASE BE AWARE THAT VOTING TO ACCEPT OR REJECT THE PLAN, OR ABSTAINING FROM VOTING ON THE PLAN, MAY IMPACT WHETHER YOU ARE BOUND BY THE APPLICABLE RELEASES IN THE EVENT THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT. YOU WILL BE GIVEN THE OPPORTUNITY NOT TO GRANT THE APPLICABLE RELEASES ONLY IF YOU VOTE TO REJECT THE PLAN OR IF YOU ABSTAIN FROM VOTING ON THE PLAN.

IF YOU VOTE TO ACCEPT THE PLAN, YOU WILL BE BOUND BY THE APPLICABLE RELEASES AND WILL BE RELEASING CLAIMS AGAINST THE APPLICABLE RELEASED PARTIES UNDER THE PLAN, WHICH INCLUDE CERTAIN NON-DEBTOR THIRD-PARTIES. IF YOUR CLAIM WILL BE CHanneled TO A TRUST UNDER THE PLAN, YOU MAY ALSO BE ENTITLED TO AN ADDITIONAL PAYMENT FROM THE APPLICABLE TRUST IN EXCHANGE FOR GRANTING THE APPLICABLE RELEASES.

IF YOUR CLAIM WILL BE CHanneled TO A TRUST UNDER THE PLAN AND YOU ABSTAIN FROM VOTING ON THE PLAN, YOU MAY BE REQUIRED TO TAKE AFFIRMATIVE ACTION TO GRANT THE APPLICABLE RELEASES TO BE ENTITLED TO RECEIVE AN ADDITIONAL PAYMENT. IF YOU DO NOT AFFIRMATIVELY GRANT THE APPLICABLE RELEASES—OR ARE NOT DEEMED TO GRANT THE APPLICABLE RELEASES—AND THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT, YOU WILL NOT BE ENTITLED TO ANY ADDITIONAL PAYMENT AND, AS A RESULT, YOU WILL RECEIVE A LOWER DISTRIBUTION THAN OTHER SIMILARLY SITUATED CREDITORS WHO GRANT OR ARE DEEMED TO GRANT THE APPLICABLE RELEASES.

IF YOU VOTE TO REJECT THE PLAN, YOU WILL BE REQUIRED TO TAKE AFFIRMATIVE ACTION TO GRANT THE APPLICABLE RELEASES. IF YOUR CLAIM WILL BE CHanneled TO A TRUST UNDER THE PLAN AND YOU VOTE TO REJECT THE PLAN, AND IF YOU DO NOT AFFIRMATIVELY GRANT THE

APPLICABLE RELEASES, YOU WILL NOT BE ENTITLED TO ANY ADDITIONAL PAYMENT—AS A RESULT, YOU WILL RECEIVE A LOWER DISTRIBUTION THAN OTHER SIMILARLY SITUATED CREDITORS WHO VOTE TO REJECT THE PLAN AND AFFIRMATIVELY OPT TO GRANT THE RELEASES.

IF YOU ARE A CLAIMANT ELIGIBLE TO VOTE ON THE PLAN, AS SET FORTH IN THEIR LETTERS TO CREDITORS AND CLAIMANTS, BOTH THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS AND THE OFFICIAL COMMITTEE OF OPIOID CLAIMANTS ENCOURAGE YOU TO VOTE IN FAVOR OF THE PLAN AND GRANT THE RELEASES EXPLAINED IN THE PLAN.

CONFIRMATION

THE CONFIRMATION HEARING WILL COMMENCE ON **MARCH 19, 2024, AT 10:00 A.M. (PREVAILING EASTERN TIME)**, BEFORE THE HONORABLE JAMES L. GARRITY, UNITED STATES BANKRUPTCY JUDGE FOR THE SOUTHERN DISTRICT OF NEW YORK. THE CONFIRMATION HEARING MAY TAKE PLACE AT THE UNITED STATES BANKRUPTCY COURT, ONE BOWLING GREEN, NEW YORK, NEW YORK 10004 AND/OR MAY BE HELD TELEPHONICALLY OR VIA ZOOM IF SO ORDERED BY THE COURT. THE DEBTORS MAY CONTINUE THE CONFIRMATION HEARING FROM TIME TO TIME WITHOUT FURTHER NOTICE OTHER THAN AN ADJOURNMENT ANNOUNCED IN OPEN COURT OR A NOTICE OF ADJOURNMENT FILED WITH THE BANKRUPTCY COURT AND SERVED ON THE MASTER SERVICE LIST AND ANY PARTY WHO HAS FILED AN OBJECTION TO THE PLAN. THE BANKRUPTCY COURT, IN ITS DISCRETION AND BEFORE THE CONFIRMATION HEARING, MAY PUT IN PLACE ADDITIONAL PROCEDURES GOVERNING THE CONFIRMATION HEARING. THE PLAN MAY BE MODIFIED, IF NECESSARY, PRIOR TO, DURING, OR AS A RESULT OF THE CONFIRMATION HEARING, WITHOUT FURTHER NOTICE TO PARTIES IN INTEREST.

THE PLAN OBJECTION DEADLINE IS **FEBRUARY 22, 2024, AT 4:00 P.M. (PREVAILING EASTERN TIME)**. ALL PLAN OBJECTIONS MUST BE FILED WITH THE BANKRUPTCY COURT AND SERVED ON THE DEBTORS AND CERTAIN OTHER PARTIES IN INTEREST IN ACCORDANCE WITH THE DISCLOSURE STATEMENT ORDER SO THAT THEY ARE RECEIVED ON OR BEFORE THE PLAN OBJECTION DEADLINE.

THE PLAN, THIS DISCLOSURE STATEMENT, AND THE PLAN DOCUMENTS, ONCE FILED, AND OTHER DOCUMENTS AND MATERIALS RELATED THERETO MAY BE OBTAINED, FREE OF CHARGE, BY: (A) ACCESSING THE DEBTORS' RESTRUCTURING WEBSITE AT [HTTPS://RESTRUCTURING.RA.KROLL.COM/ENDO](https://restructuring.ra.kroll.com/endo), (B) EMAILING ENDOINFO@RA.KROLL.COM (WITH "ENDO SOLICITATION" IN THE SUBJECT LINE), (C) CALLING THE DEBTORS' RESTRUCTURING HOTLINE AT (877) 542-1878, TOLL FREE WITHIN THE UNITED STATES OR CANADA, OR +1 (929) 284-1688, OUTSIDE OF THE UNITED STATES AND CANADA, OR (D) ACCESSING THE BANKRUPTCY COURT'S WEBSITE AT [HTTP://WWW.NYSB.USCOURTS.GOV](http://www.nysb.uscourts.gov).

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EXHIBITS²

Exhibit A	Plan
Exhibit B	Corporate Organizational Chart
Exhibit C	U.S. Government Economic Term Sheet
Exhibit D	Liquidation Analysis
Exhibit E	Financial Projections

² The exhibits are each incorporated herein by reference.

I. INTRODUCTION

On August 16, 2022, Endo International plc (“Endo Parent”) and seventy-five of its affiliates (collectively, the “Original Debtors”), as debtors and debtors in possession in the above-captioned chapter 11 cases, each commenced a case (collectively, with any subsequently filed cases, the “Chapter 11 Cases”) in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). On May 25, 2023, Operand Pharmaceuticals Holdco II Limited and Operand Pharmaceuticals Holdco III Limited (together, the “Additional Debtors”) each commenced a Chapter 11 Case in accordance with the Reconstruction Steps (described further below). On May 31, 2023, Operand Pharmaceuticals II Limited and Operand Pharmaceuticals III Limited (together with the Original Debtors and the Additional Debtors, the “Debtors,” and together with their non-debtor affiliates, the “Company” or “Endo”) each commenced a Chapter 11 Case in accordance with the Reconstruction Steps. The Debtors continue to operate their business and manage their assets as debtors and debtors in possession under sections 1107(a) and 1108 of the Bankruptcy Code.

The Debtors submit this disclosure statement (as amended, modified, or supplemented, the “Disclosure Statement”) pursuant to section 1125 of the Bankruptcy Code in connection with the solicitation of votes with respect to the *Second Amended Joint Chapter 11 Plan of Reorganization of Endo International plc and its Affiliated Debtors* dated January 9, 2024 (as amended, modified, or supplemented, the “Plan”).³ The Plan is annexed hereto as **Exhibit A** and is incorporated herein by reference.

Endo Parent is, concurrently with this Disclosure Statement, publishing a scheme circular (the “Scheme Circular”) describing the terms of a proposed “scheme of arrangement” under Part 9 of the Irish Companies Act 2014 (the “Scheme”). As described in the Scheme Circular and below in Section VI.D (The Scheme), the Scheme will operate in parallel with the Plan to implement certain terms of the Plan as a matter of the law of Ireland (“Irish Law”). As described further in the Scheme Circular, in connection with the Scheme, the Debtors are seeking authorization from the Bankruptcy Court for Endo Parent to enter into an Irish Law governed deed poll of indemnity and contribution (the “Deed of Indemnity and Contribution”), pursuant to which Endo Parent will agree to guarantee all liabilities of all other Debtors other than liabilities for Administrative Expense Claims, priority Claims, and Claims falling within the Scheme Excluded Plan Classes (as defined below). All holders of Claims subject to the Deed of Indemnity and Contribution will be entitled to enforce the Deed of Indemnity and Contribution directly against Endo Parent and, accordingly, are creditors or contingent creditors (as applicable) of Endo Parent entitled to vote on the Scheme. Further information regarding how to vote for or against the Scheme is set out below in Section VIII.D (Voting on the Scheme) and in the Scheme Circular. If you are a Scheme Creditor (as defined in the Scheme Circular), you should read the Scheme Circular for full details on, among other things, how the Plan and the Scheme interrelate, and how to submit votes in respect of the Scheme. If you are not a Scheme Creditor, you do not need to review the Scheme Circular.

³ Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan. To the extent any inconsistencies exist between this Disclosure Statement and the Plan, the Plan shall govern.

This Disclosure Statement contains, among other things, descriptions and summaries of provisions of the Debtors' proposed Plan. The Debtors reserve the right to modify the Plan consistent with section 1127 of the Bankruptcy Code, Rule 3019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and section 12.1 of the Plan.

The Plan is the result of multiple resolutions reached through a months-long mediation process among the Debtors and key parties in interest, including the Ad Hoc First Lien Group, Multi-State Endo Executive Committee, the Committees, and the FCR (each as defined below), and provides for an equitable distribution of recoveries to the Debtors' creditors. The Debtors, the Ad Hoc First Lien Group, the Committees, and the FCR believe that the Plan represents the optimal means of implementation for the resolution of these Chapter 11 Cases and the settlements set forth therein, as described herein, relative to other alternatives. **For these reasons, the Debtors urge you vote to accept the Plan.**

WHO IS ENTITLED TO VOTE: Under the Bankruptcy Code, only holders of claims or interests in "impaired" classes are entitled to vote on the Plan. Under section 1124 of the Bankruptcy Code, a class of claims or interests is deemed to be "impaired" unless (a) the Plan leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder thereof or (b) notwithstanding any legal right to an accelerated payment of such claim or interest, the Plan, among other things, cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default.

There are 21 creditor groups entitled to vote on the Plan whose votes are being solicited: Classes 3, 4(A), 4(B), 4(C), 4(D), 4(E), 4(F), 5, 6(A), 6(B), 6(C), 7(A), 7(B), 7(C), 7(D), 7(E), 8, 9, 10, 11, and 12.

Holders of Claims in Classes 3, 4(A), 4(B), 4(C), 4(D), 4(E), 4(F), 6(A), 6(B), 6(C), 7(A), 7(B), 7(C), 7(D), 7(E), 8, 9, 10, 11, and 12 are also Scheme Creditors entitled to vote on the Scheme. Holders of Claims or Interest in Classes 1, 2, 5, 13, 14, 15, and 16 (collectively, the "Scheme Excluded Plan Classes") are not entitled to vote on the Scheme.

THE PLAN PROVIDES THAT HOLDERS OF CLAIMS AND INTERESTS WHO (A) VOTE TO ACCEPT THE PLAN, (B) ARE ELIGIBLE TO VOTE, BUT ABSTAIN FROM VOTING ON THE PLAN AND WHO DO NOT OPT OUT OF OR OPT IN TO, AS APPLICABLE, GIVING THE APPLICABLE RELEASES PURSUANT TO THE INSTRUCTIONS SET FORTH ON THEIR APPLICABLE BALLOT, (C) VOTE TO REJECT THE PLAN AND WHO AFFIRMATIVELY OPT IN TO GIVING THE APPLICABLE RELEASES PURSUANT TO THE INSTRUCTIONS SET FORTH ON THEIR APPLICABLE BALLOT, AND (D) ARE PRESUMED TO ACCEPT OR DEEMED TO REJECT THE PLAN BUT DO NOT OPT OUT OF GIVING THE APPLICABLE RELEASES BY FOLLOWING THE INSTRUCTIONS ON THE APPLICABLE NOTICE OF NON-VOTING STATUS ARE DEEMED TO HAVE GRANTED THE APPLICABLE RELEASES THEREIN.

The following table summarizes (a) the treatment of any claim under section 101(5) of the Bankruptcy Code (“Claims”) and any equity interest in the Debtors under section 101(16) of the Bankruptcy Code (“Interests”) under the Plan, (b) which classes of Claims and Interests classified pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code (“Classes”) are impaired by the Plan, and (c) which Classes are entitled to vote on the Plan. The table is qualified in its entirety by reference to the full text of the Plan.

Pursuant to the Plan, the Debtors will use the net proceeds from the Syndicated Exit Financing (to the extent implemented), the net proceeds from the Rights Offerings, and cash on hand to fund Plan payments and distributions that are payable in cash. In the period before the Confirmation Hearing, the Debtors intend to file a motion seeking approval of and authorization to pursue the Rights Offerings and the Backstop Commitment Agreements, which motion may be heard at the same time as the Confirmation Hearing. The Rights Offerings and the Backstop Commitment Agreements are a key component of the Plan. The Rights Offerings are integrated with the treatment of Allowed First Lien Claims, Allowed Second Lien Deficiency Claims, and Allowed Unsecured Notes Claims.

The Plan provides that holders of Claims in Class 1 (Priority Non-Tax Claims) and Class 2 (Other Secured Claims) will receive payment in full in cash on the Effective Date of the Plan or reinstatement or such other treatment that the Debtors elect that results in holders of such Claims or Interests being unimpaired. At the election of the Debtors, with the consent of the Required Consenting Global First Lien Creditors, holders of Claims or Interests in Class 13 (Intercompany Claims) and Class 14 (Intercompany Interests) will be either unimpaired or impaired and not receive any distribution under the Plan.

Holders of Claims in Classes 3, 4(A), 4(B), 4(C), 4(D), 4(E), 4(F), 5, 6(A), 6(B), 6(C), 7(A), 7(B), 7(C), 7(D), 7(E), 8, 9, 10, 11, and 12 are impaired and entitled to vote on the Plan (the “Voting Classes”). For the reasons stated herein, the Debtors urge the holders of Claims in the Voting Classes to vote to accept the Plan. Holders of Claims and Interests in Class 15 (Subordinated, Recharacterized, or Disallowed Claims) and Class 16 (Existing Equity Interests) are impaired but are not entitled to vote on the Plan because under the Plan they will receive no recovery and are deemed to reject the Plan. In addition, certain Voting Classes entitled to vote on the Plan are Scheme Excluded Plan Classes not entitled to vote on the Scheme because, among other things, the Debtors have formed the view that it is not necessary to subject such Claims to the Scheme in order to achieve the purpose of the Scheme, which is to implement certain relevant terms of the Plan applicable to Scheme Creditors as a matter of Irish Law.

Over 900,000 Proofs of Claim were filed in these Chapter 11 Cases by the General Bar Date. Close to 885,000 of those Proofs of Claim, approximately 97% of the total, did not state a claim amount. The approximately 3% of the Proofs of Claim that did state an amount asserted, in the aggregate, Claims of close to \$975 billion. The vast majority of the filed Proofs of Claim assert unsecured Claims relating to opioid products, mesh products, or ranitidine products allegedly manufactured or sold by the Debtors, including Claims in the following classes: Class 4(C) (Mesh Claims), Class 4(D) (Ranitidine Claims), Class 4(E) (Generics Price Fixing Claims); Class 4(F) (Reverse Payment Claims), Class 5 (U.S. Government Claims), Class 6(A) (State Opioid Claims), Class 6(B) (Local Government Opioid Claims), 6(C) (Tribal Opioid Claims), Class 7(A) (PI Opioid Claims), Class 7(B) (NAS PI Claims), Class 7(C) (Hospital Opioid Claims), Class

7(D) (TPP Claims), Class 7(E) (IERP II Claims), Class 8 (Public School District Claims), Class 9 (Canadian Provinces Claims), Class 11 (Other Opioid Claims), and Class 12 (EFBD Claims). The Claims in the aforementioned Classes are contingent, unliquidated, and/or disputed, and many of those Claims are based upon novel or untested legal theories. In addition to the legal uncertainties, the value of such Claim will depend greatly on the facts and circumstances of the Claim, and a number of highly particularized judgments about the quantum of economic and non-economic damages that the claimant has allegedly incurred and that may be compensable under applicable law. The information necessary to determine these amounts is also generally not available from the Proofs of Claim, and, in litigation, would be learned through fact and expert discovery. Any estimate of the aggregate value of the Claims in the aforementioned Classes, and any estimate of the aggregate percentage recovery of a Class of such Claims, would be so uncertain as not to provide creditors with information useful to make judgments about the proposed Plan.

For the reasons described above, a traditional recovery percentage for each impaired Class is not provided. The treatment provided to such Classes is summarized below. This summary does not take into account the timing of such Distributions or other important factors and does not describe procedures for making Distributions to individual creditors under the Trust Documents.

Class	Claim or Interest	Treatment / Impairment / Entitlement to Vote
1	Priority Non-Tax Claims	Except to the extent that a holder of an Allowed Priority Non-Tax Claim agrees to less favorable treatment, on the later of (i) the Effective Date; and (ii) the date that is 30 days after the date such Priority Non-Tax Claim becomes an Allowed Claim or, in each case, as soon as reasonably practicable thereafter, each holder of an Allowed Priority Non-Tax Claim shall receive, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, such holder's Allowed Priority Non-Tax Claim, (1) Cash in an amount equal to such Allowed Priority Non-Tax Claim; or (2) such other treatment that shall render such claim Unimpaired under the Bankruptcy Code. Impairment: Unimpaired Entitlement to Vote: No (conclusively presumed to accept)
2	Other Secured Claims	Except to the extent that a holder of an Allowed Other Secured Claim against the Debtors agrees to a less favorable treatment of such Claim, each holder of an Allowed Other Secured Claim shall receive, in full and final satisfaction, settlement, release, and discharge of, and in exchange for such Claim, at the sole option of the Debtors or the applicable Post-Emergence Entities, as applicable: (i) Cash in an amount equal to such Claim, payable on the later of (1) the Effective Date; (2) the date that is a maximum of 30 days after the date on which such Other Secured Claim becomes an Allowed Other Secured Claim; or (3) such other date as agreed to by the Debtors or the applicable Post-Emergence Entities, as applicable, and such holder, or as soon after the applicable of the foregoing clause (1), (2), or (3) as is reasonably practicable; (ii) delivery of collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code; or (iii) such other treatment rendering such holder's Allowed Other Secured Claim Unimpaired under the Bankruptcy Code; provided, that, Other Secured Claims that arise in the ordinary course of the Debtors' business and that are not due and payable on or before the Effective Date shall be paid in the ordinary course of business in accordance with the

Class	Claim or Interest	Treatment / Impairment / Entitlement to Vote
		terms thereof. Impairment: Unimpaired Entitlement to Vote: No (conclusively presumed to accept)
3	First Lien Claims	Except to the extent that a holder of an Allowed First Lien Claim agrees to less favorable treatment, on the Effective Date, each holder of an Allowed First Lien Claim shall receive, in full and final satisfaction, settlement, release, and discharge of, and in exchange for such Claim, such holder's pro rata share of: (i) 96.30% of the Purchaser Equity (subject to dilution by any issuances of Purchaser Equity under or pursuant to (1) the Rights Offerings and the Backstop Commitment Agreements; and (2) the Management Incentive Plan); (ii) (1) if the Exit Minimum Cash Sweep Trigger occurs, Cash from the Exit Minimum Cash Sweep; and/or (2) the net proceeds of the Syndicated Exit Financing, if any, after giving effect to the transactions occurring on the Effective Date; and/or (3) the New Takeback Debt; (iii) the First Lien Accrued and Unpaid Adequate Protection Payments; and (iv) the First Lien Subscription Rights. Impairment: Impaired Entitlement to Vote: Yes
4(A)	Second Lien Deficiency and Unsecured Notes Claims	Except to the extent that a holder of a Second Lien Deficiency Claim or Unsecured Notes Claim agrees to less favorable treatment, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the Second Lien Deficiency Claims and Unsecured Notes Claims, the GUC Trust shall receive the GUC Trust Consideration in accordance with the GUC Trust Documents, and (i) holders of Allowed Second Lien Deficiency Claims and Allowed Unsecured Notes Claims shall receive GUC Subscription Rights; provided, that, the exercise of such GUC Subscription Rights shall be subject to the terms and conditions set forth in the GUC Rights Offering Documents; and (ii) on the Effective Date, each Second Lien Deficiency Claim and each Unsecured Notes Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the GUC Trust pursuant to Section 10.9 of the Plan, and all of the Debtors' liability for such Claim shall be assumed by, the GUC Trust and such Claim shall thereafter be asserted exclusively against the GUC Trust. The sole recourse of any holder of a Second Lien Deficiency Claim or an Unsecured Notes Claim on account thereof shall be to the GUC Trust and only in accordance with the terms, provisions, and procedures of the GUC Trust Documents, which shall provide that such Claims shall be Allowed in the amounts set forth above and administered by the GUC Trust and holders of Allowed Second Lien Deficiency Claims and Allowed Unsecured Notes Claims shall receive:

Class	Claim or Interest	Treatment / Impairment / Entitlement to Vote
		(1) such holders' applicable share of the GUC Trust Purchaser Equity; and (2) such holders' pro rata share of GUC Trust Class A Units. <i>Incremental Trust Distributions in Exchange for Granting GUC Releases.</i> The procedures governing Distributions set forth in the GUC Trust Documents shall provide for an additional payment by the GUC Trust to any holder of an Allowed Second Lien Deficiency Claim or Allowed Unsecured Notes Claim who is entitled to receive a Distribution from the GUC Trust and who grants or is deemed to grant, as applicable, the GUC Releases. Such additional payment from the GUC Trust shall be in exchange for such holder's granting or being deemed to grant, as applicable, the GUC Releases and shall be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to Section 4.4(e)(ii) of the Plan, by (ii) a multiplier of 4x. Notwithstanding the foregoing, Section 4.4(f) of the Plan shall not apply with respect to GUC Subscription Rights or any Purchaser Equity issued or distributed as a result of the exercise of GUC Subscription Rights as contemplated by Section 4.4(e)(i) of the Plan. Impairment: Impaired Entitlement to Vote: Yes
4(B)	Other General Unsecured Claims	Except to the extent that a holder of an Other General Unsecured Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the Other General Unsecured Claims, (i) the GUC Trust shall receive the GUC Trust Consideration in accordance with the GUC Trust Documents; and (ii) each Other General Unsecured Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the GUC Trust pursuant to Section 10.9 of the Plan, and all of the Debtors' liability for such Claim shall be assumed by the GUC Trust, and such Other General Unsecured Claim shall thereafter be asserted exclusively against the GUC Trust and treated solely in accordance with the terms, provisions, and procedures of the GUC Trust Documents, which shall provide that Other General Unsecured Claims shall be either Allowed and administered by the GUC Trust or otherwise Disallowed and released in full. Holders of Allowed Other General Unsecured Claims shall receive a recovery, if any, from the GUC Trust Consideration. The sole recourse of any holder of an Other General Unsecured Claim on account thereof shall be to the GUC Trust and only in accordance with the terms, provisions, and procedures of the GUC Trust Documents. <i>Incremental Trust Distributions in Exchange for Granting GUC Releases.</i> The procedures governing Distributions set forth in the GUC Trust Documents shall provide for an additional payment by the GUC Trust to any holder of an Allowed Other General Unsecured Claim who is entitled to receive a Distribution from the GUC Trust and who grants or is deemed to grant, as applicable, the GUC Releases. Such additional payment from the GUC Trust shall be in exchange for such holder granting or being deemed to grant, as applicable, the GUC Releases and shall be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to the GUC Trust Documents,

Class	Claim or Interest	Treatment / Impairment / Entitlement to Vote
		by (ii) a multiplier of 4x. Notwithstanding the foregoing, Section 4.5(d) of the Plan shall not apply with respect to GUC Subscription Rights or any Purchaser Equity issued or distributed as a result of the exercise of GUC Subscription Rights. Impairment: Impaired Entitlement to Vote: Yes
4(C)	Mesh Claims	Except to the extent that a holder of a Mesh Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the Mesh Claims, (i) the GUC Trust shall receive the GUC Trust Consideration, including the Mesh Claims Trust Consideration, in accordance with the Mesh Claims Trust Documents; and (ii) each Mesh Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the GUC Trust pursuant to Section 10.9 of the Plan, and all of the Debtors' liability for such Claim shall be assumed by the GUC Trust. Mesh Claims shall be exclusively handled by the Mesh Claims Trust, which shall be funded with the Mesh Claims Trust Consideration in accordance with the Mesh Claims Trust Documents, and Mesh Claims shall be treated solely in accordance with the terms, provisions, and procedures of the Mesh Claims Trust Documents, which shall provide that Mesh Claims shall be either Allowed and administered by the Mesh Claims Trust or otherwise Disallowed and released in full. Holders of Allowed Mesh Claims shall receive a recovery, if any, from the Mesh Claims Trust Consideration and shall be entitled to no other asset of the GUC Trust. The sole recourse of any holder of a Mesh Claim on account thereof shall be to the Mesh Claims Trust and only in accordance with the terms, provisions, and procedures of the Mesh Claims Trust Documents. <i>Incremental Trust Distributions in Exchange for Granting GUC Releases.</i> The procedures governing Distributions set forth in the Mesh Claims Trust Documents shall provide for an additional payment by the Mesh Claims Trust to any holder of an Allowed Mesh Claim who is entitled to receive a Distribution from the Mesh Claims Trust and who grants or is deemed to grant, as applicable, the GUC Releases. Such additional payment from the Mesh Claims Trust shall be in exchange for such holder granting or being deemed to grant, as applicable, the GUC Releases and shall be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to the Mesh Claims Trust Documents, by (ii) a multiplier of 4x. Impairment: Impaired Entitlement to Vote: Yes
4(D)	Ranitidine Claims	Except to the extent that a holder of a Ranitidine Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the Ranitidine Claims, (i) the GUC Trust shall receive the GUC Trust Consideration, including the Ranitidine Claims Trust Consideration, in accordance with the Ranitidine Claims Trust Documents; and (ii) each Ranitidine Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the GUC Trust pursuant to Section 10.9 of the Plan, and all of the Debtors' liability for such

Class	Claim or Interest	Treatment / Impairment / Entitlement to Vote
		Claim shall be assumed by the GUC Trust. Ranitidine Claims shall be exclusively handled by the Ranitidine Claims Trust, which shall be funded with the Ranitidine Claims Trust Consideration in accordance with the Ranitidine Claims Trust Documents, and Ranitidine Claims shall be treated solely in accordance with the terms, provisions, and procedures of the Ranitidine Claims Trust Documents, which shall provide that Ranitidine Claims shall be either Allowed and administered by the Ranitidine Claims Trust or otherwise Disallowed and released in full. Holders of Allowed Ranitidine Claims shall receive a recovery, if any, from the Ranitidine Claims Trust Consideration and shall be entitled to no other asset of the GUC Trust. The sole recourse of any holder of a Ranitidine Claim on account thereof shall be to the Ranitidine Claims Trust and only in accordance with the terms, provisions, and procedures of the Ranitidine Claims Trust Documents. <i>Incremental Trust Distributions in Exchange for Granting GUC Releases.</i> The procedures governing Distributions set forth in the Ranitidine Claims Trust Documents shall provide for an additional payment by the Ranitidine Claims Trust to any holder of an Allowed Ranitidine Claim who is entitled to receive a Distribution from the Ranitidine Claims Trust and who grants or is deemed to grant, as applicable, the GUC Releases. Such additional payment from the Ranitidine Claims Trust shall be in exchange for such holder granting or being deemed to grant, as applicable, the GUC Releases and shall be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to the Ranitidine Claims Trust Documents, by (ii) a multiplier of 4x. Impairment: Impaired Entitlement to Vote: Yes
4(E)	Generics Price Fixing Claims	Except to the extent that a holder of a Generics Price Fixing Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the Generics Price Fixing Claims, (i) the GUC Trust shall receive the GUC Trust Consideration, including the Generics Price Fixing Claims Trust Consideration, in accordance with the Generics Price Fixing Claims Trust Documents; and (ii) each Generics Price Fixing Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the GUC Trust pursuant to Section 10.9 of the Plan, and all of the Debtors' liability for such Claim shall be assumed by the GUC Trust. Generics Price Fixing Claims shall be exclusively handled by the Generics Price Fixing Claims Trust, which shall be funded with the Generics Price Fixing Claims Trust Consideration in accordance with the Generics Price Fixing Claims Trust Documents, and Generics Price Fixing Claims shall be treated solely in accordance with the terms, provisions, and procedures of the Generics Price Fixing Claims Trust Documents, which shall provide that Generics Price Fixing Claims shall be either Allowed and administered by the Generics Price Fixing Claims Trust or otherwise Disallowed and released in full. Holders of Allowed Generics Price Fixing Claims shall receive a recovery, if any, from the Generics Price Fixing Claims Trust Consideration and shall be entitled to no other asset of the GUC Trust. The sole recourse of any holder of a Generics Price Fixing Claim on account thereof shall be to the Generics Price Fixing Claims Trust and only in accordance with the terms, provisions, and procedures of the Generics Price Fixing Claims Trust Documents.

Class	Claim or Interest	Treatment / Impairment / Entitlement to Vote
		<i>Incremental Trust Distributions in Exchange for Granting GUC Releases.</i> The procedures governing Distributions set forth in the Generics Price Fixing Claims Trust Documents shall provide for an additional payment by the Generics Price Fixing Claims Trust to any holder of an Allowed Generics Price Fixing Claim who is entitled to receive a Distribution from the Generics Price Fixing Claims Trust and who grants or is deemed to grant, as applicable, the GUC Releases. Such additional payment from the Generics Price Fixing Claims Trust shall be in exchange for such holder granting or being deemed to grant, as applicable, the GUC Releases and shall be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to the Generics Price Fixing Claims Trust Documents, by (ii) a multiplier of 4x. Impairment: Impaired Entitlement to Vote: Yes
4(F)	Reverse Payment Claims	Except to the extent that a holder of a Reverse Payment Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the Reverse Payment Claims, (i) the GUC Trust shall receive the GUC Trust Consideration, including the Reverse Payment Claims Trust Consideration, in accordance with the Reverse Payment Claims Trust Documents; and (ii) each Reverse Payment Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the GUC Trust pursuant to Section 10.9 of the Plan, and all of the Debtors' liability for such Claim shall be assumed by the GUC Trust. Reverse Payment Claims shall be exclusively handled by the Reverse Payment Claims Trust, which shall be funded with the Reverse Payment Claims Trust Consideration in accordance with the Reverse Payment Claims Trust Documents, and Reverse Payment Claims shall be treated solely in accordance with the terms, provisions, and procedures of the Reverse Payment Claims Trust Documents, which shall provide that Reverse Payment Claims shall be either Allowed and administered by the Reverse Payment Claims Trust or otherwise Disallowed and released in full. Holders of Allowed Reverse Payment Claims shall receive a recovery, if any, from the Reverse Payment Claims Trust Consideration and shall be entitled to no other asset of the GUC Trust. The sole recourse of any holder of a Reverse Payment Claim on account thereof shall be to the Reverse Payment Claims Trust and only in accordance with the terms, provisions, and procedures of the Reverse Payment Claims Trust Documents. <i>Incremental Trust Distributions in Exchange for Granting GUC Releases.</i> The procedures governing Distributions set forth in the Reverse Payment Claims Trust Documents shall provide for an additional payment by the Reverse Payment Claims Trust to any holder of an Allowed Reverse Payment Claim who is entitled to receive a Distribution from the Reverse Payment Claims Trust and who grants or is deemed to grant, as applicable, the GUC Releases. Such additional payment from the Reverse Payment Claims Trust shall be in exchange for such holder granting or being deemed to grant, as applicable, the GUC Releases and shall be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to the Reverse Payment Claims Trust Documents, by (ii) a multiplier of 4x.

Class	Claim or Interest	Treatment / Impairment / Entitlement to Vote
		Impairment: Impaired Entitlement to Vote: Yes
5	U.S. Government Claims	On the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for such Claims, the holders of the U.S. Government Claims shall receive the U.S. Government Resolution Consideration pursuant to and in accordance with the terms of the U.S. Government Resolution Documents. Impairment: Impaired Entitlement to Vote: Yes
6(A)	State Opioid Claims	Except to the extent that a holder of a State Opioid Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the State Opioid Claims, (i) the Public Opioid Trust shall receive the Public Opioid Consideration in accordance with the Public Opioid Distribution Documents; and (ii) each State Opioid Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the Public Opioid Trust pursuant to Section 10.9 of the Plan, and all of the Debtors' liability for such Claim shall be assumed by the Public Opioid Trust. The sole recourse of any holder of a State Opioid Claim on account thereof shall be to the Public Opioid Trust and only in accordance with the terms, provisions, and procedures of the Public Opioid Distribution Documents, pursuant to which any holder of a State Opioid Claim that votes to accept the Plan shall be deemed to hold an Allowed State Opioid Claim and shall be eligible to participate in the Public Opioid Trust, in each case, in accordance with the Public Opioid Distribution Documents. Impairment: Impaired Entitlement to Vote: Yes
6(B)	Local Government Opioid Claims	On the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for such Claims, holders of Local Government Opioid Claims shall be eligible to receive distributions from their respective State in accordance with such State's opioid abatement programs, subject to the laws and agreements of such State and such State's opioid abatement programs. For the avoidance of doubt, the treatment provided with respect to this Class 6(B) shall not prevent any Local Government from participating in its respective State's opioid abatement programs as provided by and in accordance with applicable State law and agreements, regardless of whether such Local Government filed a Local Government Opioid Claim and/or voted to accept or reject the Plan. Impairment: Impaired Entitlement to Vote: Yes
6(C)	Tribal Opioid Claims	Except to the extent that a holder of a Tribal Opioid Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the Tribal Opioid Claims, (i) the Tribal Opioid Trust shall receive the Tribal Opioid Consideration

Class	Claim or Interest	Treatment / Impairment / Entitlement to Vote
		in accordance with the Tribal Opioid Distribution Documents; and (ii) each Tribal Opioid Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the Tribal Opioid Trust pursuant to Section 10.9 of the Plan, and all of the Debtors' liability for such Claim shall be assumed by the Tribal Opioid Trust. The sole recourse of any holder of a Tribal Opioid Claim on account thereof shall be to the Tribal Opioid Trust and only in accordance with the terms, provisions, and procedures of the Tribal Opioid Distribution Documents, which shall provide that (1) such Claims shall be either Allowed and administered by the Tribal Opioid Trust or otherwise Disallowed and released in full; and (2) holders of Tribal Opioid Claims shall receive the applicable shares of the Tribal Opioid Consideration allocated to such holders as set forth in the Tribal Opioid Distribution Documents, in each case, in accordance with and subject to the terms of the Tribal Opioid Distribution Documents. Impairment: Impaired Entitlement to Vote: Yes
7(A)	PI Opioid Claims	Except to the extent that a holder of a PI Opioid Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the PI Opioid Claims, (i) the PI Trust shall receive the PI Trust Share in accordance with the PI Trust Documents; and (ii) each PI Opioid Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the PPOC Trust pursuant to Section 10.9 of the Plan and subsequently channeled to the PI Trust, and all of the Debtors' liability for such Claim shall be assumed by the PI Trust and such PI Opioid Claim shall be Allowed, Disallowed and released in full, or otherwise resolved, in each case, in accordance with the PI Trust Documents. Holders of Allowed PI Opioid Claims shall receive a recovery, if any, from the PI Trust Share, in each case, in accordance with and subject to the terms of the PI Trust Documents. <i>Incremental Trust Distributions in Exchange for Granting Non-GUC Releases.</i> The procedures governing Distributions set forth in the PI Trust Documents shall provide for an additional payment by the PI Trust to any holder of an Allowed PI Opioid Claim who is entitled to receive a Distribution from the PI Trust and who grants or is deemed to grant, as applicable, the Non-GUC Releases. Such additional payment from the PI Trust shall be in exchange for such holder granting or being deemed to grant, as applicable, the Non-GUC Releases and shall be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to the PI Trust Documents, by (ii) a multiplier of 4x. Impairment: Impaired Entitlement to Vote: Yes
7(B)	NAS PI Claims	Except to the extent that a holder of a NAS PI Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the NAS PI Claims, (i) the NAS PI Trust shall receive the NAS PI Trust Share in accordance with the NAS PI Trust Documents; and (ii) each NAS PI Claim shall automatically, and without

Class	Claim or Interest	Treatment / Impairment / Entitlement to Vote
		further act, deed, or court order, be channeled exclusively to the PPOC Trust pursuant to Section 10.9 of the Plan and subsequently channeled to the NAS PI Trust, and all of the Debtors' liability for such Claim shall be assumed by the NAS PI Trust and such NAS PI Claim shall be Allowed, Disallowed and released in full, or otherwise resolved, in each case, in accordance with the NAS PI Trust Documents. Holders of Allowed NAS PI Claims shall receive a recovery, if any, from the NAS PI Trust Share, in each case, in accordance with and subject to the terms of the NAS PI Trust Documents. <i>Incremental Trust Distributions in Exchange for Granting Non-GUC Releases.</i> The procedures governing Distributions set forth in the NAS PI Trust Documents shall provide for an additional payment by the NAS PI Trust to any holder of an Allowed NAS PI Claim who is entitled to receive a Distribution from the NAS PI Trust and who grants or is deemed to grant, as applicable, the Non-GUC Releases. Such additional payment from the NAS PI Trust shall be in exchange for such holder granting or being deemed to grant, as applicable, the Non-GUC Releases and shall be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to the NAS PI Trust Documents, by (ii) a multiplier of 4x. Impairment: Impaired Entitlement to Vote: Yes
7(C)	Hospital Opioid Claims	Except to the extent that a holder of a Hospital Opioid Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the Hospital Opioid Claims, (i) the Hospital Trust shall receive the Hospital Trust Share in accordance with the Hospital Trust Documents; and (ii) each Hospital Opioid Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the PPOC Trust pursuant to Section 10.9 of the Plan and subsequently channeled to the Hospital Trust, and all of the Debtors' liability for such Claim shall be assumed by the Hospital Trust and such Hospital Opioid Claim shall be Allowed, Disallowed and released in full, or otherwise resolved, in each case, in accordance with the Hospital Trust Documents. Holders of Allowed Hospital Opioid Claims shall receive a recovery, if any, from the Hospital Trust Share, in each case, in accordance with and subject to the terms of the Hospital Trust Documents. <i>Incremental Trust Distributions in Exchange for Granting Non-GUC Releases.</i> The procedures governing Distributions set forth in the Hospital Trust Documents shall provide for an additional payment by the Hospital Trust to any holder of an Allowed Hospital Opioid Claim who is entitled to receive a Distribution from the Hospital Trust and who grants or is deemed to grant, as applicable, the Non-GUC Releases. Such additional payment from the Hospital Trust shall be in exchange for such holder granting or being deemed to grant, as applicable, the Non-GUC Releases and shall be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to the Hospital Trust Documents, by (ii) a multiplier of 4x. Impairment: Impaired

Class	Claim or Interest	Treatment / Impairment / Entitlement to Vote
		Entitlement to Vote: Yes
7(D)	TPP Claims	Except to the extent that a holder of a TPP Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the TPP Claims, (i) the TPP Trust shall receive the TPP Trust Share in accordance with the TPP Trust Documents; and (ii) each TPP Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the PPOC Trust pursuant to Section 10.9 of the Plan and subsequently channeled to the TPP Trust, and all of the Debtors' liability for such Claim shall be assumed by the TPP Trust and such TPP Claim shall be Allowed, Disallowed and released in full, or otherwise resolved, in each case, in accordance with the TPP Trust Documents. Holders of Allowed TPP Claims shall receive a recovery, if any, from the TPP Trust Share, in each case, in accordance with and subject to the terms of the TPP PI Trust Documents. <i>Incremental Trust Distributions in Exchange for Granting Non-GUC Releases.</i> The procedures governing Distributions set forth in the TPP Trust Documents shall provide for an additional payment by the TPP Trust to any holder of an Allowed TPP Claim who is entitled to receive a Distribution from the TPP Trust and who grants or is deemed to grant, as applicable, the Non-GUC Releases. Such additional payment from the TPP Trust shall be in exchange for such holder granting or being deemed to grant, as applicable, the Non-GUC Releases and shall be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to the TPP Trust Documents, by (ii) a multiplier of 4x. Impairment: Impaired Entitlement to Vote: Yes
7(E)	IERP II Claims	Except to the extent that a holder of an IERP II Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the IERP II Claims, (i) the IERP Trust II shall receive the IERP Trust II Share in accordance with the IERP Trust II Documents; and (ii) each IERP II Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the PPOC Trust pursuant to Section 10.9 of the Plan and subsequently channeled to the IERP Trust II, and all of the Debtors' liability for such Claim shall be assumed by the IERP Trust II and such IERP II Claim shall be Allowed, Disallowed and released in full, or otherwise resolved, in each case, in accordance with the IERP Trust II Documents. Holders of Allowed IERP II Claims shall receive a recovery, if any, from the IERP Trust II Share, in each case, in accordance with and subject to the terms of the IERP Trust II Documents. <i>Incremental Trust Distributions in Exchange for Granting Non-GUC Releases.</i> The procedures governing Distributions set forth in the IERP Trust II Documents shall provide for an additional payment by the IERP Trust II to any holder of an Allowed IERP II Claim who is entitled to receive a Distribution from the IERP Trust II and who grants or is deemed to grant, as applicable, the Non-GUC Releases. Such additional payment from the IERP Trust II shall be in exchange for such holder granting or being deemed to grant, as applicable, the Non-GUC Releases and shall be calculated by multiplying (i) the amount of

Class	Claim or Interest	Treatment / Impairment / Entitlement to Vote
		any Distribution to be made to such holder pursuant to the IERP Trust II Documents, by (ii) a multiplier of 4x. Impairment: Impaired Entitlement to Vote: Yes
8	Public School District Claims	As of the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, all Allowed Public School District Claims, the Opioid School District Recovery Trust shall be funded with the Opioid School District Recovery Trust Consideration in accordance with the Opioid School District Recovery Trust Governing Documents. Impairment: Impaired Entitlement to Vote: Yes
9	Canadian Provinces Claims	Except to the extent that a holder of a Canadian Provinces Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the Canadian Provinces Claims, (i) the Canadian Provinces Trust shall receive the Canadian Provinces Consideration in accordance with the Canadian Provinces Distribution Documents, pursuant to which the aggregate amount of Canadian Provinces Consideration shall be subject to adjustment depending on the number of Canadian Provinces that grant or are deemed to grant, as applicable, the Non-GUC Releases; and (ii) each Canadian Provinces Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the Canadian Provinces Trust pursuant to Section 10.9 of the Plan, and all of the Debtors' liability for such Claim shall be assumed by the Canadian Provinces Trust. The sole recourse of any holder of a Canadian Provinces Claim on account thereof shall be to the Canadian Provinces Trust and only in accordance with the terms, provisions, and procedures of the Canadian Provinces Distribution Documents, which shall provide that (1) such Claims shall be either Allowed and administered by the Canadian Provinces Trust or otherwise Disallowed and released in full; and (2) the Canadian Provinces shall receive the applicable allocated portion of the Canadian Provinces Consideration set forth in the Canadian Provinces Term Sheet except as otherwise agreed between the Debtors, the Required Consenting Global First Lien Creditors, and the Canadian Provinces. Impairment: Impaired Entitlement to Vote: Yes
10	Settling Co-Defendant Claims	The DMP Stipulation and the DMP Stipulation Order are incorporated by reference into the Plan as though fully set forth therein. On the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for such Claim, each holder of a Settling Co-Defendant Claim shall receive the treatment set forth in the DMP Stipulation, pursuant to which such Settling Co-Defendant Claims shall be released or subordinated, as applicable, by the applicable Settling Co-Defendants subject to the other terms and conditions of the DMP Stipulation. Notwithstanding anything in the Plan to the contrary, in the event of any inconsistency between any provision in the Plan

Class	Claim or Interest	Treatment / Impairment / Entitlement to Vote
		relating to Settling Co-Defendant Claims and any provision in the DMP Stipulation, the DMP Stipulation shall govern; <i>provided, however, that</i>, notwithstanding anything in the Plan or in the DMP Stipulation or the DMP Stipulation Order to the contrary, nothing in the DMP Stipulation or the DMP Stipulation Order shall affect the discharge provided in <u>Article X</u> of the Plan. Impairment: Impaired Entitlement to Vote: Yes
11	Other Opioid Claims ⁴	Except to the extent that a holder of an Other Opioid Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the Other Opioid Claims, (i) the Other Opioid Claims Trust shall receive the Other Opioid Claims Trust Consideration in accordance with the Other Opioid Claims Trust Documents; and (ii) each Other Opioid Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the Other Opioid Claims Trust pursuant to Section 10.9 of the Plan, and all of the Debtors' liability for such Claim shall be assumed by the Other Opioid Claims Trust and such Other Opioid Claim shall be Allowed, Disallowed and released in full, or otherwise resolved, in each case, in accordance with the Other Opioid Claims Trust Documents. Holders of Allowed Other Opioid Claims shall receive a recovery, if any, from the Other Opioid Claims Trust Consideration, in each case, in accordance with and subject to the terms of the Other Opioid Claims Trust Documents. <i>Incremental Trust Distributions in Exchange for Granting Non-GUC Releases.</i> The procedures governing Distributions set forth in the Other Opioid Claims Trust Documents shall provide for an additional payment by the Other Opioid Claims Trust to any holder of an Allowed Other Opioid Claim who is entitled to receive a Distribution from the Other Opioid Claims Trust and who grants or is deemed to grant, as applicable, the Non-GUC Releases. Such additional payment from the Other Opioid Trust shall be in exchange for such holder granting or being deemed to grant, as applicable, the Non-GUC Releases and shall be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to the Other Opioid Trust Documents, by (ii) a multiplier of 4x. Impairment: Impaired Entitlement to Vote: Yes
12	EFBD Claims	Except to the extent that a holder of an EFBD Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement,

⁴ The Debtors performed a preliminary analysis of the filed Proofs of Claim to determine the extent of any Claims that may be part of Class 11 (Other Opioid Claims). Such review remains ongoing, and will be followed by a subsequent, in-depth claims reconciliation process to determine the full scope of Claims that should be included in Class 11. At this time, Other Opioid Claims includes, without limitation, Opioid Claims held by the Canadian First Nations and Canadian Municipalities.

Class	Claim or Interest	Treatment / Impairment / Entitlement to Vote
		release, and discharge of, and in exchange for the EFBD Claims, (i) the EFBD Claims Trust shall receive the EFBD Claims Trust Consideration in accordance with the EFBD Claims Trust Documents; and (ii) each EFBD Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the EFBD Claims Trust pursuant to Section 10.9 of the Plan, and all of the Debtors' liability for such Claim shall be assumed by the EFBD Claims Trust and such EFBD Claim shall be Allowed, Disallowed and released in full, or otherwise resolved, in each case, in accordance with the EFBD Claims Trust Documents. Holders of Allowed EFBD Claims shall receive a recovery, if any, from the EFBD Claims Trust Consideration, in each case, in accordance with and subject to the terms of the EFBD Claims Trust Documents; <i>provided, that</i>, the amount of any Distribution to a holder of an Allowed EFBD Claim on account of such Allowed EFBD Claim shall not exceed the amount of comparable Distributions provided by another Trust under the Plan to holders of similar Allowed Claims that were filed before the General Bar Date and channeled to such other Trust under the Plan; <i>provided, further, that</i>, the procedures for determining the maximum amount of any Distribution to be made by the EFBD Claims Trust shall be substantially similar to those provided in the Future PI Trust Distribution Procedures. <i>Incremental Distributions in Exchange for Granting Non-GUC Releases.</i> The procedures governing Distributions set forth in the EFBD Claims Trust Documents shall provide for an additional payment by the EFBD Claims Trust to any holder of an Allowed EFBD Claim who is entitled to receive a Distribution from the EFBD Claims Trust and who grants or is deemed to grant, as applicable, the Non-GUC Releases. Such additional payment from the EFBD Claims Trust shall be in exchange for such holder granting or being deemed to grant, as applicable, the Non-GUC Releases and shall be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to the EFBD Claims Trust Documents, by (ii) a multiplier of 4x. For the avoidance of doubt, such additional amount shall in no event be greater than the additional amount provided to any holder of an Allowed Present Private Opioid Claim or an Allowed GUC Trust Channeled Claim, as applicable, who received an additional payment in exchange for granting or being deemed to grant, as applicable, the Non-GUC Releases or the GUC Releases, as applicable. Impairment: Impaired Entitlement to Vote: Yes
13	Intercompany Claims	On the Effective Date, each Intercompany Claim shall either be (i) reinstated; or (ii) settled or deemed automatically cancelled, extinguished, and discharged in the discretion of the Debtors, subject to the consent of the Required Consenting Global First Lien Creditors; provided, that, any Intercompany Claims of any Debtor (other than the Transferred Debtors) against any Purchaser Entity shall be cancelled, extinguished, and discharged. Impairment: Unimpaired / Impaired Entitlement to Vote: No (conclusively presumed to accept / deemed to reject)
14	Intercompany Interests	On the Effective Date, each Intercompany Interest shall either be (i) transferred, directly or indirectly, to the applicable Purchaser Entities; (ii) reinstated; or

Class	Claim or Interest	Treatment / Impairment / Entitlement to Vote
		(iii) deemed automatically cancelled, extinguished, and discharged, in each case, in the discretion of the Debtors, subject to the consent of the Required Consenting Global First Lien Creditors. Impairment: Unimpaired / Impaired Entitlement to Vote: No (conclusively presumed to accept / deemed to reject)
15	Subordinated, Recharacterized, or Disallowed Claims	On the Effective Date, each Subordinated, Recharacterized or Disallowed Claim, shall be cancelled, extinguished, and discharged, and each holder thereof shall not receive or retain any property under the Plan on account of such Claim. To the extent that any Claim in Class 15 arising out of or relating to Opioid-Related Activities or any Opioids or Opioid Products manufactured, marketed, or sold by the Debtors, including any Co-Defendant Claim, that is Disallowed pursuant to section 502(e) of the Bankruptcy Code is later Allowed in accordance with section 502(j) of the Bankruptcy Code, on the date of the Allowance of such Claim, such Claim shall automatically be subordinated pursuant to section 509(c) of the Bankruptcy Code and shall therefore be automatically deemed a Subordinated, Recharacterized, or Disallowed Claim and such Claim shall automatically be cancelled, extinguished, and discharged in accordance with Section 4.27(c) of the Plan. Impairment: Impaired Entitlement to Vote: No (deemed to reject)
16	Existing Equity Interests	On the Effective Date, each Existing Equity Interest, shall be cancelled, extinguished, and discharged, subject to applicable law, and each holder thereof shall not receive or retain any property under the Plan on account of such Existing Equity Interest. Impairment: Impaired Entitlement to Vote: No (deemed to reject)

II. OVERVIEW OF THE DEBTORS' BUSINESS AND CAPITAL STRUCTURE⁵

A. The Debtors' Business⁶

Endo is a diversified specialty pharmaceutical company that develops, manufactures, markets, and distributes pharmaceutical products across four reportable segments: Branded Pharmaceuticals, Sterile Injectables, Generic Pharmaceuticals and International Pharmaceuticals. All products, except for those in the International Pharmaceuticals segment, are sold in the U.S. only. A brief description of each segment is set forth below.

1. Branded Pharmaceuticals

The Branded Pharmaceuticals segment focuses on products that have inherent scientific, regulatory, legal, and technical complexities, and markets such products under recognizable brand names that are trademarked. After the completion of required clinical trials and testing, the Company seeks approvals from regulatory bodies, such as through the submission of applications to the Food and Drug Administration (the “FDA”) for the marketing and sale of new drugs, called “New Drug Applications” (“NDAs”) or applications to introduce new products into the U.S. market, called “Biologics License Applications.”

The Branded Pharmaceuticals segment includes a variety of branded products across two product categories: (a) “Specialty Products,” which includes products in the areas of urology, orthopedics, endocrinology, and bariatrics, among others; and (b) “Established Products,” a portfolio that includes approximately ten products across diverse areas that are not actively promoted.⁷

⁵ In the opinion of the Debtors, the Plan is preferable to all other available alternatives and provides for a larger distribution to the Debtors' stakeholders than would otherwise result in any other scenario. Accordingly, the Debtors recommend that holders of Claims entitled to vote on the Plan vote to accept the Plan and support Confirmation of the Plan. The Committees also encourage each creditor to vote to accept the Plan. The Committees' respective position regarding the items in this Article II are more specifically set forth in the UCC Letter to unsecured creditors and OCC Letter to opioid claimants, which are included in the solicitation materials. The Committees encourage each creditor to review the appropriate letter and communicate directly with the appropriate Committee regarding any questions they have about the applicable letter, the Plan, or this Disclosure Statement.

⁶ Solely for convenience, trademarks referred to herein may appear with or without the ® symbol, but such references are not intended to indicate in any way that the Debtors do not assert, to the fullest extent under applicable law, their rights to such trademarks.

⁷ Another product category, “Medical Aesthetics,” which consists solely of Qwo, the first and only injectable treatment for moderate-to-severe cellulite, was discontinued following the Petition Date, as discussed further below.

The Specialty Products include the following key products, among others:

Specialty Products Portfolio	Description	Revenues (in millions) FY 2022
XIAFLEX®	A non-surgical treatment for Dupuytren's contracture (for adult patients with an abnormal buildup of collagen in the fingers that limits or disables hand function) and Peyronie's disease (for adult men with a collagen plaque and a penile curvature deformity). Additional pipeline indications that are in clinical development include plantar fibromatosis and plantar fasciitis.	\$439
SUPPRELIN® LA	A soft, flexible 12-month hydrogel implant based on Endo's hydrogel polymer technology that delivers histrelin acetate, a gonadotropin-releasing hormone agonist, and is indicated for the treatment of central precocious puberty in children.	\$113

The Established Products portfolio include the following, among others:

Established Products Portfolio	Description	Revenues (in millions) FY 2022
PERCOCET®	This product is indicated for the management of pain severe enough to require an opioid analgesic and for which alternative treatments are inadequate.	\$104
TESTOPEL®	A long-acting implantable pellet indicated for testosterone replacement therapies in conditions associated with a deficiency or absence of endogenous testosterone.	\$39

Endo's pain products, including its opioid products, have not been actively promoted in the U.S. since 2016. In December 2016, Endo eliminated its entire pain product field sales force in the United States. In 2022, the Branded Pharmaceuticals segment accounted for approximately 38% of Endo's total revenue.

2. Sterile Injectables

The Sterile Injectables segment includes a portfolio of more than 30 product families. In this portfolio, there are several sterile injectable products that are protected by certain patent rights and have inherent scientific, regulatory, legal and technical complexities, as well as other generic injectable products that are difficult to formulate or manufacture or face complex legal and regulatory challenges. Endo's Sterile Injectables products are manufactured in sterile facilities and are administered at hospitals, clinics and long-term care facilities. In 2022, the Sterile

Injectables segment accounted for approximately 25% of Endo's total revenue. The Sterile Injectables segment include the following key products, among others:

Sterile Injectable Products Portfolio	Description	Revenues (in millions) FY 2022
VASOSTRICT®	This product is indicated to increase blood pressure in adults with vasodilatory shock who remain hypotensive despite fluids and catecholamines. Vasostrict was the first vasopressin injection with an NDA approved by the FDA.	\$254
ADRENALIN®	A non-selective alpha- and beta-adrenergic agonist indicated for emergency treatment of certain allergic reactions, including anaphylaxis.	\$114

3. Generic Pharmaceuticals

Endo's Generic Pharmaceuticals segment focuses on first-to-file or first-to-market opportunities that are difficult to formulate or manufacture. Generic products are the pharmaceutical and therapeutic equivalents of branded products and are generally marketed under their generic (chemical) names rather than their brand names. The Generic Pharmaceuticals segment consists of a portfolio of solid oral extended-release, solid oral immediate-release, liquids, semi-solids, patches, powders, ophthalmics, sprays, and includes products that treat and manage a wide range of medical conditions. The Generic Pharmaceuticals segment includes approximately 100 generic product families.

Endo's generic portfolio also contains certain authorized generics, which are generic versions of branded products licensed by brand drug companies under an NDA and marketed as generics. Authorized generics do not face the same regulatory barriers to introduction and are not prohibited from sale during the 180-day marketing exclusivity period granted to the first-to-file abbreviated NDA ("ANDA") applicant. Endo's authorized generics include, among others, lidocaine patch 5% (the authorized generic of Endo's Lidoderm®), lubiprostone capsules (the authorized generic of Mallinckrodt Pharmaceuticals' Amitiza®), and sucralfate oral suspension 1 gm/10 ml (the authorized generic of AbbVie Inc.'s Carafate®). In 2022, the Generic Pharmaceuticals segment accounted for approximately 34% of Endo's total revenue.

4. International Pharmaceuticals

Endo's International Pharmaceuticals segment sells a variety of specialty pharmaceutical products outside the U.S., primarily in Canada through Debtor Paladin Labs Inc. The key products of this segment serve various therapeutic areas, including attention deficit hyperactivity disorder, pain, women's health, oncology, and transplantation. In 2022, approximately 4% of Endo's total revenue was from customers outside the U.S. Revenues generated by this segment are primarily attributable to consumers located in Canada.

5. Debtors' Major Customers

Approximately 80% of Endo's sales are to three wholesale distributors: AmerisourceBergen Corporation, McKesson Corporation, and Cardinal Health, Inc. These three distributors, in turn, sell Endo products to retail drug store chains, pharmacies, and managed care

organizations, including health maintenance organizations, nursing homes, hospitals, clinics, pharmacy benefit management companies, and mail order customers.

6. Debtors' Workforce

As of September 7, 2023, the Debtors had approximately 1,377 employees. Of this number, approximately 107 are engaged in research and development (“R&D”) and regulatory work, 354 in sales and marketing, 434 in manufacturing, 214 in quality assurance, and 268 in general and administrative capacities. The Debtors also employ approximately 190 people outside of the United States. With the exception of certain production personnel at the Debtors' Rochester, Michigan manufacturing facility, its employees are generally not represented by unions.

7. Regulatory Matters

The Debtors are subject to extensive and rigorous regulatory oversight by numerous governmental entities. The Federal Food, Drug, and Cosmetic Act (“FFDCA”), the Controlled Substances Act (“CSA”), and other federal and state statutes and regulations govern or influence the testing, manufacturing, packaging, labeling, storage, recordkeeping, approval, advertising, promotion, sale, and distribution of pharmaceutical products. The Debtors must comply with these laws and the regulations, as well as guidance documents and standards promulgated by, among others, the FDA, the Department of Health and Human Services, the Drug Enforcement Agency (“DEA”), the Bureau of Customs and Border Protection, and state boards of pharmacy.

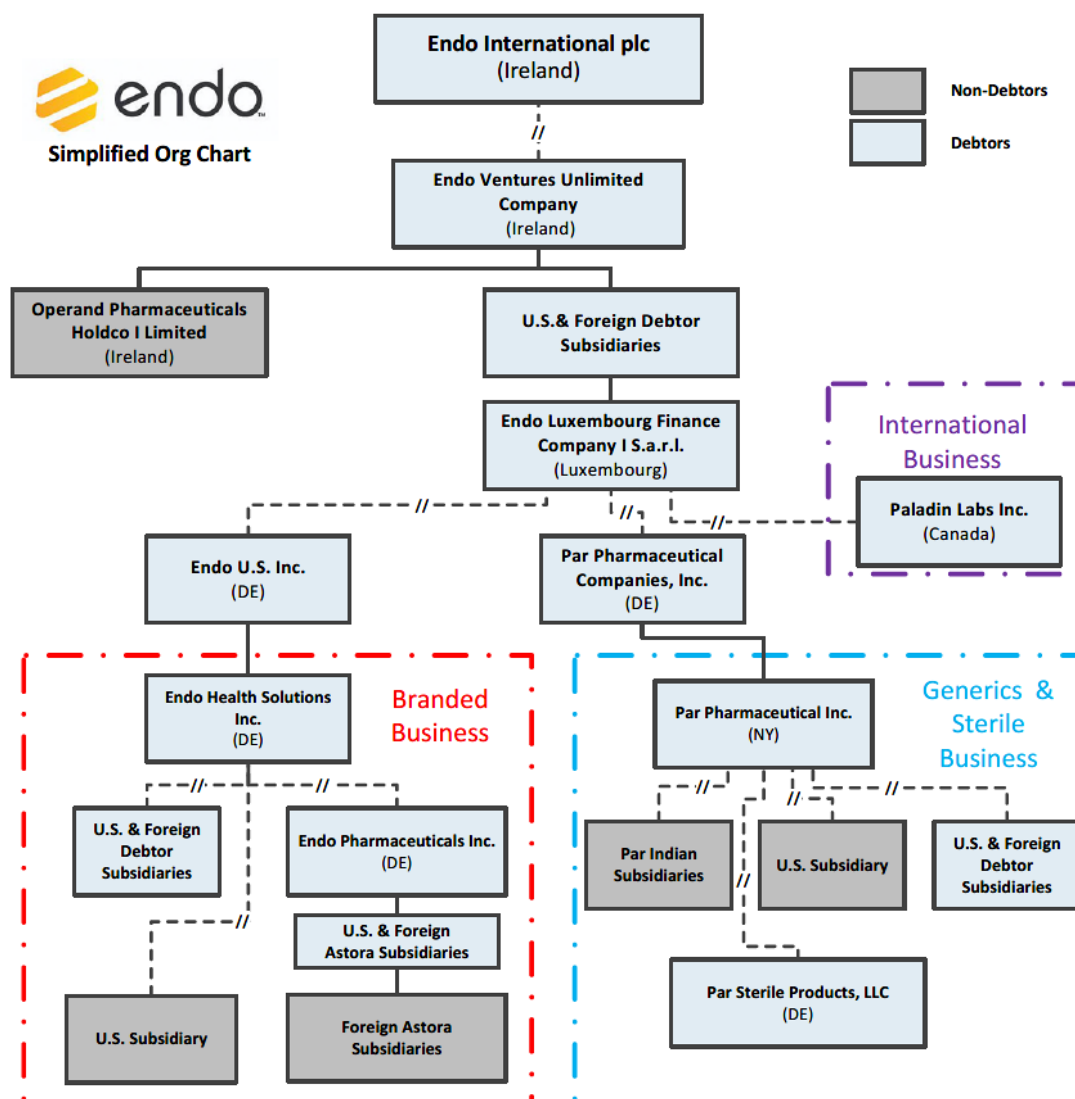
Certain of the Debtors' subsidiaries sell products that are “controlled substances” as defined in the CSA and implementing regulations. The DEA regulates chemical compounds as Schedule I, II, III, IV, or V substances, with Schedule I substances considered to present the highest risk of substance abuse and Schedule V substances the lowest risk. The active ingredients in some of the Company's products are listed by the DEA as Schedule II or III substances under the CSA. Consequently, their manufacture, shipment, storage, sale and use are subject to a high degree of regulation.

Outside of the U.S., Endo is subject to laws and regulations that differ from those under which it operates in the U.S. In most cases, non-U.S. regulatory agencies evaluate and monitor the safety, efficacy and quality of pharmaceutical products, govern the approval of clinical trials and product registrations and regulate pricing and reimbursement. Certain international markets have differing product preferences and requirements and operate in an environment of government-mandated, cost-containment programs, including price controls, such as the Patented Medicine Prices Review Board in Canada.

B. Prepetition Corporate and Capital Structure

Endo Parent is a holding company that conducts business through its operating subsidiaries and, as noted above, is the ultimate parent of each Debtor in the Chapter 11 Cases. A full corporate organizational chart depicting the ownership structure of the Debtors and certain of the Debtors'

non-debtor affiliates is attached hereto as **Exhibit B**. The following is a simplified organizational chart depicting Endo's principal holding and operating entities as of December 19, 2023.⁸



⁸ The simplified organizational chart is for illustrative purposes only. Please refer to the full corporate organizational chart attached hereto as **Exhibit B** for further details.

As of the Petition Date, the Debtors' consolidated long-term debt obligations totaled approximately \$8.15 billion arising under (a) one credit agreement, which consists of a revolving credit facility and a term loan facility, (b) four series of secured notes, and (c) four series of unsecured notes. The following is a summary of the Debtors' funded debt obligations as of the Petition Date:

Debt Instrument	Facility Type/Notes Series	Maturity Date	Approximate Outstanding Principal Amount (in US\$ millions)
Revolving Credit Facility	Revolver	Various	\$277.2
Term Loan Facility	Term loan	Mar. 2028 ⁹	\$1,975
First Lien Notes	5.875% Senior Secured Notes due 2024	Oct. 2024	\$300
	7.500% Senior Secured Notes due 2027	Apr. 2027	\$2,015.5
	6.125% Senior Secured Notes due 2029	Apr. 2029	\$1,295
Second Lien Notes	9.500% Senior Secured Second Lien Notes due 2027	July 2027	\$940.6
Unsecured Notes	5.375% Senior Notes due 2023	Jan. 2023	\$6.1
	6.00% Senior Notes due 2028	June 2028	\$1,260.4
	6.00% Senior Notes due 2025	Feb. 2025	\$21.6
	6.00% Senior Notes due 2023	July 2023	\$56.4
Total:			\$8,147.8

1. Revolving Credit Facility and Term Loan Facility

On April 27, 2017, Debtors Endo Parent, Endo Luxembourg Finance Company I S.à r.l. ("Lux Borrower"), and Endo LLC ("Co-Borrower," and together with Lux Borrower, the "Borrowers") entered into that certain Credit Agreement (as amended by that certain First Amendment, dated as of March 28, 2019, the "Prior Credit Agreement," as amended and restated by the Amendment and Restatement Agreement (as defined below) and as may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), with JPMorgan Chase Bank, N.A., as swing line lender, issuing bank (in such capacity, the "Issuing Bank"), and administrative agent (in such capacity, the "Administrative Agent"), and the lenders party thereto from time to time (such lenders, as of immediately prior to the Petition Date, the "Prepetition First Lien Lenders" and, together with the Administrative Agent, Issuing Bank, First Lien Collateral Trustee (as defined below), and each of the other Secured Parties (as defined in the Credit Agreement), the "Prepetition First Lien Loan Secured Parties"). The Credit Agreement provides for a senior secured revolving credit facility (the "Revolving Credit Facility") and a senior secured term loan facility (the "Term Loan Facility"). In connection with the Credit Agreement, certain subsidiaries of Endo Parent entered into that certain subsidiary

⁹ Subject to an earlier springing maturity if the aggregate principal amount outstanding of the 7.500% Notes and the Second Lien Notes (each as defined below), in each case, is greater than or equal to \$500 million and such notes are not refinanced or repaid prior to the date that is 91 days prior to the stated maturity thereof.

guaranty, dated as of April 27, 2017 (as may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “Subsidiary Guaranty”), among Endo Parent, the Borrowers, the various guarantor parties thereto (including any subsidiary of Endo Parent that executed a joinder thereto, the “Guarantors”), and the Administrative Agent.

On March 25, 2021, Endo Parent, the Borrowers, and certain of the Prepetition First Lien Loan Secured Parties entered into that certain Amendment and Restatement Agreement (the “Amendment and Restatement Agreement”), which amended and restated the Prior Credit Agreement in order to, among other things, (a) refinance in full the existing term loans under the Prior Credit Agreement, which had approximately \$3.295 billion of principal outstanding, with the proceeds from (i) a new tranche of senior secured term loans in an aggregate principal amount of \$2 billion maturing in March 2028 (subject to an earlier springing maturity if the aggregate principal amount outstanding of the 7.500% Notes and the Second Lien Notes (each as defined below), in each case, is greater than or equal to \$500 million and such notes are not refinanced or repaid prior to the date that is 91 days prior to the stated maturity thereof) and (ii) \$1.295 billion of newly issued 6.125% Senior Secured Notes due 2029 (as defined below), and (b) extend the maturities of approximately \$675.3 million of existing revolving commitments under the Revolving Credit Facility to March 2026. After giving effect to the Amendment and Restatement Agreement, the Credit Agreement provided for a \$1 billion Revolving Credit Facility (in total availability) and a \$2 billion Term Loan Facility. Prior to the Petition Date, borrowings under the Revolving Credit Facility bore interest, at Endo Parent and the Borrowers’ election, at a rate per annum equal to (a) the London Interbank Offered Rate (“LIBOR”) plus an applicable margin between 1.50% and 3.00% depending on the Company’s total net leverage ratio or (b) the Alternate Base Rate (as defined in the Credit Agreement) plus an applicable margin between 0.50% and 2.00% depending on the Company’s total net leverage ratio. Prior to the Petition Date, borrowings under the Term Loan Facility bore interest, at Endo Parent and the Borrowers’ election, at a rate per annum equal to (a) LIBOR plus 5.00%, subject to a LIBOR floor of 0.75%, or (b) the Alternate Base Rate plus 4.00%, subject to an Alternate Base Rate floor of 1.75%. On the Petition Date, outstanding borrowings and unpaid interest under the Term Loan Facility and the Revolving Credit Facility became subject to an additional 2.00% default interest rate and all LIBOR borrowings were converted to Alternate Base Rate borrowings at the end of the existing interest period applicable to such borrowing immediately following the Petition Date.

To secure the obligations arising under the Credit Agreement, the Subsidiary Guaranty and the First Lien Notes (as defined below), Co-Borrower and certain Guarantors, as applicable, entered into, among other things, that certain US Pledge and Security Agreement, dated as of April 27, 2017 (as acknowledged and confirmed by that certain Acknowledgment and Confirmation, dated as of March 25, 2021, and as may be amended, restated, amended and restated, supplemented, acknowledged and confirmed or otherwise modified from time to time, the “US Pledge and Security Agreement”) and that certain Canadian Pledge and Security Agreement dated as of April 27, 2017 (as subsequently amended, restated, amended and restated, supplemented, acknowledged and confirmed or otherwise modified from time to time, the “Canadian Pledge and Security Agreement,” and together with the US Pledge and Security Agreement, the First Lien Collateral Trust Agreement (as defined below) and all other first-lien security documents executed and/or delivered by Endo Parent, the Borrowers, and the Guarantors, to or in favor of the Prepetition First Lien Secured Parties (as defined below), including, without limitation, all intellectual property security agreements, mortgages, and pledges, the “First Lien Prepetition

Security Documents”), granting Wilmington Trust, N.A., in its capacity as collateral trustee (in such capacity and including any successors thereto, the “First Lien Collateral Trustee”), first-priority liens on and security interests in substantially all of the Debtors’ assets, including all proceeds thereof (the “Prepetition Collateral”).¹⁰

As of the Petition Date, (a) approximately \$277 million was outstanding under the Revolving Credit Facility, (b) approximately \$1.98 billion was outstanding under the Term Loan Facility, and (c) approximately \$2 million of letters of credit were issued and outstanding under the Credit Agreement.

2. First Lien Notes and Second Lien Notes¹¹

(a) 6.125% Notes

On March 25, 2021, Debtors Lux Borrower and Endo U.S. Inc. (“Endo US” and together with Lux Borrower, the “6.125% Notes Issuers”), issued the 6.125% Notes (the “6.125% Notes,” and the holders thereof, the “6.125% Senior Secured Noteholders”) pursuant to that certain Indenture, dated as of March 25, 2021 (as may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “6.125% Notes Indenture”), by and among Computershare Trust Company, National Association, as trustee (“Computershare” and in such capacity and including any predecessors and successors thereto, “6.125% Notes Indenture Trustee” and, together with the 6.125% Senior Secured Noteholders and the First Lien Collateral Trustee, collectively, the “6.125% Notes Secured Parties”), the Guarantors party thereto, and the 6.125% Notes Issuers. The 6.125% Notes are secured on a *pari passu* basis by first-priority liens on, and security interests in, the Prepetition Collateral in accordance with the terms of the First Lien Prepetition Security Documents. As of the Petition Date, approximately \$1.295 billion was outstanding under the 6.125% Notes Indenture.

(b) 7.500% Notes

On March 28, 2019, Debtor Par Pharmaceuticals, Inc. (“Par Pharma”) issued \$1.5 billion aggregate principal amount of 7.500% senior secured notes due on April 1, 2027 (the “7.500% Notes,” and the holders thereof, the “7.500% Senior Secured Noteholders”), pursuant to that certain Indenture, dated March 28, 2019 (as amended, restated, supplemented, or otherwise modified from time to time, the “7.500% Notes Indenture”), by and among Par Pharma, as issuer, the Guarantors party thereto, and Computershare, as trustee (in such capacity and including any

¹⁰ In addition to securing the obligations under the Credit Agreement, the US Pledge and Security Agreement and the Canadian Pledge and Security Agreement secure the obligations arising under the 6.125% Notes Indenture, 7.500% Notes Indenture, and the 5.875% Notes Indenture (each as defined below) with grants of first-priority liens and security interests. The term “Secured Obligation” as used in the granting clauses of the US Pledge and Security Agreement and the Canadian Pledge and Security Agreement is defined by reference to the First Lien Collateral Trust Agreement (as defined below). In that agreement, Secured Obligations include any debt designated as secured debt, including certain future debt.

¹¹ As described in greater detail below, the Committees have sought standing to challenge the liens securing the Debtors’ First Lien Notes and Second Lien Notes, and the global settlement embodied by the Plan represents, among other things, a settlement of the Committees’ Joint Standing Motion (defined and described in Article V.J. below).

predecessors and successors thereto, the “7.500% Notes Indenture Trustee” and, together with the 7.500% Senior Secured Noteholders and the First Lien Collateral Trustee, the “7.500% Notes Secured Parties”). The 7.500% Notes are secured on a *pari passu* basis by first-priority liens on, and security interests in, the Prepetition Collateral in accordance with the terms of the First Lien Prepetition Security Documents. In June 2020, the Company executed certain transactions which included, among others, an additional issuance of 7.500% Notes under the 7.500% Notes Indenture in the aggregate principal amount of approximately \$516 million. As of the Petition Date, approximately \$2 billion was outstanding under the 7.500% Notes Indenture.

(c) *5.875% Notes*

On April 27, 2017, Debtors Endo Designated Activity Company (“Endo DAC”), Endo Finance LLC (“Endo Finance”), and Endo Finco Inc. (“Endo Finco,” and together with Endo Finance and Endo DAC, the “5.875% Notes Issuers”) issued \$300 million aggregate principal amount of 5.875% senior secured notes due October 15, 2024 (the “5.875% Notes,” and the holders thereof, the “5.875% Senior Secured Noteholders”; and the 5.875% Notes, together with the 7.500% Notes and the 6.125% Notes, the “First Lien Notes”), pursuant to that certain Indenture, dated April 27, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the “5.875% Notes Indenture”), by and among Computershare as trustee (in such capacity and including any predecessors and successors thereto, the “5.875% Notes Indenture Trustee” and, together with the 5.875% Senior Secured Noteholders and the First Lien Collateral Trustee, the “5.875% Notes Secured Parties”; and the 5.875% Notes Secured Parties, the 7.500% Notes Secured Parties, and the 6.125% Notes Secured Parties, collectively, the “Prepetition First Lien Notes Secured Parties,” and together with the Prepetition First Lien Loan Secured Parties, the “Prepetition First Lien Secured Parties”), the Guarantors party thereto, and the 5.875% Notes Issuers. The 5.875% Notes are secured on a *pari passu* basis by first-priority liens on, and security interests in, the Prepetition Collateral in accordance with the terms of the First Lien Prepetition Security Documents. As of the Petition Date, approximately \$300 million was outstanding under the 5.875% Notes Indenture.

(d) *Second Lien Notes*

On June 16, 2021, Debtors Endo DAC, Endo Finance, and Endo Finco (the “Second Lien Notes Issuers”) issued \$940.6 million aggregate principal amount of 9.50% senior secured second lien notes due July 31, 2027 (the “Second Lien Notes,” and the holders thereof, the “Second Lien Noteholders”), pursuant to that certain Indenture, dated June 16, 2020 (as amended, restated, supplemented, or otherwise modified from time to time, the “Second Lien Indenture”), by and among Wilmington Savings Fund Society, FSB, as trustee (in such capacity and including any predecessors and successors thereto, the “Second Lien Indenture Trustee”), the Second Lien Notes Issuers, and the Guarantors party thereto. The Second Lien Notes are secured by a second-priority lien on, and on a junior basis with respect to, the Prepetition Collateral in accordance with the terms of the Second Lien Prepetition Security Documents (as defined below). As of the Petition Date, approximately \$941 million was outstanding under the Second Lien Indenture.

To secure the obligations arising under the Second Lien Indenture, Co-Borrower and certain Guarantors, as applicable, entered into, among other things, that certain Second Lien US Pledge and Security Agreement, dated as of June 16, 2020 (as may be amended, restated, amended

and restated, supplemented or otherwise modified from time to time, the “Second Lien US Pledge and Security Agreement,”) and that certain Second Lien Canadian Pledge and Security Agreement dated as of June 16, 2020 (as subsequently amended, restated, amended and restated, supplemented, acknowledged and confirmed or otherwise modified from time to time, the “Second Lien Canadian Pledge and Security Agreement” and, together with the Second Lien US Pledge and Security Agreement and all other second lien security documents executed and/or delivered by Endo Parent, the Borrowers, and Guarantors, to or in favor of the Prepetition Second Lien Secured Parties (as defined below), including, without limitation, all intellectual property security agreements, mortgages, and pledges, the “Second Lien Prepetition Security Documents”), granting Wilmington Trust, N.A., in its capacity as collateral trustee (in such capacity, the “Second Lien Collateral Trustee,” and together with the Second Lien Indenture Trustee and the Second Lien Noteholders, the “Prepetition Second Lien Secured Parties,” and the Prepetition Second Lien Secured Parties, together with the Prepetition First Lien Secured Parties, the “Prepetition Secured Parties”), second-priority liens on, and security interests in, the Prepetition Collateral.

3. Collateral Trust Agreements

On April 27, 2017, certain of the Debtors and the Prepetition First Lien Secured Parties entered into a collateral trust agreement (as amended, restated, supplemented or otherwise modified from time to time, including pursuant to any joinders, the “First Lien Collateral Trust Agreement”). The First Lien Collateral Trust Agreement governs, among other things, the respective rights, interests and obligations of the Prepetition First Lien Secured Parties with respect to the Prepetition Collateral and covers certain other matters relating to the administration of security interests.

On June 16, 2020, certain of the Debtors and the Prepetition Second Lien Secured Parties entered into that certain second lien collateral trust agreement (as amended, restated, supplemented or otherwise modified from time to time, including pursuant to any joinders, the “Second Lien Collateral Trust Agreement”). The Second Lien Collateral Trust Agreement governs, among other things, the interests and obligations of the Prepetition Second Lien Secured Parties with respect to the Prepetition Collateral and covers certain other matters relating to the administration of security interests.

Both the First Lien Collateral Trust Agreement and the Second Lien Collateral Trust Agreement provide that the Prepetition Secured Parties may exercise remedies with respect to the Prepetition Collateral (subject, in all respects, to the 1L-2L Intercreditor Agreement (as defined below)) by directing the First Lien Collateral Trustee or the Second Lien Collateral Trustee, as applicable, pursuant to an Act of Required Secured Parties (as defined in each of the First Lien Collateral Trust Agreement and the Second Lien Collateral Trust Agreement, respectively).¹²

¹² Under the First Lien Collateral Trust Agreement, an “Act of Required Secured Parties” means a written direction delivered to the First Lien Collateral Trustee “by or with the written consent of either the holders of or the Secured Debt Representatives representing the holders of more than 50% of the sum of: (a) the aggregate outstanding principal amount of Secured Debt (including the face amount of outstanding letters of credit whether or not then available or drawn); and (b) other than in connection with the exercise of remedies, the aggregate unfunded commitments to extend credit which, when funded, would constitute Secured Debt.” First Lien Collateral Trust Agreement § 1.1. The definition of the term “Act of Required Secured Parties” as used in the Second Lien

4. 1L-2L Intercreditor Agreement

The First Lien Collateral Trustee, the Second Lien Collateral Trustee, and certain of the Debtors are parties to that certain Intercreditor Agreement, dated as of June 16, 2020 (as amended, restated, supplemented or otherwise modified from time to time, the “1L-2L Intercreditor Agreement”). The 1L-2L Intercreditor Agreement governs, among other things, the relative rights, interests, obligations, priority and positions of the Prepetition First Lien Secured Parties on the one hand, and the Prepetition Second Lien Secured Parties on the other hand. The 1L-2L Intercreditor Agreement provides, among other things, that the First Priority Representative (as defined in the 1L-2L Intercreditor Agreement) will have the exclusive right to exercise rights and remedies with respect to the Prepetition Collateral on behalf of the First Priority Secured Parties (as defined in the 1L-2L Intercreditor Agreement). If the First Priority Representative consents to the use of cash collateral under the Bankruptcy Code, then the Second Priority Representative (as defined in the 1L-2L Intercreditor Agreement) is deemed to agree, on behalf of itself and the other Second Priority Secured Parties (as defined in the 1L-2L Intercreditor Agreement), to the use of such cash collateral.

5. Unsecured Notes

Certain of the Debtors have also issued or guaranteed the following unsecured notes (collectively, the “Unsecured Notes”):¹³

- 5.375% Senior Notes due 2023 issued by Endo Finance and Endo Finco and guaranteed by the Guarantors, pursuant to that certain indenture, dated June 30, 2014, with U.S. Bank Trust Company, National Association (“U.S. Bank”), as trustee;
- 6.000% Senior Notes due 2025 issued by Endo DAC, Endo Finance, and Endo Finco and guaranteed by the Guarantors, pursuant to that certain indenture, dated January 27, 2015, with UMB Bank, National Association (“UMB”), as trustee;
- 6.000% Senior Notes due 2023 issued by Endo DAC, Endo Finance, and Endo Finco and guaranteed by the Guarantors, pursuant to that certain indenture, dated July 9, 2015, with UMB as trustee; and

Collateral Trust Agreement with respect to the Prepetition Second Lien Secured Parties is identical to the definition of the “Act of Required Secured Parties” as used in the First Lien Collateral Trust Agreement with respect to the Prepetition First Lien Secured Parties. See Second Lien Collateral Trust Agreement § 1.1.

¹³ In connection with the 2020 Refinancing Transactions, Endo DAC, Endo Finance and Endo Finco, as applicable, solicited, and obtained, the consent of the holders of the 6.000% 2023 unsecured notes, the 6.000% 2025 unsecured notes, and the 5.375% 2023 unsecured notes to, among other things, eliminate certain of the (a) restrictive covenants, (b) affirmative covenants, and (c) events of default. On May 28, 2020, and June 4, 2020, the foregoing issuers and unsecured noteholders entered into supplemental indentures memorializing these terms.

- 6.000% Senior Notes due 2028 issued by Endo DAC, Endo Finance, and Endo Finco and guaranteed by the Guarantors, pursuant to that certain indenture, dated June 16, 2020, with U.S. Bank as trustee.

As of the Petition Date, approximately \$1.345 billion was outstanding under the Unsecured Notes.

6. Equity

As of the Petition Date, Endo had approximately 235 million ordinary shares issued and outstanding. At the close of trading immediately before the Petition Date, the share price was \$0.37. Prior to the Petition Date, ordinary shares in Endo Parent traded on the Nasdaq under the ticker “ENDP.”

On the Petition Date, Endo Parent’s ordinary shares began trading exclusively on the over-the-counter market under the symbol ENDPQ. On September 14, 2022, Nasdaq filed a Form 25-NSE with the SEC and Endo Parent’s ordinary shares were subsequently delisted from the Nasdaq. On December 13, 2022, Endo Parent’s ordinary shares were deregistered under Section 12(b) of the Securities Exchange Act of 1934, as amended.

7. Committees’ Reservation of Rights

As described in further detail in Article V.J below, the Committees filed the Joint Standing Motion and four proposed complaints in January 2023. The Joint Standing Motion has been held in abeyance pending implementation of the Committees Resolutions (as defined below). If the Committees Resolutions are ultimately not approved, the Committees reserve all rights with respect to the statements made in this Disclosure Statement regarding the Prepetition Secured Parties’ claims and liens, and with respect to any other litigation that the Committees might otherwise bring or seek to bring on behalf of the estates.

III. QUESTIONS AND ANSWERS REGARDING THIS DISCLOSURE STATEMENT AND PLAN

A. What Is Chapter 11?

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under chapter 11, a debtor can reorganize its business for the benefit of itself, its creditors, and its interest holders. The commencement of a chapter 11 case creates an estate that is comprised of all of the legal and equitable interests of a debtor as of the petition filing date. The Bankruptcy Code provides that a debtor may remain in possession of its assets and continue to operate its business as a debtor in possession.

The consummation of a chapter 11 plan is a means of resolving a chapter 11 case. A chapter 11 plan sets forth the terms and manner for satisfying or otherwise addressing claims against and interests in a debtor. Confirmation of a chapter 11 plan by a bankruptcy court makes such plan binding upon a debtor and any creditor of or equity interest holder in such debtor, whether or not such creditor or equity interest holder (a) is impaired under or has accepted the plan or (b) receives or retains any value under the plan. Subject to certain limited exceptions, and except as otherwise

provided in the plan or the confirmation order itself, a confirmation order discharges the debtor from any debt or claims that arose prior to the date of confirmation of the plan and substitutes for those debts the obligations specified under the confirmed chapter 11 plan.

B. Why Are the Debtors Sending Me this Disclosure Statement?

The Debtors will seek to obtain Bankruptcy Court approval of the Plan. Before soliciting acceptances of the Plan, section 1125 of the Bankruptcy Code requires the Debtors to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance of the Plan and to share such disclosure statement with all holders of Claims and Interests whose votes on the Plan are being solicited. This Disclosure Statement is being submitted in accordance with these requirements.

C. What Happens to My Recovery If the Plan Is Not Confirmed or Does Not Become Effective?

In the event that the Plan is not confirmed or does not become effective, there is no assurance that the Debtors will be able to reorganize their business. It is possible that any alternative may provide holders of Claims and Interests with less than they would have received pursuant to the Plan. A Liquidation Analysis (defined below) comparing projected recoveries of holders of Claims and Interests under the Plan to estimated recoveries in the event of a hypothetical chapter 7 liquidation is attached hereto as **Exhibit D**.

D. If the Plan Provides that I Get a Distribution, Do I Get It Upon Confirmation or When the Plan Becomes Effective, and What Is Meant By “Confirmation,” “Effective Date,” and “Consummation”?

“Confirmation” of the Plan refers to approval of the Plan by the Bankruptcy Court (“Confirmation”). Confirmation of the Plan does not guarantee that you will receive the distribution indicated under the Plan. After Confirmation of the Plan by the Bankruptcy Court, several conditions need to be satisfied or waived so that the Plan can become effective. Initial distributions to holders of allowed claims will only be made on or after the date the Plan becomes effective (the “Effective Date”), as soon as reasonably practicable thereafter, or such other date as specified in the Plan. The terms “consummation” and “substantial consummation” are sometimes used to indicate the occurrence of the Effective Date. See Section VII.B.9 (Conditions Precedent to Consummation of the Plan) of this Disclosure Statement, for a discussion of the conditions precedent to consummation of the Plan.

E. Is There Potential Litigation Related to the Plan?

Many of the Debtors’ key stakeholders, including the Ad Hoc First Lien Group, the Committees, and the FCR, support the Plan described in this Disclosure Statement in accordance with the terms thereof. Nevertheless, parties in interest have the right to object to the approval of this Disclosure Statement and may object to Confirmation of the Plan as well. Such objections, if any, could potentially give rise to litigation.

F. Will There Be Releases and Exculpation Granted to Parties in Interest as Part of the Plan?

Yes, please see Sections VI.A and B below. The Plan proposes that (a) the Debtors and the other GUC Releasing Parties will, on a consensual basis, release each of the GUC Released Parties and (b) the Non-GUC Releasing Parties will, on a consensual basis, release each of the Non-GUC Released Parties (subject to certain carve-outs with respect to releases provided by the PPOC Trust, the PPOC Sub-Trusts, and the Present Private Opioid Claimants), each to the extent set forth in the Plan, and claimants who grant the applicable releases will receive a higher recovery in exchange for granting such releases. The Debtors' releases, the consensual third-party releases, and the exculpation provisions included in the Plan are an integral part of the Debtors' overall restructuring efforts and were an essential element of the negotiations among the Debtors, the GUC Released Parties, and the Non-GUC Released Parties in obtaining their support for the Plan.

All of the Non-GUC Released Parties, GUC Released Parties, and the Exculpated Parties have made substantial and valuable contributions to the Debtors' restructuring efforts through, among other things, their efforts to negotiate and implement the Plan, which will maximize and preserve the value of the Debtors' business for the benefit of all parties in interest. In addition, certain Non-GUC Released Parties and certain Exculpated Parties may provide exit financing to the Debtors and have committed to participate in the Rights Offerings, the proceeds of which will fund certain of the distributions contemplated by the Plan and to provide the Purchaser Entities with sufficient working capital upon emergence. Accordingly, the Debtors believe each of the GUC Released Parties, Non-GUC Released Parties, and Exculpated Parties warrants the benefit of the release and exculpation provisions, as applicable.

Based on the foregoing, the Debtors believe that the release and exculpation provisions in the Plan are necessary and appropriate. If necessary, the Debtors will present evidence at the hearing on Confirmation of the Plan (the "Confirmation Hearing") to further demonstrate the basis for and propriety of the release and exculpation provisions. The Plan's release, exculpation, and injunction provisions are set forth in Article VI of this Disclosure Statement and in Article X of the Plan.

G. How Do the Releases Work and What is the Impact of Giving the Releases?

If you are a holder of a GUC Trust Channeled Claim, you have the opportunity to vote on the Plan and grant the GUC Releases to release any Claims you may have against the GUC Released Parties. By voting to accept the Plan, you will be deemed to grant GUC Releases. In addition, you will be agreeing to the Covenant Not To Collect, which means that you may not recover, directly or indirectly, from the personal assets of any Excluded D&O Party on account of any Claim against those parties that is not a Released Claim. If you vote to reject the Plan, you will still have the opportunity to opt in to grant the GUC Releases. If you abstain from voting on the Plan and you are a holder of a Claim in Classes 4(A), 4(E), or 4(F), you must affirmatively opt out of granting the GUC Releases, otherwise you will be deemed to have consented to granting the GUC Releases. If you abstain from voting on the Plan and you are a holder of a Claim in Classes 4(B), 4(C), or 4(D), you must affirmatively opt in to grant the GUC Releases, otherwise you will be deemed to have opted out of granting the GUC Releases. If you are entitled to any

recovery from the GUC Trust or any of the Distribution Sub-Trusts, you may be entitled to receive an additional payment in exchange for your granting the GUC Releases.

If you are a holder of a Claim in any other Voting Class, you have the opportunity to vote on the Plan and grant the Non-GUC Releases to release any Claims you may have against the Non-GUC Released Parties. If you vote to reject the Plan, you will still have the opportunity to opt in to grant the Non-GUC Releases. If you abstain from voting on the Plan and you are a holder of a Claim in Classes 3, 6(B), 6(C), 7(C), 7(D), or 8-10, you must affirmatively opt out of granting the Non-GUC Releases, otherwise you will be deemed to have consented to granting the Non-GUC Releases. If you abstain from voting on the Plan and you are a holder of a Claim in Classes 7(A), 7(B), 7(E), 11, or 12, you must affirmatively opt in to grant the Non-GUC Releases, otherwise you will be deemed to have opted out of granting the Non-GUC Releases. If you are entitled to any recovery from the PPOC Trust, any PPOC Sub-Trust, the Other Opioid Claims Trust, or the EFBD Claims Trust, you may be entitled to receive an additional payment in exchange for your granting the Non-GUC Releases. If you are entitled to a recovery from the Opioid School District Recovery Trust, depending on the number of Public School District Creditors that grant, or are deemed to grant, the Non-GUC Releases, the total consideration funded to the Opioid School District Recovery Trust may be increased. If you are entitled to a recovery from the Tribal Opioid Trust, if a sufficient number of Tribes grant the Non-GUC Releases, the total consideration funded to the Tribal Opioid Trust from which you may recover will be increased. If you are entitled to a recovery from the Canadian Provinces Trust, if a sufficient number of Canadian Provinces grant the Non-GUC Releases, the total consideration funded to the Canadian Provinces Trust from which you may recover will be increased.

If you are a holder of a Claim or Interest in a Notice of Non-Voting Status Class (as defined in the Solicitation and Voting Procedures), you will have the opportunity to opt out of granting the Non-GUC Releases. If you do not affirmatively opt out of granting the Non-GUC Releases, you will be deemed to grant the Non-GUC Releases.

H. When Is the Deadline to Vote on the Plan?

The Voting Deadline is February 22, 2024, at 4:00 p.m. (prevailing Eastern Time).

I. How Do I Vote for or Against the Plan?¹⁴

Detailed instructions regarding how to vote on the Plan are contained on the Ballots that will be distributed to holders of Claims that are entitled to vote on the Plan.

If you are a holder of a Claim that relates to the Debtors' opioid, mesh, and/or ranitidine products and represented by an attorney, through your attorney or law firm (the "Firm"), you will have received the Solicitation Directive to choose whether to participate in the Non-Notes Direct Solicitation Method (pursuant to which you would directly receive a Ballot to vote on the Plan and make elections with respect to certain releases contained in Article X of the Plan (a "Release"))

¹⁴ Capitalized terms used in this Subsection I but not otherwise defined shall have the meanings ascribed to such terms in the Solicitation and Voting Procedures attached as Exhibit 1 to the Disclosure Statement Order (defined below) or Art. VIII.C below.

Election’)) or the Non-Notes Master Ballot Solicitation Method (pursuant to which your Firm would submit a Non-Notes Master Ballot with your vote and Release Election, along with the votes and Release Elections of the Firm’s other Eligible Clients) under the Non-Notes Master Ballot Solicitation Procedures. If you, through your Firm, elected to participate in the Non-Notes Master Ballot Solicitation Method, for your vote and Release Election to be counted, your Firm must complete and deliver the Non-Notes Master Ballot with your vote and Release Election in accordance with the Non-Notes Master Ballot Solicitation Procedures so that such Non-Notes Master Ballot is **actually received by February 22, 2024, at 4:00 p.m. (prevailing Eastern Time)** by the Solicitation Agent.

If you are the actual holder of the Claim (and, if applicable, have elected (through your attorney) to participate in the Direct Solicitation Method under the Non-Notes Master Ballot Solicitation Procedures, discussed further in Art. VIII.C herein), for your vote to be counted, your Ballot must be either (a) properly completed by hand, executed, and delivered in accordance with the instructions included in the Ballot by (i) first class mail, (ii) overnight courier, or (iii) hand delivery, so that such Ballot is **actually received by February 22, 2024, at 4:00 p.m. (prevailing Eastern Time)** at the following address: Endo Ballot Processing Center, c/o Kroll Restructuring Administration LLC (“Kroll”), 850 Third Avenue, Suite 412, Brooklyn, NY 11232 (the “Solicitation Agent”) or (b) properly completed electronically no later than **February 22, 2024, at 4:00 p.m. (prevailing Eastern Time)** using the Solicitation Agent’s E-Balloting online portal (the “Online Portal”). If you are a holder of a Notes Claim, for your vote to be counted, your vote must be included on a valid (i) Notes Master Ballot or (ii) a Beneficial Holder Ballot pre-validated by your Nominee so that such Ballot must be **actually received by February 22, 2024, at 4:00 p.m. (prevailing Eastern Time)** by the Solicitation Agent.

It is important that a holder of a Claim in a Voting Class follow the specific instructions provided on such holder’s Ballot and the accompanying instructions. Except in the Debtors’ sole discretion or as provided under the Master Ballot Solicitation Procedures, Ballots may not be transmitted by facsimile, email, or other electronic means, other than via the Solicitation Agent’s Online Portal. Parties submitting a Master Ballot should follow the specific instructions provided in the accompanying instructions for completion and delivery to the Solicitation Agent. For more information regarding voting, please review the Solicitation and Voting Procedures attached as Exhibit 1 to the Disclosure Statement Order, a summary of which is provided in Article VIII of this Disclosure Statement.

As summarized in Subsection T below, the Solicitation and Voting Procedures provide that a vote submitted in respect of the Plan shall automatically also comprise a direction to the chairperson (the “Chairperson”) of the meetings at which Scheme Creditors may vote on the Scheme (the “Scheme Meetings”) to cast a proxy vote on behalf of the voting Scheme Creditors. A Scheme Creditor may also appoint another person as proxy to attend the applicable Scheme Meeting on its behalf. Details of the Scheme and voting on the Scheme are set out in the Scheme Circular.

J. Why Is the Bankruptcy Court Holding a Confirmation Hearing and When Will It Occur?

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court to hold a Confirmation Hearing and recognizes that any party in interest may object to Confirmation of the Plan.

The confirmation of a chapter 11 plan by a bankruptcy court binds a debtor, any issuer of securities under a plan of reorganization, any person acquiring property under a chapter 11 plan, any creditor or equity interest holder of a debtor, and any other person or entity as may be ordered by the bankruptcy court in accordance with the applicable provisions of the Bankruptcy Code. Subject to certain limited exceptions, the order issued by the bankruptcy court confirming a chapter 11 plan discharges a debtor from any debt or claims that arose before the confirmation of such chapter 11 plan and provides for the treatment of such debt in accordance with the terms of the confirmed chapter 11 plan.

The Confirmation Hearing is scheduled for March 19, 2024, at 10:00 a.m. (prevailing Eastern Time).

To provide additional notice to parties in interest in these Chapter 11 Cases, the Debtors will post to a website maintained by the Solicitation Agent various chapter 11 documents, including the Plan and this Disclosure Statement. The website address is: <https://restructuring.ra.kroll.com/endo>. Further, the Debtors intend to request Bankruptcy Court approval to publish a notice in (a) *The New York Times* (National Edition and International Edition), (b) *Wall Street Journal*, (c) *The Times*, (d) *The Financial Times* (UK Edition and International Edition), (e) *The Irish Times*, (f) *The Irish Independent*, and (g) *The Globe and Mail* (National Canadian Edition). Please note that the Confirmation Hearing may be held in-person, telephonically, or by Zoom (or a combination thereof) if so ordered by the Bankruptcy Court.

K. How will Executory Contracts and Unexpired Leases be Treated under the Plan?

The Bankruptcy Code authorizes a debtor, subject to the approval of the Bankruptcy Court, to assume, assume and assign, or reject executory contracts and unexpired leases. The Debtors will file as part of the Plan Supplement a schedule listing the Executory Contracts and/or Unexpired Leases the Debtors intend to reject under Article VII of the Plan (the “Rejection Schedule”), and any Executory Contracts and Unexpired Leases that are not listed on such Rejection Schedule will be deemed assumed or assumed and assigned, as applicable, under the Plan and in accordance with the PSA. Executory Contract and Unexpired Lease counterparties are advised to review Article VII of the Plan, which discusses, among other things, the assumption, assumption and assignment, and rejection of Executory Contracts and Unexpired Leases, claims based on the rejection of Executory Contracts or Unexpired Leases, and the determination of assumption disputes.

L. What Is the Effect of the Plan on the Debtors’ Business?

Following Confirmation, the Plan will be consummated on the Effective Date, which will be a date selected by the Debtors that is the first Business Day after which all conditions precedent to the Effective Date have been satisfied or waived in accordance with the Plan. On or after the

Effective Date, unless otherwise provided in the Plan, the Post-Emergence Entities may operate their business and may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules. Additionally, upon the Confirmation Date, all actions contemplated by the Plan will be deemed authorized and approved.

M. Who Will Serve as the Directors or Officers of the Purchaser Entities?

The composition of the board of directors or managers of each Purchaser Entity will be disclosed in the Plan Supplement prior to the Confirmation Hearing in accordance with section 1129(a)(5) of the Bankruptcy Code.

Commencing on the Effective Date, each of the directors, managers, and officers of the Purchaser Parent shall be appointed or elected and serve pursuant to the terms of the Corporate Governance Documents, and the provisions of the Plan and the Bankruptcy Code, and such directors, managers, and officers may be replaced or removed in accordance with the Corporate Governance Documents.

N. How is the Restructuring Transaction Being Implemented?

Under the Plan, the Debtors are seeking approval of the Plan Transaction, among other things. The Plan Transaction shall be effected through at least two mechanisms: (i) the Assets of the Debtors that become Remaining Debtors shall be sold and transferred directly to the applicable newly-formed Purchaser Entities; and (ii) the Interests in the Transferred Debtors and certain Non-Debtor Affiliates shall be sold, issued, and/or transferred, directly or indirectly, to and subsequently held by the applicable newly-formed Purchaser Entities such that the Transferred Debtors and the applicable Non-Debtor Affiliates shall, as of and following the Effective Date, be owned, directly or indirectly, by Purchaser Parent, in each case, free and clear of all Liens, Claims, charges, or other encumbrances (other than to the extent provided in the PSA) to the fullest extent possible under the Bankruptcy Code. As of the Confirmation Date, the Debtors shall be authorized and empowered to execute, deliver, implement, and fully perform any and all obligations, instruments, documents, and papers and to take any actions reasonably necessary or appropriate to consummate the Restructuring Transactions, the Plan, the Plan Transaction, the PSA, and any other transactions contemplated by the foregoing, including but not limited to any transaction steps authorized pursuant to prior orders of the Bankruptcy Court in furtherance of the Debtors' restructuring for purposes of (a) streamlining their corporate structure; (b) obtaining tax and other efficiencies; (c) obtaining Regulatory Approvals; and (d) implementing the Plan and the PSA in non-U.S. jurisdictions.

O. Does the Plan Affect the Resolution with the States and Tribes?

No; as provided under Sections 4.11, 5.20(e), 6.16, and 6.17 of the Plan, the Plan provides for the implementation of the Voluntary Public/Tribe Opioid Trust Resolution (as defined below) through the establishment of trusts that will receive the Public Opioid Consideration and the Tribal Opioid Consideration, respectively, and make distributions to holders of Allowed State Opioid Claims and Allowed Tribal Opioid Claims. Under Section 4.12 of the Plan, Local Governments are still able to participate in their respective State opioid abatement programs as provided by and

in accordance with their respective State law and agreements, regardless of whether the Local Governments filed a Local Government Opioid Claim in these Chapter 11 Cases and/or vote to accept or reject the Plan.

P. What is the Purchaser Equity? Where can I find more information about the terms and conditions of the Purchaser Equity?

On the Effective Date, Purchaser Parent is authorized to issue or cause to be issued and shall, as provided for in the Plan, issue the Purchaser Equity in accordance with the terms of the Plan. All of the shares, units or equity interests of the Purchaser Equity issued pursuant to the Plan shall be duly authorized, validly issued, fully paid, and non-assessable and not to have been issued in violation of any preemptive rights, rights of first refusal or similar rights or any applicable law. Each issuance and distribution of Purchaser Equity shall be governed by the terms and conditions set forth in the Plan and by the terms and conditions of the instruments evidencing or relating to such issuance or distribution, which terms and conditions shall bind each entity receiving such issuance or distribution without the need for execution by any party thereto. Any entity's acceptance of Purchaser Equity shall be deemed as its agreement to the Corporate Governance Documents, as the same may be amended or modified from time to time following the Effective Date in accordance with their respective terms. The Purchaser Equity will not be registered under the Securities Act. Moreover, although the current intention is for the Purchaser Equity to be listed on a national securities exchange, the Purchaser Equity may not be publicly listed as of the Effective Date.

Q. Who Do I Contact If I Have Additional Questions With Respect to This Disclosure Statement or the Plan?

If you have any questions regarding this Disclosure Statement or the Plan, please contact Kroll, the Debtors' Solicitation Agent:

By regular mail, hand delivery, or overnight mail at:

Endo Ballot Processing Center
c/o Kroll Restructuring Administration LLC
850 Third Avenue, Suite 412
Brooklyn, NY 11232

By electronic mail at:

endoinfo@ra.kroll.com

By telephone at:

(877) 542-1878 (U.S./Canada, toll-free)
+1 (929) 284-1688 (International, toll)

Copies of the Plan, this Disclosure Statement, and any other publicly filed documents in the Chapter 11 Cases are available upon written request to the Solicitation Agent at the address above or by downloading the exhibits and documents from the website of the Debtors' Solicitation Agent

at <https://restructuring.ra.kroll.com/endo> (free of charge) or the Bankruptcy Court's website at <http://www.nysb.uscourts.gov> (for a fee).

R. Do the Debtors Recommend Voting in Favor of the Plan?

Yes. The Plan contemplates recoveries for various creditors. The Plan is the product of extensive arms'-length negotiations conducted through a months'-long mediation process among key stakeholders, including the Debtors, the Ad Hoc First Lien Group, the Multi-State Endo Executive Committee, the Committees, and the FCR. The Debtors believe that the Plan represents the best option available to the Debtors and all of their stakeholders, and will avoid value-destructive litigation that would reduce recoveries for all parties. For this reason, the Debtors, the Ad Hoc First Lien Group, the Committees, and the FCR believe the Plan is in the best interests of all holders of Claims and Interests.

S. What is the Scheme, and Why Are the Debtors Proposing the Scheme in Addition to the Plan?

A scheme of arrangement is a statutory process available under Part 9 of the Irish Companies Act 2014, which allows a company to implement a compromise with a class or classes of its creditors. Endo Parent and a substantial number of other Debtor entities are incorporated, hold assets, and were subject to litigation in Ireland prior to the commencement of the Chapter 11 Cases. To protect the Company's Irish entities and assets from the risk of value-destructive litigation and enforcement efforts not enjoined by the Plan, Endo Parent is proposing the Scheme in parallel with the Plan to implement certain terms of the Plan as a matter of Irish Law. As described in the Scheme Circular and below in Section VI.D (The Scheme), if the Scheme is approved by the relevant majority of Scheme Creditors and sanctioned by the High Court of Ireland (the "Irish High Court"), all Claims against Endo Parent, the other Debtors, and related entities will be completely released and discharged as a matter of Irish Law. The successful sanction and implementation of the Scheme will both protect the value of the Post-Emergence Entities and the ongoing business and reduce administrative costs by facilitating the orderly wind down of certain Irish Debtors (defined below) in connection with the Plan. For these reasons, the Debtors, the Ad Hoc First Lien Group, the Committees, and the FCR believe the Scheme is in the best interests of all holders of Claims and Interests.

Further details about the Scheme are set out in the Scheme Circular.

T. Do I Need to Vote or Do Anything Additional in Relation to the Scheme?

You only need to vote once, in accordance with the Solicitation and Voting Procedures attached as Exhibit 1 to the Disclosure Statement Order. As described in the Scheme Circular and below in Section VIII.D (Voting on the Scheme), Scheme Creditors may vote on both the Plan and the Scheme by duly completing and submitting the applicable Ballot (or having a Master Ballot submitted on their behalf) prior to the Voting Deadline in accordance with the Solicitation and Voting Procedures. The Solicitation and Voting Procedures provide that a vote submitted in respect of the Plan shall automatically also comprise a direction to the Chairperson of the relevant Scheme Meeting to cast a proxy vote on behalf of such creditor in respect of the Scheme. Consequently, Scheme Creditors do not need to attend the Scheme Meetings in order to be able to

vote in respect of the Scheme. Scheme Creditors may appoint a proxy (which may be the Chairperson of the Scheme Meetings or another person chosen by the Scheme Creditor, as described further in the Scheme Circular) to attend the applicable Scheme Meeting and vote on their behalf. If a Scheme Creditor (a) wishes to submit a proxy vote in relation to the Scheme that is different from its vote on the Plan; (b) is not entitled to vote on the Plan; (c) has voted on the Plan but does not wish to vote on the Scheme; (d) wishes to appoint a proxy other than the Chairperson for purposes of the relevant Scheme Meeting; (e) wishes to attend the relevant Scheme Meeting to vote in person; or (f) did not hold a General Unsecured Scheme Creditor's (as defined in the Scheme Circular) Claim as of the Voting Record Date under the Plan but is a transferee or assignee of such Claim as of the Scheme Voting Record Date and wishes to vote on the Scheme, the Scheme Creditor can obtain a scheme voting form by emailing the Solicitation Agent at endoinfo@ra.kroll.com (with "Endo Solicitation" in the subject line).

Further details about the Scheme, including the voting process, are set out in the Scheme Circular.

U. Why is the Bar Date Being Extended for Exclusively Foreign Claims?

The previously expired Bar Date is being extended solely for Exclusively Foreign Claims in connection with the Scheme that the Debtors are proposing in Ireland in order to implement certain terms of the Plan. "Exclusively Foreign Claims" are Claims against a Foreign Debtor (as defined in the Plan), which Claims are (a) governed by the law of a jurisdiction other than the United States (including any States or Territories) or Canada (including any of its provinces or territories); and (b) held by a Foreign Claimant. For the avoidance of doubt, any Claim against a Debtor that is not a Foreign Debtor shall not be an Exclusively Foreign Claim. "Foreign Claimants" are claimants that are (i) individuals that are not domiciled in the United States or Canada; or (ii) corporate Entities that are incorporated pursuant to the law of a jurisdiction other than the United States (including any States or Territories) or Canada (including any of its provinces or territories).

The Bar Date for Exclusively Foreign Claims (the "Extended Foreign Bar Date") will be the date that is **14 days following the Confirmation Date**.

Foreign Claimants that timely file Exclusively Foreign Claims after the General Bar Date but by the Extended Foreign Bar Date will be channeled to the EFBD Claims Trust and entitled to receive, to the extent Allowed, their recovery, if any, from the EFBD Claims Trust Consideration (up to \$200,000 in Cash); *provided, that*, no holder of an EFBD Claim shall receive a Distribution in an amount greater than any Distribution made to holders of comparable Allowed Trust Channeled Claims. Procedures for determining the amounts of Distributions to be made to holders of Allowed EFBD Claims shall be set forth in the EFBD Claims Trust Distribution Procedures, which may be contained in or included as part of the EFBD Claims Trust Agreement. As described in Subsection G above, holders of EFBD Claims may be entitled to additional payments if they grant the Non-GUC Releases.

As discussed in Section V.A.3 below, the Debtors ran a thorough and extensive noticing program to notify all potential claimants and creditors of the Bar Date pursuant to the Supplemental Notice Plan (defined below). The Bankruptcy Court made findings with regard to the

Supplemental Notice Plan (*see* Docket No. 1765). Indeed, hundreds of thousands claimants timely filed Claims. However, and notwithstanding the fact that the Debtors are not required to extend the Bar Date for Foreign Claimants (*i.e.*, those outside the United States and Canada), in furtherance of the effectiveness of the Scheme, the Debtors have created Class 12 to provide some potential recovery for certain late filing Foreign Claimants who do not meet the Bankruptcy Code’s standard for “excusable neglect” in filing a Claim after the Bar Date. To be clear, the potential recoveries available to such claimants will be no greater than those available to claimants who timely filed their Proofs of Claim and could well be less, depending on the number of EFBD Claims filed. Further, and for the avoidance of doubt, any claimant has the right to seek Bankruptcy Court approval to file a “late claim” pursuant to the Bankruptcy Code and, to the extent that the Bankruptcy Code approves such late filing as “timely filed” because it meets the requirements under the Bankruptcy Code for “excusable neglect”, such Claim will be treated as “timely filed” (*i.e.*, not in Class 12 but in its applicable Class).

V. I am a Third-Party Payor But Have Not Yet Determined Whether I Have a TPP Claim Against the Debtors, How Can I Give a Release When I Don’t Yet Know If I Have a TPP Claim?

As explained in the applicable Ballot, if a holder of a potential Class 7(D) TPP Claim elects to grant the Non-GUC Releases on a validly completed and timely submitted Ballot, or is deemed to have granted such releases in accordance with the Solicitation and Voting Procedures, such granting of the Non-GUC Releases will be conditional until such holder determines whether it holds a TPP Claim against the Debtors. If such holder ultimately determines that it **does not** hold a TPP Claim and such holder conditionally granted the Non-GUC Releases on a Ballot, such holder will **not** be deemed to have granted the Non-GUC Releases with respect to such TPP Claim. If such holder ultimately determines that it **does** hold a TPP Claim, and such holder made the election to conditionally grant, or is deemed to conditionally grant, the Non-GUC Releases, such holder will be deemed a Non-GUC Releasing Party, and the Non-GUC Releases granted, or deemed to be granted, by such holder will be deemed effective as of the Effective Date to the extent such holder elects on the TPP Claim submitted to the TPP Trust to receive an additional payment as described in Section 4.17(d) of the Plan.

IV. EVENTS LEADING TO THE CHAPTER 11 FILINGS¹⁵

A confluence of factors put downward pressure on the Company’s financial performance and necessitated a comprehensive solution that could only have been achieved through a chapter 11 process. Principal among these factors were (a) an adverse litigation outcome relating to Vasostrict—one of the Company’s leading revenue generators over the last several years—that

¹⁵ In the opinion of the Debtors, the Plan is preferable to all other available alternatives and provides for a larger distribution to the Debtors’ stakeholders than would otherwise result in any other scenario. Accordingly, the Debtors recommend that holders of Claims entitled to vote on the Plan vote to accept the Plan and support Confirmation of the Plan. The Committees also encourage each creditor to vote to accept the Plan. The Committees’ respective position regarding the items in this Article IV are more specifically set forth in the UCC Letter to unsecured creditors and OCC Letter to opioid claimants, which are included in the solicitation materials. The Committees encourage each creditor to review the appropriate letter and communicate directly with the appropriate Committee regarding any questions they have about the applicable letter, the Plan, or this Disclosure Statement.

resulted in the early termination of federal patent protection for that product and the subsequent loss of substantial revenue; (b) a slower than expected growth for Xiaflex due to, among other factors, the COVID-19 pandemic; and (c) the litigation overhang on the Company from the thousands of lawsuits related to its manufacture, marketing, and sale of prescription opioids.¹⁶

A. Declining Business Performance and Significant Litigation Costs Leads to Overleveraged Capital Structure

1. Declining Financial Performance

The Company's financial performance deteriorated in the months preceding these Chapter 11 Cases. In connection with the Company's public filings for the second quarter of 2022, it reported an approximately 20% year-over-year decline in revenue and 53% decline in adjusted EBITDA. This decline was largely due to the precipitous drop in sales of Vasostrict, which accounted for approximately 30% of the Company's 2021 revenue.

The drop in Vasostrict sales was primarily attributable to increased generic competition as a result of the Company losing a lawsuit in the U.S. District Court (the "District Court") for the District of Delaware (the "District of Delaware"). Beginning in April 2018, Par Sterile Products, LLC ("PSP LLC") and Par Pharma received notice letters from Eagle Pharmaceuticals, Inc. ("Eagle"), among others, advising of the filing of ANDAs and NDAs for generic versions of Vasostrict. In May 2018, PSP LLC, Par Pharma, and Endo Par Innovation Company, LLC filed lawsuits against Eagle and others in the District of Delaware. A trial was held in July 2021, and in August 2021, the District Court held that Eagle's proposed generic product would not infringe Par Pharma's patent claims. The Company appealed this ruling. In August 2022, the Federal Circuit affirmed the District Court's decision.

During the first quarter of 2022, multiple competitive generic alternatives to Vasostrict were launched, beginning with Eagle's generic that was launched at risk and began shipping toward the end of January 2022.¹⁷ Since then, additional competitive alternatives entered the market, including an authorized generic. As of the Petition Date, there were five participants competing in the market (including the Company). These third-party launches began to significantly impact both the Company's market share and product price toward the middle of the first quarter of 2022. The Company expects competition to continue to increase.

Further, beginning late in the first quarter of 2022, COVID-19-related hospital utilization levels began to decline, resulting in significantly decreased market volumes for both branded and competing generic alternatives to Vasostrict.

¹⁶ In the event that the Committees Resolutions and the FCR Resolution are not approved by the Bankruptcy Court, the Committees and the FCR reserve all rights with respect to the Debtors' description of the events leading up to the bankruptcy filing.

¹⁷ An "at risk" launch is when a company introduces a generic drug product before conclusion (including appeals) of any patent infringement litigation.

Consequently, the Company's revenue from Vasostrict declined significantly. In 2022, Vasostrict revenue declined approximately 72% (or \$648 million) year-over-year. On a long-term basis, the Company expects Vasostrict sales to continue to fall.

Additionally, certain of the Company's physician-administered products, including Xiaflex (the Company's flagship product in its Branded Pharmaceuticals' portfolio), also experienced lower-than-expected sales volumes due to, among other things, the lower number of in-person patient office visits resulting from the COVID-19 pandemic, as well as medical and administrative staff shortages in physicians' offices. These trends also dampened the future growth expectation for Xiaflex.

Due largely to the foregoing issues and the litigation overhang discussed below, the Debtors' existing capital structure became unsustainable. As of June 30, 2022, the Company had approximately \$8.15 billion of funded debt outstanding, approximately 700% of its prior twelve months of adjusted EBITDA (approximately \$1.22 billion) and greater than 1,000% of its anticipated 2022 EBITDA (approximately \$775 million). Such figures exclude contingent liabilities that could potentially significantly increase such leverage figures. The Company's anticipated decline in profitability was expected to further exacerbate the leverage issues facing the Company.

Additionally, the cost to service the Company's existing debt balance constrained its ability to reinvest in its business. The Company spent over \$550 million per year on cash interest expense, and an additional \$20 million on mandatory debt amortization (excluding maturities). The cost of servicing such debt limited the Company's free-cash flow available for operations and capital expenditures. In addition to the Company's already prohibitive debt service costs, approximately 28% of its debt was tied to floating interest rates. In an increasing interest rate environment, these floating interest rates further added to the Company's already elevated cash interest expense.

The Company operates in a highly competitive pharmaceutical space in which its competitors are constantly pursuing internal R&D, external acquisitions, and business development opportunities. Over the past few years, the Company's elevated leverage constrained its ability to invest in its pipeline and pursue value-enhancing development opportunities. As this is the lifeblood of any pharmaceutical company, the Company needed to reduce its debt service burden and leverage in order to effectively compete for future opportunities. Thus, to emerge as a healthy enterprise that is able to compete, the Company needed to address the issues related to its overleveraged capital structure in a focused and constructive manner without disruption to its operations.

2. Unsustainable Litigation

(a) Opioid Lawsuits

Certain of the Debtors are named as defendants in over 3,500 lawsuits seeking to hold such Debtors liable for their marketing and sale of certain FDA-approved opioid products (the "Opioid

Lawsuits”), including, without limitation, Opana® and Opana® ER (together, the “Opana Medications”), which were approved by the FDA in 2006.

As described in the *Declaration of Mark Bradley in Support of Chapter 11 Petitions and First Day Papers* [Docket No. 38] (the “First Day Declaration”), in 2016, the Company ceased promoting the Opana Medications and all other opioid products to healthcare providers in the U.S., eliminated its entire U.S. pain salesforce, and discontinued all R&D of new opioid products. In 2017, at the request of the FDA, the Company voluntarily removed Opana® ER from the market, despite the FDA and the DEA having never taken any enforcement steps against the Company in connection with the Opana Medications. Since June 2019, the Debtors have not sold any Opana Medications. However, as described further below, certain of the Debtors continue to manufacture and sell generic opioid medication.

The majority of the Opioid Lawsuits were filed on behalf of governmental entities, including states, counties, municipalities, and other political subdivisions; plaintiffs also include private hospitals, individuals seeking damages for alleged personal injuries, and third-party payors seeking damages for alleged economic injuries (collectively, the “Opioid Plaintiffs”). The overwhelming majority of the Opioid Lawsuits have been filed in the U.S.; certain Opioid Lawsuits have been filed in Canada as proposed class actions. The Opioid Lawsuits are primarily directed at the Company’s historical manufacture, marketing, and sale of the Opana Medications, but some complaints include allegations about other products and/or opioid medications generally. The Opioid Plaintiffs assert a variety of claims in addition to those described above, including, without limitation, statutory and/or common law claims for public nuisance, alleged violations of consumer protection or unfair trade practices laws, racketeering, and common law fraud and negligence, among other claims (collectively, the “Opioid Claims”). The Opioid Claims are generally based on allegations that the defendant Debtors, among others, (a) made misrepresentations and/or omissions in connection with their sale and marketing of prescription opioid medications, and (b) failed to take adequate steps to identify and report suspicious orders and to prevent abuse and diversion.

The Opioid Plaintiffs allege that the defendant Debtors’ misleading marketing led health care providers to prescribe opioids inappropriately, which in turn led to addiction, misuse, and abuse of the Debtors’ opioid products. The Opioid Plaintiffs seek various remedies, including: (a) declaratory and/or injunctive relief; (b) compensatory, punitive and/or treble damages; and (c) restitution, disgorgement, civil penalties, abatement, and attorneys’ fees and costs. Many Opioid Plaintiffs, particularly the government entities, seek very substantial recovery for costs they allegedly incurred or expect to incur in the future to address the consequences of opioid-related addiction, including the provision of various public services that they allege are related to opioid addiction, or otherwise abate the opioid crisis.

The Company disputes all of the allegations made by the Opioid Plaintiffs. In the eight years since the first opioid lawsuit was filed against the Company, no verdicts have been rendered against any Debtor on the merits, there have been around a dozen settlements, and the one case against the Company that did reach judgment on the merits (which included among the plaintiffs the most populous county in the United States) was rendered in the Company’s favor on all counts, including on claims of public nuisance, false advertising, and unfair competition. *See People v. Purdue Pharma L.P.*, Case No. 30-2014-00725287-CU-BT-CXC, 2021 WL 7186146 (Cal. Super.

Dec. 14, 2021). The remaining Opioid Lawsuits against the Company were at various stages of development as of the Petition Date, and the very few that had advanced close to the trial stage settled for vastly less than the amount of alleged damages or other monetary relief sought.

Since 2019, the Company and/or its subsidiaries have executed 12 settlement agreements to resolve Opioid Claims brought by Opioid Plaintiffs. Notably, since late 2021, the Company and/or certain of its subsidiaries have executed numerous significant opioid-related settlement agreements with governmental Opioid Plaintiffs, including with the offices of the New York Attorney General, Alabama Attorney General, Texas Attorney General, Florida Attorney General, Louisiana Attorney General, West Virginia Attorney General, Arkansas Attorney General, Mississippi Attorney General, and the San Francisco City Attorney. As of the Petition Date, the Company had paid approximately \$242 million pursuant to various opioid-related settlements.

While the foregoing settlements made some inroads in reducing the number of pending Opioid Lawsuits, prior to the Petition Date, the Debtors still faced more than 3,100 Opioid Lawsuits and the potential for significant further lawsuits from a variety of claimants. Given the immense number of lawsuits, the complexity of the issues involved, the varying stages of development of the cases, and the cost to defend each one to judgment, the Debtors determined that they needed to utilize the tools afforded by the Bankruptcy Code to bring some level of resolution to these matters. As of the Petition Date, the Company estimates it has incurred expenses of approximately \$344 million in defending the Opioid Lawsuits. In addition to this financial drain, defending against the Opioid Lawsuits required the Debtors' management team and key employees to devote substantial time and focus to, among other things, defense strategies, settlement proposals, diligence, discovery, and depositions. In short, the continued litigation of the Opioid Lawsuits was simply unsustainable.

(b) Other Material Litigation

The Debtors' prepetition litigation exposure also extended to matters unrelated to the Opioid Lawsuits. Most of these lawsuits stem from claims falling within four major categories: (a) generics pricing; (b) transvaginal mesh products; (c) other antitrust; and (d) ranitidine products.

Generics Pricing. Private plaintiffs (specifically, direct purchasers, end-payers, and indirect purchaser resellers), state attorneys general and other governmental entities have filed complaints against certain Debtors, as well as other pharmaceutical manufacturers, alleging price-fixing and other anticompetitive conduct with respect to a variety of generic pharmaceutical products. The various complaints generally assert claims under (1) federal and/or state antitrust law, (2) state consumer protection statutes, and/or (3) state common law, and seek damages, treble damages, civil penalties, disgorgement, declaratory and injunctive relief, and costs and attorneys' fees. These lawsuits, which include putative class actions as well as non-class action lawsuits, have been filed in various federal and state courts in the U.S.; there is also a proposed class action in Canada. Most of the U.S. cases (*i.e.*, those filed in or removed to U.S. federal courts) are currently pending in a multidistrict litigation ("MDL") in the U.S. District Court for the Eastern District of Pennsylvania. Some claims are based on alleged product-specific price-fixing conspiracies and other claims allege broader, multiple-product price-fixing conspiracies. Under these overarching theories, plaintiffs generally seek to hold all alleged participants in a particular

alleged conspiracy jointly and severally liable for all harms caused by the alleged conspiracy, not just harms related specifically to a particular defendant's products.

Mesh Claims. The Company and certain of its subsidiaries, including American Medical Systems Holdings, Inc. (which subsequently converted to Astora Women's Health Holding LLC and merged into Astora Women's Health LLC), have been named as defendants in multiple lawsuits in various state and federal courts in the U.S., and in Canada, Australia, and other countries. These lawsuits generally allege personal injury resulting from the use of transvaginal surgical mesh products designed to treat pelvic organ prolapse or stress urinary incontinence. The plaintiffs generally allege that the products caused personal injury, including chronic pain, incontinence, inability to control bowel function, and permanent deformities.

As of June 30, 2022, various settlement agreements resolved approximately 71,000 filed and unfiled U.S. mesh claims. As of June 30, 2022, the Company had made approximately \$3.6 billion of payments related to its mesh liabilities, \$67.5 million of which remained in qualified settlement funds related to these liabilities.

Other Antitrust Claims. In addition to the generics pricing cases described above, the Company faces various other antitrust and related claims under Sections 1 and 2 of the Sherman Act, Section 5 of the Federal Trade Commission Act, state antitrust and consumer protection statutes, and/or state common law. These cases generally seek monetary relief (*e.g.*, damages, treble damages, disgorgement of profits, restitution, attorneys' fees and costs), equitable relief, and/or injunctive relief. A brief description of each follows:

- Opana® ER: Direct and indirect purchasers of Opana® ER, individual retailers, and health care benefit plans filed complaints against Endo Health Solutions Inc. ("EHSI"), Endo Pharmaceuticals Inc. ("EPI"), Impax Laboratories, LLC ("Impax") and Penwest Pharmaceuticals Co. (which EPI had acquired) alleging violations of antitrust law arising from an agreement reached by EPI and Impax to settle certain patent infringement litigation and EPI's introduction of reformulated Opana® ER, a pain relief medication. The cases were consolidated into an MDL in the U.S. District Court for the Northern District of Illinois. Both classes of plaintiffs were certified in June 2021. In July 2022, a jury returned a verdict in favor of EHSI and EPI. Recently, the plaintiffs filed a motion for judgment as a matter of law or a new trial.
- AndroGel®: Beginning in 2009, the FTC and multiple private plaintiffs sued the entity now known as Endo Generics Holdings, Inc. (f/k/a Par Pharmaceutical Companies, Inc.) and Par Pharma, among others, alleging violations of antitrust law arising from the settlement of certain patent litigation concerning the generic version of AndroGel, a testosterone medication. While the majority of these cases were consolidated into an MDL and voluntarily dismissed or settled, there remains one lawsuit pending in the U.S. District Court for the Eastern District of Pennsylvania that was filed in August 2019 by several alleged direct purchasers.

- Exforge®: Proposed classes of direct and indirect purchasers and certain retailers have filed complaints in the U.S. District Court for the Southern District of New York against Par Pharma, EPI, and Endo Parent, among others, alleging violations of antitrust law arising out of the settlement of certain patent litigation concerning the generic version of Exforge, a hypertension medication. The claims against EPI and Endo Parent have been dismissed. In 2022, the putative class plaintiffs filed motions for class certification and the defendants filed motions for summary judgment. In January 2023, certain direct purchaser plaintiffs dismissed their claims against Par Pharma with prejudice and, in February 2023, certain indirect purchaser plaintiffs agreed to do the same.
- Seroquel XR®: Proposed classes of direct and indirect purchasers and certain retailers have filed putative class action complaints in the U.S. District Court for the Southern District of New York against Par Pharma, among others, alleging violations of antitrust law arising out of the settlement of certain patent litigation concerning generic versions of Seroquel XR, an antipsychotic medication. In August 2020, the cases were transferred to the U.S. District Court for the District of Delaware. In January 2021, the defendants, including Par Pharma, filed motions to dismiss. In July 2022, the court dismissed certain claims asserted under state law but otherwise denied the defendants' motions to dismiss.
- Xyrem®: A proposed class of indirect purchasers and others have filed individual and putative class actions against Par Pharma, among others, in connection with the settlement of certain patent litigations concerning generic versions of Xyrem, a narcolepsy drug. Those cases filed in federal court are currently coordinated in an MDL pending in the U.S. District Court for the Northern District of California; these cases are currently in discovery. In May 2022, Aetna filed a complaint against Par Pharma in California state court alleging similar claims. In July 2022, Par Pharma filed a motion to quash the Aetna action for lack of personal jurisdiction, and in December 2022, the California state court granted the motion to quash and, in January 2023, Aetna filed an amended complaint that did not name Par Pharma as a defendant.
- Amitiza®: A proposed class of direct purchasers have filed putative class action complaints in the U.S. District Court for the District of Massachusetts against Par Pharma alleging violations of antitrust law arising out of the settlement of certain patent litigation concerning generic versions of Amitiza, a constipation and irritable bowel syndrome treatment. In December 2021, Par Pharma filed a motion to dismiss. In August 2022, plaintiffs voluntarily dismissed all claims against Par Pharma without prejudice.
- Colcrys®: A proposed class of purchasers has filed a putative class action complaint in the U.S. District Court for the Eastern District of Pennsylvania

alleging violations of federal antitrust law in connection with the settlement of certain patent litigation related to generic versions of Colcrys, an anti-inflammatory drug. In February 2022, the defendants filed a motion to dismiss the amended complaint, which the court granted in part and denied in part in March 2022. In September 2022, the plaintiff voluntarily dismissed all claims against Par Pharma with prejudice in exchange for Par Pharma's agreement to provide certain limited discovery as a non-party. In March 2023, the court denied the plaintiff's motion for class certification, and in April 2023, the court authorized the filing of an amended complaint adding certain additional plaintiffs, which amended complaint named Par Pharma again as a defendant. In September 2023, the active parties represented to the court that the matter was settled, and the court dismissed the action with prejudice and closed the case.

- Impax: The FTC has filed a lawsuit in the U.S. District Court for the District of Columbia alleging that the 2017 settlement of a contract dispute between EPI and Impax (now called Amneal) constituted unfair competition in violation of Section 5(a) of the FTC Act. In March 2022, the court granted the defendants' motion to dismiss; in May 2022, the FTC appealed to the U.S. Court of Appeals for the District of Columbia (the "Court of Appeals"). Following the conclusion of the briefing on appeal, oral arguments took place in May 2023. On August 25, 2023, the Court of Appeals affirmed the dismissal.

Ranitidine Claims. Along with numerous other manufacturers and distributors of branded and generic ranitidine products, Debtor Par Pharma was named in an MDL pending in the U.S. District Court for the Southern District of Florida. The lawsuits generally allege that under certain conditions the active ingredient in ranitidine medications can break down to form an alleged carcinogen. The complaints assert a variety of claims, including but not limited to various product liability, breach of warranty, fraud, negligence, statutory and unjust enrichment claims. These plaintiffs generally seek various remedies including, without limitation, compensatory, punitive, and/or treble damages; restitution, disgorgement, civil penalties, and abatement; attorneys' fees and costs; and injunctive and/or other relief. The MDL court has dismissed all claims against Par Pharma and other generics manufacturers, excluded all of the plaintiffs' expert witnesses on the general causation issue of whether ranitidine can cause certain types of cancer, and begun to enter final judgment in all cases involving those cancers as the alleged injury. Because of the bankruptcy stay applicable to Debtor Par Pharma, however, the MDL court ordered Par Pharma severed from each of the lawsuits in which it is entering final judgment. Appeals also remain pending in the U.S. Court of Appeals for the Eleventh Circuit. Par Pharma also was named in similar complaints filed in certain state courts, including California, Pennsylvania, and Illinois, but was dismissed from most of those actions after the Petition Date.

Defending these and other pending lawsuits has resulted in significant professional fees and costs. Indeed, in 2021, in the aggregate, the Company spent approximately \$21 million per month on litigation-related fees and expenses (including those related to the Opioid Lawsuits)—notably, on an annual basis, this was approximately 2x capital invested in R&D in 2021. These lawsuits, in addition to the Opioid Lawsuits, created even more uncertainty over the Company's

ability to resolve its litigation exposure, either consensually or by litigating each lawsuit through judgment and all levels of appeals.

B. Prepetition Restructuring Efforts

In January 2018, the Company retained Skadden, Arps, Slate, Meagher & Flom LLP (“Skadden”) as its legal advisor in connection with exploring potential strategic alternatives to address the burdens imposed on the Company by the Opioid Lawsuits. Thereafter, the Company also engaged other restructuring advisors, retaining PJT Partners (“PJT”) in February 2018 and Alvarez & Marsal (“A&M”) in May 2021 as its financial advisors.

Over the last few years, the Company’s restructuring efforts evolved. Until the beginning of 2022, the Company was principally focused on attempting to negotiate an out-of-court settlement with certain governmental Opioid Plaintiffs, as the thousands of Opioid Lawsuits represented enterprise-threatening litigation. The Company believed a broad-based resolution with these plaintiffs was necessary to provide clarity to stakeholders by removing the uncertainty around this litigation, including the associated risk of one or more large adverse judgments.

As the Company’s financial condition continued to deteriorate and little headway was being made towards a consensual comprehensive resolution with the governmental Opioid Plaintiffs, the Company more actively started exploring strategic alternatives to address its capital structure and other contingent liabilities. In connection with these efforts, in September 2021, the Company began discussions with advisors to an ad hoc group consisting of holders of Prepetition First Lien Indebtedness, Second Lien Notes and Unsecured Notes (the “Ad Hoc Cross-Holder Group”). The Company also authorized PJT to launch a formal sale process around this time. After preparing robust marketing materials, PJT contacted approximately 76 parties, including 36 strategic and 40 financial buyers regarding potential interest in an acquisition of the Company. The Company informed potentially interested parties that they were receptive to bids to acquire the business, as a whole or by business segment. Of the potential bidders contacted, 23 executed non-disclosure agreements and 8 ultimately submitted indications of interest. Five bidders received management presentations and were granted access to a virtual data room. The Company determined to pause this sale process in January 2022 to expand its exploration of strategic alternatives with the Ad Hoc Cross-Holder Group, the Plaintiffs’ Executive Committee (“PEC”) appointed in the MDL pending in the U.S. District Court for the Northern District of Ohio, and an executive committee of state attorneys general (the “Multi-State Endo Executive Committee,” and together with PEC, the “Public Opioid Committees”).

In April 2022, the Company began discussions with advisors to an ad hoc group consisting primarily of Prepetition First Lien Lenders and Prepetition First Lien Notes Secured Parties (the “Ad Hoc First Lien Group,” and together with the Ad Hoc Cross-Holder Group, the “Ad Hoc Groups”).

1. Prepetition Opioid Settlement Negotiations

Starting in 2019, the Company at various times actively negotiated with the Public Opioid Committees to attempt to reach a broad resolution of Opioid Claims. In March 2020, the Company agreed to pay for professionals to advise the Multi-State Endo Executive Committee in settlement

negotiations with the Company. Thereafter, the Company's and Public Opioid Committees' advisors (a) held numerous calls, (b) exchanged hundreds of emails, (c) exchanged voluminous documents, and (d) discussed various constructs for a potential global settlement of Opioid Claims.

Ultimately, several threshold challenges impacted these discussions. For example, the Public Opioid Committees did not have the ability to bind, control, or deliver the agreement of other Opioid Plaintiffs to any resolution that the Company reached with the Public Opioid Committees, and did not represent the interests of any claimants that were not governmental entities. Therefore, in an out-of-court context, the Company did not have a clear path to achieve full closure with respect to the Opioid Lawsuits. In addition, the Multi-State Endo Executive Committee sought prospective injunctive terms that the Company believed were overly burdensome. Thus, despite extensive efforts by both sides, the parties were unable to reach agreement on injunctive terms at the time.

Another impediment to these negotiations was the parties' disagreement on settlement value. In the Company's view, the Public Opioid Committees' settlement demands consistently were out of proportion to the Company's view of its liabilities and its ability to pay. While the Company believes the Opioid Plaintiffs' theories of liability are without merit, it nonetheless was prepared to make a significant, long-term financial contribution to the Opioid Plaintiffs to resolve the Opioid Lawsuits. However, the Public Opioid Committees were demanding settlement amounts that the Company did not believe it could afford, especially in light of the Company's significant other obligations and contingent liabilities.

Negotiations with the Public Opioid Committees slowed around the time the Company announced its 2022 first quarterly earnings. As discussed above, the Company's revenue and earnings dropped during this time period, primarily as a result of the loss of patent exclusivity with respect to the Company's Vasoprost product. Taking into account this impact on the Company's financial performance, it became clear that (a) the Company's unsecured creditors may not be entitled to any recovery in potential chapter 11 proceedings, (b) the Company would burn a substantial portion of its approximately \$1 billion of cash over the subsequent 24 months, and (c) the Company might have been unable to refinance its debt in the future as it became due, especially in light of its contingent liabilities. This confluence of factors—namely, among others, the inability to reach an out-of-court resolution with the Public Opioid Committees, numerous upcoming trials, discovery demands and associated legal expenditures, deteriorating financial performance, and a burdensome capital structure—led the Company to further explore its chapter 11 alternatives.¹⁸

2. Negotiations with the Ad Hoc Groups

Beginning in late 2021, the Company commenced active discussions regarding potential restructuring frameworks with the Ad Hoc Cross-Holder Group. The Company had previously agreed to pay for the Ad Hoc Cross-Holder Group's advisors, including counsel, investment

¹⁸ In furtherance of this process, on July 28, 2022, the Debtors negotiated and entered into an engagement letter with Roger Frankel to represent the interests of future opioid claimants, in addition to future vaginal mesh and ranitidine claimants, in connection with discussions and negotiations regarding the Debtors' potential restructuring.

bankers, and/or financial advisors, to assist in their development of a workable solution. As the Company's circumstances changed and its prospects and profitability deteriorated, and taking into account the Company's nearly \$7 billion of indebtedness secured by liens on substantially all of the Company's assets, the Company ramped up its engagement with the Ad Hoc First Lien Group in late April 2022. Subsequently, the Company and its advisors worked tirelessly with the Ad Hoc First Lien Group, engaging in substantial diligence efforts and exploring various strategic alternatives. During this period, the Company also continued to engage with, and provide diligence to, the Ad Hoc Cross-Holder Group.

During the first half of 2022, advisors to the Company and the Ad Hoc Groups exchanged various proposals regarding the implementation of a potential transaction. During these negotiations, while the Company discussed a chapter 11 plan of reorganization proposal with the Ad Hoc Cross-Holder Group, the Company reached the conclusion that pursuing a plan path presented unique challenges for the Company in light of the composition of its creditor constituencies, the lack of necessary consensus to achieve a feasible plan, and the nature of its contingent liabilities. Specifically, the Company determined that confirming and consummating a chapter 11 plan of reorganization in lieu of a sale would require, at a minimum, at least two major categories of litigation absent resolutions with various key stakeholders, including (a) litigation over the dischargeability of alleged fraud claims held by governmental opioid plaintiffs and (b) multiple complex litigation matters in connection with potential confirmation of a plan (*e.g.*, valuation, feasibility, and scope and amount of priority tax claims).

Although the Company believed it had valid arguments with respect to these potential litigations, and there was a chance it could ultimately prevail in these litigations—particularly with respect to any dispute over the dischargeability of alleged fraud claims held by governmental opioid plaintiffs—any such outcome was uncertain, the timetable for each was expected to be in excess of a year, and a setback in either litigation could potentially make confirming a plan very difficult, if not impossible. Additionally, the Company believed that a plan process would likely result in a contested valuation hearing, and the Company would also face the assertion by the IRS (defined below) of potentially hundreds of millions of dollars of priority tax claims related to certain transfer pricing and other disputes with the Company. For these reasons, among others, the Company had determined, at that time, that pursuing such a long, expensive, and uncertain plan path would not be in the best interest of the Company and other parties in interest.

As a result, by July 2022, the Company determined to focus on a sale of its business pursuant to section 363 of the Bankruptcy Code (a “363 Sale” or “Sale”) as the most viable path forward. Thereafter, the Company evaluated 363 Sale proposals received from both the Ad Hoc First Lien Group and the Ad Hoc Cross-Holder Group, and ultimately executed the RSA with the Ad Hoc First Lien Group memorializing the terms of a proposed 363 Sale that would provide other bidders, including the Ad Hoc Cross-Holder Group, with the opportunity to submit higher or better bids.

3. The RSA and the Stalking Horse Bid

Once the Debtors' path towards a 363 Sale came into focus, the Debtors and the Ad Hoc First Lien Group worked quickly to develop and negotiate the RSA, a sale term sheet (the “Sale Term Sheet”), and bidding procedures. The centerpiece of the RSA was a stalking horse bid (the

“Stalking Horse Bid”) to be provided by one or more entities formed in a manner acceptable to the Ad Hoc First Lien Group (the “Stalking Horse Bidder” or “Buyer”) to purchase substantially all of the Company’s assets. The Stalking Horse Bid provided a value “floor” to entice further bidding.

The Debtors determined that moving forward with the Stalking Horse Bid represented the best available path to address the Debtors’ challenges. The Stalking Horse Bid, if consummated, would have ensured that the Debtors’ business continued as a going concern, saved thousands of jobs, and enabled the Buyer to fund, over time, trusts with hundreds of millions of dollars of consideration for the benefit of qualifying Opioid Plaintiffs who elected to voluntarily participate in such trusts, as discussed further below. The consummation of the Stalking Horse Bid also would have preserved certain voluntary injunctive terms sought by opioid claimants regarding the Debtors’ ongoing and future opioid-related business activities.

As more fully set forth in the RSA, the Stalking Horse Bid included an offer to purchase substantially all of the Debtors’ assets for an aggregate purchase price comprised of (a) a credit bid in full satisfaction of the Prepetition First Lien Indebtedness (as defined in the RSA) (approximately \$6 billion), (b) \$122 million (later reduced to \$116 million) to wind-down the Debtors’ operations following the Sale closing date, (c) \$5 million in cash on account of certain unencumbered Transferred Assets (as defined in the RSA), (d) pre-closing professional fees, and (e) the assumption of certain liabilities. Importantly, the Stalking Horse Bidder also agreed to make offers of employment to all of the Company’s active employees.

As set forth in the Sale Term Sheet, the Stalking Horse Bidder was not entitled to a break-up fee and was only entitled to reimbursement for reasonable and documented fees and expenses incurred by it in connection with, among other things, the negotiation and execution of the Sale Transaction (as defined in the RSA), not to exceed \$7 million, to the extent not otherwise provided under the Cash Collateral Order. Further, the Stalking Horse Bidder agreed to act as the “back-up” bidder in the event it was not selected as the successful bidder pursuant to the Bidding Procedures (defined below).

V. THE CHAPTER 11 CASES

A. Administration of the Chapter 11 Cases

To ensure a smooth transition in the Chapter 11 Cases and facilitate the administration of the Chapter 11 Cases, the Debtors requested and obtained various forms of relief from the Bankruptcy Court, some of which are briefly summarized below.

1. First-Day Papers

Recognizing that any interruption of the Debtors’ business, even for a short period, could negatively impact customer and vendor relationships and the Debtors’ goodwill, revenue, and profits, which would be detrimental to the value of the Debtors’ estates, on the Petition Date, the Debtors filed a number of “first-day” motions authorizing the Debtors to continue operating their business in the ordinary course (collectively, the “First-Day Papers”). The First-Day Papers sought to stabilize the Debtors’ operations, facilitate a smooth transition into chapter 11, and ease the strain on the Debtors’ business as a consequence of the filing of the Chapter 11 Cases. A

description of the First-Day Papers is set forth in the *Declaration of Mark Bradley in Support of Chapter 11 Petition and First Day Papers* [Docket No. 38].

2. Cash Collateral

On August 17, 2022, the Debtors filed the *Motion of the Debtors for Entry of Interim and Final Orders (I) Authorizing Debtors to Use Cash Collateral; (II) Granting Adequate Protection to Prepetition Secured Parties; (III) Modifying the Automatic Stay; and (IV) Granting Related Relief* [Docket No. 17] (the “Cash Collateral Motion”), which was granted on an interim basis on August 21, 2022 [Docket No. 98]. Multiple parties objected to the Cash Collateral Motion, including the Committees and an ad hoc group of holders of Unsecured Notes (the “Ad Hoc Group of Unsecured Noteholders”). After extensive negotiation, the final order approving the Cash Collateral Motion (the “Final Cash Collateral Order”) was presented to the Bankruptcy Court on a fully consensual basis, and the Final Cash Collateral Order was entered by the Bankruptcy Court on October 20, 2022 [Docket No. 499] (as amended [Docket No. 535]).

The Final Cash Collateral Order afforded the Debtors access to much needed cash during the Chapter 11 Cases, allowing the Debtors to preserve value for their stakeholders through their continued operations of their business during the pendency of the Chapter 11 Cases, which allowed the Debtors to avoid a value drain while parties worked, through the Mediation (defined below) process, to explore and negotiate potential resolutions of disputed issues. The Final Cash Collateral Order also provided for the payment of all the professional fees for the Committees, the FCR, and certain other professionals. In exchange for consenting to the consensual use of the Debtors’ cash collateral, the Prepetition Secured Parties received various forms of adequate protection under the Final Cash Collateral Order, including adequate protection payments, payment of their professional fees, and information and consultation rights, among others. The Final Cash Collateral Order also established a deadline for any party in interest to challenge the validity of the Prepetition Secured Parties’ claims or liens, after which those liens and claims would be deemed valid for purposes of the Chapter 11 Cases and going forward.

3. Schedules and Bar Dates

On August 24, 2022, the Bankruptcy Court entered an order extending the Debtors’ deadline to file their Schedules of Assets and Liabilities (the “Schedules”) and Statements of Financial Affairs (together with the Schedules, the “Schedules and Statements”) to September 29, 2022 [Docket No. 106]. On November 17, 2022, the Bankruptcy Court entered an order further extending the Debtors’ deadline to file the Schedules and Statements to November 30, 2022. On November 10, 2022, the Debtors filed their Schedules and Statements. On April 26, 2023, the Debtors filed certain amended Schedules. On May 26, 2023, and July 14, 2023, respectively, the Debtors filed certain additional Schedules and Statements for those Debtors that commenced their Chapter 11 Cases on May 25, 2023, and May 31, 2023, respectively.

On April 3, 2023, the Bankruptcy Court entered the *Order (I) Establishing Deadlines for Filing Proofs of Claim; (II) Approving Procedures for Filing Proofs of Claim; (III) Approving the Proof of Claim Forms; (IV) Approving the Form and Manner of Notice Thereof; and (V) Approving the Confidentiality Protocol* [Docket No. 1767], which was amended on June 23,

2023 [Docket No. 2253] and July 14, 2023 [Docket No. 2442] (as amended, the “Bar Date Order”), which, among other things, established the following deadlines for filing proofs of claim:

- **General Bar Date:** July 7, 2023, at 5:00 p.m. (prevailing Eastern Time) as the deadline for persons and non-governmental entities (including, without limitation, individuals, partnerships, joint ventures, and trusts) to file proofs of claim against the Debtors.
- **Governmental Bar Date:** May 31, 2023, at 5:00 p.m. (prevailing Eastern Time) as the deadline for Governmental Units (as defined in section 101(27) of the Bankruptcy Code) to file proofs of claim (other than for certain claims relating to opioids) against the Debtors.
- **Rejection Bar Date:** the later of (i) the General Bar Date or the Governmental Bar Date, as applicable, and (ii) 5:00 p.m. (prevailing Eastern Time) on the date that is 30 days after the effective date of rejection of an executory contract or unexpired lease.
- **Amended Schedules Bar Date:** the later of (i) the General Bar Date or the Governmental Bar Date, as applicable, and (ii) 30 days after the date a negatively impacted claimant is served notice that the Debtors have amended, modified, or supplemented the Schedules to reduce the undisputed, non-contingent, and liquidated amount or changed the nature or classification of their claim against the Debtors.
- **State/Local Governmental Opioid Bar Date:** the earlier of (i) 10:00 a.m. (prevailing Eastern Time) on the date set for the hearing for the approval of the Disclosure Statement and (ii) 5:00 p.m. (prevailing Eastern Time) on the date that is 35 days after the date on which the Debtors file on the docket and serve a supplemental notice setting a deadline for all Local Governments, Tribes, States, and Territories (each as defined in the Bar Date Order) to file proofs of claim against the Debtors based on or involving opioid products manufactured, marketed, and/or sold by the Debtors, which claims arose or are deemed to have arisen prior to the Petition Date.

The Debtors’ notice plan provided actual notice of the bar dates to known claimants, and included a supplemental notice plan (the “Supplemental Notice Plan”) to provide an extraordinarily broad array of forms of publication notice to unknown claimants whose claims could relate to opioids, transvaginal mesh, and/or ranitidine products manufactured, marketed, or sold by the Debtors.

The Supplemental Notice Plan, as detailed in the *Supplemental Declaration of Jeanne C. Finegan, APR in Connection with Sale Motion and Bar Date Motion* [Docket No. 2518], which was effectively completed as of June 30, 2023, reached the target audience via (i) broadcast, cable, and connected television; (ii) social media ads and hashtags; (iii) various online display banner ads, internet search terms, and YouTube video ads; (iv) traditional print media such as magazines and newspapers; (v) press releases; and (vi) community outreach via a one-page notice sent to

institutions and third-party organizations that service likely users of the Company’s opioid, transvaginal mesh, and ranitidine products. The media components of the Supplemental Notice Plan reached an estimated 95% of all adults in the United States and an estimated 90% of all adults in Canada.

4. Extensions of Exclusive Periods

Section 1121(b) of the Bankruptcy Code provides for a period of 120 days after the commencement of a chapter 11 case during which a debtor has the exclusive right to file a chapter 11 plan (the “Exclusive Filing Period”). In addition, section 1121(c)(3) of the Bankruptcy Code provides that if the debtor files a chapter 11 plan within the Exclusive Filing Period, it shall have a period of 180 days after commencement of the chapter 11 case to obtain acceptance of such plan (the “Exclusive Solicitation Period,” and together with the Exclusive Filing Period, the “Exclusive Periods”). Pursuant to section 1121(d) of the Bankruptcy Code, the Bankruptcy Court may, upon a showing of cause, extend the Exclusive Periods.

The Debtors’ Exclusive Filing Period and Exclusive Solicitation Period were initially set to expire on December 14, 2022, and February 12, 2023, respectively. On December 14, 2022, the Debtors filed a motion requesting an extension of the Exclusive Periods by 180 days [Docket No. 979] (the “First Exclusivity Motion”). Following the adjournment of the First Exclusivity Motion, on February 3, 2023, and March 22, 2023, the Bankruptcy Court entered orders extending the Exclusive Periods pending a hearing on the First Exclusivity Motion, first through March 20, 2023, and again through April 6, 2023. Following a hearing, on April 3, 2023, the Bankruptcy Court entered an order approving the First Exclusivity Motion, extending the Exclusive Filing Period through and including June 12, 2023, and the Exclusive Solicitation Period through and including August 11, 2023 [Docket No. 1766]. On June 12, 2023, the Debtors filed a second motion requesting an additional extension of the Exclusive Periods [Docket No. 2168] (the “Second Exclusivity Motion”). On July 31, 2023, the Bankruptcy Court approved the Second Exclusivity Motion, extending the Exclusive Filing Period through and including October 10, 2023, and the Exclusive Solicitation Period through and including December 9, 2023 [Docket No. 2560]. On October 10, 2023, the Debtors filed a third motion requesting an additional extension of the Exclusive Periods [Docket No. 3007] (the “Third Exclusivity Motion”). On November 20, 2023, the Bankruptcy Court approved the Third Exclusivity Motion, extending the Exclusive Filing Period through and including January 8, 2024, and the Exclusive Solicitation Period through and including March 8, 2024 [Docket No. 3119]. On January 8, 2024, the Debtors filed a fourth motion requesting an additional extension of the Exclusive Periods [Docket No. 3533].

B. Retention of Professionals

1. Applications for Retention of Debtors’ Professionals

The Bankruptcy Court approved the Debtors’ retention of certain professionals to represent and assist the Debtors in connection with the Chapter 11 Cases. These professionals include: (a) Skadden as counsel for the Debtors, approved on September 30, 2022 [Docket No. 319]; (b) Togut, Segal & Segal LLP as co-counsel for the Debtors, approved on October 3, 2022 [Docket No. 322]; (c) A&L Goodbody LLP as special counsel for the Debtors, approved on October 20, 2022 [Docket No. 502]; (d) O’Melveny & Myers LLP as special counsel for the Debtors, approved

on December 9, 2022 [Docket No. 945]; (e) A&M as financial advisor for the Debtors, approved on October 6, 2022 [Docket No. 343]; and (f) PJT as investment banker for the Debtors, approved on October 20, 2022 [Docket No. 503].

2. Interim Compensation Procedures

With respect to the above-mentioned professionals retained by the Debtors and the professionals retained by the Committees and FCR (as discussed in further detail below), the Bankruptcy Court entered an order establishing procedures by which professionals may seek interim compensation and reimbursement of expenses [Docket No. 326].

3. Ordinary Course Professionals

In the ordinary course of business, the Debtors retain various attorneys who render services to the Debtors in matters unrelated to the Chapter 11 Cases. The Bankruptcy Court entered an order permitting the Debtors to employ and compensate such professionals in the ordinary course of business [Docket No. 378].

4. Appointment of Fee Examiner

On December 19, 2022, the Bankruptcy Court entered the *Order Authorizing Independent Fee Examiner Pursuant to 11 U.S.C. § 105(a) and Modifying Interim Compensation Procedures for Certain Professionals Employed Pursuant to 11 U.S.C. § 327* [Docket No. 989], appointing David M. Klauder as the independent fee examiner in these Chapter 11 Cases to review and assess all fee applications filed by the professionals retained in the Chapter 11 Cases and, among other things, prepare summaries and reports for the Bankruptcy Court to aid in the review and approval of the fee applications.

C. Appointment of Statutory Committees and FCR

1. Appointment of the Creditors' Committee

On September 2, 2022, the Official Committee of Unsecured Creditors (the “Creditors' Committee”) was appointed by the U.S. Trustee pursuant to section 1102(a) of the Bankruptcy Code to represent the interest of unsecured creditors in the Chapter 11 Cases [Docket No. 161].

The members of the Creditors' Committee are AmerisourceBergen Drug Corporation, Bayer AG, U.S. Bank Trust Company, National Association (as indenture trustee for certain Unsecured Notes), UMB Bank, National Association (as indenture trustee for certain Unsecured Notes), CQS Directional Opportunities Master Fund Limited, AFSCME District Counsel 47 Health & Welfare Fund, and Catherine Brewster.

The Creditors' Committee retained Kramer Levin Naftalis & Frankel LLP as counsel, Lowenstein Sandler as special counsel, Gilbert LLP as special insurance counsel,¹⁹ William Fry

¹⁹ Gilbert LLP also serves as special insurance counsel for the FCR. See Docket No. 1305.

as Irish counsel, Berkeley Research Group, LLC and Dundon Advisors LLC as co-financial advisors, Grant Thornton as tax advisor, and Lazard Freres & Co. LLC as investment banker.

2. Appointment of the Opioid Claimants' Committee

On September 2, 2023, the Official Committee of Opioid Claimants (the "Opioid Claimants' Committee") and together with the Creditors' Committee, the "Committees") was appointed by the U.S. Trustee pursuant to section 1102(a) of the Bankruptcy Code to represent the interest of private opioid claimants in the Chapter 11 Cases [Docket No. 163].

The members of the Opioid Claimants' Committee are Blue Cross and Blue Shield Association, Erie County Medical Center Corporation, Michael Masiowski, M.D., Alan MacDonald, Sean Higginbotham, Robert Asbury (as guardian ad litem for certain infants diagnosed with Neonatal Abstinence Syndrome ("NAS")), and Sabrina Barry. The Opioid Claimants' Committee also has one *ex officio* member, Rochester City School District, representing the interests of certain public school districts.

The Opioid Claimants' Committee retained Cooley LLP as lead and general counsel, Akin Gump Strauss Hauer & Feld LLP as special counsel, Jefferies LLC as investment banker, Province, LLC as financial advisor, Maples Group as special foreign counsel and Klestadt Winters Jureller Southard & Stevens, LLP as conflicts counsel.

3. Appointment of FCR

Immediately following the Petition Date, the Debtors requested that the Bankruptcy Court appoint a representative for potential individuals (a) who, after the Effective Date, may assert personal injury claims against a Debtor or successor of the Debtors' businesses based on the Debtors' conduct either: (i) before the Effective Date (as it relates to opioid products); or (ii) before the Petition Date (as it relates to transvaginal mesh or ranitidine products); (b) whose claims arise from opioid products, or transvaginal mesh products, or ranitidine products; and (c) who could not assert such claims in the Chapter 11 Cases because, among other reasons, the claimant: (i) was unaware of the injury as of the Effective Date; (ii) has a latent manifestation of the injury after the Effective Date; or (iii) as of the Effective Date, was otherwise unable or incapable of asserting the claims based on the injury. Given the nature of such parties' claims, such parties may be unable to assert their claims and protect their interests in the Chapter 11 Cases. On September 30, 2022, the Bankruptcy Court entered the *Order (I) Appointing Roger Frankel as Future Claimants' Representative, Effective as of the Petition Date, and (II) Granting Related Relief* [Docket No. 318] appointing Roger Frankel as the future claimants' representative (the "FCR") to represent the interests of individual future opioid, NAS, mesh, and ranitidine claimants in these Chapter 11 Cases. On August 7, 2023, the Bankruptcy Court entered the *Amended Order (I) Appointing Roger Frankel as Future Claimants' Representative, Effective as of the Petition Date, and (II) Granting Related Relief* [Docket No. 2582], which removed the ranitidine future claimants from the FCR's original mandate.

The FCR retained Frankel Wyron LLP and Young Conaway Stargatt & Taylor LLP as its co-counsel, Gilbert LLP as special insurance counsel, Ducera Partners LLC as investment banker, and NERA Economic Consulting as consultant.

D. Foreign Proceedings

1. Canadian Recognition Proceedings

On August 19, 2022, the Ontario Superior Court of Justice (Commercial List) in Toronto, Ontario, Canada (the “Canadian Court”) entered the *Initial Recognition Order (Foreign Main Proceeding)* (the “Initial Recognition Order”) pursuant to Part IV of the *Companies’ Creditors Arrangement Act*, R.C.S. 1985, c. C-36 (as amended, the “CCAA”), that, among other things, recognized the Chapter 11 Cases in respect of Paladin Labs Inc. and Paladin Labs Canadian Holding Inc. (collectively, the “Canadian Debtors”) as foreign main proceedings (Court File No. CV-22-00685631-00CL).

The Initial Recognition Order and other orders subsequently issued by the Canadian Court, among other things, (i) recognized the Chapter 11 Cases as foreign main proceedings under the CCAA; (ii) stayed the commencement or continuation of any proceedings in Canada against or in respect of the Canadian Debtors or their affiliates named as defendants in any Canadian litigation; (iii) appointed KSV Restructuring Inc. as information officer tasked with reporting to the Canadian Court, creditors and other stakeholders in Canada with respect to the status of the Chapter 11 Cases; and (iv) recognized certain orders subsequently entered in the Chapter 11 Cases.

As it relates to the Canadian Debtors, the implementation of the Plan and the transactions contemplated thereby is conditional on the granting of an order of the Canadian Court recognizing and giving full force in Canada to the Confirmation Order and the Plan, which recognition the Canadian Debtors shall seek prior to the occurrence of the Effective Date.

2. English Recognition Proceedings

On September 16, 2022, the High Court of England and Wales issued an order recognizing the Chapter 11 Case in respect of Debtor Astora Women’s Health LLC as a foreign main proceeding pursuant to the *Cross Border Insolvency Regulations 2006*, with effect from August 16, 2022.

3. Australian Recognition Proceedings

On October 26, 2022, the Federal Court of Australia issued an order pursuant to the *Cross-Border Insolvency Act 2008* recognizing the Chapter 11 Case in respect of Debtor Astora Women’s Health, LLC as a foreign main proceeding, recognizing Mark Bradley as the foreign representative of Astora Women’s Health, LLC, granting a stay of proceedings against the Debtors in Australia, and providing for notification of creditors.

E. Preliminary Injunction and Voluntary Injunction

On September 9, 2022, the Debtors filed an adversary complaint and the *Debtors’ Motion for a Preliminary Injunction Pursuant to Section 105(a) of the Bankruptcy Code* [Ad. Proc. No. 22-07039, Docket No. 2] (the “Preliminary Injunction Motion”) seeking entry of a preliminary injunction pursuant to Bankruptcy Rules 7001(7) and 7065 and section 105(a) of the Bankruptcy Code (the “Preliminary Injunction”). Under the Preliminary Injunction Motion, the Debtors sought to enjoin for a period of 270 days judicial, administrative, and other actions and proceedings

relating solely to civil (as opposed to criminal) matters pending against the Debtors brought by governmental entities, including, without limitation, states, counties, municipalities, public hospitals, school districts, and Native American tribes. The Debtors also requested that the Bankruptcy Court enter a voluntary operating injunction agreed to by the Debtors and various non-federal governmental units that would govern the Debtors' conduct with respect to their opioid businesses (the "Voluntary Operating Injunction").

On November 16, 2022, the Bankruptcy Court entered an order (i) granting the Preliminary Injunction requested by the Debtors for a period of 270 days from the date of the order, to August 12, 2023, and (ii) entering the Voluntary Operating Injunction requested by the Debtors [Ad. Proc. No. 22-07039, Docket No. 63]. Notably, the Opioid Claimants' Committee, the Multi-State Endo Executive Committee, and nearly all of the other governmental defendants either affirmatively agreed with the Debtors' request for the Preliminary Injunction or did not oppose it.

On June 30, 2023, Debtors filed a motion to extend the Preliminary Injunction for 180 days from the date of an order granting the motion [Ad. Proc. No. 22-07039, Docket No. 79]. On August 13, 2023, the Bankruptcy Court entered an order further extending the Preliminary Injunction to February 8, 2024 [Ad. Proc. No. 22-07039, Docket No. 87].

F. Appointment of Monitor

On December 29, 2022, the Debtors filed the *Motion of Debtors for Entry of an Order (I) Appointing R. Gil Kerlikowske as Monitor for Voluntary Operating Injunction and (II) Approving the Monitor's Employment of Saul Ewing as Counsel at the Cost and Expense of the Debtors* [Docket No. 1030], requesting the appointment of R. Gil Kerlikowske, through Gil Kerlikowske LLC, as monitor (the "Monitor") for the purposes of evaluating and monitoring the Debtors' compliance with the Voluntary Operating Injunction. On January 29, 2023, the Bankruptcy Court entered an order appointing the Monitor [Docket No. 1262].

On March 16, 2023, the Monitor filed the *Initial Monitor Report* [Docket No. 1479] (the "Initial Monitor Report") with the Bankruptcy Court, describing the actions taken by the Monitor to determine the Debtors' compliance with the terms and conditions of the Voluntary Operating Injunction, summarizing the Monitor's observations, providing a set of recommendations, and describing anticipated next steps. In the Initial Monitor Report, the Monitor stated that the Company "provided helpful assistance to the Monitor in the exercise of his duties and, in the Monitor's view, is in substantial compliance with the [Voluntary Operating Injunction]."

G. Sale of Chestnut Ridge Facility

Prior to the Petition Date, on June 20, 2022, Debtor Par Pharma entered into a definitive agreement to sell certain additional assets located in Chestnut Ridge, New York to Ram Ridge Partners BH LLC (the "Facility Sale"). The assets primarily consisted of property, plant, and equipment. On October 27, 2022, the Bankruptcy Court approved the Facility Sale [Docket No. 534], which closed during the fourth quarter of 2022. As a result of this Facility Sale, Par Pharma received approximately \$18.5 million in cash.

H. Discontinuance of Qwo

On December 7, 2022, the Debtors filed the *Motion of the Debtors for Entry of an Order Pursuant to Section 105(a) and 363(b) of the Bankruptcy Code (I) Authorizing the Debtors to Cease Production and Commercialization of Qwo and (II) Granting Related Relief* [Docket No. 927] (the “Qwo Discontinuance Motion”), requesting relief to cease production and marketing of the cellulite treatment Qwo, a product that the Company did not believe would be successful or profitable in the future. The Company elected not to pursue a standalone sale of Qwo because production of Qwo uses the same enzyme, and therefore implicates the same trade secrets, as the production of Xiaflex; and the intellectual property relating to both Qwo and Xiaflex were among the assets that were marketed in the Sale Process (defined and discussed below). On December 28, 2022, the Bankruptcy Court entered an order granting the Qwo Discontinuance Motion [Docket No. 1022]. The Company estimated that the discontinuance of Qwo will generate \$50 million in annual savings, \$15-20 million in one-time charges, and \$220-230 million in asset impairment.

I. Adversary Proceedings

1. Nevakar Matter

On August 22, 2022, Debtor Endo Ventures Limited (“EVL”) filed an adversary complaint seeking declaratory and injunctive relief, and alleging breach of contract, breach of the covenant of good faith and fair dealing, and tortious interference with a prospective economic advantage against Nevakar, Inc. and Nevakar Injectables, Inc. (collectively, “Nevakar”), in connection with the parties’ Development, License and Commercialization Agreement (the “2018 Agreement”) and an Asset Purchase Agreement [Ad. Proc. No. 22-07034]. Nevakar argued that it properly and timely terminated the 2018 Agreement on August 11, 2022 (the “August Termination”), based on EVL’s alleged failure to comply with the 2018 Agreement. EVL denied Nevakar’s contention, alleging that the August Termination was ineffective, and alleged, among other things, that Nevakar breached the 2018 Agreement. In November 2022, EVL and Nevakar reached a settlement in principle with respect to this litigation. On January 11, 2023, the Bankruptcy Court approved the parties’ settlement [Ad. Proc. No. 22-07034, Docket No. 68], and the settlement agreement thereafter went effective.

2. Blankenship Matter

On March 3, 2023, Travis Blankenship filed an adversary complaint in the Bankruptcy Court against Endo Parent and certain of its products liability insurers seeking a declaratory judgment as to the nature and extent of his, Endo Parent’s, and other creditors’ rights under certain of Endo’s product liability insurance policies [Ad. Proc. No. 23-07007]. On March 31, 2023, Endo Parent moved to dismiss or stay the complaint, arguing that Blankenship does not have standing to pursue such relief and that the Bankruptcy Court lacks subject matter jurisdiction or, alternatively, that the complaint should be stayed to protect the Debtors’ restructuring efforts [Ad. Proc. No. 23-07007, Docket No. 9]. On May 15, 2023, Mr. Blankenship filed a notice voluntarily dismissing the adversary case without prejudice [Ad. Proc. No. 23-07007, Docket No. 103], and the case was closed on June 12, 2023.

J. Joint Standing Motion and Motion to Intervene

On January 23, 2023, the Committees filed the *Motion of the Official Committee of Unsecured Creditors and the Official Committee of Opioid Claimants for (I) Entry of an Order Granting Leave, Standing, and Authority to Commence and Prosecute Certain Claims on Behalf of the Debtors and (II) Settlement Authority in Respect of Such Claims* [Docket No. 1243] (the “Joint Standing Motion”), pursuant to which the Committees sought standing and authority to investigate, prosecute, and/or settle certain proposed alleged claims on behalf of the Debtors. The Joint Standing Motion attached the forms of four proposed complaints:

- the first proposed complaint annexed to the Joint Standing Motion sought, among other things, a declaration that the secured creditors’ alleged liens on the Debtors’ U.S. deposit accounts were unperfected as of the Petition Date;
- the second proposed complaint sought declarations that a variety of other assets (excluding the U.S. deposit accounts at issue in the first proposed complaint) were also unencumbered or subject to avoidable liens, including deposit accounts held in the name of Luxembourg Debtors; certain equity interests, including the Debtors’ equity interests in their valuable non-debtor Indian affiliates; certain commercial tort claims, including for patent infringement; the Debtors’ leasehold interests in certain real property and fixtures; and certain assets owned by Debtor entities incorporated in Ireland, including deposit accounts, intellectual property, receivables, inventory, and other assets;
- the third proposed complaint sought to avoid as preferences and challenge as fraudulent transfers the prepaid compensation paid to executives and other potential “insiders” in the days and months before the Petition Date, and alleged that the Debtors’ directors breached their fiduciary duties in approving such payments; and
- the fourth proposed complaint sought to challenge as constructively and/or intentionally fraudulent three debt transactions the Debtors undertook between 2019 and 2021.

On the same day, the FCR filed the *Future Claimants’ Representative’s Motion to Preserve Standing to Seek to Intervene* [Docket No. 1242], pursuant to which the FCR sought to preserve his standing to seek to intervene in any challenge brought by the Committees in accordance with the Cash Collateral Order (the “Intervention Preservation Motion”). As a result of the Mediation and the Resolutions (as defined below), detailed further below, the Joint Standing Motion and the Intervention Preservation Motion are held in abeyance pending Confirmation of the Plan. See *Stipulation Among the Debtors, Official Committee of Unsecured Creditors, Official Committee of Opioid Claimants, and Ad Hoc First Lien Group Regarding Resolution of Joint Standing Motion and Related Matters* [Docket No. 1505]; and *Notice of Adjournment of Hearing on the Future Claimants’ Representative’s Motion to Preserve Standing to Seek To Intervene* [Docket No. 1316].

K. Sale Process and Bidding Procedures

1. Bidding Procedures

On November 23, 2022, the Debtors filed a motion seeking approval of, among other things, bidding procedures in connection with the 363 Sale (the “Bidding Procedures,” and such motion, the “Bidding Procedures Motion”) [Docket No. 728]. The Debtors received multiple objections to the Bidding Procedures Motion (the “Bidding Procedures Objections”), including, among others, from the Committees, the FCR, the Ad Hoc Cross-Holder Group, and the Prepetition First Lien Secured Parties that were not signatories to the RSA (the “Non-RSA 1Ls”), all predominantly objecting to the Debtors’ pursuit of a Sale rather than, or in addition to, a chapter 11 plan. As detailed further below, as a result of the court-approved Mediation (as defined and discussed below), the Debtors and the Ad Hoc First Lien Group were able to resolve the Bidding Procedures Objections, and the Committees agreed to hold the Joint Standing Motion in abeyance.

Accordingly, following a series of hearings at which the Bankruptcy Court was advised that the Debtors reached resolutions with respect to the objections of various parties, on April 3, 2023, the Bankruptcy Court entered an order approving, among other things, the Bidding Procedures [Docket No. 1765] (the “Bidding Procedures Order”), over the remaining objections of the FCR and the U.S. Trustee. As contemplated by the RSA, the Bidding Procedures Order approved a marketing process and auction to be conducted under the supervision of the Bankruptcy Court (the “Sale Process”), during which interested parties had an opportunity to conduct due diligence and determine whether to submit a bid to acquire the Debtors’ assets. In the months following the entry of the Bidding Procedures Order, the Debtors, with the assistance of PJT, conducted a robust marketing process. Specifically, PJT contacted over 150 potential bidders, which included 75 strategic buyers and more than 75 financial buyers. Of the over 150 potential bidders contacted, 40 potential bidders executed non-disclosure agreements and received access to the data room, and of those parties, 19 parties submitted non-binding indications of interest.

Following the passing of the deadline for potential bidders to submit indications of interest, on June 20, 2023, in accordance with the Bidding Procedures Order, the Company filed with the Bankruptcy Court a notice of termination of the Sale Process, naming the Stalking Horse Bidder as the Successful Bidder (as defined in the Bidding Procedures Order) and accelerating the hearing to approve the sale (the “Sale Hearing”) from August 31, 2023, to July 28, 2023, which was thereafter adjourned. As discussed further below, the Debtors, in discussion with the Ad Hoc First Lien Group and in light of the Resolutions reached between the Ad Hoc First Lien Group and the various key stakeholders, which resolved key issues that had previously presented barriers to confirming a chapter 11 plan, determined to pursue a largely consensual chapter 11 plan that incorporates the key terms of the restructuring contemplated under the RSA and the Resolutions. Therefore, on December 19, 2023, the Debtors filed the original Plan and determined to hold the Sale Motion and Sale Hearing in abeyance during the pendency of the process by which the Debtors pursue the Plan.

2. Reconstruction Steps

As part of the Bidding Procedures Order, the Bankruptcy Court also approved certain internal restructuring transactions under Irish Law that would allow the Company to consummate

the Sale in a tax-efficient manner (the “Reconstruction Steps”). The Reconstruction Steps as approved in the Bidding Procedures Order were completed on May 31, 2023, and involved, among other things: (i) the re-registration from private limited companies to private unlimited companies under Irish Law of the Company’s subsidiaries Endo Ventures Limited and Endo Global Biologics Limited and their consequent change of name to Endo Ventures Unlimited Company (“EVU”) and Endo Global Biologics Unlimited Company (“EGBU”), respectively; (ii) the transfer of substantially all of the businesses and certain assets of EVU and EGBU to Operand Pharmaceuticals II Limited and Operand Pharmaceuticals III Limited (together, the “Newcos”), which on completion of the Reconstruction Steps became wholly owned subsidiaries of the Company; and (iii) the Newcos each commencing a Chapter 11 Case. It was originally intended that certain remaining assets of EVU and EGBU, such as the legal interests in their third-party contracts and unexpired leases (the beneficial and economic interests having previously transferred to the Newcos as part of the Reconstruction Steps) (the “Remaining EVU/EGBU Assets”), would be transferred to the Buyer upon the Sale closing, since the Buyer would only be purchasing the equity of the Newcos and leaving behind EVU and EGBU. Under the Plan, it is anticipated that Purchaser Parent will take the equity of each of the Newcos and Operand Pharmaceuticals Holdco I Limited (the parent entity of the Newcos), and the Remaining EVU/EGBU Assets will be transferred to the Newcos as of the Effective Date pursuant to the Plan.

3. India Internal Reorganization

On June 29, 2023, the Debtors filed the *Debtors’ Motion for an Order Authorizing Internal Reorganization Transaction* [Docket No. 2352] (the “India Internal Reorganization Motion”), pursuant to which the Debtors sought approval to transfer the Debtors’ Indian business to two of the Debtors’ subsidiaries, a newly formed holding company and an existing non-debtor subsidiary (the “India Internal Reorganization”). On July 31, 2023, the Bankruptcy Court approved the India Internal Reorganization Motion [Docket No. 2559] (the “India Internal Reorganization Order”). Consummation of the India Internal Reorganization requires that the Debtors obtain a Foreign Direct Investment (“FDI”) approval from the Government of India. Accordingly, on July 28, 2023, the Debtors submitted an application (the “FDI Application”) to obtain FDI approval, and on September 25, 2023, the Government of India approved the FDI Application. Pursuant to the Plan, the Debtors will effectuate the India Internal Reorganization on the Effective Date. Although the proposed India Internal Reorganization transactions under the Plan will result in the same transfer of the Debtors’ Indian business to the same two subsidiary entities as provided in the India Internal Reorganization Order, the transaction steps will not include all of the steps approved in the India Internal Reorganization Order, certain of which are no longer necessary in the context of the Plan given that the consummation of the India Internal Reorganization and the Effective Date of the Plan shall effectively occur simultaneously. Therefore, no creditors’ rights will be impacted by the India Internal Reorganization.

L. Intercompany Transaction Steps

On November 30, 2023, the Debtors filed the *Debtors’ Motion for an Order Authorizing Certain Transaction Steps* [Docket No. 3297] (the “Transaction Steps Motion”), through which the Debtors are seeking the Bankruptcy Court’s authority to take certain steps that would, among other things, facilitate their ultimate exit from chapter 11. The steps are (a) aimed to provide tax and operational efficiencies ahead of new tax rules taking effect in 2024 and to streamline the

overall Company structure for the ultimate restructuring transactions at the conclusion of these Chapter 11 Cases (the “2023 Steps”) and (b) will enable an expedited emergence from the Chapter 11 Cases upon the Bankruptcy Court’s confirmation of either the Sale or the Plan (the “Exit Preparation Steps”). The Transaction Steps Motion is scheduled to be heard at the December 21, 2023 omnibus hearing before the Bankruptcy Court, after which time and upon the Bankruptcy Court’s approval, the Debtors will begin taking the 2023 Steps and Exit Preparation Steps. The 2023 Steps, if approved in time, will be taken before the end of 2023 in connection with the Debtors’ end-of-year, bi-annual steps plan. The Exit Preparation Steps will be taken as necessary to prepare the go-forward business so that it has necessary regulatory and other third-party authority to consummate the ultimate restructuring transactions at the conclusion of these Chapter 11 Cases and emerge as an operational business.

M. Mediation²⁰

At a hearing in January 2023, the Bankruptcy Court directed the Debtors and certain key parties in interest in the Chapter 11 Cases to participate in a mediation process (the “Mediation”) to attempt to resolve certain objections and contested issues relating to the Bidding Procedures Motion, the Sale, the First Exclusivity Motion, and other critical matters in the Chapter 11 Cases, including the Bidding Procedures Objections and the Joint Standing Motion. On January 27, 2023, the Bankruptcy Court entered the *Stipulation and Order (A) Granting Mediation and (B) Referring Matters to Mediation* [Docket No. 1257], pursuant to which the Hon. Shelley C. Chapman (Ret.) was appointed as mediator (the “Mediator”) and provided that the Mediation would automatically terminate on February 16, 2023, unless (i) concluded earlier, (ii) extended by the Bankruptcy Court, or (iii) extended to a date no later than March 2, 2023, by notice of the Mediator to the Bankruptcy Court. On February 15, 2023, the Mediator filed the *Mediator’s Notice of Extension of Mediation* [Docket No. 1342], pursuant to which the Mediation was extended to March 1, 2023. The Mediation was subsequently extended multiple times, to: March 31, 2023 [Docket No. 1475], April 28, 2023 [Docket No. 1475], May 31, 2023 [Docket No. 1827], June 16, 2023 [Docket No. 2123], July 7, 2023 [Docket No. 2245], August 4, 2023 [Docket No. 2399], August 16, 2023 [Docket No. 2570], September 13 or 14, 2023 [Docket No. 2654], and through the last day of the adjourned Sale Hearing, whenever such hearing is scheduled by the Bankruptcy Court [Docket No. 2861].

The Mediation parties included, among others, the Debtors, the Ad Hoc First Lien Group, the Non-RSA 1Ls, the Committees, the FCR, the Multi-State Endo Executive Committee, the U.S. Government, and the U.S. Trustee. See *Stipulation and Order (A) Granting Mediation and (B) Referring Matters to Mediation* [Docket No. 1257]; *Order Modifying the Mediation Procedures* [Docket No. 1912].

As a result of the Mediation, the Ad Hoc First Lien Group, as the prospective owners of the Debtors’ business in connection with the Sale, reached various resolutions with certain parties in interest in the Chapter 11 Cases. The resolutions were negotiated directly between the Ad Hoc First Lien Group and the applicable parties in interest in the context of the Debtors’ proposed Sale

²⁰ Certain matters regarding the Resolutions (defined below) described in this Section M are subject to ongoing Mediation and are qualified in entirety by, and is subject to, the terms of the Plan. In the event of any conflict between the summaries herein and the Plan, the terms of the Plan shall control.

and contemplated the Stalking Horse Bidder, in its capacity as the prospective purchaser under the proposed Sale, making certain payments of its own volition following the closing of the Sale to trusts or other vehicles for the benefit of certain parties in interest in the event such parties were eligible and chose to participate in such trusts or other vehicles. However, in light of the broad success of the Mediation, which included the resolution of significant issues that would have otherwise impeded the Debtors' ability to successfully pursue a plan, the Debtors made the determination to implement revised resolutions through the settlements contemplated in the Plan, as summarized below (collectively, the "Resolutions"), and otherwise implement the Sale Transaction pursuant to the Plan.

1. UCC Resolution

The resolution reached between the Ad Hoc First Lien Group and the Creditors' Committee (the "UCC Resolution") provides that, upon the closing date of the 363 Sale or as soon as reasonably practicable thereafter, the Stalking Horse Bidder would form a trust (the "GUC Trust") for the benefit of certain eligible general unsecured creditors, which would have been vested with a variety of forms of consideration, as set forth below. As part of the UCC Resolution, the Creditors' Committee agreed to hold in abeyance the Joint Standing Motion, and the UCC Resolution otherwise resolved the Creditors' Committee's objection to the Bidding Procedures and the First Exclusivity Motion. In connection with the Plan, the Debtors will implement certain key terms of the UCC Resolution through the proposed treatments of Allowed Claims classified in Classes 4(A), 4(B), 4(C), 4(D), 4(E), and 4(F), which treatment will result in the Claims held by the originally-contemplated beneficiaries of the GUC Trust being channeled to the GUC Trust, which will receive from the Debtors and/or the Purchaser Entities: (i) \$60 million in cash (the "GUC Trust Cash Consideration"); (ii) up to 4.02% of Purchaser Equity (subject to dilution only by equity issued under the Management Incentive Plan), including 0.32% of the Purchaser Equity that will be deposited with a third-party escrow agent acceptable to the Required Consenting Global First Lien Creditors and the Creditors' Committee and subject to an escrow agreement that shall be in form and substance acceptable to the Required Consenting Global First Lien Creditors and the Creditors' Committee (the "Escrowed Equity"), to be distributed directly to holders of Allowed Second Lien Deficiency Claims and Allowed Unsecured Notes Claims in accordance with the Plan and the GUC Trust Documents; (iii) the right to pursue certain estate claims and causes of action against certain non-continuing directors and former officers (with recoveries limited to proceeds, if any, of certain specified insurance policies), and certain specified third-parties, including certain third-party advisors to the Debtors and parties to certain prepetition transactions with the Debtors; (iv) certain rights to insurance proceeds; and (v) Purchaser Equity to be issued to those general unsecured creditors that subscribed in July 2023 to participate in a rights offering for up to \$160 million of the Purchaser Equity (the "GUC Rights Offering") (the foregoing forms of consideration, the "GUC Trust Consideration"). The Creditors' Committee participated in further Mediation with the Mediator to allocate the GUC Trust Consideration among the various groups of general unsecured creditors eligible to participate in the GUC Trust. The UCC Resolution provides for the following distributions to holders of General Unsecured Claims:

- **Second Lien Deficiency and Unsecured Notes Claims (Class 4(A)):** Holders of Allowed Second Lien Deficiency Claims and Allowed Unsecured Notes Claims will be entitled to receive (a) approximately \$23.3 million in cash, (b) 3.70%²¹ of the Purchaser Equity, (c) 100% of the subscription rights to participate in the GUC Rights Offering, and (d) a 93.09% interest in the proceeds of the estate litigation Claims and Causes of Action, and insurance rights transferred to the GUC Trust (the consideration described in this clause (d), the “Litigation Trust Consideration”).
- **Other General Unsecured Claims (Class 4(B)):** Holders of Allowed Other General Unsecured Claims will be entitled to receive (a) their portion of a reserve for such claims funded with up to \$2 million in Cash from the GUC Trust Cash Consideration and (b) up to a 1.80% interest in the proceeds of the Litigation Trust Consideration.
- **Mesh Claims (Class 4(C)):** Holders of Allowed Mesh Claims will be entitled to receive (a) their portion of the \$2 million in Cash from the GUC Trust Cash Consideration, (b) 50% of certain products liability insurance proceeds allocable to liability for Mesh Claims pursuant to the GUC Trust Agreement, and (c) a 1.75% interest in the proceeds of the Litigation Trust Consideration in accordance with the GUC Trust Agreement, in each case, to be distributed by the GUC Trust to the Mesh Claims Trust to be used as set forth in the Mesh Claims Trust Agreement, including for Distributions to holders of Allowed Mesh Claims in accordance with the Mesh Claims Trust Documents.
- **Ranitidine Claims (Class 4(D)):** Holders of Allowed Ranitidine Claims will be entitled to receive (a) their portion of the \$200,000 in Cash from the GUC Trust Cash Consideration and (b) 20% of insurance proceeds allocable to liability for Ranitidine Claims in accordance with the GUC Trust Agreement, in each case, to be used as set forth in the Ranitidine Claims Trust Documents, including for Distributions to holders of Allowed Ranitidine Claims.
- **Generic Price Fixing Claims (Class 4(E)):** Holders of Allowed Generic Price Fixing Claims will be entitled to receive their portion of the \$16 million in cash from the GUC Trust Cash Consideration.
- **Reverse Payment Claims (Class 4(F)):** Holders of Allowed Reverse Payment Claims will be entitled to receive (a) their portion of the \$6.5 million in Cash from the GUC Trust Cash Consideration and (b) a 3.36% interest in the proceeds of the Litigation Trust Consideration.²²

²¹ The amount of Escrowed Equity to be distributed to holders of Allowed Second Lien Deficiency Claims and Allowed Unsecured Notes Claims shall be determined pursuant to the Net Debt Equity Split Adjustment (as defined in the Plan), and any Escrowed Equity not so distributed shall be returned to the Purchaser Parent and cancelled.

²² \$10 million in cash from the GUC Trust Cash Consideration being provided to the GUC Trust will be used to fund administrative expenses and pursuit of the Litigation Trust Consideration.

With respect to any Cash proceeds of the GUC Trust Litigation Consideration in excess of \$100 million (excluding, for the avoidance of doubt, the 50% of proceeds of the products liability tower allocable to holders of Mesh Claims and 20% of proceeds of the products liability tower allocable to holders of Ranitidine Claims), 5% of such Cash proceeds will be paid to the Purchaser Entities, up to a maximum aggregate amount of \$2.2 million, and the remaining 95% will be allocated among the Class 4 sub-Classes per the above.

On the Effective Date, Claims in Classes 4(A), 4(B), 4(C), 4(D), 4(E), and 4(F) will be channeled to the GUC Trust and will be Allowed, Disallowed, or otherwise resolved by the GUC Trust and/or any applicable sub-trust thereof.²³ Ultimate recoveries to holders of Allowed Claims channeled to the GUC Trust will be determined by the trustee of the GUC Trust or any applicable sub-trust thereof, in each case, in accordance with the applicable trust distribution procedures and based on an array of factors, including whether such holder consensually grants the GUC Releases in accordance with the Plan.

For additional information regarding the UCC Resolution and the GUC Trust, please refer to the UCC Letter.

2. OCC Resolution

The resolution reached between the Ad Hoc First Lien Group and the Opioid Claimants' Committee (the "OCC Resolution" and together with the UCC Resolution, the "Committees Resolutions") provides that, upon the closing date of the 363 Sale or as soon as reasonably practicable thereafter, the Stalking Horse Bidder would form a trust (the "PPOC Trust") for the benefit of certain private present opioid claimants (which excludes future opioid claimants and governmental entities), which would have been vested with up to \$119.7 million of gross Cash consideration payable in three installments (subject to the exercise of the prepayment options set forth in the OCC Resolution Term Sheet, as well as a prepayment requirement in the event the Stalking Horse Bidder prepaid either or both of the Voluntary Public/Tribal Opioid Trusts). In connection with the Plan, the Debtors will implement certain key terms of the OCC Resolution through the proposed treatments of Allowed Claims classified in Classes 7(A), 7(B), 7(C), 7(D), and 7(E), which treatment will result in the Claims held by the originally-contemplated beneficiaries of the PPOC Trust and its sub-trusts (the "PPOC Sub-Trusts") being channeled to the PPOC Trust, which will receive from the Debtors and/or the Purchaser Entities the same consideration described above on essentially the same terms. On the Effective Date, Claims in Classes 7(A), 7(B), 7(C), 7(D), and 7(E) will be channeled to the PPOC Trust and thereafter further channeled to the applicable PPOC Sub-Trust, and will be resolved by the trustee of the PPOC Trust and/or the applicable PPOC Sub-Trust, in each case, in accordance with the applicable trust distribution procedures. Ultimate awards to holders of Allowed Claims channeled to the PPOC Trust and/or a PPOC Sub-Trust will be determined by the trustee of the PPOC Trust and/or the applicable PPOC Sub-Trust, in each case, in accordance with the applicable trust distribution procedures and based on an array of factors, including whether such holder consensually grants the Non-GUC Releases in accordance with the Plan.

²³ The trustee for the Generics Price Fixing Sub-Trust will determine an allocation of funds among holders of Generic Price Fixing Claims in accordance with the Distribution Sub-Trust Documents.

As part of the OCC Resolution, the Opioid Claimants' Committee agreed to hold in abeyance the Joint Standing Motion, and the OCC Resolution otherwise resolved the Opioid Claimants' Committee's objection to the Bidding Procedures and the First Exclusivity Motion.

3. Ad Hoc Cross-Holder Group Resolution

The resolution reached between the Ad Hoc First Lien Group and the Ad Hoc Cross-Holder Group provides that the First Lien Claims held by the Ad Hoc Cross-Holder Group will be treated *pari passu* with the First Lien Claims held by the Ad Hoc First Lien Group. In order to implement this resolution in the Plan, the Debtors will treat (i) First Lien Claims held by the Ad Hoc Cross-Holder Group as First Lien Claims classified in and receiving the treatment proposed for Class 3 (First Lien Claims); and (ii) Claims relating to Second Lien Notes held by the Ad Hoc Cross-Holder Group as unsecured deficiency Claims classified in Class 4(A) (Second Lien Deficiency Claims and Unsecured Notes Claims) and receiving the treatment proposed for such Class, rendering such holders eligible to participate in the GUC Trust, in each case, as provided in the Plan. The Claims relating to the Unsecured Notes held by the Ad Hoc Cross-Holder Group will also be classified in Class 4(A) (Second Lien Deficiency Claims and Unsecured Notes Claims).

For additional information regarding the OCC Resolution, the PPOC Trust, and the PPOC Sub-Trusts, please refer to the OCC Letter.

4. Non-RSA 1Ls Resolution

The resolution reached between the Ad Hoc First Lien Group and the Non-RSA 1Ls provides that the Non-RSA 1Ls will receive *pari passu* treatment with the Ad Hoc First Lien Group. In order to implement this resolution in the Plan, the Debtors will treat such Claims as First Lien Claims classified in and receiving the treatment proposed for Class 3 (First Lien Claims).

5. Ad Hoc Group of Unsecured Noteholders Resolution

The resolution reached between the Ad Hoc First Lien Group and the Ad Hoc Group of Unsecured Noteholders provides that the fees and expenses in the amount of \$950,000 incurred the advisors to the Ad Hoc Group of Unsecured Noteholders, would be paid on or immediately after the Effective Date. These fees and expenses will constitute Restructuring Expenses under the Plan and paid in accordance with the terms of the Plan.

6. FCR Resolution

The resolution reached between the Ad Hoc First Lien Group and the FCR (the "FCR Resolution") provides that upon the closing date of the 363 Sale or as soon as reasonably practicable thereafter, the Stalking Horse Bidder would form a trust (the "Future PI Trust") for the benefit of certain individual future private opioid and mesh claimants whose first injury did not manifest until after the General Bar Date or the Extended Foreign Bar Date, as applicable, or in the case of individuals diagnosed with NAS, natural persons who are born after the General Bar Date or the Extended Foreign Bar Date, as applicable, but before the date that is the later of (i) 10 months after the General Bar Date or the Extended Foreign Bar Date, as applicable, and (ii) the Effective Date, and diagnosed with NAS resulting from such natural person's intrauterine exposure to Qualifying Opioids, which Future PI Trust would have been vested with up to \$11.88 million

of gross cash consideration—\$11.385 million for individual future private opioid claimants and \$495,000 for individual future mesh claimants—payable in installments over 10 years (for Future Opioid PI Claims and Future NAS PI Claims) and one year (for Future Mesh Claims), respectively. In connection with the Plan, the Debtors will implement certain key terms of the FCR Resolution in accordance with which the Future PI Trust will receive from the Debtors and/or the Purchaser Entities the same consideration described above on no less favorable terms to the Future PI Trust, and the Claims of eligible individual private future opioid and mesh claimants shall be channeled to the Future PI Trust and Allowed, Disallowed, or otherwise resolved by the Future PI Trust. Ultimate awards to holders of Allowed Future Opioid PI Claims, Allowed Future NAS PI Claims, and Allowed Future Mesh Claims will be determined by the Future PI Trustee based on an array of factors, and holders shall only receive an award, if any, if such holder consensually grants the Non-GUC Releases in accordance with the Plan.

7. Voluntary Public School District Creditors Resolution

The resolution reached between the Ad Hoc First Lien Group and a group of independent public school district opioid claimants (the “Public School District Creditors”) (such resolution, the “Voluntary Public School District Creditors Resolution”) provides that, upon the closing date of the 363 Sale or as soon as reasonably practicable thereafter, the Stalking Horse Bidder would fund the Opioid School District Recovery Trust (as defined in the Plan) with a minimum of \$1.5 million and a maximum of \$3 million (subject to a prepayment right) over a period of three years, with the amount of funding dependent on the number of Public School District Creditors that grant the Non-GUC Releases in accordance with the Plan. Under the Plan, the Debtors will implement certain key terms of the Voluntary Public School District Creditors Resolution through the proposed treatment of Allowed Claims classified in Class 8, which treatment will result in the Debtors and/or the Purchaser Entities funding the same consideration described above, which funds will be used to (i) provide grants and funding for specified opioid use/misuse abatement or remediation programs and (ii) fund the fees, costs, and expenses of administering and implementing the foregoing.

8. Voluntary Canadian Provinces Resolution

The resolution reached between the Ad Hoc First Lien Group and the Canadian Provinces (the “Voluntary Canadian Provinces Resolution”) provides that, upon the closing date of the 363 Sale or as soon as reasonably practicable thereafter, the Stalking Horse Bidder would form a voluntary trust for the benefit of the Canadian Provinces that (a) elect to become beneficiaries thereof and (b) release their claims against the Debtors, the Committees, the Ad Hoc First Lien Group, the Prepetition First Lien Secured Parties, certain other parties, and certain representatives and related parties of the foregoing. The Stalking Horse Bidder would fund such trust in an aggregate amount of up to \$7.25 million (subject to a prepayment right) in 11 equal installments over 10 years, subject to downward adjustment depending on the number of releases delivered by the Canadian Provinces. In connection with the Plan, the Debtors will implement certain key terms of the Voluntary Canadian Provinces Resolution through the proposed treatment of Allowed Claims classified in Class 9, which treatment will result in the Debtors and/or the Purchaser Entities funding the same consideration described above on essentially the same terms, which funds will be used to implement government programs and services aimed at assisting Canadians who suffer from opioid misuse or addiction disorder.

9. U.S. Government Resolution²⁴

In connection with the Mediation, the Ad Hoc First Lien Group and certain representatives of the U.S. Government (as defined in the Plan), including the DOJ, negotiated the key economic terms of a potential resolution of all U.S. Government Claims summarized in the term sheet attached hereto as **Exhibit C** (the “U.S. Government Economic Term Sheet” and such terms, together with any subsequently negotiated terms referenced below, the “U.S. Government Resolution”).

Certain other terms that are integral to a settlement with the U.S. Government remain unresolved but under consideration, including:

- **Criminal and Civil Terms**: As set forth in the U.S. Government Term Sheet, the agreements set forth therein are subject to reaching a satisfactory resolution acceptable to the Debtors, the U.S. Government and the Ad Hoc First Lien Group of the U.S. Government’s civil and criminal investigations related to the sale and marketing of Opana ER. As of the date hereof, the Debtors and the U.S. Government have not reached an agreement to resolve these matters. However, the Debtors are willing to consider a possible resolution whereby a Remaining Debtor agrees to (i) enter a criminal guilty plea and (ii) a civil resolution provided, among other things, that the Purchaser Entities would not be excluded from participation in federal health care programs. Any associated economic terms would be resolved as set forth in the U.S. Government Economic Term Sheet.

As of the date hereof, the U.S. Government Resolution has not yet been reached nor approved by the U.S. Government, the Debtors, their applicable boards of directors or any other constituencies and remains subject to and conditioned upon (a) agreement on definitive terms of any U.S. Government Resolution, which, if and when reached, shall be reflected in the U.S. Government Resolution Documents (which shall be filed as part of the Plan Supplement) and (b) each such party obtaining any necessary approvals of the terms embodied in the U.S. Government Resolution.

N. Voluntary Public/Tribal Opioid Trust Resolution

As contemplated in the RSA, in connection with the 363 Sale, the Ad Hoc First Lien Group agreed to cause the Stalking Horse Bidder to form (i) a trust for the benefit of holders of State Opioid Claims (the “Public Opioid Trust”) that voluntarily elect to participate in such trust, which trust would have been funded with an aggregate amount of \$460,048,000 in cash (subject to prepayment rights of the Stalking Horse Bidder and the Multi-State Endo Executive Committee,

²⁴ Any references in this Disclosure Statement or any other Plan Documents to the U.S. Government Resolution and the U.S. Government Resolution Documents are qualified in their entirety by the final terms of the agreed U.S. Government Resolution and the U.S. Government Resolution Documents, which, as of the date hereof, are subject to continued negotiations. For the avoidance of doubt, no party has consented to the U.S. Government Resolution or the U.S. Government Resolution Documents and all parties to such resolution and documents reserve their respective rights with respect thereto.

respectively) over 10 years; and (ii) a trust for the benefit of certain holders of Tribal Opioid Claims (the “Tribal Opioid Trust,” and together with the Public Opioid Trust, the “Voluntary Public/Tribal Opioid Trusts”), which would have been funded with an aggregate amount of up to \$15 million in cash (subject to a prepayment right) over 10 years (collectively, the “Voluntary Public/Tribal Opioid Trust Resolution”).²⁵

In connection with the Plan, the Debtors will implement certain key terms of the Voluntary Public/Tribal Opioid Trust Resolution through the proposed treatments of State Opioid Claims classified in Class 6(A), Local Government Opioid Claims classified in Class 6(B), and Tribal Opioid Claims classified in Class 6(C), which treatment will result in the Debtors and/or the Purchaser Entities funding the Voluntary Public/Tribal Opioid Trusts with the same consideration described above on essentially the same terms, provided that holders of Local Government Opioid Claims shall not receive any direct distributions under the Plan, or receive or retain any property under the Plan on account of such Local Government Opioid Claims, and may receive distributions from the their respective State in accordance with such State’s opioid abatement programs, subject to the laws and agreements of such State and such State’s opioid abatement programs.

As of the date of this Disclosure Statement, (a) 45 States not previously paid under settlements reached with the Debtors before the Petition Date, (b) the District of Columbia, and (c) 4 Territories have indicated, subject to final documentation and approvals, to support the establishment of the Public Opioid Trust under the Plan, and the Tribes will have the option to support the establishment of and/or participate in the Tribal Opioid Trust under the Plan. Each of the foregoing States, Territories, and the District of Columbia have also each agreed to grant the Non-GUC Releases in accordance with the Plan, and the Tribes participating the Voluntary Public/Tribal Opioid Trust and the Local Governments of the foregoing States shall have the opportunity to grant the Non-GUC Releases under the Plan.

VI. THE PLAN OF REORGANIZATION

The Plan is attached to this Disclosure Statement as **Exhibit A**. The following chart provides an overview of certain important provisions in the Plan:

Category	Description	Location in Plan
Treatment of Unclassified Claims	Detailed information relating to the treatment of Administrative Claims, professional fees and expenses, and Non-IRS Priority Tax Claims.	Article II
Classification and Treatment of Claims and Interests	Detailed information relating to the classification and treatment of Claims and Interests, including proposed distributions under the Plan to creditors and equity holders.	Articles III and IV

²⁵ As part of the resolutions achieved during the Mediation, the States agreed to reduce the gross amount of the settlement from \$465,200,000 to \$460,048,000 in exchange for receiving the right to elect to receive payment on the Effective Date of the prepayment amount of \$273,616,966.26 (which is the present value of the reduced gross amount applying the agreed-upon discount rate of 12.75%). The Multi-State Endo Executive Committee has informed the Debtors and the Ad Hoc First Lien Group that the States intend to exercise the prepayment option.

Means for Implementation	Describes the means for implementing the Plan, including details regarding, among other things, the sources of cash for required distributions, the Exit Financing, post-emergence governance structure, Restructuring Transactions, and the creation of the Trusts.	Article V
Plan Settlements and Trusts	Describes the implementation of the Resolutions through the Plan, including details regarding the Trusts.	Article VI
Treatment of Executory Contracts and Unexpired Leases	Details regarding the assumption and rejection of Executory Contracts and Unexpired Leases, including with respect to claims arising from rejections, assumption cure determinations, and insurance policies.	Article VII
Distributions	Details regarding distributions under the Plan including, among other things, the record date for distributions, timing and calculation of amounts to be distributed, and rights and powers of the Disbursing Agent.	Article VIII
Procedures for Resolving Contingent, Unliquidated, and Disputed Claims	Describes procedures for resolving contingent, unliquidated, and Disputed Claims.	Article IX
Settlement, Release, Injunction, Exculpation, and Related Provisions	Describes settlements, releases, injunctions, and exculpation under the Plan. <u>These provisions are set forth below.</u>	Article X
Conditions Precedent	Sets forth the conditions precedent to Confirmation of the Plan and the Effective Date, including various required Court approvals.	Article XI

Cash obtained from the Syndicated Exit Financing (to the extent implemented), the Rights Offerings, and cash on hand will be used to fund the Debtors' payments required by the Plan. The Plan provides that holders of claims in Class 1 (Priority Non-Tax Claims) and Class 2 (Other Secured Claims) will be reinstated, receive payment in full in cash on the Effective Date of the Plan, or receive such other treatment that the Debtors elect that results in holders of such claims or interests being unimpaired. Holders of Claims in Classes 3, 4(A), 4(B), 4(C), 4(D), 4(E), 4(F), 5, 6(A), 6(B), 6(C), 7(A), 7(B), 7(C), 7(D), 7(E), 8, 9, 10, 11, and 12 are impaired and entitled to vote on the Plan. Holders of Claims and Interests in Class 13 (Intercompany Claims) and Class 14 (Intercompany Interests) will be either unimpaired and therefore conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code, or impaired and not receiving any distribution under the Plan, in which case such holders will be deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code.

THIS DISCLOSURE STATEMENT IS QUALIFIED IN ITS ENTIRETY BY, AND IS SUBJECT TO, THE PLAN AS WELL AS THE EXHIBITS THERETO AND DEFINITIONS THEREIN. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT INCLUDE SUMMARIES OF SOME OF THE PROVISIONS CONTAINED IN THE PLAN AND IN DOCUMENTS REFERRED TO THEREIN. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT DO NOT PURPORT TO BE PRECISE OR COMPLETE STATEMENTS OF ALL THE TERMS AND PROVISIONS OF THE PLAN OR DOCUMENTS REFERRED TO THEREIN. REFERENCE IS MADE TO THE PLAN AND TO SUCH

DOCUMENTS FOR THE FULL AND COMPLETE STATEMENTS OF SUCH TERMS AND PROVISIONS.

THE PLAN ITSELF AND THE DOCUMENTS REFERRED TO THEREIN CONTROL THE ACTUAL TREATMENT OF CLAIMS AGAINST AND INTERESTS IN THE DEBTORS UNDER THE PLAN. UPON OCCURRENCE OF THE EFFECTIVE DATE, THE PLAN AND ALL SUCH DOCUMENTS WILL BE BINDING UPON ALL HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE DEBTORS AND THEIR ESTATES AND ALL OTHER PARTIES IN INTEREST. IN THE EVENT OF ANY CONFLICT BETWEEN THIS DISCLOSURE STATEMENT, ON THE ONE HAND, AND THE PLAN OR ANY OTHER OPERATIVE DOCUMENT, ON THE OTHER HAND, THE TERMS OF THE PLAN AND SUCH OTHER OPERATIVE DOCUMENT WILL CONTROL.

THE PLAN CONTAINS CERTAIN IMPORTANT SETTLEMENT, RELEASE, EXCULPATION, AND INJUNCTION PROVISIONS. THOSE PROVISIONS ARE RESTATED BELOW FOR YOUR CONVENIENCE.

A. Settlements

1. Section 10.1. Compromise and Settlement of Claims, Interests, and Controversies

Pursuant to sections 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of (a) all Released Claims; and (b) all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a holder of a Claim or Interest may have with respect to any Allowed Claim or Interest, or any Distribution to be made on account of such Allowed Claim or Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and holders of Claims and Interests, and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to sections 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Post-Emergence Entities may compromise and settle Claims against them and Causes of Action against other Persons.

B. Debtor, Non-GUC, and GUC Releases

1. Section 10.2. Debtor Releases

(a) Notwithstanding anything contained in the Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, on and after the Effective Date, the Debtors, their Estates, and the Post-Emergence Entities are deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged each Debtor Released Party from any and all Released Claims. Notwithstanding anything in the Plan to the contrary, the Debtor Releases do not release any post-Effective Date obligations of any Person or Entity under the Plan, any Plan Document, the Plan Transaction, any Restructuring

Transaction, or any document, instrument, or agreement executed to implement the Plan and the Plan Transaction, and shall not result in a release, waiver, or discharge of any Indemnification Obligations assumed by the Purchaser Entities as set forth in the Plan; provided, however, that, nothing in Section 10.2 of the Plan shall be construed to release (i) the GUC Trust Litigation Claims; or (ii) any Person or Entity from a claim for intentional fraud or willful misconduct, in each case, as determined by a Final Order.

(b) Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtor Releases and, further, shall constitute the Bankruptcy Court's finding that the Debtor Releases are: (i) in exchange for the good and valuable consideration provided by the Debtor Released Parties, including, without limitation, the Debtor Released Parties' contributions to facilitating the Debtors' restructuring and the implementation of the Plan; (ii) a good faith settlement and compromise of the Released Claims; (iii) in the best interests of the Debtors, their Estates, and all holders of Claims and Interests; (iv) fair, equitable, and reasonable; (v) given and made after due notice and opportunity for hearing; and (vi) a bar to any of the Debtors, their Estates, or the Post-Emergence Entities asserting any Released Claim.

(c) In addition to the foregoing Debtor Releases, the Debtors shall release the applicable Claims against the Settling Co-Defendants set forth in, and in accordance with the terms of, the mutual releases by the Debtors, their Estates, and the Post-Emergence Entities, on the one hand, and the Settling Co-Defendants, on the other hand, in each case, as set forth in the DMP Stipulation. For the avoidance of doubt, any Releases with respect to Settling Co-Defendants shall be subject to the terms of the DMP Stipulation.

2. Section 10.3. Non-GUC Releases

(a) Notwithstanding anything contained in the Plan to the contrary, as of the Effective Date, and to the fullest extent allowed by applicable law, each Non-GUC Releasing Party is deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged each Non-GUC Released Party from any and all Released Claims. For the avoidance of doubt, no Non-GUC Releasing Party shall release any Excluded Party (including, solely with respect to any Non-GUC Release granted by any Specified Opioid Claimant Releasing Party, any Additional Opioid Excluded Parties).

(b) For the avoidance of doubt and without limitation of the foregoing, each holder of a State Opioid Claim and each holder of a Tribal Opioid Claim that (i) is a governmental unit (as defined in section 101(27) of the Bankruptcy Code) or a Tribe; and (ii) grants or is deemed to grant, as applicable, the Non-GUC Releases shall, in each case, be deemed to have released all Released Claims that have been asserted or are, or have been, assertible by (1) such governmental unit (as defined in section 101(27) of the Bankruptcy Code) or Tribe in its own right, in its *parens patriae* or sovereign enforcement capacity, or on behalf, or in the name, of another Person; or (2) any other governmental official, employee, agent, or Representative acting or purporting to act in a *parens patriae*, sovereign enforcement, or quasi-sovereign enforcement capacity, or any other capacity,

on behalf of such governmental unit (as defined in section 101(27) of the Bankruptcy Code) or Tribe.

(c) Notwithstanding anything contained in the Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, on and after the Effective Date, the Non-GUC Releasing Parties are deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged each Non-GUC Released Party from any and all Released Claims. Notwithstanding anything in the Plan to the contrary, the Non-GUC Releases do not release (i) any Excluded Party; (ii) any post-Effective Date obligations of any Person or Entity under the Plan, any Plan Document, the Plan Transaction, any Restructuring Transaction, or any document, instrument, or agreement executed to implement the Plan and the Plan Transaction, and shall not result in a release, waiver, or discharge of any Indemnification Obligations assumed by the Purchaser Entities as set forth in the Plan; (iii) any GUC Trust Litigation Claim; (iv) any Person or Entity from a claim for intentional fraud or willful misconduct as determined by a Final Order; (v) with respect to the States, (1) any Regulatory Approval process required by the States (including their respective State agencies) in connection with the Plan Transaction; (2) any criminal action or criminal proceeding arising under a criminal provision of any State statute or law by a governmental entity that has authority to bring a criminal action or proceeding or to adjudicate a Person's guilt or to set a convicted Person's punishment; or (3) any Claims or Causes of Action against (x) any Excluded Party; or (y) any party identified in clauses (j) or (l) of the definition of "Non-GUC Released Parties," in their capacities as such (and, solely with respect to such parties, any party identified in clauses (m) or (n) of the definition of "Non-GUC Released Parties"); *provided, that*, for the avoidance of doubt, the States shall not release any VOI-Specific Post-Emergence Entities of any Claims or Causes of Action relating to such entities' (A) compliance with the Voluntary Opioid Operating Injunction; and (B) acts occurring after the Effective Date; and (vi) with respect to the Canadian Provinces, (1) any Regulatory Approval process required by the Canadian Provinces (including their respective agencies) in connection with the Plan Transaction; (2) any criminal action or criminal proceeding arising under a criminal provision of any statute or law by a Governmental Authority that has authority to bring a criminal action or proceeding or to adjudicate a person's guilt or to set a convicted person's punishment; (3) any Claims or Causes of Action against any Excluded Party; or (4) the ability of each of the Canadian Provinces to legislate, regulate, or administer and enforce federal, provincial, or territorial legislation (including regulations) such as the Criminal Code, Food and Drugs Act, and the Controlled Drugs and Substances Act (*provided, that*, such activity does not seek to recover civil damages, civil restitution, or other relief of the kind that was sought or could have been sought in the Canadian Provinces Class Action or in the Canadian Provinces McKinsey Action).

(d) Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Non-GUC Releases and, further, shall constitute the Bankruptcy Court's finding that the Non-GUC Releases are: (i) essential to the Confirmation of the Plan; (ii) consensually given in exchange for the good and valuable consideration provided by the Non-GUC Released Parties, including, without limitation, the Non-GUC Released Parties' contributions to facilitating the restructuring and implementation of the Plan and the Plan Transaction; (iii) a good faith settlement and compromise of the Released Claims; (iv) in the best interests of the Debtors and their Estates; (v) fair, equitable, and reasonable; (vi) given and made

after due notice and opportunity for hearing; and (vii) a bar to any of the Non-GUC Releasing Parties asserting any Released Claim.

3. Section 10.4. GUC Releases

(a) Notwithstanding anything contained in the Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, on and after the Effective Date, the GUC Releasing Parties are deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged each GUC Released Party from any and all Released Claims. Notwithstanding anything in the Plan to the contrary, (i) the GUC Releases do not release any (1) post-Effective Date obligations of any Person or Entity under the Plan, any Plan Document, the Plan Transaction, any Restructuring Transaction, or any document, instrument, or agreement executed to implement the Plan and the Plan Transaction, and shall not result in a release, waiver, or discharge of any Indemnification Obligations assumed by the Purchaser Entities as set forth in the Plan; (2) GUC Trust Litigation Claim; or (3) Person or Entity from a claim for intentional fraud or willful misconduct as determined by a Final Order; (ii) none of the GUC Releasing Parties release or shall be deemed to release any GUC Trust Litigation Claim (and such Claims and Causes of Action are preserved, in each case, subject to the Covenant Not To Collect); and (iii) the Covenant Not To Collect shall be binding on any transferee, successor, or assign in connection with any transfer, pledge, sale, hypothecation, assignment, or other disposal of Claims solely against the Excluded D&O Parties, and the failure of any recipient of any Claims solely against any Excluded D&O Party to agree to such covenant shall render any such transfer, pledge, sale, hypothecation, assignment, or other disposal of Claims void ab initio. The Excluded D&O Parties are third-party beneficiaries with rights of enforcement with respect to the Covenant Not To Collect. For the avoidance of doubt, no GUC Releasing Party shall release or be deemed to release any GUC Trust Litigation Claims.

(b) Upon granting or being deemed to grant, as applicable, the GUC Releases, the GUC Releasing Parties shall be deemed to covenant (the “Covenant Not To Collect”) that (a) any recovery by the GUC Trust or any other GUC Releasing Party on account of any Claim or Cause of Action, direct or indirect, against an Excluded D&O Party including, in each case, by way of settlement or judgment, shall be satisfied solely by and to the extent of the proceeds of the GUC Trust D&O Insurance Policies; (b) any party, including any GUC Trustee or Trustee of a Distribution Sub-Trust and all other GUC Releasing Parties, seeking to execute, garnish, or otherwise attempt to collect on any settlement of or judgment on account of Claims or Causes of Action against Excluded D&O Parties shall do so solely upon available insurance coverage, if any, from the GUC Trust D&O Insurance Policies; and (c) the GUC Releasing Parties shall not otherwise attempt to collect, directly or indirectly, from the personal assets of any Excluded D&O Party. The Covenant Not To Collect shall be binding on any transferee, successor, or assign in connection with any transfer, pledge, sale, hypothecation, assignment, or other disposal of Claims or Causes of Action against the Excluded D&O Parties and, in connection with any such transfer, the failure of a transferee to agree to the Covenant Not To Collect shall render such transfer void ab initio. Each of the Excluded D&O Parties are express third-party beneficiaries of this Covenant Not To Collect.

(c) Entry of the Confirmation Order shall constitute the Bankruptcy Court’s approval, pursuant to Bankruptcy Rule 9019, of the GUC Releases and, further, shall constitute the

Bankruptcy Court’s finding that the GUC Releases are: (i) in exchange for the good and valuable consideration provided by the GUC Released Parties, including, without limitation, the GUC Released Parties’ contributions to facilitating the Debtors’ restructuring and the implementation of the Plan; (ii) a good faith settlement and compromise of the Released Claims; (iii) in the best interests of the Debtors, their Estates, and all holders of Claims and Interests; (iv) fair, equitable, and reasonable; (v) given and made after due notice and opportunity for hearing; and (vi) a bar to any GUC Releasing Party asserting any Released Claim.

4. Section 10.5. Effect of Releases to Holders of Trust Channeled Claims

(a) Holders of Trust Channeled Claims shall have the option to grant or opt out of granting, as applicable, the Non-GUC Releases or the GUC Releases, as applicable.

(b) In addition to the amount of any Distribution to be provided by a Trust to a holder of an Allowed Trust Channeled Claim (other than a (i) Canadian Provinces Claim; (ii) State Opioid Claim; or (iii) Tribal Opioid Claim) that is a Non-GUC Releasing Party or a GUC Releasing Party, as applicable, such Non-GUC Releasing Party or GUC Releasing Party, as applicable, shall receive an additional payment in exchange for granting or being deemed to grant, as applicable, the Non-GUC Releases or the GUC Releases, as applicable.

5. Definitions

“Additional Opioid Excluded Parties” means (a) the Co-Defendants; and (b) any distributor, manufacturer, or pharmacy engaged in the distribution, manufacture, or dispensing/sale of Opioids, Opioid Products, or, solely with respect to the Canadian Provinces, Canadian First Nations, and Canadian Municipalities, Canadian Opioid Products. The Additional Opioid Excluded Parties shall be deemed Excluded Parties solely with respect to the Releases granted or deemed to be granted, as applicable, by the Specified Opioid Claimant Releasing Parties; *provided, that*, for the avoidance of doubt, the Additional Opioid Excluded Parties shall not be Excluded Parties with respect to the Releases granted or deemed to be granted by any Non-GUC Releasing Party other than the Specified Opioid Claimant Releasing Parties or any GUC Releasing Party.

“Excluded Parties” means (a) the McKinsey Parties; (b) the Arnold & Porter Parties; (c) any of the Debtors’ current or former third-party agents, partners, representatives, or consultants involved in the production, distribution, marketing, promotion, or sale of Opioids, Opioid Products, or, solely with respect to the Canadian Provinces, the Canadian First Nations, and the Canadian Municipalities, Canadian Opioid Products (in each case of clauses (a), (b), and (c), excluding the Debtors’ (i) current and former officers, directors, and employees (in each case, solely in their respective capacities as such); and (ii) Professionals retained by the Debtors in the Chapter 11 Cases (which, for the avoidance of doubt, shall (1) include any ordinary course professionals; but (2) exclude any Additional Advisor Excluded Parties)); (d) Practice Fusion, Inc.; (e) the Publicis Health Parties; (f) the ZS Associates Parties; and (g) solely with respect to the Specified Opioid Claimant Releasing Parties, the Additional Opioid Excluded Parties, solely in their respective capacities as such. Notwithstanding anything to the contrary in the Plan, none of the following shall be an “Excluded Party”: the Debtors’ (1) current and former directors (including any Persons in analogous roles under applicable law), officers, and employees, in each

case, solely in their respective capacities as such; and (2) Professionals retained by the Debtors in the Chapter 11 Cases (which, for the avoidance of doubt, shall (A) include any ordinary course professionals; but (B) exclude any Additional Advisor Excluded Parties) and, for the avoidance of doubt, each Person identified in the foregoing clauses (1) and (2) shall be a Non-GUC Released Party.

“GUC Excluded Parties” means (a) the Excluded Parties; and (b)(i) the TPG Parties; (ii) the Insurance Advisor Parties; (iii) the Additional Advisor Excluded Parties; (iv) the Additional Third-Party Excluded Parties and (v) the Excluded D&O Parties (subject to the Covenant Not To Collect).

“GUC Released Parties” means (a) the Debtors and their Estates; (b) the Non-Debtor Affiliates; (c) the Post-Emergence Entities; (d) each Consenting First Lien Creditor and Prepetition Secured Party, in each case, solely in their respective capacities as such; (e) the Ad Hoc Cross-Holder Group, the Ad Hoc First Lien Group, and each of the members of the foregoing, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the individual members thereof, in each case, solely in their respective capacities as such; (f) the Opioid Claimants’ Committee and each of the members thereof, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the individual members thereof, in each case, solely in their respective capacities as such; (g) the Creditors’ Committee and each of the members thereof, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the members thereof, in each case, solely in their respective capacities as such; (h) the FCR, solely in his capacity as such, and the advisors to the FCR, solely in their respective capacities as such; (i) the Endo EC and each of the States that are members thereof and their respective officers and Representatives, in each case, solely in their respective capacities as such; (j) the Trusts and the Trustees, administrators, boards or governing bodies of, any advisors to, and any other Persons with similar administrative or supervisory roles in connection with any of the foregoing, in each case, solely in their respective capacities as such; (k) the First Lien Backstop Commitment Parties and the GUC Backstop Commitment Parties, in each case, solely in their respective capacities as such; (l) the Unsecured Notes Indenture Trustees, solely in their respective capacities as such; (m) the Debtors’ current officers (as of or after the Petition Date); (n) the Debtors’ directors (including any Persons in any analogous roles under applicable law) that continue serving in their capacity as directors with, or become directors of, any of the Purchaser Entities after the Effective Date or continue or begin serving in any other prior senior-level employment position²⁶ after the Effective Date and performing services commensurate with such prior position;²⁷ (o) current and former officers and directors (including any Persons in any analogous roles under applicable law) of subsidiaries of Endo International plc that are not UCC Specified Subsidiaries; (p) with respect to each of the foregoing Persons listed in clauses (a) through (c), such Persons’ predecessors, successors, assigns, current and former subsidiaries and

²⁶ For the avoidance of doubt, any individual serving in a position of Band D or higher shall be deemed to be serving in a senior-level employment position.

²⁷ For the avoidance of doubt, if a director does not continue in the same position or one or more position(s) of similar seniority post-Effective Date, such individual shall not be a GUC Released Party or a Non-GUC Released Party under this clause (n); *provided, that*, to the extent employed immediately prior to the Effective Date in a senior-level non-director position, such individual was offered employment by any of the Purchaser Entities.

Affiliates, heirs, executors, estates, nominees, current and former employees, advisors, agents, and consultants (including any professional retained by the Debtors in the Chapter 11 Cases except, with respect to ordinary course professionals, as may be agreed on a case-by-case basis, and excluding the Arnold & Porter Parties, the McKinsey Parties, the Insurance Advisor Parties, the Additional Advisor Excluded Parties, and any other GUC Excluded Party), in each case, solely in their respective capacities as such; and (q) with respect to each of the foregoing Persons listed in clauses (d) through (l), such Persons' predecessors, successors, permitted assigns, current and former subsidiaries and Affiliates, respective heirs, executors, estates, nominees, current and former officers, directors (including any Persons in any analogous roles under applicable law), employees, and Representatives, in each case, solely in their respective capacities as such. For the avoidance of doubt, no GUC Excluded Party shall be a GUC Released Party.

"GUC Releasing Parties" means (a) the GUC Trust; (b) each Distribution Sub-Trust; (c) each holder of (i) an Other General Unsecured Claim; (ii) a Mesh Claim; or (iii) a Ranitidine Claim, in each case, that (1) votes to accept the Plan; (2) was solicited to vote to accept or reject the Plan but who does not vote either to accept or reject the Plan and, further, opts in to grant the GUC Releases; or (3) votes to reject the Plan and opts in to grant the GUC Releases; (d) each holder of (i) a Second Lien Deficiency Claim; (ii) an Unsecured Notes Claim; (iii) a Generics Price Fixing Claim; or (iv) a Reverse Payment Claim, in each case, that (1) votes to accept the Plan; (2) was solicited to vote to accept or reject the Plan but who does not vote either to accept or reject the Plan and, further, does not opt out of granting the GUC Releases; or (3) votes to reject the Plan and opts in to grant the GUC Releases; and (e) Representatives of each Person in the foregoing clauses (a) through (d), in each case, solely in their respective capacities as such.

"Non-GUC Released Parties" means (a) the Debtors and their Estates; (b) the Non-Debtor Affiliates; (c) the Post-Emergence Entities; (d) each Consenting First Lien Creditor and Prepetition Secured Party, solely in their respective capacities as such; (e) the Ad Hoc Cross-Holder Group, the Ad Hoc First Lien Group, and each of the members of the foregoing, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the individual members thereof, in each case, solely in their respective capacities as such; (f) the Opioid Claimants' Committee and each of the members thereof, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the individual members thereof, in each case, solely in their respective capacities as such; (g) the Creditors' Committee and each of the members thereof, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the members thereof, in each case, solely in their respective capacities as such; (h) the FCR, solely in his capacity as such, and the advisors to the FCR, solely in their respective capacities as such; (i) the Endo EC and each of the States that are members thereof and their respective officers and Representatives, in each case, solely in their respective capacities as such; (j) the Trusts and the Trustees, administrators, boards or governing bodies of, any advisors to, and any other Persons with similar administrative or supervisory roles in connection with, any of the foregoing, in each case, solely in their respective capacities as such; (k) the First Lien Backstop Commitment Parties and the GUC Backstop Commitment Parties, in each case, solely in their respective capacities as such; (l) the Unsecured Notes Indenture Trustees, solely in their respective capacities as such; (m) with respect to each of the foregoing Persons listed in clauses (a) through (l), such Persons' predecessors, successors, permitted assigns, current and former subsidiaries and Affiliates, respective heirs, executors, estates, and nominees, in each case, solely in their respective capacities as such; and (n) with respect to each of the foregoing Persons listed

in clauses (a) through (m), such Persons' current and former officers, directors (including any Persons in any analogous roles under applicable law), employees, and Representatives, in each case, solely in their respective capacities as such. Notwithstanding the foregoing or anything to the contrary in the Plan or in any other Plan Document, "Non-GUC Released Parties" shall not include any Excluded Party and all Claims and Causes of Action against such Persons shall be preserved and not released in accordance with the Plan.

"Non-GUC Releasing Parties" means each (a) Non-GUC Released Party, other than (i) the Debtors; and (ii) the Post-Emergence Entities; (b) holder of a State Opioid Claim; (c) holder of (i) a PI Opioid Claim; (ii) a NAS PI Claim; (iii) an IERP II Claim; (iv) an Other Opioid Claim; or (v) an EFBD Claim, in each case, that (1) votes to accept the Plan; (2) was solicited to vote to accept or reject the Plan but that does not vote to either accept or reject the Plan and, further, opts in to grant the Non-GUC Releases; or (3) votes to reject the Plan and opts in to grant the Non-GUC Releases; (d) holder of (i) a Priority Non-Tax Claim; (ii) an Other Secured Claim; (iii) a First Lien Claim; (iv) a Local Government Opioid Claim; (v) a Tribal Opioid Claim; (vi) a Hospital Opioid Claim; (vii) a TPP Claim; (viii) a Public School District Claim; (ix) a Canadian Provinces Claim; (x) a Settling Co-Defendant Claim; (xi) a Subordinated, Recharacterized, or Disallowed Claim; or (xii) an Existing Equity Interest, in each case, that (1) votes to accept the Plan; (2) is presumed to accept the Plan and does not opt out of granting the Non-GUC Releases; (3) is deemed to reject the Plan and does not opt out of granting the Non-GUC Releases; (4) was solicited to vote to accept or reject the Plan but who does not vote either to accept or reject the Plan and, further, does not opt out of granting the Non-GUC Releases; or (5) votes to reject the Plan and opts in to grant the Non-GUC Releases; and (e) Representatives of each Person in the foregoing clauses (a), (b), (c), and (d), in each case, solely in their respective capacities as such.

"Released Claims" means any and all Claims and Causes of Action arising at any time prior to or on the Effective Date and relating in any way to the Debtors (whether as the Debtors existed prior to the Petition Date or as debtors-in-possession), the Estates, the Debtors' business, or the Chapter 11 Cases or related foreign recognition proceedings, including, without limitation, any and every Cause of Action, including any and every Claim and action, class action, cross-claim, counterclaim, third-party Claim, controversy, dispute, demand, right, lien, indemnity, contribution, right of subrogation, reimbursement, guaranty, suit, obligation, liability, debt, damage, judgment, loss, cost, attorneys' fees and expenses, account, defense, remedy, offset, power, privilege, license, or franchise, in each case, of any kind, character, or nature whatsoever, asserted or unasserted, accrued or unaccrued, known or unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, foreseen or unforeseen, direct or indirect, choate or inchoate, Secured or unsecured, Allowed, Disallowed, or Disputed, assertible directly or derivatively (including, without limitation, under alter-ego theories), in rem, quasi in rem, in personam, or otherwise, whether arising before, on, or after the Petition Date, whether arising under federal statutory law, state statutory law, common law, or any other applicable international, foreign, or domestic law, rule, statute, regulation, treaty, right, duty, requirement, or otherwise, in contract or in tort, at law, in equity, or pursuant to any other theory or principle of law, including fraud, negligence, gross negligence, recklessness, reckless disregard, deliberate ignorance, public or private nuisance, breach of fiduciary duty, avoidance (other than any Specified Avoidance Action), willful misconduct, veil piercing, unjust enrichment, disgorgement, restitution, contribution, indemnification, rights of subrogation, and joint liability, regardless of where in the world accrued or arising, including, for

the avoidance of doubt, (a) any Cause of Action held by a natural person who is not yet born or who has not yet attained majority as of the Petition Date or as of the Effective Date, as applicable; (b) any right of setoff, counterclaim, or recoupment, and any Cause of Action for breach of contract or for breach of duty imposed by law or in equity; (c) the right to object to or otherwise contest Claims or Interests; (d) any Cause of Action pursuant to section 362 of the Bankruptcy Code or chapter 5 of the Bankruptcy Code; (e) any claim or defense, including fraud, mistake, duress and usury, and any other defense set forth in section 558 of the Bankruptcy Code; and (f) any claim under any federal, state, or foreign law, including for the recovery of any fraudulent transfer or similar theory (other than any Specified Avoidance Action) arising at any time prior to or on the Effective Date and relating in any way to the Debtors (whether as the Debtors existed prior to the Petition Date or as debtors-in-possession), the Estates, the Debtors' business, the Chapter 11 Cases, or foreign recognition proceedings relating to the Chapter 11 Cases, including, without limitation, any and all Claims and Causes of Action based on or relating to, or in any manner arising from, in whole or in part: (i) Opioids, Opioid Products, Canadian Opioid Products, and Opioid-Related Activities; (ii) the Debtors' use of Cash in accordance with the Cash Collateral Order; (iii) any Avoidance Actions that are not Specified Avoidance Actions (for the avoidance of doubt, Specified Avoidance Actions shall not be Released Claims); (iv) the negotiation, formulation, preparation, dissemination, filing, or implementation of, prior to the Effective Date, the Sale Process, the Bidding Procedures Order, the Plan, the Plan Transaction, the Plan Documents, the Transaction Steps Order, the Plan Settlements, the Trusts, the Trust Documents, the Opioid School District Recovery Trust Governing Documents, the U.S. Government Resolution Documents, the Exit Financing Documents, the Rights Offering Documents, the RSA, the Restructuring Transactions, the India Internal Reorganization, the Scheme, the Scheme Circular, and any contract, instrument, release, or any other similar document or agreement entered into in connection with the foregoing or any transactions or other actions or omissions contemplated thereby; (v) the administration and implementation of the Plan, including the Restructuring Transactions, the Exit Financing, the Rights Offerings and the Backstop Commitment Agreements, the Plan Transaction, and the Plan Settlements, the issuance or distribution of equity and/or debt securities and/or indebtedness in connection therewith or with the Plan, and any other transactions, actions, omissions, or documents contemplated thereby or by the Plan; (vi) the establishment and funding of the Trusts, the implementation of the Plan Settlements, and any other actions taken in connection therewith or contemplated thereby; and (vii) any other act or omission, transaction, agreement, event, or other occurrence or circumstance taking place on or before the Effective Date related or relating to any of the foregoing. For the avoidance of doubt, "Released Claims" shall not include any (1) Claims or Causes of Action against any Excluded Party or, solely with respect to the GUC Releasing Parties, any GUC Excluded Party; or (2) GUC Trust Litigation Claims.

"Specified Opioid Claimant Releasing Parties" means (a) the PPOC Trust; (b) each PPOC Sub-Trust; (c) each Present Private Opioid Claimant; (d) the Future PI Trust; (e) each Future PI Claimant; (f) the Canadian Provinces Trust; (g) each Canadian Province; (h) each Canadian First Nation; (i) each Canadian Municipality; and (j) each Public School District Creditor, in each case, that grants or is deemed to grant, as applicable, the Non-GUC Releases, solely in their respective capacities as such.

C. Exculpations and Injunction

1. Section 10.6. Exculpation

(a) Notwithstanding anything contained in the Plan to the contrary, and to the maximum extent permitted by applicable law, no Exculpated Party shall have or incur liability for, and each Exculpated Party is released and exculpated from, any Exculpated Claim, obligation, Cause of Action or liability for any Exculpated Claim, except for gross negligence, intentional fraud, or willful misconduct (to the extent such duty is imposed by applicable non-bankruptcy law), but in all respects such Persons shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. For the avoidance of doubt, this exculpation shall be in addition to, and not in limitation of, the Releases and all other releases, indemnities (including the Indemnification Obligations), exculpations, and any other applicable law or rules protecting such Exculpated Parties from liability. For the avoidance of doubt, the Debtors, their Estates, and the Post-Emergence Entities are not (i) exculpating any (1) Excluded Party; (2) TPG Party; (3) Insurance Advisor Party; (4) Additional Advisor Excluded Party; or (5) Additional Third-Party Excluded Party; or (ii) releasing any GUC Trust Litigation Claims.

(b) The Exculpated Parties have, and upon Confirmation of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws and provisions of the Bankruptcy Code with regard to the solicitation of votes on, and Distribution of consideration (including securities) pursuant to, the Plan and, therefore, are not, and on account of such Distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such Distributions made pursuant to the Plan, including, in each case, any Distribution made by any Trust in accordance with the Plan and the applicable Trust Documents. Notwithstanding anything to the contrary in the foregoing, the exculpation set forth above does not release or exculpate any claim relating to any post-Effective Date obligations of any Person under the Plan, any Restructuring Transaction, the Plan Transaction, or any Plan Document or other document, instrument, or agreement executed to implement the Plan.

2. Section 10.7. Discharge of Claims and Termination of Interests

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan, the Distributions, rights, and treatment that are provided in the Plan shall be in full and final satisfaction, settlement, release, and discharge to the fullest extent permitted by section 1141 of the Bankruptcy Code, effective as of the Effective Date, of all Claims, Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against the Debtors or the Debtors' Estates or any of their Assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (a) a Proof of Claim or Interest based upon such Claim, debt, right, or Interest is filed or deemed filed pursuant to section 501 of the Bankruptcy Code; (b) a Claim or Interest based upon such Claim, debt, right, or Interest is Allowed pursuant

to section 502 of the Bankruptcy Code; (c) the holder of such a Claim or Interest has voted to accept the Plan; or (d) the holder of such Claim or Interest has voted or failed to vote to accept or reject the Plan. All Claims and Interests shall be satisfied, discharged, and released in full, and the Debtors' liability with respect thereto shall be extinguished completely, including any liability of the kind specified under section 502(g) of the Bankruptcy Code. All Entities shall be precluded from asserting any Claims against the Debtors, their Estates, the Post-Emergence Entities, their respective successors and assigns, and their respective Assets and properties, and any other Claims or Interests based upon any documents, instruments, or any act of omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date. The Confirmation Order shall be a judicial determination (i) of the discharge of all Claims and Interests, subject to the Effective Date; and (ii) that no Claims shall be excepted from discharge under section 1141(d)(6) of the Bankruptcy Code.

3. Section 10.8. Plan Injunction

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THE PLAN, THE PLAN SUPPLEMENT, ANY OTHER PLAN DOCUMENT, OR ANY OTHER RELATED DOCUMENTS, OR FOR OBLIGATIONS ISSUED PURSUANT TO THE PLAN, ALL PERSONS WHO HAVE HELD, HOLD, OR MAY HOLD CLAIMS OR INTERESTS THAT HAVE BEEN RELEASED PURSUANT TO ARTICLE X OF THE PLAN, DISCHARGED PURSUANT TO SECTION 10.7 OF THE PLAN, OR ARE SUBJECT TO EXCULPATION PURSUANT TO SECTION 10.6 OF THE PLAN, ARE PERMANENTLY ENJOINED, FROM AND AFTER THE EFFECTIVE DATE, FROM TAKING ANY OF THE FOLLOWING ACTIONS AGAINST THE RELEASED PARTIES, INCLUDING, FOR THE AVOIDANCE OF DOUBT, IN EACH CASE, THE DEBTORS, THEIR ESTATES, THE POST-EMERGENCE ENTITIES, AND ANY OF THEIR ASSETS, AND THE EXCULPATED PARTIES, AS APPLICABLE: (A) COMMENCING OR CONTINUING IN ANY MANNER OR IN ANY PLACE ANY ACTION, EMPLOYMENT OF PROCESS, OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; (B) ENFORCING, ATTACHING, COLLECTING, OR RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE, OR ORDER AGAINST SUCH PERSONS ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; (C) CREATING, PERFECTING, OR ENFORCING ANY LIEN OR ENCUMBRANCE OF ANY KIND AGAINST SUCH PERSONS OR THE PROPERTY OR ESTATES OF SUCH PERSONS ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; AND (D) ASSERTING A SETOFF, RIGHT OF SUBROGATION, OR RECOUPMENT OF ANY KIND AGAINST ANY DEBT, LIABILITY, OR OBLIGATION DUE TO THE DEBTORS ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS, EXCEPT AS SET FORTH IN SECTION 10.9 OF THE PLAN. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE PLAN, SECTION 10.8 OF THE PLAN SHALL NOT ENJOIN THE GUC TRUST'S PURSUIT OF ANY GUC TRUST LITIGATION CLAIMS.

4. Section 10.9. Channeling Injunction

(a) In order to preserve and promote the resolutions contemplated by and provided for in the Plan and to supplement, where necessary, the injunctive effect of the Plan Injunction and the releases set forth in Article X of the Plan, and pursuant to the exercise of the equitable jurisdiction and power of the Bankruptcy Court under section 105(a) of the Bankruptcy Code, upon the channeling of the Trust Channeled Claims, all Persons that have held or asserted, that hold or assert or that may in the future hold or assert any Trust Channeled Claim shall be (x) deemed to release any Trust Channeled Claims held by such Persons against the Debtors and the Post-Emergence Entities; and (y) permanently and forever stayed, restrained and enjoined from taking any action for the purpose of directly or indirectly collecting, recovering or receiving payments, satisfaction, recovery or judgment of any form from or against any of the Debtors or Post-Emergence Entities, as applicable, with respect to any Trust Channeled Claim, including:

(i) commencing, conducting, or continuing, in any manner, whether directly or indirectly, any suit, action, or other proceeding, in each case, of any kind, character or nature, in any forum in any jurisdiction with respect to any Trust Channeled Claims, against or affecting any of the Debtors or the Post-Emergence Entities, as applicable, or any property or interests in property of any of the Debtors or the Post-Emergence Entities, as applicable, with respect to any Trust Channeled Claims;

(ii) enforcing, levying, attaching, collecting, or otherwise recovering, by any means or in any manner, either directly or indirectly, any judgment, award, decree, or other order against any of the Debtors or the Post-Emergence Entities, as applicable, with respect to any Trust Channeled Claims;

(iii) creating, perfecting, or enforcing, by any means or in any manner, whether directly or indirectly, any Lien of any kind against any of the Debtors or the Post-Emergence Entities, as applicable, or the property of any of the Debtors or the Post-Emergence Entities, as applicable, in each case, with respect to any Trust Channeled Claims;

(iv) asserting or accomplishing any setoff, right of subrogation, indemnity, contribution, or recoupment of any kind, whether directly or indirectly, in respect of any obligation due to any of the Debtors or Post-Emergence Entities, as applicable, or against the property of any of the Debtors or the Post-Emergence Entities, as applicable, in each case, with respect to Trust Channeled Claims; and

(v) taking any act, by any means or in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan or any Plan Document (including, for the avoidance of doubt, any Trust Document) with respect to any Trust Channeled Claims.

(b) Notwithstanding anything to the contrary in Section 10.9 of the Plan or the Confirmation Order, this Channeling Injunction shall not stay, restrain, bar, or enjoin:

(i) the rights of holders of Trust Channeled Claims to the treatment afforded to them under the Plan and the Plan Documents, including the rights of holders of Trust

Channeled Claims to assert such Trust Channeled Claims solely in accordance with the Plan and the Trust Documents;

(ii) the rights of Persons to assert any Claim, debt, litigation, or liability for payment of Trust Operating Expenses against the applicable Trust;

(iii) the rights of any Person to assert any Claim, Cause of Action, debt, or litigation against any Excluded Party;

(iv) the rights of the GUC Trust to assert any GUC Trust Litigation Claims against any GUC Excluded Party, subject to the Covenant Not To Collect;

(v) the rights of the GUC Trust to pursue and enforce any GUC Trust Litigation Claims, including the GUC Trust Insurance Rights;

(vi) the Distribution Sub-Trusts from enforcing their respective rights against the GUC Trust under the Plan and the GUC Trust Documents;

(vii) the PPOC Trust from enforcing its rights against the Purchaser Entities under the Plan and the PPOC Trust Documents;

(viii) the PPOC Sub-Trusts from enforcing their respective rights against the PPOC Trust under the Plan and the PPOC Trust Documents; or

(ix) the Future PI Trust from enforcing its rights against the Purchaser Entities under the Plan and the Future PI Trust Documents.

(c) There can be no modification, dissolution, or termination of the Channeling Injunction, which shall be a permanent injunction, and nothing in the Plan or any Plan Document (including, for the avoidance of doubt, any Trust Document) shall be construed in any way to limit the scope, enforceability, or effectiveness of the Channeling Injunction issued in connection with the Plan. The Debtors' compliance with the requirements of Bankruptcy Rule 3016 shall not constitute an admission that the Plan provides for an injunction against conduct not otherwise enjoined under the Bankruptcy Code.

(d) In the event that any Person takes any action that a Released Party or Exculpated Party, as applicable, believes violates the releases provided in the Plan or the Channeling Injunction as it applies to any Released Party or Exculpated Party, as applicable, such Released Party or Exculpated Party, as applicable, shall be entitled to make an emergency application to the Bankruptcy Court for relief, and may proceed by contested matter rather than by adversary proceeding. The Bankruptcy Court shall have jurisdiction and authority to enter Final Orders in connection with any dispute over whether an action violates the releases provided in the Plan or

the Channeling Injunction. Upon determining that such a violation has occurred, the Bankruptcy Court, in its discretion, may award any appropriate relief against such violating Person.

5. Section 10.10. Specified Debtor Insurer Injunction

(a) Terms

In accordance with section 105(a) of the Bankruptcy Code, on the Effective Date, all persons that have held or asserted, that hold or assert, or that may in the future hold or assert any Claim based on, arising out of, attributable to, or in any way connected with any GUC Trust Insurance Policy or GUC Trust D&O Insurance Policy (but not, for the avoidance of doubt, any Non-GUC Trust D&O Insurance Policy) shall be permanently enjoined from taking any action for purposes of directly or indirectly collecting, recovering, or receiving payment on account of any such Claim, whether sounding in tort, contract, warranty, or any other theory of law, equity, or admiralty, including:

(i) commencing, conducting, or continuing, in any manner, any action or other proceeding of any kind (including an arbitration or other form of alternate dispute resolution) against any Specified Debtor Insurer, or against the property of any Specified Debtor Insurer, (1) on account of any Claim based on, arising under, or attributable to a GUC Trust Insurance Policy or GUC Trust D&O Insurance Policy; or (2) on account of any rights of any Person under a “direct action” statute to proceed directly against any Specified Debtor Insurer;

(ii) enforcing, attaching, levying, collecting, or otherwise recovering, by any manner or means, any judgment, award, decree, or other order against any Specified Debtor Insurer, or against the property of any Specified Debtor Insurer, on account of any Claim based on, arising under, or attributable to any GUC Trust Insurance Policy or GUC Trust D&O Insurance Policy;

(iii) creating, perfecting, or enforcing, in any manner, any Lien of any kind against any Specified Debtor Insurer, or against the property of any Specified Debtor Insurer, on account of any Claim based on, arising under, or attributable to any GUC Trust Insurance Policy or GUC Trust D&O Insurance Policy;

(iv) asserting or accomplishing any setoff, right of subrogation, indemnity, contribution, or recoupment of any kind, whether directly or indirectly, against any obligation due to any Specified Debtor Insurer, or against the property of any Specified Debtor Insurer, on account of any Claim based on, arising under, or attributable to any GUC Trust Insurance Policy or GUC Trust D&O Insurance Policy; and

(v) taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan applicable to any Claim based on, arising under, or attributable to any GUC Trust Insurance Policy or GUC Trust D&O Insurance Policy.

(b) Reservations

Notwithstanding anything to the contrary in Section 10.10(a) of the Plan, the provisions of the Specified Debtor Insurer Injunction:

(i) shall not (1) preclude the GUC Trust from pursuing any Claim based on, arising under, or attributable to any GUC Trust Insurance Policy or GUC Trust D&O Insurance Policy, or any other Claim that may exist under any GUC Trust Insurance Policy or GUC Trust D&O Insurance Policy against any Specified Debtor Insurer; or (2) enjoin the rights of the GUC Trust to prosecute any action based on or arising from the GUC Trust Insurance Policies or GUC Trust D&O Insurance Policies or the rights of the GUC Trust to assert any Claim, debt, obligation, Cause of Action for liability for payment against a Specified Debtor Insurer based on or arising from the GUC Trust Insurance Policies, in all cases, including GUC Trust Litigation Claims;

(ii) are not issued for the benefit of any Specified Debtor Insurer, and no such insurer is a third-party beneficiary of this Specified Debtor Insurer Injunction; provided, that, this Specified Debtor Insurer Injunction shall not enjoin, impair or affect any Claims between or among unsettled Specified Debtor Insurers;

(iii) shall not apply to any D&O Insured Person with respect to such D&O Insured Person's coverage under any GUC Trust D&O Insurance Policy; and

(iv) shall be subject in all respects to the terms of the DMP Stipulation.

(c) For the avoidance of doubt, Section 10.10 of the Plan shall not apply with respect to any Non-GUC Trust Insurance Policy, including any Non-GUC Trust D&O Insurance Policy, and no amendment to, or modification of, nor any proposed amendment to nor modification of, the Specified Debtor Insurer Injunction shall adversely impact (i) any Non-GUC Trust Insurance Policy; or (ii) the rights of any D&O Insured Person with respect to such D&O Insured Person's coverage under any Debtor Insurance Policy (including, for the avoidance of doubt, the GUC Trust Insurance Policies, the GUC Trust D&O Insurance Policies, and the Non-GUC Trust Insurance Policies).

(d) The GUC Trust shall have the sole and exclusive authority at any time, upon written notice to any insurer under any of the GUC Trust Insurance Policies or GUC Trust D&O Insurance Policies, to terminate, reduce or limit the scope of this Specified Debtor Insurer Injunction with respect to any Specified Debtor Insurer; provided, however, that, no modification shall affect the rights of any D&O Insured Person with respect to such D&O Insured Person's coverage under any

Debtor Insurance Policy (including, for the avoidance of doubt, the GUC Trust Insurance Policies, the GUC Trust D&O Insurance Policies, and the Non-GUC Trust Insurance Policies).]²⁸

6. Section 10.11. Voluntary Opioid Operating Injunction.

(a) From and after the date of entry of the Confirmation Order approving the Voluntary Opioid Operating Injunction, the business operations of the VOI-Specific Debtors and/or VOI-Specific Post-Emergence Entities, as applicable, and the business operations of any successors of either of the foregoing, in each case, relating solely to the manufacture and sale of VOI Opioid Products in the States and Territories shall be subject to the terms of the Voluntary Opioid Operating Injunction.

(b) The VOI-Specific Debtors and VOI-Specific Post-Emergence Entities, as applicable, consent to the entry of a final judgment or consent order on the Effective Date effectuating all of the provisions of the Voluntary Opioid Operating Injunction in the state court in each of the Supporting Governmental Entities.

(c) After the Effective Date, the Voluntary Opioid Operating Injunction will be enforceable in the state court in each of the Supporting Governmental Entities. The VOI-Specific Debtors and VOI-Specific Post-Emergence Entities agree that seeking entry or enforcement of such a final judgment or consent order will not violate any other injunctions or stays that it will seek, or that may otherwise apply, in connection with the Chapter 11 Cases or Confirmation.

7. Section 10.12. Term of Injunctions or Stays.

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

8. Definitions

“Exculpated Claim” means, in each case, solely to the extent related to an act or omission, or arising, prior to the Effective Date, any Claim, obligation, suit, judgment, damage, demand, debt, right, Cause of Action, remedy, loss, and liability for any Claim related to any act or omission in connection with, relating to, or arising out of the Debtors’ in- or out-of-court restructuring efforts leading up to the Chapter 11 Cases, the Chapter 11 Cases, or the administration of the Chapter 11 Cases; any foreign recognition proceedings or the administration of such foreign recognition proceedings; the Sale Process, including the negotiation and pursuit thereof, any documents related thereto, and any transactions contemplated thereby or in connection therewith; the negotiation and pursuit of the Plan and the Plan Documents, the Disclosure Statement, the RSA, the Exit Financing, the Rights Offerings, the Scheme, and the Scheme Circular; the Plan, the Plan Transaction, the Restructuring Transactions, the Plan Settlements, and any other transactions contemplated in

²⁸ **[Note to Draft:** under consideration.]

connection with the foregoing; the negotiation and establishment of the PPOC Trust, any of the PPOC Sub-Trusts, the GUC Trust, any of the Distribution Sub-Trusts, the Future PI Trust, the Public Opioid Trust, the Tribal Opioid Trust, the Canadian Provinces Trust, the EFBD Claims Trust, the Other Opioid Claims Trust, the Trust Documents, the Opioid School District Recovery Trust Governing Documents, the U.S. Government Resolution, and the U.S. Government Resolution Documents; the solicitation of votes for, and Confirmation of, the Plan, the Plan Transaction, and any other transactions or documents contemplated thereby or by the Plan or in connection therewith or with the Plan; the funding of the Plan; the pursuit of Confirmation; the occurrence of the Effective Date; the closing of the Plan Transaction; the implementation and administration of the Plan; or any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date; *provided, however, that*, “Exculpated Claims” shall not include (a) any Claim, obligation, suit, judgment, damage, demand, debt, right, Cause of Action, remedy, loss, or liability for any Claim for, or relating to, any act or omission, in each case, determined by a Final Order to be intentional fraud, gross negligence, or willful misconduct; or (b) any GUC Trust Litigation Claim.

“Exculpated Parties” means (a)(i) the Debtors, solely in their respective capacities as such; (ii) the Post-Emergence Entities, solely in their respective capacities as such; (iii) the Creditors’ Committee and each of the members thereof, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the individual members thereof, in each case, solely in their respective capacities as such; (iv) the Opioid Claimants’ Committee and each of the members thereof, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the individual members thereof, in each case, solely in their respective capacities as such; (v) the FCR, solely in his capacity as such, and each of the advisors thereto, solely in their respective capacities as such; and (vi) the Plan Administrator and any advisors thereto, in each case, solely in their respective capacities as such; (b) solely to the extent consistent with section 1125(e) of the Bankruptcy Code: (i) the Prepetition Secured Parties, solely in their respective capacities as such; (ii) the Ad Hoc First Lien Group and each of the members thereof, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the individual members thereof, in each case, solely in their respective capacities as such; (iii) the Ad Hoc Cross-Holder Group and each of the members thereof, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the individual members thereof, in each case, solely in their respective capacities as such; (iv) the PPOC Trust, each PPOC Sub-Trust, the GUC Trust, each Distribution Sub-Trust, the Future PI Trust, the Public Opioid Trust, the Tribal Opioid Trust, and the Trustees, administrators, boards or governing bodies of, any advisors to, and any other Persons with similar administrative or supervisory roles in connection with any of the foregoing, in each case, solely in their respective capacities as such; (v) the GUC Backstop Commitment Parties, solely in their respective capacities as such; (vi) the First Lien Backstop Commitment Parties, solely in their respective capacities as such; (vii) the Unsecured Notes Indenture Trustees, solely in their respective capacities as such; (viii) the Endo EC and each of the States that are members thereof and their respective officers and Representatives, in each case, solely in their respective capacities as such; and (c)(i) with respect to the Persons listed in the foregoing clauses (a) and (b), such Persons’ predecessors, successors, permitted assigns, current and former subsidiaries and Affiliates, respective heirs, executors, estates, and nominees, in each case, solely in their respective capacities as such; and (ii) current and former directors (including any Persons in analogous roles under applicable law), officers, employees, and Representatives of each of the Persons listed in the foregoing clauses (a) through (c)(i), in each case, solely in their respective capacities as such. For

the avoidance of doubt, and notwithstanding anything to the contrary in the Plan, (1) no Excluded Party or GUC Excluded Party (other than the Excluded D&O Parties) shall be an Exculpated Party; and (2) with respect to the Excluded D&O Parties, no Excluded D&O Party shall be exculpated from any GUC Trust Litigation Claim.

D. The Scheme

In connection with the Plan, Endo Parent is concurrently proposing the Scheme. The Scheme is an Irish statutory mechanism to ensure that all of the impaired creditors of Endo Parent and other Foreign Debtors are bound by the terms of the Plan as a matter of Irish Law. The Scheme is being implemented, and will operate, in parallel with the Plan. As a matter of Irish Law, the Scheme will purport to implement the Plan's treatment of the Scheme Creditors—which will be treated in a substantially similar way under the Scheme as they are under the Plan—and will contain certain release, exculpation and discharge provisions similar in scope to those under the Plan.

As described further in the Scheme Circular, in connection with the Scheme, the Debtors are seeking authorization from the Bankruptcy Court for Endo Parent to enter into the Deed of Indemnity and Contribution, pursuant to which Endo Parent will agree to guarantee all liabilities of all other Debtors other than liabilities relating to Claims or Interests that fall within the Scheme Excluded Plan Classes. All holders of Claims subject to the Deed of Indemnity and Contribution will be entitled to enforce the Deed of Indemnity and Contribution directly against Endo Parent and, accordingly, are creditors or contingent creditors (as applicable) of Endo Parent entitled to vote on the Scheme.

On January 15, 2024, the Irish High Court, on Endo Parent's application, ordered that the Scheme Meetings be convened for purposes of voting on the Scheme. The Irish High Court also approved the Scheme Circular, which the Debtors are publishing contemporaneously with, and should be read together with, this Disclosure Statement.

As detailed in the Scheme Circular, the Scheme Meetings will be held on March 7, 2024, at the offices of A&L Goodbody LLP, 3 Dublin Landings, North Wall Quay, Dublin 1, D01 C4E0, Ireland. Scheme Creditors do not need to submit a separate Ballot to vote on the Scheme, and Scheme Creditors are not required to attend the relevant Scheme Meeting in person (although they are entitled to do so if they wish). The Ballot to be returned by Scheme Creditors in respect of the Plan will constitute a proxy appointing the Chairperson of the relevant Scheme Meeting to submit the Scheme Creditor's vote to accept or reject the Scheme. Further information regarding how to vote for or against the Scheme is set out below in Section VIII.D (Voting on the Scheme) and in the Scheme Circular. Although Scheme Creditors will be asked to vote on both the Plan and the Scheme, such creditors will only receive a single distribution in respect of their Claim (if such Claim is Allowed in accordance with the terms of the Plan).

If the Scheme is approved by Scheme Creditors representing at least 75% by value and a majority in number of those voting (either in person or by proxy) at each Scheme Meeting, then Endo Parent will apply to the Irish High Court to schedule a hearing (the "Sanction Hearing") at which it will request an order sanctioning the Scheme (the "Sanction Order"). Endo Parent will request that the Sanction Hearing be scheduled as soon as possible after the Confirmation Hearing.

If sanctioned, the Scheme will become binding when Endo Parent delivers the Sanction Order to Companies Registration Office in Ireland for registration. However, the operative clauses will take effect only upon the occurrence of the Effective Date of the Plan. Sanction of the Scheme is a condition precedent to the effectiveness of the Plan that can be waived in accordance with the Plan.

Please refer to the Scheme Circular for full details regarding the Scheme, including how to vote to approve or reject the Scheme and how it will interact with the Plan.

VII. RISK FACTORS TO BE CONSIDERED

PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN, ALL HOLDERS OF CLAIMS THAT ARE IMPAIRED AND ENTITLED TO VOTE SHOULD READ AND CAREFULLY CONSIDER THE FACTORS SET FORTH HEREIN, AS WELL AS ALL OTHER INFORMATION SET FORTH OR OTHERWISE REFERENCED IN THIS DISCLOSURE STATEMENT. ALTHOUGH THESE RISK FACTORS ARE MANY, THESE FACTORS SHOULD NOT BE REGARDED AS CONSTITUTING THE ONLY RISKS PRESENT IN CONNECTION WITH THE DEBTORS' BUSINESS OR THE PLAN AND ITS IMPLEMENTATION.

As noted above, there can be no guarantee that the assumptions, estimates, and projections underlying the Plan will continue to be accurate or valid at any time after the date hereof. This section of this Disclosure Statement explains that there are certain risk factors that each voting holder of a Claim should consider in determining whether to vote to accept or reject the Plan. Accordingly, each holder of a Claim who is entitled to vote on the Plan should read and carefully consider the following factors, as well as the other information set forth in this Disclosure Statement (and the documents delivered together herewith and/or incorporated by reference herein), before deciding whether to vote to accept or to reject the Plan.

A. General

The Plan sets forth the treatment of all Claims against and Interests in the Debtors. Certain Claims are not expected to be paid in full or at all. Nevertheless, the reorganization of the Debtors' business under the proposed Plan avoids the potentially adverse impact of the likely increased delays and costs associated with the Sale or a chapter 7 liquidation of the Debtors. The Plan has been proposed after careful consideration of all reasonable restructuring alternatives. Despite the risks inherent in the Plan, as described herein, the Debtors believe that the Plan is in the best interests of creditors when compared to all reasonable alternatives.

B. Bankruptcy Specific Risk Factors

1. The Plan May Not Be Accepted by Sufficient Holders of Impaired Claims.

The Plan is subject to a vote of holders of impaired Claims in voting classes and to Confirmation by the Bankruptcy Court. Article IX hereof summarizes the numerous requirements for Confirmation of the Plan, including that the Plan be accepted by at least one Class of impaired Claims. The Consenting First Lien Creditors, who represent the majority of the holders of the First

Lien Claims, are expected to support and vote in favor of the Plan. In addition, as discussed above, certain of the Debtors' key stakeholders, including the Committees and the FCR, support the Plan. However, until all votes are collected, there can be no assurance that the requisite acceptances to confirm the Plan will be obtained. Thus, while the Debtors believe the Plan is confirmable under the standards set forth in section 1129 of the Bankruptcy Code, there is no guarantee that the Plan will be accepted by the requisite Classes entitled to vote on the Plan.

2. The Bankruptcy Court May Not Confirm the Plan.

Even if all Voting Classes vote in favor of the Plan, or even if with respect to any impaired Class that votes to reject the Plan, the requirements for "cramdown" (discussed in more detail in Section IX.E herein) are met, the Bankruptcy Court, which, as a court of equity, has substantial discretion concerning Confirmation of the Plan, may choose not to confirm the Plan. Section 1129 of the Bankruptcy Code requires, among other things, a showing that Confirmation of the Plan will not be followed by liquidation or the need for further financial reorganization of the Debtors, and that the value of distributions to dissenting holders of Claims and Interests will not be less than the value such holders would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code, *see infra* Section IX.C. Although the Debtors believe that the Plan satisfies such tests, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

3. Non-Consensual Confirmation.

If any impaired class of Claims or Interests does not accept or is deemed not to accept a plan of reorganization, a bankruptcy court may nevertheless confirm such plan at the proponent's request if at least one impaired class has voted to accept the plan (with such acceptance being determined without including the vote of any "insider" in such class), and as to each impaired class that has not accepted the plan, the bankruptcy court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting impaired classes. If any Class votes to reject the Plan, then these requirements must be satisfied with respect to such rejecting Classes. The Debtors believe that the Plan satisfies these requirements.

4. The Debtors are Subject to Risks and Uncertainties Associated with the Chapter 11 Cases.

For the duration of the Chapter 11 Cases, the Debtors will be subject to risks and uncertainties associated with bankruptcy. These risks include:

(a) the Debtors' ability to obtain Bankruptcy Court approval with respect to motions filed in the Chapter 11 Cases;

(b) the Debtors' ability to develop, prosecute, confirm, and consummate the proposed Plan or to successfully pursue any other plan of reorganization or sale with respect to the Chapter 11 Cases; and

(c) the ability of third parties to seek and obtain court approval to terminate or shorten the Exclusive Periods, to appoint a chapter 11 trustee, or to convert the Chapter 11 Cases to chapter 7 cases.

5. The Debtors Could Suffer From a Long and Protracted Restructuring.

The Debtors seek to emerge from chapter 11 and implement their Plan in a timely manner to minimize any damage to the Debtors' business and the continued accrual of bankruptcy-related costs. Failure to obtain approval of the Plan in a timely manner could adversely affect the Debtors and erode their value to the detriment of all stakeholders.

6. Classification and Treatment of Claims and Interests

Section 1122 of the Bankruptcy Code requires that the Plan classify Claims against, and Interests in, the Debtors. The Bankruptcy Code also provides that the Plan may place a Claim or Interest in a particular Class only if such Claim or Interest is substantially similar to the other Claims or Interests of such Class. The Debtors believe that all Claims and Interests have been appropriately classified in the Plan.

To the extent that the Bankruptcy Court finds that a different classification is required for the Plan to be confirmed, the Debtors may seek (i) to modify the Plan to provide for whatever classification might be required for Confirmation and (ii) to use the acceptances received from any creditor or equity holder pursuant to this solicitation for the purpose of obtaining the acceptance of the Class or Classes of which such creditor or equity holder ultimately is deemed to be a member. Any such reclassification of creditors or equity holders, although subject to the notice and hearing requirements of the Bankruptcy Code, could adversely affect the Class in which such creditor or equity holder was initially a member, or any other Class under the Plan, by changing the composition of such Class and the number of votes required for approval of the Plan. There can be no assurance that the Bankruptcy Court, after finding that a classification was inappropriate and requiring a reclassification, would approve the Plan based upon such reclassification. Except to the extent that modification of any classification in the Plan requires re-solicitation, the Debtors will, in accordance with the Bankruptcy Code and the Bankruptcy Rules, seek a determination by the Bankruptcy Court that acceptance of the Plan by any holder of Claims or Interests pursuant to this solicitation will constitute a consent to the Plan's treatment by such holder regardless of the Class as to which such holder is ultimately deemed to be a member. The Debtors believe that under the Bankruptcy Rules, they would be required to resolicit votes for or against the Plan only if a modification adversely affects the treatment of the Claim or Interest of any creditor or equity holder.

The Bankruptcy Code also requires that the Plan 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. The Debtors believe that the Plan complies with the requirement of equal treatment within a Class. To the extent that the Bankruptcy Court finds that the Plan does not satisfy such requirement, the Bankruptcy Court could deny Confirmation of the Plan.

Issues or disputes relating to classification and/or treatment of Claims or Interests could result in a delay in the Confirmation and consummation of the Plan and could increase the risk that the Plan will not be confirmed and/or consummated.

7. Distribution to Holders of Allowed Claims Under the Plan

Projected distributions are based upon good faith estimates of the total amount of Claims ultimately Allowed and the funds available for distribution. Both the actual amount of Allowed Claims in a particular Class and the funds available for distribution for such Class may differ from the Debtors' estimates. If the total amount of Allowed Claims in a Class is higher than the Debtors' estimates or the funds available for distribution to such Class are lower than the Debtors' estimates, the percentage recovery to holders of Allowed Claims in such Class will be less than projected.

8. Distributions under the Trusts

The Trust Channeled Claims will be resolved pursuant to and in accordance with the terms and procedures set forth in the applicable Trust Documents. There can be no certainty as to the precise amount that will be distributed by the Trusts to holders of Trust Channeled Claims in any particular time period or when the Trust Channeled Claims will be resolved by the Trusts. Further, the Trusts will be funded by the Debtors and/or the Purchaser Entities, as applicable, as set forth in the Plan. The Debtors' and/or the Purchaser Entities' ability to fund the Trusts may be impacted by factors outside of the Debtors' control that cannot be predicted, which could impact distributions and there is no guarantee that the Purchaser Entities will continue to fund the Trusts or that any litigation commenced against the Purchaser Entities to fund the Trusts will be successful and, in any event, may cause significant delays in holders of Allowed Trust Channeled Claims receiving distributions from the Trusts. In addition, the Trust Documents require creditors to take certain actions in order to be eligible to receive distributions from the Trusts. In the event those actions are not taken by a creditor otherwise eligible to receive a distribution from one of the Trusts, there is a risk that such a creditor will not receive any distribution to which it may otherwise be entitled.

9. Conditions Precedent to Consummation of the Plan

Article XI of the Plan provides for certain conditions that must be satisfied (or waived) prior to the Effective Date for the Plan to be consummated. As of the date of this Disclosure Statement, there can be no assurance that any or all of the conditions in the Plan will be satisfied (or waived). Accordingly, even if the Plan is confirmed by the Bankruptcy Court, there can be no assurance that the Plan will be consummated and the restructuring completed.

10. Risk of Non-Occurrence of the Effective Date

There can be no assurance as to timing of the Effective Date, or as to whether the Effective Date will, in fact, occur.

11. Funding Necessary for the Consummation of the Plan

The Debtors contemplate that the net proceeds from the Syndicated Exit Financing (to the extent implemented), the net proceeds from the Rights Offerings, and the Debtors' cash on hand will provide the Debtors with the necessary liquidity to fund the Debtors' cash distributions under the Plan and their business operations upon emergence from bankruptcy. Further, the Plan will allow the Debtors or the Post-Emergence Entities, as the case may be, to transfer funds among themselves as they determine to be necessary or appropriate to enable the applicable

Post-Emergence Entities to satisfy any obligations under the Plan and the PSA. To the extent the Plan obligates the Remaining Debtors to make any payments or Distributions or take any other action under the Plan, the amount of such payments or Distributions or the cost of taking such actions shall be funded solely by the Purchaser Entities.

12. Releases, Injunction, and/or Exculpation Provisions May Not Be Approved

Article X of the Plan provides for certain releases, injunctions, and exculpations for Claims and Causes of Action that may otherwise be asserted against the Debtors, the Post-Emergence Entities, their representatives, the Exculpated Parties, the Non-GUC Released Parties, or the GUC Released Parties, as applicable. The release, injunction, and exculpation provisions included in the Plan may be subject to objection by parties in interest and may not be approved. If the release and/or exculpation provisions are not approved, certain parties may not be considered Non-GUC Releasing Parties, GUC Releasing Parties, Non-GUC Released Parties, GUC Released Parties, or Exculpated Parties, and certain Non-GUC Released Parties, GUC Released Parties, or Exculpated Parties may withdraw their support for the Plan.

13. Risk of Non-Occurrence of Channeling of Claims

Under the terms of the Plan, all Trust Channeled Claims shall automatically be channeled exclusivity to the Trusts, and this will, among other things, bar assertion of any of these Claims against the Debtors' estates and any Debtor, Post-Emergence Entity, and certain representatives thereof. Although the Plan and the Trust Documents have been drafted with the intention of obtaining approval of a channeling injunction pursuant to section 105(a) of the Bankruptcy Code, there is no guarantee that all Trust Channeled Claims shall automatically be channeled to the Trusts or that the channeling of all Trust Channeled Claims to the Trusts will not be challenged, either before or after Confirmation of the Plan. While the Debtors believe that the Plan satisfies the requirements of the Bankruptcy Code, certain objections might be lodged on grounds that the requirements of the Bankruptcy Code cannot be met given the unique facts of the Chapter 11 Cases.

14. Risk of Termination of the RSA

The RSA contains certain provisions that give the parties thereto the ability to terminate the RSA upon the occurrence or non-occurrence of certain events, including failure to achieve certain milestones in these Chapter 11 Cases. Termination of the RSA could result in protracted Chapter 11 Cases, which could significantly and detrimentally impact the Debtors' business and relationships with vendors, suppliers, employees, and major customers, and the Debtors may no longer have the ability to consensually use cash collateral to administer the Chapter 11 Cases.

15. Conversion into Chapter 7 Cases

If no plan of reorganization can be confirmed, or if the Bankruptcy Court otherwise finds that it would be in the best interests of holders of Claims and Interests, the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be appointed to liquidate the Debtors' assets for distribution in accordance with the order of priorities established by the Bankruptcy Code. However, as reflected in the Liquidation Analysis,

the Debtors believe that recoveries in a converted chapter 7 case will be greatly reduced from the recoveries contemplated under the Plan.

16. Risk of Non-Dischargeability of Claims

Certain creditors have taken or may take the position their claims are non-dischargeable under the Bankruptcy Code. Such creditors may make such allegations at any time, notwithstanding the existence of deadlines established by the Bankruptcy Rules or applicable Court order, entry of the Confirmation Order, or the occurrence of the Effective Date. Such assertions of non-dischargeability could result in the denial of Confirmation, changes to the Plan, withdrawal of the Plan, or, if asserted after occurrence of the Effective Date, the Post-Emergence Entities being required to litigate the validity of or become subject to such claims.

17. Future Litigation

Given the nature of the Debtors' business, there is a risk that new litigation claims may be asserted against the Purchaser Entities in the future. Future litigation could result in material judgment(s) against the Purchaser Entities. Such litigation, and any judgment in connection therewith, could have a material negative effect on the Purchaser Entities.

18. The Scheme

The Scheme implements certain terms of the Plan as a matter of Irish Law. If the Scheme cannot be sanctioned (whether because it is not approved by the requisite qualified majorities of claimants or the Irish High Court refuses to sanction the Scheme), certain creditors may take the position that the Post-Emergence Entities will not have the benefit of the discharge of Claims as a matter of Irish Law and could attempt to assert Irish or other foreign claims against the Post-Emergence Entities.

C. Risks Relating to the Capital Structure of the Purchaser Entities

1. Variances from Financial Projections

The Financial Projections (defined below) set forth in **Exhibit E** hereto reflect numerous assumptions, which involve significant levels of judgment and estimation concerning the anticipated future performance of the Purchaser Entities, as well as assumption with respect to the prevailing market, economic and competitive conditions, which are beyond the control of the Purchaser Entities, and which may not materialize. Any significant differences in actual future results versus estimates to prepare the Financial Projections, such as lower sales, lower volume, lower pricing, increases in production costs, technological changes, environmental and safety issues, litigation, workforce disruptions, competition, regulatory decisions about pipeline products, or changes in the regulatory environment, could result in significant differences from the Financial Projections. However, unanticipated events and circumstances occurring subsequent to the preparation of the Financial Projections may affect the Debtors' and the Purchaser Entities' ability to initiate the endeavors and meet the financial benchmarks contemplated by the Plan. Therefore,

the actual results achieved throughout the period covered by the Financial Projections necessarily will vary from the projected results, and these variations may be material and adverse.

2. Leverage

Although the Purchaser Entities will have less indebtedness as of the Effective Date than the Debtors did prior to the Effective Date, the Purchaser Entities will still have a significant amount of secured indebtedness. On the Effective Date, after giving effect to the transactions contemplated by the Plan, the Purchaser Entities will have approximately \$2.5 billion in secured funded indebtedness.

The degree to which the Purchaser Entities will be leveraged could have important consequences because, among other things, it could affect the Purchaser Entities' ability to satisfy their obligations under their indebtedness following the Effective Date should they fail to meet the Financial Projections, and a portion of the Purchaser Entities' cash flow from operations will be used for debt service and obligations under the Plan and unavailable to support operations, or for working capital, capital expenditures, expansion, acquisitions, or general corporate or other purposes. As a result, to meet their obligations in such a circumstance, the Purchaser Entities may be required to refinance all or part of its indebtedness, sell assets, reduce or delay capital expenditures or seek to raise additional capital. The Purchaser Entities' ability to obtain additional debt financing or equity financing, or pursue mergers, acquisitions, and asset sales, may be limited. The Purchaser Entities' operational flexibility in planning for, or reacting to, changes in their business may be limited.

In addition, subject to the terms of the Exit Financing Documents, the Purchaser Entities and their respective subsidiaries may be able to incur substantial additional indebtedness in the future, including secured indebtedness. If new indebtedness is added to their current debt levels, the related risks that the Purchaser Entities and their respective subsidiaries face could intensify.

3. Ability to Service Debt

Although the Purchaser Entities will have less indebtedness as of the Effective Date than the Debtors did prior to the Effective Date, the Purchaser Entities will still have significant interest expense and principal repayment obligations. The Purchaser Entities' ability to make payments on and to refinance their debt will depend on their future financial and operating performance and their ability to generate cash in the future. This, to a certain extent, is subject to general economic, business, finance, competitive, legislative, regulatory, and other factors that are beyond the control of the Purchaser Entities.

Although the Debtors believe the Plan is feasible, there can be no assurances that the Purchaser Entities will be able to generate sufficient cash flow from operations or that sufficient future borrowings will be available to pay off the Purchaser Entities' debt obligations. The Purchaser Entities may need to refinance all or a portion of their debt on or before maturity or otherwise obtain additional liquidity by selling assets, reducing or delaying capital expenditures or seeking to raise additional capital. There can be no assurances that the Purchaser Entities will be able to refinance any of their debt or otherwise obtain additional capital on a timely basis and on commercially reasonable terms or at all. Furthermore, any future borrowings by the Purchaser

Entities could also have variable interest rates. As a result, to the extent they have not hedged against rising interest rates, an increase in the applicable benchmark interest rates would increase the Purchaser Entities' cost of servicing such indebtedness and the related risks that the Purchaser Entities and its subsidiaries face could intensify.

4. Obligations Under Certain Financing Agreements

The Purchaser Entities' obligations under the Exit Financing will be secured by liens on substantially all of the assets of the Purchaser Entities (subject to certain exclusions set forth therein). If the Purchaser Entities become insolvent or are liquidated, or if there is a default under certain financing agreements, including, but not limited to, the documentation for the Exit Financing, and payment on any obligation thereunder is accelerated, the lenders under and holders of the Exit Financing would be entitled, subject to the applicable credit documents, to exercise the remedies available to a secured lender under applicable law, including foreclosure on the collateral that is pledged to secure the indebtedness thereunder, and they would have a claim on the assets securing the obligations under the applicable facility that would be superior to any claim of the holders of unsecured claims.

5. Restrictive Covenants

The financing agreements governing the Purchaser Entities' indebtedness, including the Exit Financing, are expected to contain various covenants that may limit the discretion of the Purchaser Entities' management by restricting the Purchaser Entities' ability to, among other things, incur indebtedness and liens to secure such indebtedness, make investments, and make restricted payments such as dividends. As a result of these covenants, the Purchaser Entities may be limited in the manner in which they conduct their business and they may be unable to engage in favorable business activities or finance future operations or capital needs.

Any failure to comply with the restrictions of the financing agreements may result in an event of default thereunder. An event of default may allow the creditors to accelerate the related debt as well as any other debt to which a cross-acceleration or cross-default provision applies. If the Purchaser Entities are unable to repay amounts outstanding under their financing agreements when due, the lenders thereunder could, subject to the terms of the financing agreements, seek to foreclose on the collateral that is pledged to secure the indebtedness outstanding under such facilities.

The Purchaser Entities' assets and cash flows may be insufficient to fully repay borrowings under its outstanding financing agreements if the obligations thereunder were accelerated upon an event of default. The Purchaser Entities may need to conduct asset sales or pursue other alternatives. The covenants are expected to be subject to a number of exceptions, including the ability to incur certain additional amounts of secured and unsecured indebtedness, which could exacerbate any of these risks.

6. Market for Securities

There is currently no market for the Purchaser Equity and there can be no assurance as to the development or liquidity of any market for such securities. Moreover, while a public listing of the Purchaser Equity may be pursued to be effective on the Effective Date, there can be no

assurance that the Purchaser Equity will be listed or traded on any securities exchange or any over-the-counter market on or after the Effective Date. If a trading market does not develop, is not maintained, or remains inactive, holders of the securities may experience difficulty in reselling such securities or may be unable to sell them at all. Even if such a market were to exist, such securities could trade at prices higher or lower than the estimated value set forth in this Disclosure Statement depending upon many factors including, without limitation, prevailing interest rates, markets for similar securities, industry conditions, and the performance of, and investor expectations for, the Purchaser Entities. Accordingly, holders of the securities may bear certain risks associated with holding securities for an indefinite period of time.

Furthermore, persons to whom the Purchaser Equity is issued pursuant to the Plan may prefer to liquidate their investments rather than hold such securities on a long-term basis. Accordingly, the market price for such securities could decline and any market that does develop for such securities may be volatile.

7. Potential Dilution

The ownership percentage represented by the Purchaser Equity distributed under the Plan as of the Effective Date to holders of Second Lien Deficiency Claims and Unsecured Notes Claims will be subject to dilution from the Purchaser Equity issued in connection with the Management Incentive Plan. The Purchaser Equity otherwise distributed under the Plan as of the Effective Date will be subject to dilution from the equity issued in connection with the (a) Rights Offerings and (b) Management Incentive Plan. In the future, additional equity financings or other equity issuances by Purchaser Parent (including the issuance of instruments convertible into equity) may dilute the economic and voting rights of its existing equity holders and could materially and adversely affect the value of the Purchaser Equity. The amount and dilutive effect of any of the foregoing could be material.

8. Significant Holders of Purchaser Equity

Certain holders of Allowed First Lien Claims are expected to acquire significant ownership interests in the Purchaser Parent. Thus, such holders could be in a position to control the outcome of all actions of Purchaser Parent requiring the approval of equity holders, including the election of directors or managers, without the approval of other equity holders and the interests of the holders of the Allowed First Lien Claims could differ materially from, or conflict with, those of the Purchaser Parent and its other equity holders. This concentration of ownership could also facilitate or hinder a negotiated change of control of Purchaser Parent and, consequently, have an impact upon the value of the Purchaser Equity.

9. Interests Subordinated to the Purchaser Entities' Indebtedness

In any subsequent liquidation, dissolution, or winding up of Purchaser Parent, the Purchaser Equity would rank below all debt claims against Purchaser Parent, including the Purchaser Entities' obligations under the Exit Financing, or any future preferred equity issued by the Purchaser Parent, if any. As a result, holders of the Purchaser Equity will not be entitled to receive any payment or other distribution of assets upon the liquidation, dissolution, or winding

up of Purchaser Parent until after all applicable holders of debt, preferred equity (if any), and other liabilities have been paid in full.

10. Estimated Valuations of the Debtors and the Purchaser Equity, and Estimated Recoveries to Holders of First Lien Claims and Unsecured Claims Are Not Intended to Represent Potential Market Values

The Debtors' estimated recoveries to Allowed holders of First Lien Claims, Second Lien Deficiency Claims, or Unsecured Notes Claims are not intended to represent the market value of the Debtors' securities. The estimated recoveries are based on numerous assumptions (the realization of many of which will be beyond the control of the Debtors), including, among others: (a) the successful reorganization of the Debtors; (b) an assumed date for the occurrence of the Effective Date; (c) the Debtors' ability to achieve the operating and financial results included in the Financial Projections; (d) the Debtors' ability to maintain adequate liquidity to fund operations; (e) the assumption that capital and equity markets remain consistent with current conditions; and (f) the Debtors' ability to maintain critical existing customer relationships.

11. Dividends

Purchaser Parent may not pay any dividends on the Purchaser Equity. Any declaration and payment of future dividends to equity holders will be at the sole discretion of the board of directors of the Purchaser Parent and will depend on many factors, including its financial condition, earnings, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends and other considerations that its board of directors deems relevant. Accordingly, until such time as the Purchaser Parent elects to a dividend, the success of an investment in the Purchaser Equity will depend entirely upon any future appreciation in the value of the Purchaser Equity. There is, however, no guarantee that the Purchaser Equity will ever appreciate in value or even maintain its initial value.

12. Restrictions on Ability to Resell Purchaser Equity

Upon the Effective Date, the issuance of Purchaser Equity will not be registered under the Securities Act or any Blue Sky Laws of the states of the United States.

To the extent that shares of the Purchaser Equity issued under the Plan are covered by section 1145(a) of the Bankruptcy Code, such securities may be resold by the holders thereof without registration under the Securities Act unless the holder is an "underwriter," as defined in section 1145(b) of the Bankruptcy Code with respect to such securities; provided, however, such rights or shares of such Purchaser Equity will not be freely tradeable if, at the time of transfer, the holder is an "affiliate" of the Purchaser Parent as defined in Rule 144(a)(1) under the Securities Act or had been such an "affiliate" within 90 days of such transfer. Such affiliate holders would only be permitted to sell such securities without registration if they are able to comply with an applicable exemption from registration, including Rule 144 under the Securities Act. Holders of securities issued pursuant to the exemption from registration under section 1145 of the Bankruptcy Code who are deemed to be "underwriters" under section 1145(b) of the Bankruptcy Code ("Section 1145 Underwriters") will be subject to resale restrictions. Section 1145 Underwriters

should be aware that they may be required to bear the financial risk of an investment in the affected securities including Purchaser Equity for an indefinite period of time.

To the extent that securities issued pursuant to the Plan are not covered by section 1145(a)(1) of the Bankruptcy Code, such securities shall be issued pursuant to section 4(a)(2) or Regulation S under the Securities Act, as applicable, and will be deemed “restricted securities” that may not be sold, exchanged, assigned, or otherwise transferred unless they are registered, or an exemption from registration applies, under the Securities Act. Holders of such restricted securities will not have a right to have their restricted securities registered and will therefore not be able to resell them except in accordance with an available exemption from registration under the Securities Act.

Under Rule 144 of the Securities Act, the resale of restricted securities is permitted if certain conditions are met, and these conditions vary depending on whether the holder of the restricted securities is an “affiliate” of the issuer, as defined in Rule 144. A non-affiliate who has not been an affiliate of the issuer during the preceding ninety days may resell restricted securities after a one-year holding period. An affiliate may also resell restricted securities after a one-year holding period but only if certain current public information regarding the issuer is available at the time of the sale and only if the affiliate also complies with the volume, manner of sale, and notice requirements of Rule 144. Since the Purchaser Parent may not be subject to the reporting requirements of the Exchange Act and will not have any of its securities listed on a national stock exchange on the Effective Date, there can be no assurance that there will be current public information available about the issuer of the Purchaser Equity.

Holders of Purchaser Equity who are deemed to be “underwriters” under section 1145(b) of the Bankruptcy Code will also be subject to restrictions under the Securities Act on their ability to resell those securities.

13. If a United States Person is Treated as Owning At Least 10% of Certain of the Debtors, Such Holder May Be Subject to Adverse U.S. Federal Income Tax Consequences

Many of Endo Parent’s non-U.S. subsidiaries are classified as “controlled foreign corporations” for U.S. federal income tax purposes due to the application of certain ownership attribution rules within a multinational corporate group. If a United States person is treated as owning (directly, indirectly or constructively) at least 10% of the value or voting power of Endo Parent’s shares, such person may be treated as a “United States shareholder” (a “10% U.S. Holder”) with respect to one or more of Endo Parent’s controlled foreign corporation subsidiaries. In addition, if the equity of Endo Parent is treated as owned more than 50% (by voting power or value) by 10% U.S. Holders, Endo Parent itself would be treated as a controlled foreign corporation. A 10% U.S. Holder may be required to annually report and include in its U.S. taxable income, as ordinary income, its pro rata share of “Subpart F income,” “global intangible low-taxed income” and investments in U.S. property by controlled foreign corporations, whether or not Endo Parent makes any distributions to such 10% U.S. Holder. If the Plan is confirmed, the Debtors will consummate a series of transactions intended to be treated as taxable sales of assets and/or stock for U.S. federal income tax purposes. Any such taxable transactions could require a 10% U.S. Holder to report and include its pro rata share of Subpart F income and global intangible low-taxed

income. An individual United States shareholder generally would not be allowed certain tax deductions or foreign tax credits that would be allowed to a corporate United States shareholder. A failure by a 10% U.S. Holder to comply with its reporting obligations may subject the 10% U.S. Holder to significant monetary penalties and may extend the statute of limitations with respect to the 10% U.S. Holder's U.S. federal income tax return for the year for which such reporting was due. Neither Endo Parent nor Purchaser Parent can provide any assurances that it will assist investors in determining whether it or any of its non-U.S. subsidiaries are controlled foreign corporations or whether such investors are required to report and include any amounts of Subpart F income and global intangible low-taxed income as a result of the transactions consummated pursuant to the Plan. Additionally, neither Endo Parent nor Purchaser Parent can guarantee that it will furnish to 10% U.S. Holders information that may be necessary for them to comply with the aforementioned obligations. 10% U.S. Holders should consult their tax advisors regarding the U.S. federal income tax consequences of the Plan.

D. Business and Industry-Specific Risk Factors

THE FOLLOWING PROVIDES A SUMMARY OF CERTAIN OF THE RISKS ASSOCIATED WITH THE DEBTORS' BUSINESS. HOWEVER, THIS SECTION IS NOT INTENDED TO BE EXHAUSTIVE. ADDITIONAL RISK FACTORS CONCERNING THE DEBTORS' BUSINESS ARE CONTAINED IN THE DEBTORS' PREVIOUSLY-FILED ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022.

1. The Debtors' Chapter 11 Cases May Negatively Impact Future Operations

While the Debtors believe they will be able to emerge from chapter 11 relatively expeditiously, there can be no assurance as to timing for Confirmation of the Plan or the Debtors' emergence from chapter 11. For example, certain conditions precedent to consummating the Plan, such as regulatory approvals, are outside of the Debtors' control. A substantial delay in emerging from the Chapter 11 Cases may adversely affect the Debtors' business and relationships with existing vendors, suppliers, and customers and their ability to attract new customers.

2. The Availability of Third-Party Reimbursement for the Debtors' Products Is Uncertain, the Debtors May Find it Difficult to Maintain Current Price Levels, and the Market May Not Accept Such Products for Which Third-Party Reimbursement Is Not Adequately Provided.

The Debtors' ability to commercialize their products depends, in part, on the extent to which reimbursement for the costs of these products is available from government healthcare programs, such as Medicaid and Medicare, private health insurers and others. The Debtors cannot be certain that, over time, third-party reimbursements for their products will be adequate for the Debtors to maintain price levels sufficient for realization of an appropriate return on investment. Government payers, private insurers and other third-party payers are increasingly attempting to contain healthcare costs by: (i) limiting both coverage and the level of reimbursement (including adjusting co-pays) for products; (ii) refusing, in some cases, to provide any coverage for off-label

uses for products; and (iii) requiring or encouraging, through more favorable reimbursement levels or otherwise, the substitution of generic alternatives to branded products.

For instance, government agencies or third-party payors could attempt to reduce reimbursement for physician administered products through their interpretation of complex government price reporting obligations and payment and reimbursement coding rules, and could attempt to reduce reimbursement for separate physician administered products that share an active ingredient by requiring the blending of sales and pricing information in the same payment and reimbursement code.

There have been several recent U.S. Congressional inquiries, hearings and proposed and enacted federal and state legislation and rules, as well as executive orders, designed to, among other things: (i) reduce or limit the prices of drugs and make them more affordable for patients, such as by tying the prices that Medicare reimburses for physician administered drugs to the prices of drugs in other countries; (ii) reform the structure and financing of Medicare Part D pharmaceutical benefits, including through increasing manufacturer contributions to offset Medicare beneficiary costs; (iii) bring more transparency to how manufacturers price their medicines; (iv) enable the government to directly negotiate prices for drugs covered under Medicare; (v) revise rules associated with the calculation of Medicaid Average Manufacturer Price and Best Price, including with regard to the manner in which pharmaceutical manufacturers may provide copayment assistance to patients and the identification of “line extension” drugs, which affect the amount of rebates that manufacturers must pay on prescription drugs under Medicaid; (vi) eliminate anti-kickback statute discount safe harbor protection for manufacturer rebate arrangements with Medicare Part D Plan Sponsors and pharmacy benefit managers on behalf of Part D Plan Sponsors; (vii) create new anti-kickback statute safe harbors applicable to certain point-of-sale discounts to patients and fixed-fee administrative fee payment arrangements with pharmacy benefit managers; and (viii) and facilitate the importation of certain lower-cost drugs from other countries. In addition, state legislatures have enacted legislation and regulations designed to control pharmaceutical and biological product pricing, including restrictions on pricing or reimbursement at the state government level, marketing cost disclosure and transparency measures, and, in some cases, policies to encourage importation of drugs from other countries (subject to federal government approval) and bulk purchasing, including the National Medicaid Pooling Initiative. While the Debtors cannot predict the final form of any pending legislative, regulatory and/or administrative measures, some of the pending and enacted legislative proposals or executive rulemaking, such as those incorporating International Pricing Index or Most-Favored-Nation models, could significantly reduce the coverage and levels of reimbursement for products.

In addition, in August 2022, the U.S. enacted the Inflation Reduction Act of 2022. Subject to subsequent rulemaking, this act, among other changes: (i) gives the Department of Health and Human Services (“HHS”) the ability and authority to directly negotiate with manufacturers the price that Medicare will pay for certain drugs; (ii) requires manufacturers of certain Part B and Part D drugs to issue rebates to HHS based on certain calculations and triggers, such as when drug price increases outpace the rate of inflation; (iii) places certain limitations on out-of-pocket spending for Medicare Part D enrollees; (iv) implements a 15% corporate alternative minimum tax on book income on corporations whose average annual adjusted financial statement income during the most recently-completed three-year period exceeds \$1.0 billion; (v) implements a 1% excise tax on net stock repurchases; and (vi) implements several tax incentives to promote clean energy.

While the impact of the Inflation Reduction Act of 2022 was not material to the Debtors in 2022, the Debtors are continuing to evaluate the act and its requirements, as well as any potential impact on their business. It is possible that the act will have a material adverse effect on the Debtors' business, financial condition, results of operations and cash flows in the future.

The unavailability of or a reduction in the reimbursement of the Debtors' products could have a material adverse effect on the Debtors' business, financial condition, results of operations and cash flows.

3. The Debtors' Intellectual Property May be Misappropriated or the Debtors May Be Subject to Infringement Claims

The Debtors rely on a combination of patents, trademarks, trade secrets, proprietary know-how, market exclusivity gained from regulatory approval processes, and other intellectual property to conduct their business. The Debtors' failure to adequately maintain and protect their intellectual property could materially affect the Debtors' intellectual property rights. The Debtors' intellectual property rights could be challenged, invalidated or circumvented by others and may be insufficient in scope and strength to meaningfully protect the Debtors. While the Debtors will continue to strive to protect their intellectual property rights, the Debtors cannot guarantee that they will be successful in defending such rights against third parties who may infringe upon them. Similarly, it is possible that third parties will make claims of infringement against the Debtors, and there is no guarantee that the Debtors will successfully defend or otherwise resolve such claims. Any such claims, even if meritless, could disrupt or impose significant costs on the Debtors' business.

4. The Loss of Key Personnel Could Disrupt Operations and Adversely Affect Financial Results

The Debtors are, and the Purchaser Entities will be, highly dependent upon the availability and performance of their respective executive officers. Accordingly, the loss of services of any of the Debtors' executive officers could materially and adversely affect the Purchaser Entities' business, financial condition and operating results.

5. Regulatory Risks

As a manufacturer of controlled substances and prescription and over-the-counter pharmaceutical products, the Debtors are subject to regulatory oversight by numerous governmental entities. For example, the Debtors must comply with laws, regulations, guidance documents and standards promulgated by the FDA, the DEA, the HHS, the Centers for Medicare and Medicaid Services, the Environmental Protection Agency, state boards of pharmacy, state controlled substance authorities and comparable foreign government entities.

If the Debtors fail to comply with applicable federal, state, and foreign laws and regulations, the Debtors could face substantial enforcement actions, including civil, criminal and administrative penalties which may impose product seizures and injunctions, damages, and fines and exclusion from federal or state healthcare programs. If any such enforcement actions are taken, the Debtors' financial condition and business operations could be adversely affected. Although compliance programs can mitigate the risks of investigation and prosecution for violation of these laws, these risks are not entirely eliminated. In addition, in order to operate their business, the Debtors are

required to maintain licenses under various state, federal and foreign laws, and failure to obtain, maintain or renew such licenses may result in adverse effects on their financial condition and operations as well as regulatory proceedings and other administrative, civil or criminal penalties. In connection with implementing the Restructuring Transaction and the Resolutions embodied in the Plan (including, without limitation, the U.S. Government Resolution), the Purchaser Entities will need to seek licensing approvals. Licensing authorities have significant discretion to grant or deny approvals. There is no guarantee that all such approvals will be obtained or will be obtained in a timely manner. The failure to obtain, or delay in obtaining, one or more approvals could have a material adverse effect on the Purchaser Entities' business.

Moreover, continued compliance with prevailing laws and regulations imposes significant financial and operational costs on the Debtors, including because these laws and regulations are subject to ongoing government review and interpretation, which can result in shifts in review protocols, government interpretations, and government implementation and enforcement methods. Additionally, governments and regulators may modify existing laws or regulations or impose new ones, which may increase the Debtors' costs of compliance significantly. All of these factors can have material impacts on the Debtors' business.

6. The Debtors Operate in a Highly Competitive Industry

The pharmaceutical industry is intensely competitive and the Debtors face competition in both the Debtors' U.S. and international branded and generic pharmaceutical businesses. Competitive factors include, without limitation, product development, technological innovation, safety, efficacy, commercialization, marketing, promotion, product quality, price, cost-effectiveness, reputation, service, patient convenience and access to scientific and technical information. Many of the Debtors' competitors have, and future competitors may have, greater resources than the Debtors do, and the Debtors cannot predict with certainty the timing or impact of competitors' products and commercialization strategies. Furthermore, recent market consolidation in this industry may further concentrate financial, technical and market strength and increase competitive pressure in the industry. In addition, the Debtors' competitors may make greater R&D investments and have more efficient or superior processes and systems and more experience in the development of new products that permit them to respond more quickly to new or emerging technologies and changes in customer demand which may make the Debtors' products or technologies uncompetitive or obsolete. Furthermore, academic institutions, government agencies and other public and private organizations conducting research may seek patent protection and may establish collaborative arrangements for competitive products or programs. If the Debtors fail to compete successfully, it could have a material adverse effect on the Debtors' business, financial condition, results of operations and cash flows.

Certain of the Debtors' branded products do not currently compete with on-market generic products but are likely to face generic competition in the future. The entrance of generic competitors can occur at any time and cannot be predicted with certainty. Generic products the Debtors currently sell with generic exclusivity could in the future be subject to competition from other generic competitors. Some of the Debtors' other branded and generic products, such as Vasostrict, already face generic competition and are at risk of additional generic competitors entering the market. During the first quarter of 2022, multiple competitive generic alternatives to Vasostrict were launched, beginning with a generic that was launched at risk and began shipping

toward the end of January 2022. Since then, additional competitive alternatives entered the market, including authorized generics.

Manufacturers of generic products typically invest far less in R&D than research-based companies. Additionally, generic competitors, including Asian or other overseas generic competitors, may be able to manufacture products at costs lower than the Debtors. For these reasons, competitors may price their products lower than the Debtors, and such differences could be significant. Due to lower prices, generic versions, where available, may be substituted by pharmacies or required in preference to branded versions under third-party reimbursement programs. As a result, generic competition could have a material adverse effect on the Debtors' business, financial condition, results of operations and cash flows. Legislation encouraging early and rapid approval of generic drugs could also increase the degree of generic competition the Debtors face.

In addition, the Debtors' generics business faces competition from brand-name pharmaceutical companies, which have taken and may continue to take aggressive steps to thwart or delay competition from generic equivalents of their brand-name products, including bringing litigation alleging patent infringement or other violations of intellectual property rights. The actions taken by competing brand-name pharmaceutical companies may increase the costs and risks associated with the Debtors' efforts to introduce generic products and may delay or prevent such introduction altogether. For example, if a brand-name pharmaceutical company's patent were held to be valid and infringed by the Debtors' generic products in a particular jurisdiction, the Debtors would be required to either obtain a license from the patent holder or delay or cease the manufacture and sale of such generic product. Any of these factors could have a material adverse effect on the Debtors' business, financial condition, results of operations and cash flows.

The Debtors' sales may also suffer as a result of changes in consumer demand for the Debtors' products, including as a result of fluctuations in consumer buying patterns, changes in market conditions or actions taken by the Debtors' competitors, including the introduction of new products or price reductions for existing products. Any of these factors could have a material adverse effect on the Debtors' business, financial condition, results of operations and cash flows.

7. The Debtors May Fail to Successfully Identify and Develop Additional Branded and Generic Pharmaceutical Products, Obtain and Maintain Exclusive Marketing Rights for Branded and Generic Products or Fail to Introduce Branded and Generic Products on a Timely Basis

The Debtors' financial results depend, to a significant extent, upon the Debtors' ability, and the ability of the Debtors' partners, to identify, develop, obtain regulatory approval for, launch, and commercialize a pipeline of commercially successful branded and generic products, including first-to-file or first-to-market opportunities. Due to the significant competition the Debtors face and the importance of being the first (or one of the first) to market with respect to any given product, no assurances can be given that the Debtors will be able to develop, introduce and maintain commercially successful products in the future. Competition could cause the Debtors' revenues to decrease significantly, which could have a material adverse effect on the Debtors' business, financial condition, results of operations and cash flows.

Identifying and developing additional product candidates are prone to risks of failure inherent in product development. The Debtors conduct R&D to enable the Debtors to manufacture and market pharmaceutical products in accordance with specific government regulations. Much of the Debtors' product development effort is focused on technically difficult-to-formulate products and/or products that require advanced manufacturing technology. Typically, expenses related to research, development and regulatory approval of compounds for the Debtors' branded products are significantly greater than those expenses associated with generic products. Should the Debtors expand their R&D efforts, the Debtors' research expenses are likely to increase. Because of the inherent risk associated with R&D efforts in the healthcare industry, particularly with respect to new products, the Debtors' R&D expenditures may not result in the successful regulatory approval and introduction of new products and failure in the development of any new product can occur at any point in the process, including late in the process after substantial investment. Also, after the Debtors submit a regulatory application, the relevant governmental health authority may require that the Debtors conduct additional studies, including, for example, studies to assess the product's interaction with alcohol. As a result, the Debtors may be unable to reasonably predict the total R&D costs required to develop a particular product and there is a significant risk that the funds the Debtors invest in R&D will not generate financial returns. In addition, the Debtors' operating results and financial condition may fluctuate as the amount the Debtors spend to research and develop, commercialize, acquire or license new products, technologies, and businesses changes.

The process of developing and obtaining regulatory approvals for new products is time-consuming, costly, and inherently unpredictable. Even if the Debtors are able to identify and develop additional product candidates, the Debtors may fail to obtain exclusive marketing rights, such as the 180-day ANDA first-filer marketing exclusivity period provided for in the Hatch-Waxman amendments to the FDCA, or the 180-day exclusivity for competitive generic therapies established by the FDA Reauthorization Act of 2017, for such product candidates. Even if the Debtors were to secure such exclusivities, risks associated with securing timely approval, as well as risks of unfavorable litigation dispositions, put such exclusivities at risk of being forfeited. The approval of the Debtors' ANDAs may also be stayed by the FDA for up to 30 months if such ANDAs become the subject of patent litigation. Even where the Debtors are awarded marketing exclusivity, the Debtors may be required to share the exclusivity period with other ANDA applicants or with authorized generics that are not prohibited from sale during the 180-day marketing exclusivity period. The Debtors' revenues have historically included sales of generic products with limited competition resulting from marketing exclusivity or other factors, and the failure to timely and effectively file any NDA, ANDA, Biologics License Application or Supplemental Biologics License Application with the FDA or similar filings with other regulatory agencies, or to partner with parties that have obtained marketing exclusivity, could have a material adverse effect on the Debtors' business, financial condition, results of operations, and cash flows.

Furthermore, the successful commercialization of a product is subject to a number of factors, including:

- the effectiveness, ease of use, and safety of the Debtors' products as compared to existing products;

- customer demand and the willingness of physicians and customers to adopt the Debtors' products over competitors' products to which they may have more loyalty or familiarity and overcoming any biases toward competitors' products or against the Debtors' products;
- the cost of the Debtors' products compared to alternative products and the pricing and commercialization strategies of the Debtors' competitors;
- the success of the Debtors' launch and marketing efforts;
- adverse publicity about the Debtors, the Debtors' products, the Debtors' competitors and their respective products or the industry as a whole, or favorable publicity about competitors or their respective products;
- the advent of new and innovative alternative products;
- any unforeseen issues or adverse developments in connection with the Debtors' products and any resulting litigation, regulatory scrutiny, and/or harm to the Debtors' reputation; and
- other risks that may be out of the Debtors' control, including the decision by a collaboration partner to make substantial changes to a product's formulation or design, or a collaboration partner refusing to perform its obligations under a collaboration agreement, any of which may cause delays and additional costs in developing and marketing a product.

E. Forward Looking Statements

This Disclosure Statement may contain "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements consist of any statement other than a recitation of historical fact and can be identified by the use of forward looking terminology such as "may," "expect," "anticipate," "estimate," or "continue" or the negative thereof or other variations thereon or comparable terminology. All forward looking statements are necessarily speculative and there are certain risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward looking statements. The Liquidation Analysis, anticipated distributions, and other information contained and/or described herein and/or attached hereto are estimates only, and the timing and amount of actual distributions to holders of Allowed Claims may be affected by many factors that cannot be predicted. Therefore, any analyses, estimates, or recovery projections may or may not turn out to be accurate.

Any financial information contained in this Disclosure Statement has not been audited. In preparing this Disclosure Statement, the Debtors relied on financial data derived from their books and records that was available at the time of such preparation. The Debtors have used their reasonable business judgment to ensure the accuracy of the financial information provided in this Disclosure Statement, which they believe is materially accurate. Nevertheless, the Debtors are unable to warrant or represent that any financial information contained in this Disclosure Statement or the Plan is without inaccuracies.

There are uncertainties associated with any forward looking statements, including projections and estimates, and such forward looking statements should not be considered assurances or guarantees of the amount of funds or amount of Claims that might be allowed in the various Classes. The Company cautions each reader of this Disclosure Statement to carefully consider those factors set forth above and the acknowledgements contained in this “Risk Factors” section of this Disclosure Statement. Such factors have, in some instances, affected, and in the future could affect, the ability of the Company to achieve the projected results and may cause actual results to differ materially from those expressed in this Disclosure Statement or the Plan. The Company undertakes no obligation to update any forward looking statements in this Disclosure Statement.

F. Disclosure Statement Disclaimer

1. This Disclosure Statement Was Not Approved by the SEC

This Disclosure Statement has not and will not be filed with the SEC or any state regulatory authority. Neither the SEC nor any state regulatory authority has approved or disapproved of the securities described in this Disclosure Statement or has passed upon the accuracy or adequacy of this Disclosure Statement, or the exhibits or the statements contained in this Disclosure Statement.

2. No Legal or Tax Advice Is Provided by This Disclosure Statement

This Disclosure Statement is not and shall not be deemed to be legal, business, or tax advice. The contents of this Disclosure Statement should not be construed as legal, business, or tax advice. Each holder of a Claim or Interest should consult such holder’s own legal counsel and accountant with regard to any legal, tax and other matters concerning such holder’s Claim or Interest. This Disclosure Statement may not be relied upon for any purpose other than to provide information to aid holders of Claims or Interests in determining how to vote on the Plan or whether to object to the Confirmation of the Plan.

3. No Admissions Made

The information and statements contained in this Disclosure Statement will neither (i) constitute an admission of any fact or liability by any entity (including, without limitation, the Debtors) nor (ii) be deemed evidence of the tax or other legal effects of the Plan on the Debtors, holders of Allowed Claims or Interests, or any other parties in interest.

4. No Waiver of Right to Object or Right to Recover Transfers and Assets

The vote by a holder of an Allowed Claim does not constitute a waiver or release of any claims or rights of the Debtors (or any party in interest, as the case may be) to object to such holder’s Allowed Claim, or to recover any preferential, fraudulent or other voidable transfer or assets, regardless of whether any claims or causes of action of the Debtors or their estates are specifically or generally identified herein.

5. Information Was Provided by the Debtors and Was Relied Upon by the Debtors' Advisors

Counsel to and other advisors retained by the Debtors have relied upon information provided by the Debtors in connection with the preparation of this Disclosure Statement. Although counsel to and other advisors retained by the Debtors have performed certain limited due diligence in connection with the preparation of this Disclosure Statement, they have not independently verified the information contained herein.

6. Potential for Inaccuracies Exists and the Debtors Have No Duty to Update

The statements contained in this Disclosure Statement are made by the Debtors as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has not been a change in the information set forth herein since that date. While the Debtors have used their reasonable business judgment in determining that the information provided in this Disclosure Statement and in the Plan is as accurate as possible, the Debtors nonetheless cannot, and do not confirm, and will not be construed as having confirmed, the accuracy of any statement appearing in this Disclosure Statement. Further, although the Debtors may subsequently update the information in this Disclosure Statement, the Debtors have no affirmative duty to do so unless ordered to do so by the Bankruptcy Court.

7. No Representations Outside this Disclosure Statement Are Authorized

No representations concerning or relating to the Debtors, the Chapter 11 Cases, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement or other materials included in the Solicitation Package (as defined in the Disclosure Statement Order). Any representations or inducements made to secure your acceptance or rejection of the Plan that are different from those contained in, or included with, this Disclosure Statement should not be relied upon by you in arriving at your decision. You should promptly report unauthorized representations or inducements to the Debtors' counsel and the United States Trustee.

G. Liquidation Under Chapter 7

If no chapter 11 plan can be confirmed, the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code or, in respect of Debtors incorporated in a foreign jurisdiction, to liquidation proceedings under local law, pursuant to which a trustee would be elected or appointed to liquidate the assets of the Debtors for distribution in accordance with the order of priorities established by the Bankruptcy Code of applicable local law. A discussion of the effects that liquidation would have on recoveries of holders of Claims and the Debtors' Liquidation Analysis is attached hereto as **Exhibit D**.

VIII. SOLICITATION AND VOTING PROCEDURES²⁹

A. Voting Status of Each Class

Under the Bankruptcy Code, creditors are entitled to vote on the Plan if their contractual rights are impaired by the Plan and they are receiving a distribution under the Plan. Creditors and equity holders are not entitled to vote if their contractual rights are unimpaired by the Plan or if they will receive no distribution of property under the Plan. The following table sets forth which Classes of Claims and Interests will or will not be entitled to vote on the Plan:

Class	Designation	Impairment	Entitled to Vote
1	Priority Non-Tax Claims	Unimpaired	No (conclusively presumed to accept)
2	Other Secured Claims	Unimpaired	No (conclusively presumed to accept)
3	First Lien Claims	Impaired	Yes
4(A)	Second Lien Deficiency and Unsecured Notes Claims	Impaired	Yes
4(B)	Other General Unsecured Claims	Impaired	Yes
4(C)	Mesh Claims	Impaired	Yes
4(D)	Ranitidine Claims	Impaired	Yes
4(E)	Generics Price Fixing Claims	Impaired	Yes
4(F)	Reverse Payment Claims	Impaired	Yes
5	U.S. Government Claims	Impaired	Yes
6(A)	State Opioid Claims	Impaired	Yes
6(B)	Local Government Opioid Claims	Impaired	Yes
6(C)	Tribal Opioid Claims	Impaired	Yes
7(A)	PI Opioid Claims	Impaired	Yes
7(B)	NAS PI Claims	Impaired	Yes
7(C)	Hospital Opioid Claims	Impaired	Yes
7(D)	TPP Claims	Impaired	Yes
7(E)	IERP II Claims	Impaired	Yes
8	Public School District Claims	Impaired	Yes
9	Canadian Provinces Claims	Impaired	Yes
10	Settling Co-Defendant Claims	Impaired	Yes
11	Other Opioid Claims	Impaired	Yes
12	EFBD Claims	Impaired	Yes

²⁹ This section is only meant to provide a summary of some of the provisions contained in the Solicitation and Voting Procedures. For complete information, please review the procedures attached to the Disclosure Statement Order as Exhibit 1.

13	Intercompany Claims	Unimpaired / Impaired	No (conclusively presumed to accept / deemed to reject)
14	Intercompany Interests	Unimpaired / Impaired	No (conclusively presumed to accept / deemed to reject)
15	Subordinated, Recharacterized, or Disallowed Claims	Impaired	No (deemed to reject)
16	Existing Equity Interests	Impaired	No (deemed to reject)

B. Classes Entitled to Vote

Based on the chart above, only holders of Claims in the following Voting Classes are entitled to vote to accept or reject the Plan:

Class	Claim or Interest
3	First Lien Claims
4(A)	Second Lien Deficiency and Unsecured Notes Claims
4(B)	Other General Unsecured Claims
4(C)	Mesh Claims
4(D)	Ranitidine Claims
4(E)	Generics Price Fixing Claims
4(F)	Reverse Payment Claims
5	U.S. Government Claims
6(A)	State Opioid Claims
6(B)	Local Government Opioid Claims
6(C)	Tribal Opioid Claims
7(A)	PI Opioid Claims
7(B)	NAS PI Claims
7(C)	Hospital Opioid Claims
7(D)	TPP Claims
7(E)	IERP II Claims
8	Public School District Claims
9	Canadian Provinces Claims
10	Settling Co-Defendant Claims
11	Other Opioid Claims
12	EFBD Claims

If your Claim or Interest is not included in a Voting Class, you are not entitled to vote and you will not receive a package containing relevant solicitation materials. If you are not entitled to vote, you will instead receive a separate package containing a notice of non-voting status, details regarding the Confirmation Hearing (such as key dates and deadlines), and a release form that will allow you to opt out of or opt in to, as applicable, granting the releases provided in Article X of the Plan.

Under the Bankruptcy Code, acceptance of a plan of reorganization by a class of claims or interests is determined by calculating the number and the amount of claims and interests voting to accept the plan in such class, based on the actual total allowed claims voting on the plan. Acceptance by a Class of Claims requires more than one-half of the number of total Allowed Claims in the Class to vote in favor of the Plan and at least two-thirds in dollar amount of the total Allowed Claims in the Class to vote in favor of the Plan, counting in each case only those who actually vote.

C. Voting Procedures

On December 19, 2023, the Debtors filed the *Debtors' Motion for an Order (I) Scheduling a Combined Hearing for Approval of the Disclosure Statement and Confirmation of the Plan; (II) Conditionally Approving the Adequacy of the Disclosure Statement; (III) Approving (A) Procedures for Solicitation, (B) Forms of Ballots and Notices, (C) Procedures for Tabulation of Votes, and (D) Procedures for Objections; and (IV) Granting Related Relief* [Docket No. 3357] (the “Disclosure Statement Motion” and the order approving the Disclosure Statement Motion, the “Disclosure Statement Order”). The Disclosure Statement Motion will be heard at a hearing to consider the adequacy of this Disclosure Statement on a conditional basis (the “Disclosure Statement Hearing”) and sets forth, and seeks approval of, the Plan solicitation procedures, as described herein and therein. The Debtors have requested that the Court schedule the Disclosure Statement Hearing on January 9, 2024, at 3:00 p.m. (prevailing Eastern Time). The Debtors will seek final approval of this Disclosure Statement at the Confirmation Hearing.

PLEASE REFER TO THE INSTRUCTIONS ACCOMPANYING THE BALLOT OR MASTER BALLOT FOR MORE INFORMATION REGARDING VOTING REQUIREMENTS, RULES AND APPLICABLE VOTING PROCEDURES.

1. Voting Record Date

The Debtors have requested that the Court set January 2, 2024, as the voting record date under the Plan (the “Voting Record Date”). The Voting Record Date is the date for determining (a) which holders of Claims are entitled to vote to accept or reject the Plan and receive a Solicitation Package in accordance with the procedures for soliciting the Plan, as set forth in the Disclosure Statement Order and (b) whether Claims have been properly assigned or transferred to an assignee under Bankruptcy Rule 3001(e) such that the assignee can vote as the holder of a Claim. The Voting Record Date and all of the Debtors' solicitation and voting procedures shall apply to all of the Debtors' creditors, equity holders, and other parties in interest.

Under the Scheme, Endo Parent will request to set February 22, 2024, as the voting record date as it pertains to voting on the Scheme for Classes 4(B)-(F), 6(A)-(C), 7(A)-(E), and 8-12

(the “Scheme Voting Record Date”). For Classes 3 and 4(A), the Voting Record Date under the Plan shall apply for purposes of voting on the Scheme.

2. Ballots

To be counted as votes to accept or reject the Plan, votes must be submitted on the appropriate ballot (each, a “Ballot”) or master ballot. There are two types of master ballots: first, there is a notes master ballot (the “Notes Master Ballot”) that will be used to solicit votes from the bank, brokerage firm, trust company, dealer, or other agent or nominee (each a “Nominee”) of beneficial holders of Notes Claims in Classes 3 and 4(A) of the Plan (the “Beneficial Holder(s)”); second, there is a non-notes master ballot (the “Non-Notes Master Ballot,” and together with the Notes Master Ballots, the “Master Ballots”) that will be used to solicit votes from Classes 4(B)-(F), 6(B)-(C), 7(A)-(E), 8, and 10 pursuant to the Non-Notes Master Ballot Solicitation Procedures (as defined in the Solicitation and Voting Procedures).

3. General Voting Instructions

For your vote to be counted, your Ballot or Master Ballot, as applicable, must be properly executed, completed, dated, and delivered by following the instructions set forth on the Ballot or Master Ballot, as applicable, so it is **actually received by Voting Deadline (February 22, 2024, at 4:00 p.m. (prevailing Eastern Time))** by the Solicitation Agent. Each Ballot or Master Ballot will include an option to make an election with respect to certain of the releases contained in Article X of the Plan.

It is important that the holder of a Claim in a Voting Class follow the specific instructions provided on such holder’s Ballot and the accompanying instructions. The holder of a Claim should also provide all of the information requested by the Ballot, and, if completing the Ballot by hand, should complete and return all Ballots received in the enclosed, self-addressed, postage-paid envelope provided with each such Ballot or by regular mail, overnight courier, or hand delivery to the Solicitation Agent at the following address: Endo Ballot Processing Center, c/o Kroll Restructuring Administration LLC, 850 Third Avenue, Suite 412, Brooklyn, NY 11232. Except in the Debtors’ sole discretion or as provided under the Master Ballot Solicitation Procedures, Ballots may not be transmitted by facsimile, email, or other electronic means, other than the Solicitation Agent’s Online Portal.³⁰

Parties submitting Master Ballots, including Firms submitting Non-Notes Master Ballots pursuant to the Non-Notes Master Ballot Solicitation Method, should follow the specific instructions provided in the accompanying instructions for completion and delivery to the Solicitation Agent.

³⁰ Notes Master Ballots and Beneficial Holder Ballots that have been ‘pre-validated’ by the Beneficial Holder’s Nominee may be submitted to the Solicitation Agent by electronic mail to EndoBallots@ra.kroll.com (with “Endo Solicitation Ballot Submission” in the subject line).

IF A BALLOT OR MASTER BALLOT IS RECEIVED AFTER THE VOTING DEADLINE, IT WILL NOT BE COUNTED UNLESS THE DEBTORS DETERMINE OTHERWISE IN THEIR SOLE AND ABSOLUTE DISCRETION.

ANY BALLOT THAT IS PROPERLY EXECUTED BY THE HOLDER OF A CLAIM BUT THAT DOES NOT CLEARLY INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN OR ANY BALLOT THAT INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN WILL NOT BE COUNTED FOR PURPOSES OF ACCEPTING OR REJECTING THE PLAN.

EACH HOLDER OF A CLAIM MUST VOTE ALL OF ITS CLAIMS WITHIN A PARTICULAR CLASS EITHER TO ACCEPT OR REJECT THE PLAN AND MAY NOT SPLIT SUCH VOTES. BY SIGNING AND RETURNING A BALLOT, EACH HOLDER OF A CLAIM WILL CERTIFY TO THE BANKRUPTCY COURT AND THE DEBTORS THAT NO OTHER BALLOTS WITH RESPECT TO SUCH CLAIM HAVE BEEN CAST.

IT IS IMPORTANT TO FOLLOW THE SPECIFIC INSTRUCTIONS PROVIDED ON EACH BALLOT OR MASTER BALLOT, AS APPROPRIATE, WHEN SUBMITTING A VOTE.

IF YOU ARE A HOLDER OF A CLAIM ENTITLED TO VOTE ON THE PLAN AND YOU DID NOT RECEIVE A BALLOT, YOU RECEIVED A DAMAGED BALLOT, OR YOU LOST YOUR BALLOT, OR IF YOU HAVE ANY QUESTIONS CONCERNING THIS DISCLOSURE STATEMENT, THE PLAN, OR PROCEDURES FOR VOTING ON THE PLAN, PLEASE CONTACT THE SOLICITATION AGENT, KROLL, AT (877) 542-1878.

4. Miscellaneous

All Ballots must be signed by the holder of Claims in the appropriate Class. An otherwise properly executed Ballot that attempts to partially accept and partially reject the Plan will likewise not be counted. If you cast more than one Ballot voting the same Claim(s) before the Voting Deadline, the last valid Ballot received on or before the Voting Deadline will be deemed to reflect your intent and, thus, to supersede any prior Ballot.

D. Voting on the Scheme

As described in the Scheme Circular, Scheme Creditors may vote on both the Plan and the Scheme by duly completing and submitting the applicable Ballot (or having a Master Ballot submitted on their behalf) prior to the Voting Deadline in accordance with the Solicitation and Voting Procedures. A Ballot of a Scheme Creditor (or a Master Ballot with the votes of Scheme Creditors) constitutes a joint Ballot (or joint Master Ballot) for both the Plan and the Scheme, so Scheme Creditors do not need to submit separate Ballots to vote on the Scheme. If you are a Scheme Creditor, your Ballot (or a Master Ballot including your vote) will provide that if you submit a vote for or against the Plan, such vote will also appoint the Chairperson of the relevant Scheme Meeting as a proxy to submit an equivalent vote either for or against the Scheme. Consequently, Scheme Creditors do not need to attend the Scheme Meeting in order to be able to vote in respect of the Scheme. Scheme Creditors may appoint a proxy (which may be the Chairperson of the relevant Scheme Meeting or another person chosen by the Scheme Creditor) to attend the Scheme Meeting and vote on their behalf. If a Scheme Creditor (a) wishes to submit a

proxy vote in relation to the Scheme that is different from its vote on the Plan; (b) is not entitled to vote on the Plan; (c) has voted on the Plan but does not wish to vote on the Scheme; (d) wishes to appoint a proxy other than the Chairperson for purposes of the relevant Scheme Meeting; (e) wishes to attend the relevant Scheme Meeting to vote in person; or (f) did not hold a General Unsecured Scheme Creditor's Claim as of the Voting Record Date under the Plan but is a transferee or assignee of such Claim as of the Scheme Voting Record Date and wishes to vote on the Scheme, the Scheme Creditor must obtain a scheme voting form by emailing the Solicitation Agent at endoinfo@ra.kroll.com (with "Endo Scheme Vote Form" in the subject line).

The voting procedures in respect of the Scheme are described in full the Scheme Circular. Voting for the Scheme will happen at the Scheme Meetings which will be held on March 7, 2024, at 2:00 p.m. (Dublin Time) and 2:30 p.m. (Dublin Time). Scheme Creditors may, but are not required to, attend the Scheme Meetings in person.

IX. STATUTORY REQUIREMENTS FOR CONFIRMATION OF THE PLAN

The following is a brief summary of the Confirmation process. Holders of Claims and Interests are encouraged to review the relevant provisions of the Bankruptcy Code and to consult with their own advisors.

A. The Confirmation Hearing

Section 1128(a) of the Bankruptcy Code provides that the Bankruptcy Court, after notice, may conduct a Confirmation Hearing.

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to Confirmation of the Plan.

B. Confirmation Standards

The following requirements must be satisfied under section 1129(a) of the Bankruptcy Code before the Bankruptcy Court may confirm the Plan:

1. The Plan complies with the applicable provisions of the Bankruptcy Code.
2. The proponents of the Plan have complied with the applicable provisions of the Bankruptcy Code.
3. The Plan has been proposed in good faith and not by any means forbidden by law.
4. Any payment made or to be made by the proponents of the Plan, a Debtor, or by a person issuing securities or acquiring property under the Plan, for services or for costs and expenses in or in connection with the Chapter 11 Cases, in connection with the Plan and incident to the Chapter 11 Cases, has been approved by, or is subject to the approval of, the Bankruptcy Court as reasonable.
5. The proponents of the Plan have disclosed the identity and affiliations of any individual proposed to serve, after Confirmation of the Plan, as a director, officer, or voting trustee

of the Debtors, an affiliate of the Debtors participating in a joint Plan with a Debtor or a successor to a Debtor under the Plan, and the appointment to, or continuance in, such office of such individual is consistent with the interests of creditors and holders of Interests and with public policies.

6. The proponents of the Plan have disclosed the identity of any “insider” (as defined in the Bankruptcy Code) that will be employed or retained by the Purchaser Entities and the nature of any compensation for such insider.

7. Any governmental regulatory commission with jurisdiction, after Confirmation, over the rates of the Debtors has approved any rate change provided for in the Plan.

8. With respect to each holder within an impaired Class of Claims or Interests, each such holder (i) has accepted the Plan or (ii) will receive or retain under the Plan on account of such Claim or Interest property of value, as of the Effective Date of the Plan, that is not less than the amount that such holder would so receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on such date.

9. With respect to each Class of Claims or Interests, such Class (i) has accepted the Plan or (ii) is unimpaired under the Plan; *provided, however*, that if the Plan is rejected by an impaired Class, the Plan may be confirmed if it “does not discriminate unfairly” and is “fair and equitable” as to such Class, is feasible, and is in the “best interests” of holders of Claims and Interests that are impaired under the Plan.

10. Except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that:

(a) with respect to a Claim of a kind specified in sections 507(a)(2) or (3) of the Bankruptcy Code, on the Effective Date, the holder of the Claim will receive on account of such Claim cash equal to the allowed amount of such Claim, unless otherwise agreed;

(b) with respect to a Class of Claim of the kind specified in sections 507(a)(1), (4), (5), (6), or (7) of the Bankruptcy Code, each holder of a Claim of such Class will receive (i) if such Class has accepted the Plan, deferred cash payments of a value, on the Effective Date of the Plan, equal to the Allowed amount of such Claim or (ii) if such Class has not accepted the Plan, cash on the Effective Date equal to the Allowed amount of such Claim; and

(c) with respect to a priority tax Claim of a kind specified in section 507(a)(8) of the Bankruptcy Code, the holder of such Claim will receive on account of such claim deferred Cash payments, over a period not exceeding five years after the date of the order for relief, of a value, as of the Effective Date, equal to the allowed amount of such Claim.

11. If a Class of Claims is impaired under the Plan, at least one Class of Claims that is impaired under the Plan has accepted the Plan, determined without including any acceptance of the Plan by any “insider” (as defined by the Bankruptcy Code).

12. Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors under the Plan

(other than the liquidation of any Debtors that will not be Purchaser Entities), unless such liquidation or reorganization is proposed in the Plan.

13. All fees payable under section 1930 of title 28 of the United States Code, as determined by the Bankruptcy Court at the Confirmation Hearing, have been paid or the Plan provides for the payment of all such fees on the Effective Date.

14. The Plan provides that following the Effective Date and subject to the Purchaser Entities' rights, if any, under applicable non-bankruptcy law, unless otherwise ordered by the Bankruptcy Court, the Purchaser Entities shall continue to pay all retiree benefits (as defined in section 1114 of the Bankruptcy Code) at the level established under sections 1114(e)(1)(B) or (g) of the Bankruptcy Code, at any time prior to Confirmation, for the duration of the period the Debtors has obligated itself to provide such benefits.

C. Liquidation Analysis

Section 1129(a)(7) of the Bankruptcy Code requires that each holder of an impaired Claim or Interest either (i) accepts the Plan or (ii) receives or retains under the Plan property of a value, as of the Effective Date, that is not less than the value such holder would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. This condition is often referred to as the "Best Interests Test."

In determining whether the Best Interests Test has been met, the proceeds that would be generated from a hypothetical liquidation of the Debtors' assets in chapter 7 cases must be determined. Such amount then would be reduced by the costs and expenses of the liquidation. Prior to determining whether the Best Interests Test has been satisfied, available cash and the proceeds from the liquidation of the Debtors' assets would be applied to secured claims (to the extent of the value of the underlying collateral) and to satisfy administrative, priority tax and other priority claims, all of which are senior in priority to unsecured claims, including any incremental administrative claims that may result from the termination of the Debtors' businesses and the liquidation of their assets. Any remaining cash would be available for distribution to holders of unsecured claims and equity holders in accordance with the distribution hierarchy established by section 726 of the Bankruptcy Code.

The Debtors prepared the liquidation analysis (the "Liquidation Analysis"), attached hereto as **Exhibit D**, with assistance from their financial advisors. The Liquidation Analysis represents the Debtors' best estimate of the cash proceeds, net of liquidation related costs, which would be available for distribution to the holders of Claims and Interests if the Debtors were to be liquidated in chapter 7 cases that would not preserve the potential future value of the Debtors' estates. Underlying the Liquidation Analysis are a number of estimates and assumptions regarding liquidation proceeds that, although developed and considered reasonable by the Debtors and their professionals, are inherently subject to significant business, economic, and competitive uncertainties and contingencies beyond the control of the Debtors.

As further set forth in the Liquidation Analysis, the Debtors submit that because of, among other things, discounts to asset values caused in part by (1) the anticipated accelerated time frame in which the Debtors' assets would be marketed and sold in a chapter 7 liquidation scenario, (2) the

illiquid nature of certain of the assets and dis synergies associated with a piecemeal liquidation, and (3) the forced nature of a sale of the Debtors' assets in a chapter 7 liquidation scenario, as well as the incurrence of additional priority claims if these Chapter 11 Cases were converted to cases under chapter 7 of the Bankruptcy Code, holders of impaired Claims and Interests will receive at least as great of a recovery under the proposed Plan as in a chapter 7 liquidation. The Debtors therefore believe that the Plan satisfies the Best Interests Test under section 1129(a)(7) of the Bankruptcy Code. The Debtors caution that the assumptions used in the Liquidation Analysis may ultimately vary and actual recoveries in a chapter 7 liquidation could be substantially less than recoveries set forth in this Liquidation Analysis.

D. Financial Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that a debtor demonstrate that confirmation of a plan is not likely to be followed by liquidation or the need for further financial reorganization. This condition is often referred to as the "feasibility" of a plan. For purposes of determining whether the Plan meets the feasibility requirement, the Debtors have analyzed their ability to meet their obligations under the Plan.

The Debtors believe that the Plan meets the feasibility requirement. As part of this analysis, the Debtors' management, with the assistance of their advisors, have prepared the financial projections attached hereto as **Exhibit E** (the "Financial Projections"). Based on the Financial Projections, the Debtors believe that they will be able to make all payments required under the Plan. Therefore, the Debtors believe Confirmation and consummation of the Plan is not likely to be followed by liquidation or the need for further reorganization.

THE FINANCIAL PROJECTIONS, INCLUDING THE UNDERLYING ASSUMPTIONS, SHOULD BE CAREFULLY REVIEWED IN EVALUATING THE PLAN. WHILE MANAGEMENT BELIEVES THE ASSUMPTIONS UNDERLYING THE FINANCIAL PROJECTIONS, WHEN CONSIDERED ON AN OVERALL BASIS, ARE REASONABLE IN LIGHT OF CURRENT CIRCUMSTANCES AND EXPECTATIONS, NO ASSURANCE CAN BE GIVEN THAT THE PROJECTIONS WILL BE REALIZED. THE DEBTORS MAKE NO REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF THE FINANCIAL PROJECTIONS.

The Financial Projections have not been examined or compiled by independent accountants. The Debtors make no representations as to their ability to achieve the projected results. Many of the assumptions on which the Financial Projections are based are inherently subject to significant business, economic, and competitive uncertainties and contingencies beyond the control of the Debtors and their management. Inevitably, some assumptions will not materialize and unanticipated events and circumstances may affect the actual financial results. Therefore, the actual results achieved may vary from the projected results, and the variations may be material. All holders of Claims that are entitled to vote to accept or reject the Plan are urged to carefully examine all of the assumptions on which the Financial Projections are based in connection with their evaluation of the Plan.

E. Acceptance by Impaired Classes

The Bankruptcy Code also requires, as a condition to Confirmation, that each Class of Claims or Interests that is impaired but still receives distributions under the Plan vote to accept the Plan, unless the Debtors can “cramdown” such Classes, as described below. A Class that is unimpaired is presumed to have accepted the Plan and, therefore, solicitation of acceptances with respect to such Class is not required. A Class is impaired unless (i) the Plan leaves unaltered the legal, equitable, and contractual rights to which the Claim or Interest entitles the holder of such Claim or Interest, or (ii) the Debtors cure any default and reinstate the original terms of the obligation.

Under sections 1126(c) and (d) of the Bankruptcy Code and except as otherwise provided in section 1126(e) of the Bankruptcy Code: (i) an impaired Class of Claims has accepted the Plan if the holders of at least two-thirds in dollar amount and more than one-half in number of the voting allowed Claims have voted to accept the Plan and (ii) an impaired Class of Interests has accepted the Plan if the holders of at least two-thirds in amount of the allowed Interests of such Class actually voting have voted to accept the Plan.

F. Confirmation Without Acceptance by All Impaired Classes

Section 1129(b) of the Bankruptcy Code allows the Bankruptcy Court to confirm the Plan, even if the Plan has not been accepted by all impaired Classes, provided that the Plan has been accepted by at least one impaired Class entitled to vote, without counting the vote of any “insider” (as defined in section 101(31) of the Bankruptcy Code). Section 1129(b) of the Bankruptcy Code permits the Debtors to confirm the Plan, notwithstanding the failure of any impaired Class to accept the Plan, in a procedure commonly known as “cramdown,” so long as the Plan “does not discriminate unfairly” and is “fair and equitable” as to each impaired Class that has not accepted the Plan.

1. No Unfair Discrimination

A plan “does not discriminate unfairly” if (i) the legal rights of a non-accepting class are treated in a manner that is consistent with the treatment of other classes whose legal rights are similar to those of the non-accepting class and (ii) no class receives payments in excess of that which it is legally entitled to receive for its claims or interests. The test does not require that the treatment be the same or equivalent, but that such treatment be “fair.”

The Debtors do not believe the Plan discriminates unfairly against any impaired Class of Claim or Interests. The Debtors believe the Plan and the treatment of all Classes of Claims and Interests under the Plan satisfies the foregoing requirements for non-consensual Confirmation.

2. Fair and Equitable Treatment

With respect to a dissenting class of claims or interests, the “fair and equitable” standard requires that a plan provide that either the claims or interests in each class receive everything to which they are legally entitled or, with respect to unsecured claims, that classes junior in priority to the class receive nothing.

The Bankruptcy Code establishes different “fair and equitable” tests for holders of secured claims, unsecured claims, and interests, which may be summarized as follows:

(a) *Secured Claims.* With respect to the secured amount of its allowed claim, either (i) each holder of a claim in an impaired class of secured claims retains its liens securing its secured claim and it receives on account of its secured claims deferred cash payments having a present value equal to the amount of its allowed secured claim, (ii) each holder of a claim in an impaired class of secured claims realizes the indubitable equivalent of its allowed secured claim, or (iii) the property securing the claim is sold free and clear of liens, which such liens to attach to the proceeds and the treatment of such liens on proceeds as provided in clause (i) or (ii) of this subparagraph (a).

(b) *Unsecured Claims.* Either (i) each holder of a claim in an impaired class of unsecured claims 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 chapter 11 plan, subject to the applicability of the judicial doctrine of contributing new value or for administrative convenience purposes only.

(c) *Interests.* Either (i) each holder of an equity interest in an impaired class of interests will receive or retain under the chapter 11 plan property of a value equal to the greater of (y) the fixed liquidation preference or redemption price, if any, of such equity interest or (z) the value of the equity interest or (ii) the holders of interests that are junior to the stock will not receive any property under the chapter 11 plan, subject to the applicability of the judicial doctrine of contributing new value or for administrative convenience purposes only.

The Debtors believe that the distributions provided under the Plan satisfy the “fair and equitable” requirements of the Bankruptcy Code. Certain Classes of Claims and Interests will receive no distribution under the Plan and are therefore conclusively deemed to reject the Plan. Accordingly, the Debtors will seek to confirm the Plan under section 1129(b) of the Bankruptcy Code with respect to such Classes.

X. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The Debtors believe that the Plan affords holders of Claims and Interests the potential for the greatest realization of the value of the Debtors’ assets and, therefore, the Confirmation and consummation of the Plan is in the best interests of such holders. If the Plan is not confirmed, however, theoretical alternatives include, without limitation: (i) continuation of the pending Chapter 11 Cases, (ii) approval of the Sale, (iii) an alternative plan or plans of reorganization, or (iv) the liquidation of the Debtors under chapter 7 or chapter 11 of the Bankruptcy Code.

A. Continuation of the Chapter 11 Cases

If the Debtors remain in chapter 11, they could continue to operate and manage their assets as debtors in possession, but they would remain subject to the restrictions imposed by the Bankruptcy Code. It is not clear whether the Debtors could survive as a going concern in protracted Chapter 11 Cases, which could significantly and detrimentally impact the Debtors’ relationships with vendors, suppliers, employees, and major customers.

B. Approval of the Sale

Although the Debtors are confident that the Sale would have been approved by the Bankruptcy Court, the Debtors believe that, in light of the various resolutions with key stakeholders that have resolved significant issues that would have otherwise impeded the Debtors' ability to successfully pursue a chapter 11 plan, the Plan is the optimal path for emergence for the Debtors at this time. In the event Confirmation is denied or the Plan is not otherwise a reasonably viable framework to resolve the Chapter 11 Cases, the Debtors may seek to re-schedule the Sale Hearing and seek the Bankruptcy Court's approval of the Sale.

C. Alternative Plans of Reorganization

If the Plan is not confirmed, the Debtors, or, after the expiration of the Debtors' Exclusive Periods, any other party in interest in the Chapter 11 Cases, could propose a different plan or plans. Additionally, until the Plan is consummated, the Debtors may determine to withdraw the Plan and propose and solicit different plans of reorganization. Any such plans proposed by the Debtors or other parties in interest might involve either a reorganization and continuation of the Debtors' business, or an orderly liquidation of its assets, or a combination of both.

Although alternative plans of reorganization are possible, the Debtors believe that the present Plan represents a value maximizing resolution to these Chapter 11 Cases and provides a clear pathway for the Debtors to emerge from chapter 11 promptly and without unnecessarily draining estate resources. Additionally, the Debtors believe that any alternative plan may be subject to litigation and, without the benefit of the Resolutions embodied in the present Plan, provide diminished recoveries to parties in interest.

D. Liquidation Under Chapter 7 or Chapter 11

If no plan is confirmed, the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code. In chapter 7 cases, a trustee or trustees would be appointed to liquidate the assets of the Debtors.

However, the Debtors believe that creditors would lose value if the Debtors were forced to liquidate. In addition, the Debtors believe that, in a liquidation under chapter 7, before creditors received any distribution, additional administrative expenses involved in the appointment of a trustee or trustees and attorneys, accountants, and other professionals to assist such trustees would cause a substantial diminution in the value of the Debtors' estates. Debtors incorporated outside of the United States would likely enter into local insolvency or liquidation proceedings, further increasing administrative expenses. The assets available for distribution to creditors would be reduced by such additional administrative expenses and by Claims, some of which would be entitled to priority, which would arise by reason of the liquidations and the failure to realize the greater going concern value of the Debtors' assets. Additionally, if there were no Plan, the Trusts to be established in connection therewith may not be established. The Plan is the result of extensively negotiated resolutions which avoid costly and time-consuming litigation that would have depleted funds otherwise available for creditors.

The Liquidation Analysis attached hereto as **Exhibit D** illustrates the recoveries the Debtors anticipate in a chapter 7 liquidation scenario. In the Liquidation Analysis, the Debtors

have taken into account the nature, status, and underlying value of their assets, the ultimate realizable value of their assets, and the extent to which such assets are subject to liens and security interests. The likely form of any liquidation in a chapter 7 proceeding would be the sale of individual assets. Based on this analysis, it is likely that a chapter 7 liquidation of the Debtors' assets would produce less value for distribution to each class of creditors than that recoverable under the Plan. In the Debtors' opinion, the recoveries projected to be available in a chapter 7 liquidation are not likely to afford holders of Claims and Interests as great a realization potential as does the Plan.

The Debtors may also be liquidated under a chapter 11 plan. In a liquidation under chapter 11, the Debtors' assets could be sold in an orderly fashion over a more extended period of time than in a liquidation under chapter 7. Thus, a chapter 11 liquidation might result in larger recoveries than a chapter 7 liquidation would, but the delay in distributions could result in lower present values received and higher administrative costs. Because a trustee is not required in a chapter 11 case, expenses for professional fees could be lower than in a chapter 7 case (in which a trustee must be appointed). However, any distributions to holders of Claims or Interests under a chapter 11 liquidation plan probably would be delayed substantially. In addition, as with a chapter 7 liquidation, the Debtors believe that creditors would lose the materially higher going concern value if the Debtors were forced to liquidate under a chapter 11 plan.

XI. U.S. FEDERAL INCOME TAX CONSIDERATIONS

A. Introduction

The following discussion is a summary of U.S. federal income tax considerations of the consummation of the Plan to the Debtors, the Purchaser Entities, and certain holders of Claims. The following summary does not address the U.S. federal income tax consequences to holders of Claims not entitled to vote to accept or reject the Plan. This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), the U.S. Treasury Regulations promulgated thereunder (the "Treasury Regulations"), judicial authorities, published administrative positions of the U.S. Internal Revenue Service (the "IRS"), all as in effect on the date hereof and all of which are subject to change or differing interpretations, possibly with retroactive effect. Any such changes, or new or differing interpretations, could significantly affect the U.S. federal income tax consequences described below. The Debtors have not requested, and do not intend to request, any ruling or determination from the IRS or any other taxing authority with respect to the tax consequences discussed herein, and the discussion below is not binding upon the IRS or the courts. No assurance can be given that the IRS would not assert, or that a court would not sustain, a different position than any position discussed herein.

This discussion does not address non-U.S., state, local or non-income tax consequences of the Plan (including such consequences with respect to the Debtors), nor does it purport to address all aspects of U.S. federal income taxation that may be relevant to a holder of a Claim in light of its individual circumstances or to a holder of a Claim that may be subject to special tax rules (including, for example, banks, governmental authorities or agencies, pass-through entities, beneficial owners of pass-through entities, dealers and traders in securities, insurance companies, financial institutions, tax-exempt organizations, expatriates, controlled foreign corporations, passive foreign investment companies, small business investment companies, persons who are

related to the Debtors within the meaning of the Code, persons using a mark-to-market method of accounting, holders of Claims who are themselves in bankruptcy, and regulated investment companies and those holding, or who will hold, the Purchaser Equity as part of a hedge, straddle, conversion, or other integrated transaction). Furthermore, this summary assumes that a holder of a Claim holds only Claims in a single Class and holds a Claim only as a “capital asset” (within the meaning of the Code). This summary also assumes that Claims will be treated in accordance with their form for U.S. federal income tax purposes and that the Claims constitute interests in the Debtors “solely as a creditor” for purposes of Section 897 of the Code. The U.S. federal income tax consequences of the consummation of the Plan to the Debtors and holders of Claims described below may also vary depending on the nature of the Plan Transaction and any Restructuring Transactions that the Debtors engage in. This summary does not discuss differences in tax consequences to holders of Claims that act or receive consideration in a capacity other than any other holder of a Claim of the same Class or Classes, and the tax consequences for such holders may differ materially from that described below.

For purposes of this discussion, a “U.S. Holder” is a holder of a Claim that, for U.S. federal income tax purposes, is: (1) an individual citizen or resident of the United States; (2) a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia; (3) an estate the income of which is subject to U.S. federal income taxation regardless of the source of such income; or (4) a trust (a) if a court within the United States is able to exercise primary jurisdiction over the trust’s administration and one or more United States persons (within the meaning of Section 7701(a)(30) of the Code) has authority to control all substantial decisions of the trust or (b) that has a valid election in effect under applicable Treasury Regulations to be treated as a United States person (within the meaning of Section 7701(a)(3)) of the Code. For purposes of this discussion, a “Non-U.S. Holder” is any holder that is not a U.S. Holder or a partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes).

If a partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes) is a holder of a Claim, the tax treatment of a partner (or other beneficial owner) will generally depend upon the status of the partner (or other beneficial owner) and the activities of the partner (or other beneficial owner) and the entity. Partners (or other beneficial owners) of partnerships (or other entities treated as partnerships or other pass-through entities) that are holders of Claims should consult their tax advisors regarding the U.S. federal income tax consequences of the Plan.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY. ALL HOLDERS OF CLAIMS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE FEDERAL, STATE, LOCAL, NON-U.S., NON-INCOME, AND OTHER TAX CONSEQUENCES OF THE PLAN.

B. Considerations to the Debtors and Purchaser Entities

The tax consequences of the implementation of the Plan to the Debtors will differ depending on whether the Plan Transaction is structured as a taxable sale of the assets and/or stock of any Debtor (a “Taxable Transaction”) or as a reorganization of the Debtors that qualifies under

section 368(a)(1)(G) of the Code (a “G Reorganization”) pursuant to which the Debtors would not recognize gain or loss for U.S. federal income tax purposes. If the Plan Transaction is structured as a Taxable Transaction, the Debtors will generally realize gain or loss upon the transfer in an amount equal to the difference between the fair market value of the assets transferred by the Debtors and the Debtors’ tax basis in such assets.

In response to the objection filed by the United States on behalf of the IRS, the U.S. Department of Justice, the U.S. Department of Health and Human Services, and the U.S. Department of Veterans Affairs (the “USG Objection”), the Debtors, the Ad Hoc First Lien Group, and the United States have agreed to the U.S. Government Resolution. Pursuant to the U.S. Government Resolution, the Debtors have agreed to pay to the United States the U.S. Government Resolution Consideration in complete satisfaction of all of the U.S. Government Claims. Moreover, the Debtors, the Ad Hoc First Lien Group, and the United States intend that the Plan Transaction shall be treated for U.S. federal income tax purposes as a taxable sale of the Debtors’ assets and that the U.S. Government Resolution Consideration shall fully satisfy any U.S. federal tax liability of the Debtors due with respect to, among other things, the Plan Transaction and fully resolve any disputes with the IRS relating to the IRS Claim or other pre-Effective Date Taxes of the Debtors (the “Plan Transaction Tax Treatment”).

Assuming the Plan Transaction is a Taxable Transaction, then the Debtors will generally realize gain or loss (“Asset Sale Income”) upon the transfer in an amount equal to the difference between the fair market value of the assets transferred by the Debtors and the Debtors’ tax basis in such assets. In addition, absent an exception, the Debtors will realize cancellation of debt income (“COD Income”) for U.S. federal income tax purposes upon satisfaction of their outstanding indebtedness for total consideration (including any consideration received by the Debtors from the Taxable Transaction) less than the adjusted issue price of such indebtedness. However, pursuant to the U.S. Government Resolution and in connection with a Taxable Transaction, Asset Sale Income and COD Income are not expected to negatively impact the Debtors. The Purchaser Entities would, pursuant to the Plan Transaction Tax Treatment, for U.S. federal income tax purposes have a fair market value basis as of the Effective Date in its assets (provided that the U.S. Government Resolution sets forth that the aggregate basis of the assets shall not be less than \$3,500,000,000.00 and shall not exceed \$4,650,000,000.00) and the Purchaser Entities’ holding period for such assets would begin on the day following the Effective Date. The Purchaser Entities will not succeed to any of the tax attributes of any of the Debtors.

The following discussion assumes that the Plan Transaction will be treated as a Taxable Transaction for U.S. federal income tax purposes. Holders of Claims should consult their tax advisors regarding the U.S. federal income tax considerations of the Plan if the Plan Transaction were to be treated as other than a Taxable Transaction for U.S. federal income tax purposes.

C. U.S. Federal Income Tax Considerations of the Plan to U.S. Holders of Claims

1. General U.S. Federal Income Tax Considerations

(a) Consequences to the Holders of First Lien Claims (Class 3)

Pursuant to the Plan, in exchange for full and final satisfaction, compromise, settlement, release, and discharge of their First Lien Claims, each holder of a First Lien Claim will receive its pro rata share of (a) 96.30% of the Purchaser Equity (subject to dilution by (1) the Rights Offerings and (2) any issuances of Purchaser Equity under the Management Incentive Plan), (b)(1) if the Exit Minimum Cash Sweep Trigger occurs, Cash from the Exit Minimum Cash Sweep; and/or (2) the net proceeds of the Syndicated Exit Financing, if any; and/or (3) the New Takeback Debt, (c) the First Lien Accrued and Unpaid Adequate Protection Payments, and (d) the First Lien Subscription Rights. Each such holder's exchange of its First Lien Claims for such consideration should be treated as a taxable exchange under the Code. Accordingly, other than with respect to any amounts received that are attributable to accrued but unpaid interest (or original issue discount, if any), each U.S. Holder should recognize gain or loss in an amount equal to the difference, if any, between (x) the sum of (A) the fair market value of the Purchaser Equity, the New Takeback Debt, and the First Lien Subscription Rights, and (B) the amount of Cash (including Cash from the Exit Minimum Cash Sweep, the First Lien Accrued and Unpaid Adequate Protection Payments and any net proceeds of the Syndicated Exit Financing), in each case, received in respect of the First Lien Claims and (y) such U.S. Holder's adjusted basis in such First Lien Claims. The character of such gain or loss will be determined by a number of factors, including, among other things, the tax status of the U.S. Holder, the rules regarding "market discount" (described below) and accrued but unpaid interest (or original issue discount), and whether and to what extent the U.S. Holder had previously claimed a bad-debt deduction with respect to its First Lien Claims. If recognized gain or loss is capital in nature, it would generally be long-term capital gain or loss if the U.S. Holder held its First Lien Claims for more than one year as of the Effective Date. Such U.S. Holder's tax basis in the Purchaser Equity and any New Takeback Debt received, as applicable, should equal the fair market value of such property as of the Effective Date. Such U.S. Holder's holding period in the Purchaser Equity and the New Takeback Debt received should begin on the day after the Effective Date.

(b) Consequences to the Holders of Second Lien Deficiency Claims and Unsecured Notes Claims (Class 4(A))

Pursuant to the Plan, in exchange for full and final satisfaction, compromise, settlement, release, and discharge of their Second Lien Deficiency Claims and Unsecured Notes Claims, each holder of a Second Lien Deficiency Claim or Unsecured Notes Claim will receive its pro rata share of the GUC Trust Consideration. Each such holder's exchange of its Second Lien Deficiency Claims and Unsecured Notes Claims for such consideration should be treated as a taxable exchange under the Code. Accordingly, other than with respect to any amounts received that are attributable to accrued but unpaid interest (or original issue discount, if any), each U.S. Holder should recognize gain or loss in an amount equal to the difference, if any, between (x) the GUC Trust Consideration received in respect of the Second Lien Deficiency Claims and Unsecured Notes Claims and (y) such U.S. Holder's adjusted basis in such Second Lien Deficiency Claims and Unsecured Notes Claims. The character of such gain or loss will be determined by a number

of factors, including, among other things, the tax status of the U.S. Holder, the rules regarding “market discount” (described below) and accrued but unpaid interest (or original issue discount), and whether and to what extent the U.S. Holder had previously claimed a bad-debt deduction with respect to its Second Lien Deficiency Claims or Unsecured Notes Claims. If recognized gain or loss is capital in nature, it generally would be long-term capital gain or loss if the U.S. Holder held its Second Lien Deficiency Claims or Unsecured Notes Claims for more than one year as of the Effective Date. Such U.S. Holder’s tax basis in the Purchaser Equity received, as applicable, should equal the fair market value of such property as of the Effective Date. Such U.S. Holder’s holding period in the Purchaser Equity should begin on the day after the Effective Date.

As further described below in Section XI.C.3(a) (The GUC Trust) of this Disclosure Statement, for U.S. federal income tax purposes, the GUC Trust is intended to qualify as a “liquidating trust” described in Treasury Regulation section 301.7701-4(d). Because the tax consequences under the Plan relevant to U.S. Holders of Second Lien Deficiency Claims and Unsecured Notes Claims will depend on facts particular to each holder, all U.S. Holders of such claims should consult their tax advisors as to their proper tax treatment under the Plan in light of their particular facts and circumstances.

(c) Consequences to the Holders of Other General Unsecured Claims (Class 4(B))

The Plan provides that on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the Other General Unsecured Claims, each Other General Unsecured Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the GUC Trust and all of the Debtors’ liability for such Claim shall be assumed by the GUC Trust. Holders of Allowed Other General Unsecured Claims shall receive a recovery, if any, from the GUC Trust Consideration.

As further described below in Section XI.C.3(b) (The GUC Trust Disputed Claims Reserve) below, for U.S. federal income tax purposes, the GUC Trust Disputed Claims Reserve is intended to qualify as a disputed ownership fund described in Treasury Regulation section 1.468B-9.

Because the tax consequences under the Plan relevant to U.S. Holders of Other General Unsecured Claims will depend on facts particular to each holder, all U.S. Holders of such claims should consult their tax advisors as to their proper tax treatment under the Plan in light of their particular facts and circumstances.

(d) Consequences to the Holders of Mesh Claims (Class 4(C))

The Plan provides that on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the Mesh Claims, each Mesh Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the GUC Trust and all of the Debtors’ liability for such Claim shall be assumed by the Mesh Claims Trust. Holders of Mesh Claims shall receive a recovery, if any, from the Mesh Claims Trust Consideration. The Mesh Claims Trust is intended to be treated as a “qualified settlement fund” for U.S. federal income tax purposes. The U.S. federal income tax consequences to a U.S. Holder of a Mesh Claim—including whether such holder may have income or loss on account of

distributions it receives in respect of the Claim or payments made in satisfaction of obligations of such holder or whether such holder may be entitled to claim a deduction on account of a distribution that satisfied an obligation of such holder—will generally depend upon the nature and origin of the Claim and the particular circumstances applicable to such holder, including whether the holder has previously claimed deductions or losses for U.S. federal income tax purposes with respect to such Claim. Because the tax consequences under the Plan relevant to U.S. Holders of Mesh Claims will depend on facts particular to each holder, all U.S. Holders of Mesh Claims should consult their tax advisors as to their proper tax treatment under the Plan in light of their particular facts and circumstances.

(e) Consequences to the Holders of Ranitidine Claims (Class 4(D))

The Plan provides that on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the Ranitidine Claims, each Ranitidine Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the GUC Trust and all of the Debtors' liability for such Claim shall be assumed by the Ranitidine Claims Trust. Holders of Ranitidine Claims shall receive a recovery, if any, from the Ranitidine Claims Trust Consideration. The Ranitidine Claims Trust is intended to be treated as a "qualified settlement fund" for U.S. federal income tax purposes. The U.S. federal income tax consequences to a U.S. Holder of a Ranitidine Claim—including whether such holder may have income or loss on account of distributions it receives in respect of the Claim or payments made in satisfaction of obligations of such holder or whether such holder may be entitled to claim a deduction on account of a distribution that satisfied an obligation of such holder—will generally depend upon the nature and origin of the Claim and the particular circumstances applicable to such holder, including whether the holder has previously claimed deductions or losses for U.S. federal income tax purposes with respect to such Claim. Because the tax consequences under the Plan relevant to U.S. Holders of Ranitidine Claims will depend on facts particular to each holder, all U.S. Holders of Ranitidine Claims should consult their tax advisors as to their proper tax treatment under the Plan in light of their particular facts and circumstances.

(f) Consequences to the Holders of Generics Price Fixing Claims (Class 4(E))

The Plan provides that on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the Generics Price Fixing Claims, each Generics Price Fixing Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the GUC Trust and all of the Debtors' liability for such Claim shall be assumed by the Generics Price Fixing Claims Trust. Holders of Generics Price Fixing Claims shall receive a recovery, if any, from the Generics Price Fixing Claims Trust Consideration. The Generics Price Fixing Claims Trust is intended to be treated as a "qualified settlement fund" for U.S. federal income tax purposes. The U.S. federal income tax consequences to a U.S. Holder of a Generics Price Fixing Claim—including whether such holder may have income or loss on account of distributions it receives in respect of the Claim or payments made in satisfaction of obligations of such holder or whether such holder may be entitled to claim a deduction on account of a distribution that satisfied an obligation of such holder—will generally depend upon the nature and origin of the Claim and the particular circumstances applicable to such holder, including whether the holder has previously claimed deductions or losses for U.S. federal income tax purposes with

respect to such Claim. Because the tax consequences under the Plan relevant to U.S. Holders of Generics Price Fixing Claims will depend on facts particular to each holder, all U.S. Holders of Generics Price Fixing Claims should consult their tax advisors as to their proper tax treatment under the Plan in light of their particular facts and circumstances.

(g) Consequences to the Holders of Reverse Payment Claims (Class 4(F))

The Plan provides that on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the Reverse Payment Claims, each Reverse Payment Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the GUC Trust and all of the Debtors' liability for such Claim shall be assumed by the Reverse Payment Claims Trust. Holders of Reverse Payment Claims shall receive a recovery, if any, from the Reverse Payment Claims Trust Consideration. The Reverse Payment Claims Trust is intended to be treated as a "qualified settlement fund" for U.S. federal income tax purposes. The U.S. federal income tax consequences to a U.S. Holder of a Reverse Payment Claim—including whether such holder may have income or loss on account of distributions it receives in respect of the Claim or payments made in satisfaction of obligations of such holder or whether such holder may be entitled to claim a deduction on account of a distribution that satisfied an obligation of such holder—will generally depend upon the nature and origin of the Claim and the particular circumstances applicable to such holder, including whether the holder has previously claimed deductions or losses for U.S. federal income tax purposes with respect to such Claim. Because the tax consequences under the Plan relevant to U.S. Holders of Reverse Payment Claims will depend on facts particular to each holder, all U.S. Holders of Reverse Payment Claims should consult their tax advisors as to their proper tax treatment under the Plan in light of their particular facts and circumstances.

(h) Consequences to the Holders of State Opioid Claims (Class 6(A))

The Plan provides that (i) on the Effective Date, in full and final satisfaction, settlement, release, and discharge of the Debtors' obligations in respect of the State Opioid Claims, the Public Opioid Trust shall receive the Public Opioid Consideration, (ii) as of the Effective Date, any liability of the Debtors for any State Opioid Claims shall be channeled exclusively to the Public Opioid Trust and all of the Debtors' liability for such Claim shall be assumed by the Public Opioid Trust, and (iii) holders of Allowed State Opioid Claims shall receive the applicable shares of the Public Opioid Consideration allocated to such holders as set forth in the Public Opioid Distribution Documents. The Plan further provides that the Public Opioid Trust is intended to be treated as a "qualified settlement fund" for U.S. federal income tax purposes. The U.S. federal income tax consequences to a U.S. Holder of a State Opioid Claim—including whether such holder may have income or loss on account of distributions it receives in respect of the Claim or payments made in satisfaction of obligations of such holder or whether such holder may be entitled to claim a deduction on account of a distribution that satisfied an obligation of such holder—will generally depend upon the nature and origin of the Claim and the particular circumstances applicable to such holder, including whether the holder has previously claimed deductions or losses for U.S. federal income tax purposes with respect to such Claim. Because the tax consequences under the Plan relevant to U.S. Holders of State Opioid Claims will depend on facts particular to each holder, all U.S. Holders of State Opioid Claims should consult their tax advisors as to their proper tax treatment under the Plan in light of their particular facts and circumstances.

(i) Consequences to the Holders of Tribal Opioid Claims (Class 6(C))

The Plan provides that (i) on the Effective Date, in full and final satisfaction, settlement, release, and discharge of the Debtors' obligations in respect of the Tribal Opioid Claims, the Tribal Opioid Trust shall receive the Tribal Opioid Consideration, (ii) as of the Effective Date, any liability of the Debtors for any Tribal Opioid Claims shall be channeled exclusively to the Tribal Opioid Trust and all of the Debtors' liability for such Claim shall be assumed by the Tribal Opioid Trust, and (iii) holders of Tribal Opioid Claims shall receive the applicable shares of the Tribal Opioid Consideration allocated to such holders as set forth in the Tribal Opioid Distribution Documents. The Plan further provides that the Tribal Opioid Trust is intended to be treated as a "qualified settlement fund" for U.S. federal income tax purposes. The U.S. federal income tax consequences to a U.S. Holder of a Tribal Opioid Claim—including whether such holder may have income or loss on account of distributions it receives in respect of the Claim or payments made in satisfaction of obligations of such holder or whether such holder may be entitled to claim a deduction on account of a distribution that satisfied an obligation of such holder—will generally depend upon the nature and origin of the Claim and the particular circumstances applicable to such holder, including whether the holder has previously claimed deductions or losses for U.S. federal income tax purposes with respect to such Claim. Because the tax consequences under the Plan relevant to U.S. Holders of Tribal Opioid Claims will depend on facts particular to each holder, all U.S. Holders of Tribal Opioid Claims should consult their tax advisors as to their proper tax treatment under the Plan in light of their particular facts and circumstances.

(j) Consequences to the Holders of PI Opioid Claims (Class 7(A))

The Plan provides that (i) on the Effective Date, in full and final satisfaction, settlement, release, and discharge of the Debtors' obligations in respect of the PI Opioid Claims, the PI Trust shall receive from the PPOC Trust the PI Trust Share, (ii) as of the Effective Date, any liability of the Debtors for any PI Opioid Claims shall be channeled exclusively to the PPOC Trust and subsequently channeled to the PI Trust, and all of the Debtors' liability for such Claim shall be assumed by the PI Trust, and (iii) holders of Allowed PI Opioid Claims shall receive the applicable shares of the PI Trust Share allocated to such holders as set forth in the PI Trust Documents. The Plan further provides that the PI Trust is intended to be treated as a "qualified settlement fund" for U.S. federal income tax purposes. The U.S. federal income tax consequences to a U.S. Holder of a PI Opioid Claim—including whether such holder may have income or loss on account of distributions it receives in respect of the Claim or payments made in satisfaction of obligations of such holder or whether such holder may be entitled to claim a deduction on account of a distribution that satisfied an obligation of such holder—will generally depend upon the nature and origin of the Claim and the particular circumstances applicable to such holder. Amounts received or treated as received by a U.S. Holder of a PI Opioid Claim generally are not expected to be taxable to such holder for U.S. federal income tax purposes to the extent they represent payment for damages (other than punitive damages) received on account of personal physical injuries or physical sickness, within the meaning of Section 104 of the Code. However, to the extent such payments are attributable to medical expense deductions allowed under Section 213 of the Code for a prior taxable year, such payments are expected to be taxable as ordinary income to the U.S. Holder. To the extent a payment from the PI Trust is treated as a payment on account of damages in respect of a Claim other than for personal physical injury or physical sickness, whether the payment will be includable in the gross income of the holder will depend upon the nature and

origin of the Claim and the particular circumstances applicable to the holder, including whether the holder has previously claimed deductions or losses for U.S. federal income tax purposes with respect to such Claim. Because the tax consequences under the Plan relevant to U.S. Holders of PI Opioid Claims will depend on facts particular to each holder, all U.S. Holders of PI Opioid Claims should consult their tax advisors as to their proper tax treatment under the Plan in light of their particular facts and circumstances.

(k) Consequences to the Holders of NAS PI Claims (Class 7(B))

The Plan provides that (i) on the Effective Date, in full and final satisfaction, settlement, release, and discharge of the Debtors' obligations in respect of the NAS PI Claims, the NAS PI Trust shall receive from the PPOC Trust the NAS PI Trust Share, (ii) as of the Effective Date, any liability of the Debtors for any NAS PI Claims shall be channeled exclusively to the PPOC Trust and subsequently channeled to the NAS PI Trust, and all of the Debtors' liability for such Claim shall be assumed by the NAS PI Trust, and (iii) holders of Allowed NAS PI Claims shall receive the applicable shares of the NAS PI Trust Share allocated to such holders as set forth in the NAS PI Trust Documents. The Plan further provides that the NAS PI Trust is intended to be treated as a "qualified settlement fund" for U.S. federal income tax purposes. The U.S. federal income tax consequences to a U.S. Holder of a NAS PI Claim—including whether such holder may have income or loss on account of distributions it receives in respect of the Claim or payments made in satisfaction of obligations of such holder or whether such holder may be entitled to claim a deduction on account of a distribution that satisfied an obligation of such holder—will generally depend upon the nature and origin of the Claim and the particular circumstances applicable to such holder. Amounts received or treated as received by a U.S. Holder of a NAS PI Claim generally are not expected to be taxable to such holder for U.S. federal income tax purposes to the extent they represent payment for damages (other than punitive damages) received on account of personal physical injuries or physical sickness, within the meaning of Section 104 of the Code. However, to the extent such payments are attributable to medical expense deductions allowed under Section 213 of the Code for a prior taxable year, such payments are expected to be taxable as ordinary income to the U.S. Holder. To the extent a payment from the NAS PI Trust is treated as a payment on account of damages in respect of a Claim other than for personal physical injury or physical sickness, whether the payment will be includable in the gross income of the holder will depend upon the nature and origin of the Claim and the particular circumstances applicable to the holder, including whether the holder has previously claimed deductions or losses for U.S. federal income tax purposes with respect to such Claim. Because the tax consequences under the Plan relevant to U.S. Holders of NAS PI Claims will depend on facts particular to each holder, all U.S. Holders of NAS PI Claims should consult their tax advisors as to their proper tax treatment under the Plan in light of their particular facts and circumstances.

(l) Consequences to the Holders of Hospital Opioid Claims (Class 7(C))

The Plan provides that (i) on the Effective Date, in full and final satisfaction, settlement, release, and discharge of the Debtors' obligations in respect of the Hospital Opioid Claims, the Hospital Trust shall receive from the PPOC Trust the Hospital Trust Share, (ii) as of the Effective Date, any liability of the Debtors for any Hospital Opioid Claims shall be channeled exclusively to the PPOC Trust and subsequently channeled to the Hospital Trust, and all of the Debtors' liability for such Claim shall be assumed by the Hospital Trust, and (iii) holders of Allowed

Hospital Opioid Claims shall receive the applicable shares of the Hospital Trust Share allocated to such holders as set forth in the Hospital Trust Documents. The Plan further provides that the Hospital Trust is intended to be treated as a “qualified settlement fund” for U.S. federal income tax purposes. The U.S. federal income tax consequences to a U.S. Holder of a Hospital Opioid Claim—including whether such holder may have income or loss on account of distributions it receives in respect of the Claim or payments made in satisfaction of obligations of such holder or whether such holder may be entitled to claim a deduction on account of a distribution that satisfied an obligation of such holder—will generally depend upon the nature and origin of the Claim and the particular circumstances applicable to such holder. Amounts received or treated as received by a U.S. Holder of a Hospital Opioid Claim generally are not expected to be taxable to such holder for U.S. federal income tax purposes to the extent they represent payment for damages (other than punitive damages) received on account of personal physical injuries or physical sickness, within the meaning of Section 104 of the Code. However, to the extent such payments are attributable to medical expense deductions allowed under Section 213 of the Code for a prior taxable year, such payments are expected to be taxable as ordinary income to the U.S. Holder. To the extent a payment from the Hospital Trust is treated as a payment on account of damages in respect of a Claim other than for personal physical injury or physical sickness, whether the payment will be includable in the gross income of the holder will depend upon the nature and origin of the Claim and the particular circumstances applicable to the holder, including whether the holder has previously claimed deductions or losses for U.S. federal income tax purposes with respect to such Claim. Because the tax consequences under the Plan relevant to U.S. Holders of Hospital Opioid Claims will depend on facts particular to each holder, all U.S. Holders of Hospital Opioid Claims should consult their tax advisors as to their proper tax treatment under the Plan in light of their particular facts and circumstances.

(m) Consequences to the Holders of TPP Claims (Class 7(D))

The Plan provides that (i) on the Effective Date, in full and final satisfaction, settlement, release, and discharge of the Debtors’ obligations in respect of the TPP Claims, the TPP Trust shall receive from the PPOC Trust the TPP Trust Share, (ii) as of the Effective Date, any liability of the Debtors for any TPP Claims shall be channeled exclusively to the PPOC Trust and subsequently channeled to the TPP Trust, and all of the Debtors’ liability for such Claim shall be assumed by the TPP Trust, and (iii) holders of Allowed TPP Claims shall receive the applicable shares of the TPP Trust Share allocated to such holders as set forth in the TPP Trust Documents. The Plan further provides that the TPP Trust is intended to be treated as a “qualified settlement fund” for U.S. federal income tax purposes. The U.S. federal income tax consequences to a U.S. Holder of a TPP Claim—including whether such holder may have income or loss on account of distributions it receives in respect of the Claim or payments made in satisfaction of obligations of such holder or whether such holder may be entitled to claim a deduction on account of a distribution that satisfied an obligation of such holder—will generally depend upon the nature and origin of the Claim and the particular circumstances applicable to such holder. Amounts received or treated as received by a U.S. Holder of a TPP Claim generally are not expected to be taxable to such holder for U.S. federal income tax purposes to the extent they represent payment for damages (other than punitive damages) received on account of personal physical injuries or physical sickness, within the meaning of Section 104 of the Code. However, to the extent such payments are attributable to medical expense deductions allowed under Section 213 of the Code for a prior taxable year, such payments are expected to be taxable as ordinary income to the U.S. Holder. To the extent a

payment from the TPP Trust is treated as a payment on account of damages in respect of a Claim other than for personal physical injury or physical sickness, whether the payment will be includable in the gross income of the holder will depend upon the nature and origin of the Claim and the particular circumstances applicable to the holder, including whether the holder has previously claimed deductions or losses for U.S. federal income tax purposes with respect to such Claim. Because the tax consequences under the Plan relevant to U.S. Holders of TPP Claims will depend on facts particular to each holder, all U.S. Holders of TPP Claims should consult their tax advisors as to their proper tax treatment under the Plan in light of their particular facts and circumstances.

(n) Consequences to the Holders of IERP II Claims (Class 7(E))

The Plan provides that (i) on the Effective Date, in full and final satisfaction, settlement, release, and discharge of the Debtors' obligations in respect of the IERP II Claims, the IERP Trust II shall receive from the PPOC Trust the IERP Trust II Share, (ii) as of the Effective Date, any liability of the Debtors for any IERP II Claims shall be channeled exclusively to the PPOC Trust and subsequently channeled to the IERP Trust II, and all of the Debtors' liability for such Claim shall be assumed by the IERP Trust II, and (iii) holders of Allowed IERP II Claims shall receive the applicable shares of the IERP Trust II Share allocated to such holders as set forth in the IERP Trust II Documents. The Plan further provides that the IERP Trust II is intended to be treated as a "qualified settlement fund" for U.S. federal income tax purposes. The U.S. federal income tax consequences to a U.S. Holder of a IERP II Claim—including whether such holder may have income or loss on account of distributions it receives in respect of the Claim or payments made in satisfaction of obligations of such holder or whether such holder may be entitled to claim a deduction on account of a distribution that satisfied an obligation of such holder—will generally depend upon the nature and origin of the Claim and the particular circumstances applicable to such holder. Amounts received or treated as received by a U.S. Holder of a IERP II Claim generally are not expected to be taxable to such holder for U.S. federal income tax purposes to the extent they represent payment for damages (other than punitive damages) received on account of personal physical injuries or physical sickness, within the meaning of Section 104 of the Code. However, to the extent such payments are attributable to medical expense deductions allowed under Section 213 of the Code for a prior taxable year, such payments are expected to be taxable as ordinary income to the U.S. Holder. To the extent a payment from the IERP Trust II is treated as a payment on account of damages in respect of a Claim other than for personal physical injury or physical sickness, whether the payment will be includable in the gross income of the holder will depend upon the nature and origin of the Claim and the particular circumstances applicable to the holder, including whether the holder has previously claimed deductions or losses for U.S. federal income tax purposes with respect to such Claim. Because the tax consequences under the Plan relevant to U.S. Holders of IERP II Claims will depend on facts particular to each holder, all U.S. Holders of IERP II Claims should consult their tax advisors as to their proper tax treatment under the Plan in light of their particular facts and circumstances.

(o) Consequences to the Holders of Settling Co-Defendant Claims (Class 10)

The Plan provides that on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the Settling Co-Defendant Claims, each holder of a Settling Co-Defendant Claim shall receive the treatment set forth in the DMP Stipulation. The U.S.

federal income tax consequences to a U.S. Holder of a Settling Co-Defendant Claim is uncertain, including whether any portion of the payment of attorneys' fees would give rise to taxable income to such holder. Such holders should consult their tax advisors as to their proper tax treatment under the Plan in light of their particular facts and circumstances.

(p) Consequences to the Holders of Other Opioid Claims (Class 11)

The Plan provides that (i) on the Effective Date, in full and final satisfaction, settlement, release, and discharge of the Debtors' obligations in respect of the Other Opioid Claims, the Other Opioid Claims Trust shall receive the Other Opioid Claims Trust Consideration in accordance with the Other Opioid Claims Trust Documents, (ii) as of the Effective Date, any liability of the Debtors for any Other Opioid Claims shall be channeled exclusively to the Other Opioid Claims Trust and all of the Debtors' liability for such Claim shall be assumed by the Other Opioid Claims Trust, and (iii) holders of Allowed Other Opioid Claims shall receive recovery, if any, from the Other Opioid Claims Trust Consideration in respect of Other Opioid Claims. The Plan further provides that the Other Opioid Claims Trust is intended to be treated as a "qualified settlement fund" for U.S. federal income tax purposes. The U.S. federal income tax consequences to a U.S. Holder of an Other Opioid Claim—including whether such holder may have income or loss on account of distributions it receives in respect of the Claim or payments made in satisfaction of obligations of such holder or whether such holder may be entitled to claim a deduction on account of a distribution that satisfied an obligation of such holder—will generally depend upon the nature and origin of the Claim and the particular circumstances applicable to such holder. Amounts received or treated as received by a U.S. Holder of Other Opioid Claims generally are not expected to be taxable to such holder for U.S. federal income tax purposes to the extent they represent payment for damages (other than punitive damages) received on account of personal physical injuries or physical sickness, within the meaning of Section 104 of the Code. However, to the extent such payments are attributable to medical expense deductions allowed under Section 213 of the Code for a prior taxable year, such payments are expected to be taxable as ordinary income to the U.S. Holder. To the extent a payment from the Other Opioid Claims Trust is treated as a payment on account of damages in respect of a Claim other than for personal physical injury or physical sickness, whether the payment will be includable in the gross income of the holder will depend upon the nature and origin of the Claim and the particular circumstances applicable to the holder, including whether the holder has previously claimed deductions or losses for U.S. federal income tax purposes with respect to such Claim. Because the tax consequences under the Plan relevant to U.S. Holders of Other Opioid Claims will depend on facts particular to each holder, all U.S. Holders of Other Opioid Claims should consult their tax advisors as to their proper tax treatment under the Plan in light of their particular facts and circumstances.

(q) Accrued Interest and Original Issue Discount

A portion of the consideration received by U.S. Holders of Claims under the Plan may be attributable to accrued but unpaid interest (or original issue discount) on such Claims. Such amount should be taxable to that U.S. Holder as ordinary interest income if such accrued interest (or original issue discount) has not been previously included in such U.S. Holder's gross income for U.S. federal income tax purposes. Conversely, U.S. Holders of Claims may be able to recognize a deductible loss to the extent that any accrued interest (or original issue discount) on such Claims

was previously included in such U.S. Holder's gross income but was not paid in full by the Debtors. Such loss may be ordinary, but the tax law is unclear on this point.

If the fair market value of the consideration received by a U.S. Holder is not sufficient to satisfy all principal and interest on any such Claims, the extent to which such consideration will be attributable to accrued interest is unclear. Under the Plan, the aggregate consideration to be distributed to U.S. Holders of Claims will be allocated first to the principal amount of Claims, with any excess allocated to unpaid interest that accrued on these Claims, if any. Certain legislative history indicates that an allocation of consideration as between principal and interest provided in a chapter 11 plan of reorganization is binding for U.S. federal income tax purposes, and certain case law generally indicates that a final payment on a distressed debt instrument that is insufficient to repay outstanding principal and interest will be allocated to principal, rather than interest. Certain Treasury Regulations treat payments as allocated first to any accrued but unpaid interest. Accordingly, the IRS could take the position that the consideration received by a U.S. Holder should first be allocated to any accrued but unpaid interest. U.S. Holders of Claims should consult their tax advisors regarding the proper allocation of the consideration received by them under the Plan.

(r) Market Discount

Under the "market discount" provisions of the Code, some or all of any gain realized by an exchanging U.S. Holder of a Claim on the Effective Date may be treated as ordinary income (instead of capital gain), to the extent of the amount of accrued "market discount" on the debt instruments constituting the exchanged Claim. In general, a debt instrument is considered to have been acquired with "market discount" if it is acquired other than on original issue and if the U.S. Holder's adjusted tax basis in the debt instrument is less than (a) the sum of all remaining payments to be made on the debt instrument, excluding "qualified stated interest" or (b) in the case of a debt instrument issued with original issue discount, its adjusted issue price, in each case, by at least a de minimis amount (equal to 0.25 percent of the sum of all remaining payments to be made on the debt instrument, excluding qualified stated interest, multiplied by the number of remaining whole years to maturity).

U.S. Holders should consult their tax advisors concerning the application of the market discount rules to their Claims.

(s) Issue Price

The determination of the "issue price" of any New Takeback Debt issued in the Exit Financing will depend, in part, on whether such debt instruments and other property issued to the U.S. Holder, or the property surrendered by the U.S. Holder, under the Plan are treated as traded on an "established securities market" at any time during the 60-day period ending thirty (30) days after the Effective Date. In general, a debt instrument (or the stock or property exchanged therefor) will be treated as traded on an established market if (a) it is listed on (i) a qualifying national securities exchange, (ii) certain qualifying interdealer quotation systems, or (iii) certain qualifying non-U.S. securities exchanges; (b) it appears on a system of general circulation that provides a reasonable basis to determine fair market value; or (c) in certain situations the price quotations are readily available from dealers, brokers or traders. The issue price of a debt instrument that is traded

on an established market (or that is issued for stock or securities so traded) would be the fair market value of such debt instrument (or such stock or securities so traded) on the issue date as determined by such trading; provided if both the property exchanged and the property received therefor are treated as traded, the trading price of the property so received controls. The issue price of a debt instrument that is neither so traded nor issued for property so traded would be its stated principal amount (provided that the interest rate on the debt instrument exceeds the applicable federal rate published by the IRS). Debt issues under \$100 million are not treated as traded for these purposes.

In general, U.S. Holders of Claims must follow the Purchaser Entities' determination of issue price with respect to each debt instrument issued under the Plan, unless any such U.S. Holder specifically discloses its disagreement with such determination on its own tax return. The Purchaser Entities will publish their determination of the issue price in accordance with applicable Treasury Regulations.

2. U.S. Federal Income Tax Considerations to Owning and Disposing of New Takeback Debt

(a) Ownership, Interest and Original Issue Discount on New Takeback Debt

Stated interest paid on New Takeback Debt to a U.S. Holder will be includible in the U.S. Holder's gross income as ordinary interest income at the time interest is received or accrued in accordance with the U.S. Holder's regular method of tax accounting for U.S. federal income tax purposes.

If the "stated redemption price at maturity" of the New Takeback Debt received by U.S. Holders exceeds the "issue price" of the New Takeback Debt (as determined pursuant to the "issue price" discussion above) by an amount equal to or greater than a statutorily defined de minimis amount, the New Takeback Debt will be considered to be issued with original issue discount for U.S. federal income tax purposes. The stated redemption price at maturity of the New Takeback Debt is the total of all payments due on the New Takeback Debt other than payments of "qualified stated interest." In general, qualified stated interest is stated interest that is payable unconditionally in cash or in property (other than debt instruments of the issuer) at least annually at a single fixed rate (or at certain qualifying floating rates).

For purposes of determining whether there is original issue discount, the de minimis amount is generally equal to one fourth of one percent of the principal amount of the New Takeback Debt multiplied by the number of complete years to maturity from their original issue date, or if the New Takeback Debt provides for payments other than payments of qualified stated interest before maturity, multiplied by the weighted average maturity of the New Takeback Debt (as determined under applicable Treasury Regulations). If the New Takeback Debt is issued with original issue discount, a U.S. Holder (i) will generally be required to include the original issue discount in gross income as ordinary interest income as it accrues on a constant yield to maturity basis over the term of the Takeback Debt, in advance of the receipt of the cash attributable to such original issue discount and regardless of the holder's method of accounting for U.S. federal income tax purposes, but (ii) will generally not be required to recognize additional income upon the receipt

of any cash payment on the New Takeback Debt that is attributable to previously accrued original issue discount that has been included in its income.

(b) Acquisition Premium or Amortizable Bond Premium on New Takeback Debt

If a U.S. Holder's initial tax basis in the New Takeback Debt is greater than the issue price of such debt but less than the stated principal amount of such debt, such New Takeback Debt will have an "acquisition premium." Under the acquisition premium rules, the amount of original issue discount that must be included in gross income with respect to the applicable New Takeback Debt for any taxable year will be reduced by the portion of the acquisition premium properly allocable to that year. Alternatively, if a U.S. Holder's initial tax basis in New Takeback Debt exceeds its stated principal amount, the U.S. Holder will be considered to have acquired the New Takeback Debt with "amortizable bond premium" and will not be required to include any original issue discount in income. A U.S. Holder may generally elect to amortize the bond premium over the remaining term of the New Takeback Debt on a constant yield method as an offset to stated interest when includible in income under such U.S. Holder's regular accounting method. Once made, this election applies to all debt obligations held or subsequently acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the IRS. If a U.S. Holder elects to amortize bond premium, such U.S. Holder must reduce its tax basis in the New Takeback Debt by the amount of the premium used to offset stated interest. If a U.S. Holder does not elect to amortize the bond premium, that premium will decrease the gain or increase the loss otherwise recognized on disposition of the Takeback Debt. If a U.S. Holder's initial tax basis in the New Takeback Debt is less than the issue price of such debt, see the "Market Discount" discussion above.

(c) Sale, Redemption, or Repurchase of the New Takeback Debt

Upon the sale, exchange or other taxable disposition of the New Takeback Debt, a U.S. Holder will generally recognize gain or loss equal to the difference, if any, between the amount realized on the sale, exchange or other taxable disposition (other than amounts attributable to accrued but unpaid interest (or original issue discount), which will generally be taxable as interest) and the U.S. Holder's adjusted tax basis in their interest in the New Takeback Debt. A U.S. Holder's initial tax basis in the New Takeback Debt will be increased by any original issue discount previously included in such U.S. Holder's income and decreased by any payments on the New Takeback Debt other than qualified stated interest. Any such gain or loss will generally be capital gain or loss and will generally be long-term capital gain or loss if the interest in the New Takeback Debt has been held for more than one year at the time of its sale, exchange or other taxable disposition. Certain non-corporate U.S. Holders (including individuals) may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. The deductibility of capital losses is subject to limitations.

3. U.S. Federal Income Tax Treatment of the GUC Trust and the GUC Trust Disputed Claims Reserve

(a) The GUC Trust

For U.S. federal income tax purposes, the GUC Trust is intended to qualify as a “liquidating trust” as described in Treasury Regulation Section 301.7701-4(d). In general, a liquidating trust is not a separate taxable entity, but rather is treated for U.S. federal income tax purposes as a “grantor trust” (i.e., all income and loss is taxed directly to the liquidating trust beneficiaries). Pursuant to the Plan, and in conformity with Revenue Procedures 82-58, 1980-2, C.B. 847 and Revenue Procedure 94-45, 1994-2 C.B. 684, all parties (including, without limitation, the Debtors, the GUC Trustee, and holders of beneficial interests in the GUC Trust) shall treat, for U.S. federal income tax purposes, the GUC Trust as a grantor trust. The holders of beneficial interests in the GUC Trust are the owners and grantors of the GUC Trust. The GUC Trust does not intend to request a ruling from the IRS concerning the tax status of the GUC Trust as a grantor trust, and there can be no assurance that the IRS would not take a contrary position. If the IRS were to successfully challenge the classification of the GUC Trust, the U.S. federal income tax consequences to the GUC Trust and the holders of beneficial interests in the GUC Trust, respectively, and the Debtors could vary from those discussed herein (including the potential for an entity-level tax on income of the GUC Trust).

The following discussion assumes that the GUC Trust will be so respected for U.S. federal income tax purposes. Accordingly, subject to the discussion below concerning the GUC Trust Disputed Claims Reserve, each holder of a beneficial interest in the GUC Trust will be treated as receiving its share of the GUC Trust Consideration. Each holder of a beneficial interest in the GUC Trust must report on its U.S. federal income tax return its pro rata allocable share of income, gain, loss, deduction and credit recognized or incurred by the GUC Trust.

As soon as reasonably practicable after the transfer of the GUC Trust Consideration to the GUC Trust, the GUC Trustee shall make a good faith valuation of the GUC Trust Consideration. All parties to the GUC Trust (including, without limitation, the Debtors and holders of beneficial interests) must consistently use such valuation for all U.S. federal income tax purposes. The valuation will be made available, from time to time, as relevant for tax reporting purposes.

Taxable income or loss allocated to a holder of a beneficial interest in the GUC Trust will be treated as income or loss with respect to holder's undivided interest in the GUC Trust Consideration, and not as income or loss with respect to its prior Allowed Claim. The character of any income and the character and ability to use any loss will depend on the particular situation of the holder of a beneficial interest in the GUC Trust.

The U.S. federal income tax obligations of a holder with respect to its beneficial interest in the GUC Trust are not dependent on the GUC Trust distributing any Cash or other proceeds. Thus, a holder may incur a U.S. federal income tax liability with respect to its allocable share of GUC Trust income even if the GUC Trust does not make a concurrent distribution to the holder. In general, other than in respect of Cash retained on account of Disputed Claims and distributions resulting from undeliverable distributions (the subsequent distribution of which still relates to a holder's Allowed Claim), a distribution of Cash by the GUC Trust will not be separately taxable

to a holder of a beneficial interest in the GUC Trust since the beneficiary is already regarded for U.S. federal income tax purposes as owning the underlying assets (and was taxed at the time the cash was earned or received by the GUC Trust). Holders should consult their tax advisors regarding the appropriate U.S. federal income tax treatment of any subsequent distributions of cash originally retained by the GUC Trust on account of Disputed Claims.

The GUC Trustee will comply with all applicable governmental withholding requirements. Thus, in the case of any holders of beneficial interests in the GUC Trust that are not U.S. persons, the GUC Trustee may be required to withhold up to 30% of the income or proceeds allocable to such persons, depending on the circumstances (including whether the type of income is subject to a lower treaty rate).

The GUC Trustee will file with the IRS tax returns for the GUC Trust consistent with its classification as a grantor trust pursuant to Treasury Regulation section 1.671-4(a). Except as discussed below with respect to the GUC Trust Disputed Claims Reserve, the GUC Trustee also will send annually to each holder of a beneficial interest in the GUC Trust a separate statement regarding the receipts and expenditures of the GUC Trust as relevant for U.S. federal income tax purposes and will instruct all such holders to use such information in preparing their U.S. federal income tax returns or to forward the appropriate information to such holder's underlying beneficial holders with instructions to utilize such information in preparing their U.S. federal income tax returns.

(b) The GUC Trust Disputed Claims Reserve

The GUC Trust Disputed Claims Reserve is intended to qualify as a "disputed ownership fund" as described in Treasury Regulation section 1.468B-9. If so treated, any payment of Cash or distribution of GUC Trust Units made out of the GUC Trust Disputed Claims Reserve should not be deemed to have been made to any recipient until, and to the extent that, the amount to which the recipient is entitled has been determined and distributed. At such time, the recipient (including the holders of GUC Trust Units upon the disallowance of a Disputed Claim) will take such amount into account for U.S. federal income tax purposes as an amount received in respect of its Claim. Upon the disallowance of a Disputed Claim, the GUC Trust Disputed Claims Reserve will be treated as having distributed to holders of GUC Trust Units the portion of the GUC Trust Assets allocable to such Disputed Claim. Recipients of amounts from the GUC Trust Disputed Claims Reserve should report these amounts consistently with the foregoing and should consult their tax advisors concerning the federal, state, local, and other tax consequences of the receipt of amounts from the GUC Trust Disputed Claims Reserve.

Upon the allowance or disallowance of a Disputed Claim, the GUC Trust Disputed Claims Reserve will generally be treated as having sold or exchanged the portion of the GUC Trust Assets allocable to such Claim for purposes of Code Section 1001(a). Any income realized by the GUC Trust Disputed Claims Reserve will be reported as income of and taxable to the GUC Trust Disputed Claims Reserve.

D. U.S. Federal Income Tax Considerations of the Plan to Non-U.S. Holders of Claims

1. U.S. Federal Income Tax Considerations to Non-U.S. Holders of Claims

The following discussion assumes that the Debtors will undertake the Plan currently contemplated by the Plan as a Taxable Transaction, and includes only certain U.S. federal income tax consequences of the Plan to Non-U.S. Holders. The discussion does not include any non-U.S. tax considerations. The rules governing the U.S. federal income tax consequences to Non-U.S. Holders are complex. Non-U.S. Holders of Claims should consult their tax advisors regarding the tax consequences of the Restructuring Transactions.

(a) Gain Recognition

Any gain realized by a Non-U.S. Holder on the exchange of its Claims will generally not be subject to U.S. federal income taxation unless (a) the Non-U.S. Holder is an individual who was treated as present in the United States for 183 days or more during the taxable year in which the Plan Transaction occurs and certain other conditions are met or (b) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States (and if an income tax treaty applies, such gain is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States).

If the first exception applies, the Non-U.S. Holder will generally be subject to U.S. federal income tax at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such Non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of the exchange. If the second exception applies, the Non-U.S. Holder will generally be subject to U.S. federal income tax with respect to any gain realized on the exchange in the same manner as a U.S. Holder. In order to claim an exemption from withholding tax, such Non-U.S. Holder will be required to provide a properly executed IRS Form W-8ECI (or such successor form as the IRS designates). In addition, if such a Non-U.S. Holder is a corporation, it may be subject to a branch profits tax equal to 30 percent (or such lower rate provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

(b) Accrued but Unpaid Interest (and Original Issue Discount)

Payments made to a Non-U.S. Holder by a Debtor organized in the United States under the Plan that are attributable to accrued but unpaid interest (or original issue discount) will generally not be subject to U.S. federal income or withholding tax, provided that (i) such Non-U.S. Holder does not actually or constructively own 10 percent or more of the total combined voting power of all classes of the stock of the Debtors (and has provided the withholding agent with the required statement to that effect), (ii) the Non-U.S. holder is not a controlled foreign corporation that is related to such Debtor (directly or indirectly) through stock ownership and (iii) the withholding agent has received or receives, prior to payment, appropriate documentation (generally, IRS Form W-8BEN or W-8BEN-E, as applicable, or other applicable IRS Form W-8) establishing that the Non-U.S. Holder is not a U.S. person. A Non-U.S. Holder that does not satisfy the foregoing requirements will generally be exempt from U.S. federal withholding tax with respect to interest

paid on the notes if the holder establishes such interest (or original issue discount) is effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States (and if an income tax treaty applies, is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States) (in which case, provided the Non-U.S. Holder provides a properly executed IRS Form W-8ECI (or successor form) to the withholding agent, the Non-U.S. Holder (x) will generally not be subject to withholding tax, but (y) will be subject to U.S. federal income tax in the same manner as a U.S. Holder (unless an applicable income tax treaty provides otherwise), and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to such Non-U.S. Holder's effectively connected earnings and profits that are attributable to the accrued but unpaid interest (or original issue discount) at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty)).

A Non-U.S. Holder that does not qualify for exemption from withholding tax with respect to accrued but unpaid interest (or original issue discount) that is not effectively connected income will generally be subject to withholding of U.S. federal income tax at a 30 percent rate (or at a reduced rate or exemption from tax under an applicable income tax treaty) on payments from a Debtor organized in the United States that are attributable to accrued but unpaid interest (or original issue discount).

2. U.S. Federal Income Tax Consequences to Non-U.S. Holders of Owning and Disposing of Purchaser Equity

(a) Dividends on Purchaser Equity

Purchaser Parent will be a U.S. corporation or other U.S. entity classified as a corporation for U.S. federal income tax purposes. Any distributions made with respect to Purchaser Equity will constitute dividends for U.S. federal income tax purposes to the extent of Purchaser Parent's current or accumulated earnings and profits as determined under U.S. federal income tax principles. To the extent that a Non-U.S. Holder receives distributions that would otherwise constitute dividends for U.S. federal income tax purposes but that exceed such current and accumulated earnings and profits, such distributions will be treated first as a non-taxable return of capital reducing the Non-U.S. Holder's basis in its shares. Any such distributions in excess of a Non-U.S. Holder's basis in its shares (determined on a share-by-share basis) will generally be treated as capital gain from a sale or exchange (and the respective excess distributions as proceeds from a sale or exchange).

Except as described below, dividends paid with respect to Purchaser Equity held by a Non-U.S. Holder that are not effectively connected with a Non-U.S. Holder's conduct of a U.S. trade or business (or if an income tax treaty applies, are not attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States) will be subject to U.S. federal withholding tax at a rate of 30 percent (or lower treaty rate or exemption from tax, if applicable). A Non-U.S. Holder will generally be required to satisfy certain IRS certification requirements in order to claim a reduction of or exemption from withholding under a tax treaty by filing IRS Form W-8BEN or W-8BEN-E (or successor form) upon which the Non-U.S. Holder certifies, under penalties of perjury, its status as a non-U.S. person and its entitlement to the lower treaty rate or exemption from tax with respect to such payments. Dividends paid with respect to

Purchaser Equity held by a Non-U.S. Holder that are effectively connected with a Non-U.S. Holder's conduct of a U.S. trade or business (and if an income tax treaty applies, are attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States) will generally be subject to U.S. federal income tax in the same manner as a U.S. Holder, and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to such Non-U.S. Holder's effectively connected earnings and profits that are attributable to the dividends at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty).

If Purchaser Parent is considered a "U.S. real property holding corporation" for U.S. federal income tax purposes (a "USRPHC"), distributions to a Non-U.S. Holder will generally be subject to withholding by Purchaser Parent at a rate of 15 percent to the extent they are not treated as dividends for U.S. federal income tax purposes. In the event the Purchaser Equity is regularly traded on an established securities market, withholding would not be required if the Non-U.S. Holder does not directly or indirectly own more than 5 percent of the value of such interest during a specified testing period. However, even if the Purchaser Equity is regularly traded on an established securities market, non-dividend distributions to Non-U.S. Holders who directly or indirectly own more than 5 percent of the value of the Purchaser Equity during a specified testing period will generally be subject to the 15 percent withholding tax described above. The Debtors have not yet determined whether the Purchaser Equity, if publicly traded as the Debtors and the holders of Claims intend, will be regularly traded on an established securities market on, or any time after, the Effective Date.

In general, a corporation is a USRPHC as to a Non-U.S. Holder if the fair market value of the corporation's U.S. real property interests (as defined in the Code and applicable Treasury Regulations) equals or exceeds 50 percent of the aggregate fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business (applying certain look-through rules to evaluate the assets of subsidiaries) at any time within the shorter of the 5-year period ending on the effective time of the applicable disposition or the period of time the Non-U.S. Holder held such interest. The Debtors do not anticipate that Purchaser Parent will be a USRPHC following the Plan, although no guarantees can be made in this regard. Each Non-U.S. Holder should consult its tax advisor regarding the possible impact of the USRPHC rules.

(b) Sale, Redemption, or Repurchase of Purchaser Equity

A Non-U.S. Holder will generally not be subject to U.S. federal income tax with respect to any gain realized on the sale or other taxable disposition (including a cash redemption) of Purchaser Equity unless:

- i. such Non-U.S. Holder is an individual who is treated as present in the United States for 183 days or more in the taxable year of disposition and certain other requirements are met;
- ii. such gain is effectively connected with such Non-U.S. Holder's conduct of a U.S. trade or business (and if an income tax treaty applies, such gain is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States); or
- iii. Purchaser Parent is or has been during a specified testing period a USRPHC.

If the first exception applies, the Non-U.S. Holder will generally be subject to U.S. federal income tax at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such Non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of disposition of Purchaser Equity.

If the second exception applies, the Non-U.S. Holder will generally be subject to U.S. federal income tax with respect to such gain in the same manner as a U.S. Holder, and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to earnings and profits effectively connected with a U.S. trade or business that are attributable to such gains at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty).

If the third exception applies, the Non-U.S. Holder will generally be subject to U.S. federal income tax on any gain recognized on the disposition of all or a portion of its Purchaser Equity under the Foreign Investment in Real Property Tax Act ("FIRPTA"). Taxable gain from the disposition of an interest in a USRPHC (generally equal to the difference between the amount realized and such Non-U.S. Holder's adjusted tax basis in such interest) will constitute effectively connected income. Further, the buyer of the Purchaser Equity will be required to withhold a tax equal to 15 percent of the amount realized on the sale. The amount of any such withholding would be allowed as a credit against the Non-U.S. Holder's federal income tax liability and may entitle the Non-U.S. Holder to a refund, provided that the Non-U.S. Holder properly and timely files a tax return with the IRS. In the event the Purchaser Equity is regularly traded on an established securities market, the withholding obligation described above would not apply, even if a Non-U.S. Holder is subject to the substantive FIRPTA tax and is required to file a U.S. federal income tax return.

3. U.S. Federal Income Tax Consequences to Non-U.S. Holders of Owning and Disposing of New Takeback Debt Received Under the Plan

(a) Payments on New Takeback Debt

Payments to a Non-U.S. Holder with respect to the New Takeback Debt that are treated as interest, including payment attributable to any original issue discount (see discussion above) will generally not be subject to U.S. federal income or withholding tax, provided that (i) such Non-U.S. Holder does not actually or constructively own 10 percent or more of the total combined voting power of all classes of the stock of the Purchaser Entities (and has provided the withholding agent with the required statement to that effect), (ii) the Non-U.S. Holder is not a controlled foreign corporation that is related to Purchaser Parent (directly or indirectly) through stock ownership and (iii) the withholding agent has received or receives, prior to payment, appropriate documentation (generally, IRS Form W-8BEN or W-8BEN-E, as applicable, or other applicable IRS Form W-8) establishing that the Non-U.S. Holder is not a U.S. person. A Non-U.S. Holder that does not satisfy the foregoing requirements will generally be exempt from U.S. federal withholding tax with respect to interest paid on the notes if the holder establishes such interest (or original issue discount) is effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States (and if an income tax treaty applies, is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States) (in which case, provided the Non-U.S.

Holder provides a properly executed IRS Form W-8ECI (or successor form) to the withholding agent, the Non-U.S. Holder (x) will generally not be subject to withholding tax, but (y) will be subject to U.S. federal income tax in the same manner as a U.S. Holder (unless an applicable income tax treaty provides otherwise), and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to such Non-U.S. Holder's effectively connected earnings and profits that are attributable to the accrued but unpaid interest (or original issue discount) at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty)).

A Non-U.S. Holder that does not qualify for exemption from withholding tax with respect to interest that is not effectively connected income will generally be subject to withholding of U.S. federal income tax at a 30 percent rate (or at a reduced rate or exemption from tax under an applicable income tax treaty) on payments that are attributable to interest, including any OID.

For purposes of providing a properly executed IRS Form W-8BEN or W-8BEN-E, as applicable, or other applicable IRS Form W-8, special procedures are provided under applicable Treasury Regulations for payments through qualified foreign intermediaries or certain financial institutions that hold customers' securities in the ordinary course of their trade or business.

(b) Sale, Redemption, or Repurchase of the New Takeback Debt

Any gain recognized by a Non-U.S. Holder on the sale, exchange or other disposition of the New Takeback Debt (other than an amount representing accrued but untaxed interest (or original issue discount) on the New Takeback Debt, which is subject to the rules discussed above under "*Payments on New Takeback Debt*") will generally not be subject to U.S. federal income taxation unless (i) the Non-U.S. Holder is an individual who was treated as present in the United States for 183 days or more during the taxable year in which the disposition occurs and certain other conditions are met or (ii) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States (and if an income tax treaty applies, such gain is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States).

If the first exception applies, the Non-U.S. Holder will generally be subject to U.S. federal income tax at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such Non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of the exchange. If the second exception applies, the Non-U.S. Holder will generally be subject to U.S. federal income tax with respect to any gain realized on the exchange in the same manner as a U.S. Holder. To claim an exemption from withholding tax, such Non-U.S. Holder will generally be required to provide a properly executed IRS Form W-8ECI (or such successor form as the IRS designates). In addition, if such a Non-U.S. Holder is a corporation for U.S. federal income tax purposes, it may also be subject to a branch profits tax equal to 30 percent (or such lower rate provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

E. FATCA

Under the Foreign Account Tax Compliance Act and the regulations and administrative guidance promulgated thereunder (“FATCA”), withholding at a rate of 30% will generally be required on payments of interest on notes held by or through certain foreign financial institutions (including investment funds), unless such institution otherwise qualifies for an exemption or (i) enters into, and complies with, an agreement with the IRS to report, on an annual basis, information with respect to interests in, and accounts maintained by, the institution that are owned by certain U.S. persons and by certain non-U.S. entities that are wholly or partially owned by U.S. persons and to withhold on certain payments, or (ii) if required under an intergovernmental agreement between the United States and an applicable foreign country, reports such information to its local tax authority, which will exchange such information with the U.S. authorities. An intergovernmental agreement between the United States and an applicable foreign country, or other guidance, may modify these requirements. Similarly, in certain circumstances, interest payments in respect of notes held by an investor that is a non-financial non-U.S. entity that do not qualify under certain exemptions will generally be subject to withholding at a rate of 30%, unless such entity either (i) certifies that such entity does not have any “substantial United States owners” or (ii) provides certain information regarding the entity’s “substantial United States owners,” which we will in turn provide to the IRS. Accordingly, the entity through which the notes are held will affect the determination of whether withholding under the rules described in this paragraph is required. Non-U.S. Holders will not be paid any additional amounts in respect of any amounts withheld. Prospective investors should consult their tax advisors regarding the possible implications of these rules on an investment in the notes.

THE FOREGOING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN AND DOES NOT CONSTITUTE TAX ADVICE. THE POTENTIAL TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A HOLDER’S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, EACH HOLDER OF CLAIMS OR INTERESTS SHOULD CONSULT ITS TAX ADVISOR ABOUT THE U.S. FEDERAL, STATE, LOCAL, AND FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN AND THE OWNERSHIP OF PURCHASER EQUITY.

XII. CERTAIN MATERIAL IRISH TAX CONSEQUENCES

A. Introduction

The following is a summary of certain material Irish tax considerations of the consummation of the Plan for the Debtors and Non-Irish Holders (as defined below) of Claims. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to the Debtors and each of the Non-Irish Holders of Claims. The summary relates only to the position of persons who are the absolute beneficial owners of the Claims and may not apply to certain other classes of persons such as dealers in securities or shares.

The summary is based upon Irish tax laws and the practice of the Irish Revenue Commissioners as at the date of the Plan. Changes in law and/or administrative practice may result

in alteration of the tax considerations described below. This summary does not address non-Irish tax consequences of the contemplated transactions, nor does it address the Irish tax consequences of the transactions to special classes of taxpayers (e.g., individuals, regulated investment companies, real estate investment trusts, banks and certain other financial institutions, insurance companies, tax-exempt organisations, retirement plans, individual retirement and other tax-deferred accounts, holders that are, or hold their Claims through partnerships or other pass-through entities for Irish tax purposes persons, whose function currency is not euro, dealers in securities or foreign currency, traders that mark-to-market their securities and persons whose Claims are part of a straddle, hedging, constructive sale, or conversion transaction). In addition, this discussion does not address the Foreign Account Tax Compliance Act or the Common Reporting Standard or Irish taxes other than income tax, corporation tax, capital gains tax and stamp duty.

This summary does not constitute tax advice and is intended only as a general guide. The summary is not exhaustive and Non-Irish Holders should consult their own tax advisers about the Irish tax consequences (and tax consequences under the laws of other relevant jurisdictions) of the Plan.

For purposes of this discussion, a “Non-Irish Holder” is any holder of a Claim that is not resident or ordinarily resident in Ireland for tax purposes and who does not (i) hold their Claim in connection with a trade or business carried on in Ireland or (ii) hold their Claim through a branch or agency through which it carries on a trade; and an “Irish Debtor” is a Debtor that is resident in Ireland for Irish tax purposes.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN IRISH TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY. ALL HOLDERS OF CLAIMS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE FEDERAL, STATE, LOCAL, IRISH, OTHER NON-U.S., NON-INCOME, AND OTHER TAX CONSEQUENCES OF THE PLAN.

B. Certain Irish Tax Consequences to the Debtors

1. Irish Tax on Chargeable Gains

Upon the transfer of any assets (including equity Interests) as part of the implementation of the Plan, the Irish Debtors will generally realise a gain or loss for Irish tax purposes in an amount equal to the difference between the value of the consideration received for the transfer of those assets and the relevant Irish Debtor’s Irish CGT (as defined below) basis in such assets. The Irish Debtors may be liable to Irish corporation tax on chargeable gains (“Irish CGT”) on any such gains arising (subject to the availability of any exemptions or reliefs). The current rate of Irish CGT, where applicable, is 33%.

Endo DAC (the “DAC Seller”) has been advised that, based on current facts, it is expected that DAC Seller is likely to be able to avail of the participation exemption from Irish CGT in respect of the disposal of equity Interests in Endo US Holdings Luxembourg I S.a.r.l. (“LuxCo”). Accordingly, based on current facts, it is expected that any gain arising on the disposal by the DAC Seller of equity Interests in LuxCo is likely to be exempt from Irish CGT. However, availability of the participation exemption requires a fact based analysis of the profile of the Debtor group at

the point in time that the disposal of equity Interests in LuxCo occurs or is deemed, for Irish CGT purposes, to occur. This analysis will need to be undertaken on the date of disposal, for Irish CGT purposes, of equity Interests in LuxCo by DAC Seller in order to confirm the availability of the participation exemption at that time.

The acquisition of the Purchaser Equity, the Exit Financing or the proceeds thereof and Cash (to the extent denominated in a currency other than euro) (together the “DAC Seller Consideration”) from the Purchaser Entities will result in the acquisition of chargeable assets by the DAC Seller. However, on the basis that (i) the DAC Seller Consideration is disposed of by the DAC Seller in accordance with the Plan on the same day on which it is acquired; and (ii) the value of the equity Interests in LuxCo transferred by Endo DAC to the Purchaser Entities equals the aggregate market value of the DAC Seller Consideration received, no Irish CGT should arise in respect of the disposal by the DAC Seller of the DAC Seller Consideration. To the extent the DAC Seller Consideration is not transferred on the same day, then Irish CGT may arise on any increase in the value of the Purchaser Equity, the Exit Financing or the proceeds thereof and Cash (including taking into account foreign exchange rate differences against the euro value).

2. Irish Stamp Duty

The rate of stamp duty (where applicable) on transfer of shares of Irish incorporated companies is 1% of the price paid or the market value of the shares acquired, whichever is greater. Transfers of shares in non-Irish incorporated companies are exempt from Irish stamp duty (provided the transfer does not relate to immovable property situated in Ireland or stock or marketable securities of an Irish incorporated company). The transfer by the DAC Seller of the Interests in LuxCo should be exempt from Irish stamp duty as LuxCo is a company incorporated in Luxembourg.

The rate of stamp duty (where applicable) on transfers of other assets to be transferred by the Debtors under the Plan is 7.5% of the price paid or the market value of the assets acquired, whichever is greater. A number of reliefs and exemptions from Irish stamp duty are available depending on the nature of the assets transferring. For example, an exemption from Irish stamp duty applies on the transfer of intellectual property assets that fall within the meaning of “specified intangible assets” under section 291A Taxes Consolidation Act 1997.

Where Irish stamp duty arises, it is generally a liability of the transferee. To the extent that any transfers of assets by the Debtors to the Purchaser Entities pursuant to the Plan fall within the charge to Irish stamp duty and do not qualify for exemption, the Debtors should not be liable provided any such transfers do not operate as voluntary dispositions.

3. Pillar 2

From January 1, 2024 Endo Parent, as the ultimate parent entity of the consolidated group (the “Endo Group”) and the Debtors will be subject to new tax rules which are currently being implemented into domestic law in Ireland, as required by the EU Council Directive 2022/2523 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union (the “EU Minimum Tax Directive”), which implements the OECD Pillar 2 Model Rules (together, “Pillar 2”).

From January 1, 2024, Endo Parent will be required, under the income inclusion rule (“IIR”), to determine whether the Endo Group has paid a minimum effective tax rate (as computed in accordance with Pillar 2) of 15% in each jurisdiction in which it operates. To the extent that the Endo Group has an effective tax rate (as computed in accordance with Pillar 2) of less than 15% in any jurisdiction in which it operates, Endo Parent will be subject to a “top-up tax” in Ireland so that the effective tax rate in that jurisdiction is increased to 15%. As the ultimate parent entity of the Endo Group, Endo Parent will be required to comply with the IIR and discharge any top-up tax liability arising. Irish tax resident companies in the Endo Group will be subject to a qualifying domestic top-up tax (“QDTT”) in Ireland to increase the effective tax rate for those entities to 15%. The QDTT will apply in preference to the IIR.

The tax base for Pillar 2 purposes is calculated by reference to financial accounting rules subject to certain adjustments (in accordance with Pillar 2 rules). The sale of assets and/or equity Interests of the Debtors pursuant to the Plan may result in an amount of or an increase in the amount of top-up tax payable by Endo Parent under the IIR and/or QDTT paid by Irish tax resident companies in the Endo Group. Certain gains and losses arising on the disposal of equity Interests are excluded from the computation of Pillar 2 profit or loss calculations where certain conditions are met.

C. Certain Irish Tax Consequences to Non-Irish Holders of Claims

1. Capital Gains Tax

Non-Irish Holders of Claims should not be subject to Irish CGT on the receipt of their pro rata share of the Purchaser Equity, Exit Financing or the proceeds thereof, Cash, or GUC Trust Consideration in exchange for full and final satisfaction, compromise, settlement, release, and discharge of their Claims.

2. Stamp Duty

No Irish stamp duty should arise on the receipt by any Non-Irish Holder of their pro rata share of the Purchaser Equity, Exit Financing or the proceeds thereof, Cash, or GUC Trust Consideration in exchange for full and final satisfaction, compromise, settlement, release, and discharge of their Claims.

XIII. SECURITIES LAW MATTERS

A. Issuance of the Purchaser Equity

On the Effective Date, the Purchaser Parent is authorized to issue or cause to be issued and shall, as provided for in the Plan, issue the Purchaser Equity in accordance with the terms of the Plan. The Purchaser Parent shall be authorized, without the need for any further corporate or other action by the Debtors or by Holders of any Claims or Interests, to issue the Purchaser Equity and consummate the transactions contemplated in the Plan in accordance with the terms of the Plan. The Purchaser Equity shall be issued and distributed free and clear of all Liens, Claims, and other Interests.

All of the shares of the Purchaser Equity issued pursuant to the Plan shall be duly authorized, validly issued, fully paid, and non-assessable and not to have been issued in violation of any preemptive rights, rights of first refusal or similar rights or any applicable law. Each distribution and issuance of Purchaser Equity shall be governed by the terms and conditions set forth in the Plan applicable to such issuance or distribution and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance, which terms and conditions shall bind each entity receiving such distribution or issuance without the need for execution by any party thereto. Any entity's acceptance of Purchaser Equity shall be deemed as its agreement to the Corporate Governance Documents, as the same may be amended or modified from time to time following the Effective Date in accordance with their respective terms. The Purchaser Equity will not be registered under the Securities Act. Moreover, although the current intention is for the Purchaser Equity to be listed on a national securities exchange, the Purchaser Equity may not be publicly listed as of the Effective Date.

Pursuant to section 1145 of the Bankruptcy Code, the offering, issuance, and distribution of the Purchaser Equity in respect of eligible Allowed Claims shall be exempt from, among other things, the registration and/or prospectus delivery requirements of section 5 of the Securities Act and any other applicable federal, state, local or other law requiring registration and/or delivery of prospectuses prior to the offering, issuance, distribution, or sale of securities. Such Purchaser Equity (a) will not constitute "restricted securities" as defined in rule 144(a)(3) under the Securities Act and (b) will be freely tradable and transferable in the United States by each recipient thereof that (i) is an entity that is not an "underwriter" as defined in section 1145(b)(1) of the Bankruptcy Code, (ii) is not an "affiliate" of Purchaser Parent as defined in Rule 144(a)(1) under the Securities Act, (iii) has not been such an "affiliate" within ninety (90) days of the time of the transfer, and (iv) has not acquired such securities from an "affiliate" in a transaction or chain of transactions not involving any public offering within one year of the time of transfer. Notwithstanding the foregoing, such Purchaser Equity shall remain subject to compliance with applicable securities laws and any rules and regulations of the SEC, if any, applicable at the time of any future transfer, and any restrictions in the Corporate Governance Documents.

Should the Purchaser Parent elect on or after the Effective Date to reflect any ownership of the securities to be issued under the Plan through the facilities of DTC, and subject to such securities being eligible to be held through the facilities of DTC, the Purchaser Parent need not provide any further evidence other than the Plan or the Confirmation Order with respect to the treatment of the securities to be issued under the Plan under applicable securities laws. DTC shall be required to accept and conclusively rely upon the Plan and Confirmation Order in lieu of a legal opinion regarding whether the securities to be issued under the Plan are exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services. Notwithstanding anything to the contrary in the Plan, no entity (including, for the avoidance of doubt, DTC) may require a legal opinion regarding the validity of any transaction contemplated by the Plan, including, for the avoidance of doubt, whether the securities to be issued under the Plan are exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services.

THE FOREGOING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN IRISH TAX CONSEQUENCES OF THE PLAN AND DOES NOT CONSTITUTE TAX ADVICE. THE POTENTIAL TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A HOLDER'S

PARTICULAR CIRCUMSTANCES. ACCORDINGLY, EACH HOLDER OF CLAIMS OR INTERESTS SHOULD CONSULT ITS TAX ADVISOR ABOUT THE U.S. FEDERAL, STATE, LOCAL, IRISH, AND OTHER FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN AND THE OWNERSHIP OF PURCHASER EQUITY.

XIV. PLAN SUPPLEMENT

Exhibits to the Plan not attached thereto will be filed with the Plan Supplement. The Plan Supplement (and amendments thereto) filed by the Debtors will be deemed an integral part of the Plan and will be incorporated by reference as if fully set forth therein. The Plan Supplement may be viewed at the office of the clerk of the Bankruptcy Court or its designee during normal business hours, by visiting the Bankruptcy Court's website at <http://www.nysb.uscourts.gov> (PACER account required) or at the Solicitation Agent's website at <https://restructuring.ra.kroll.com/endo>, or by written request to the Solicitation Agent at:

By regular mail, hand delivery, or overnight mail at:

Re: Endo International plc
c/o Kroll Restructuring Administration LLC
850 Third Avenue, Suite 412,
Brooklyn, NY 11232

By electronic mail at:

endoinfo@ra.kroll.com

By telephone at:

(877) 542-1878 (US/Canada, toll free) or +1 (929) 284-1688 (International, toll)

The documents contained in the Plan Supplement shall be subject to approval by the Bankruptcy Court pursuant to the order confirming the Plan.

XV. RECOMMENDATION AND CONCLUSION

In the opinion of the Debtors, the Plan is preferable to all other available alternatives and provides for a larger distribution to the Debtors' stakeholders than would otherwise result in any other scenario. Accordingly, the Debtors recommend that holders of Claims entitled to vote on the Plan vote to accept the Plan and support Confirmation of the Plan.

The Committees also encourage each creditor to vote to accept the Plan. The specific position of the Committees are set forth in the UCC Letter and the OCC Letter included in the solicitation materials. The Committees encourage each member of their respective constituencies to review the appropriate letter and communicate directly with the relevant Committee regarding any questions they have about the applicable letter, the Plan, or this Disclosure Statement.

Dated: January 16, 2024

ENDO INTERNATIONAL PLC
on behalf of itself and its Debtor affiliates

/s/ Mark Bradley

Name: Mark Bradley

Title: Chief Financial Officer

Exhibit A

Plan

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

ENDO INTERNATIONAL plc, et al.,

Debtors.¹

Chapter 11

Case No. 22-22549 (JLG)

(Jointly Administered)

**SECOND AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION
OF ENDO INTERNATIONAL PLC AND ITS AFFILIATED DEBTORS**

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Counsel for Debtors and Debtors-in-Possession

Dated: January 9, 2024

¹ The last four digits of Debtor Endo International plc's tax identification number are 3755. Due to the large number of debtors in these chapter 11 cases, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at <https://restructuring.ra.kroll.com/Endo>. The location of the Debtors' service address for purposes of these chapter 11 cases is: 1400 Atwater Drive, Malvern, PA 19355.

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INTRODUCTION

The above-captioned Debtors respectfully propose the following joint chapter 11 plan of reorganization for the treatment and resolution of all outstanding Claims against and Interests in the Debtors.

Although proposed jointly for administrative purposes, this Plan constitutes a separate chapter 11 plan for each Debtor for the treatment and resolution of outstanding Claims against and Interests in such Debtor pursuant to the Bankruptcy Code, and unless otherwise set forth herein, the classifications and treatment of Claims against and Interests in the Debtors set forth in Article III and Article IV of this Plan apply separately with respect to each Debtor. Each Debtor is a proponent of this Plan within the meaning of section 1129 of the Bankruptcy Code. This Plan does not contemplate substantive consolidation of any of the Debtors.

Reference is made to the Disclosure Statement for a discussion of the Debtors' history, business, results of operations, historical financial information, projections, and future operations, as well as a summary and analysis of this Plan and certain related matters, including Distributions to be made under this Plan. There also are other agreements and documents, which will be filed with the Bankruptcy Court, that are referenced in this Plan, the Plan Supplement, or the Disclosure Statement as exhibits and schedules. All such exhibits and schedules are incorporated into and are a part of this Plan as if set forth in full herein.

Subject to section 1127 of the Bankruptcy Code, Rule 3019 of the Federal Rules of Bankruptcy Procedure, and this Plan, the Debtors reserve the right to alter, amend, modify, revoke, or withdraw this Plan prior to substantial consummation.

ALL HOLDERS OF CLAIMS AND INTERESTS ENTITLED TO VOTE ON THIS PLAN ARE ENCOURAGED TO READ THIS PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

ARTICLE I

DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME, AND GOVERNING LAW

Section 1.1 Defined Terms

Unless the context otherwise requires, the following terms shall have the following meanings when used in capitalized form:

1.1.1 “Ad Hoc Committee of NAS Children” means that certain ad hoc group of parents and guardians advocating on behalf of children born with NAS as set forth on the *Verified Statement of the Ad Hoc Committee of NAS Children Pursuant to Bankruptcy Rule 2019* [Docket No. 134], as such group may be reconstituted from time to time.

1.1.2 “*Ad Hoc Cross-Holder Group*” means that certain ad hoc group of Prepetition Secured Parties and holders of Unsecured Notes as set forth on the *Fourth Amended Verified Statement of the Ad Hoc Cross-Holder Group Pursuant to Bankruptcy Rule 2019* [Docket No. 1811], as such group may be reconstituted from time to time.

1.1.3 “*Ad Hoc First Lien Group*” means that certain ad hoc group of First Lien Creditors (together with their respective successors and permitted assigns) as set forth on the *Amended Verified Statement of the Ad Hoc First Lien Group Pursuant to Bankruptcy Rule 2019* [Docket No. 2038], as such group may be reconstituted from time to time.

1.1.4 “*Ad Hoc Group of Hospitals*” means that certain ad hoc group of hospitals as set forth in the *Second Amended Verified Statement of the Ad Hoc Group of Hospitals Pursuant to Bankruptcy Rule 2019* filed in *In re Purdue Pharma L.P.*, Case No. 19-23649 (SHL) [Docket No. 1536], as such group may be reconstituted from time to time.

1.1.5 “*Ad Hoc Group of Personal Injury Victims*” means that certain ad hoc group of Persons as set forth on the *Verified Statement of the Ad Hoc Group of Personal Injury Victims Pursuant to Bankruptcy Rule 2019* [Docket No. 285], as such group may be reconstituted from time to time.

1.1.6 “*Ad Hoc Group of Public Schools*” means that certain ad hoc group of public school districts as set forth on Exhibit A to the *Amended Verified Statement of Binder & Schwartz LLP Under Federal Rule of Bankruptcy Procedures 2019* [Docket No. 2417], as such group may be reconstituted from time to time.

1.1.7 “*Ad Hoc Group of Unsecured Noteholders*” means that certain ad hoc group of holders of Unsecured Notes as set forth on the *Amended Verified Statement of the Ad Hoc Group of Unsecured Noteholders Pursuant to Bankruptcy Rule 2019* [Docket No. 1810], as such group may be reconstituted from time to time.

1.1.8 “*Additional Advisor Excluded Parties*” means the list of advisors, agents, and consultants, if any, that shall be deemed GUC Excluded Parties, in each case, solely to the extent necessary to realize the benefit of certain of the GUC Trust Litigation Consideration and to be agreed to by the Debtors, the Required Consenting Global First Lien Creditors, and the Creditors’ Committee. The list of Additional Advisor Excluded Parties, if any, shall be filed prior to the Voting Deadline.

1.1.9 “*Additional Opioid Excluded Parties*” means (a) the Co-Defendants; and (b) any distributor, manufacturer, or pharmacy engaged in the distribution, manufacture, or dispensing/sale of Opioids, Opioid Products, or, solely with respect to the Canadian Provinces, Canadian First Nations, and Canadian Municipalities, Canadian Opioid Products. The Additional Opioid Excluded Parties shall be deemed Excluded Parties solely with respect to the Releases granted or deemed to be granted, as applicable, by the Specified Opioid Claimant Releasing Parties; *provided, that*, for the avoidance of doubt, the Additional Opioid Excluded Parties shall not be Excluded Parties with respect to the Releases granted or deemed to be

granted by any Non-GUC Releasing Party other than the Specified Opioid Claimant Releasing Parties or any GUC Releasing Party.

1.1.10 “Additional Third-Party Excluded Parties” means the list of third-parties, if any, that shall be deemed GUC Excluded Parties, in each case, solely to the extent necessary to realize the benefit of certain of the GUC Trust Litigation Consideration and to be agreed to by the Debtors, the Required Consenting Global First Lien Creditors, and the Creditors’ Committee. The list of Additional Third-Party Excluded Parties, if any, shall be filed prior to the Voting Deadline.

1.1.11 “Adequate Assurance Objection” means a timely filed objection by a counterparty to an Executory Contract or Unexpired Lease objecting to the Purchaser Entities’ or a proposed assignee’s, as applicable, ability to provide adequate assurance of future performance within the meaning of section 365 of the Bankruptcy Code, in accordance with the Disclosure Statement Order.

1.1.12 “Administrative Claims Bar Date” means the deadline for filing Proofs of Claim for payment of Administrative Expense Claims, which deadline shall be 30 days after the Effective Date, unless otherwise ordered by the Bankruptcy Court.

1.1.13 “Administrative Expense Claims” means any and all Claims, other than Claims of the U.S. Government (including U.S. Government Claims (which include, without limitation, IRS Administrative Expense Claims)), for costs and expenses of administration of the Debtors’ Estates pursuant to sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses, incurred on or after the Petition Date through and including the Effective Date, of preserving the Estates and operating the business of the Debtors; (b) Allowed Fee Claims; (c) all Allowed requests for compensation or expense reimbursement for making a substantial contribution in the Chapter 11 Cases pursuant to sections 503(b)(3), (4), and (5) of the Bankruptcy Code; (d) fees and charges assessed against the Estates pursuant to 28 U.S.C. 123 § 1930; and (e) all other Claims entitled to administrative claim status pursuant to a Final Order of the Bankruptcy Court.

1.1.14 “Affiliate” means, with respect to any specified Person or Entity, any (a) Person or Entity that directly or indirectly owns, controls, or holds with power to vote, 20% or more of the outstanding voting securities (as defined in section 101(49) of the Bankruptcy Code) of the specified Person or Entity, other than a Person or Entity that holds such securities (i) in a fiduciary or agency capacity without sole discretionary power to vote such securities; or (ii) solely to secure a debt (as defined in section 101(12) of the Bankruptcy Code), if such entity has not in fact exercised such power to vote; (b) corporation (as defined in section 101(9) of the Bankruptcy Code), 20% or more of whose outstanding voting securities (as defined in section 101(49) of the Bankruptcy Code) are directly or indirectly owned, controlled, or held with power to vote, by a Person or Entity, or by a Person or Entity that directly or indirectly owns, controls, or holds with power to vote, 20% or more of the outstanding voting securities (as defined in section 101(49) of the Bankruptcy Code) of the specified Person or Entity, other than a Person or Entity that holds such securities (as defined in section 101(49) of the Bankruptcy Code), (i) in a fiduciary or agency capacity without sole discretionary power to

vote such securities (as defined in section 101(49) of the Bankruptcy Code); or (ii) solely to secure a debt (as defined in section 101(12) of the Bankruptcy Code), if such Person or Entity has not in fact exercised such power to vote; (c) Person or Entity whose business is operated under a lease or operating agreement by the specified Person or Entity, or Person or Entity, substantially all of whose property is operated under an operating agreement with the specified Person or Entity; or (d) Person or Entity that operates the business or substantially all of the property of the specified Person or Entity under a lease or operating agreement.

1.1.15 “**Allowed**” means (a) with respect to a Trust Channeled Claim, such Trust Channeled Claim has been allowed in accordance with the applicable Trust Documents; and (b) with respect to any Claim (other than a Trust Channeled Claim) against a Debtor, such Claim (i) is allowed pursuant to this Plan or a Final Order; (ii) is evidenced by a Proof of Claim timely filed by the applicable Bar Date and as to which no objection has been timely filed (or is intended to be filed) by the Debtors or the applicable Post-Emergence Entities within the periods of limitation fixed by this Plan, or that is not required to be evidenced by a filed Proof of Claim under this Plan, the Bankruptcy Code, or a Final Order; or (iii) has been agreed, compromised, settled, or otherwise resolved pursuant to the authority of the Debtors. Except as otherwise specified in this Plan or any Final Order, the amount of any Allowed Claim shall not include interest or other charges on such Claim on or after the Petition Date. No Claim of any Person subject to section 502(d) of the Bankruptcy Code shall be deemed Allowed unless and until such Person pays in full the amount for which it is liable to the applicable Debtor as provided in section 502(d). Correlative terms such as “Allow” and “Allowance” shall have correlated meanings.

1.1.16 “**API**” means active pharmaceutical ingredients.

1.1.17 “**Arnold & Porter Parties**” means Arnold & Porter Kaye Scholer LLP and any applicable Affiliates, subsidiaries, partners, employees, or other related Entities or Persons (other than, for the avoidance of doubt, (a) with respect to the Non-GUC Releases, any directors (including any Persons in analogous roles under applicable law), officers, or employees of the Debtors that are Non-GUC Released Parties; and (b) with respect to the GUC Releases, any directors (including any Persons in analogous roles under applicable law), officers, or employees of the Debtors that are GUC Released Parties).

1.1.18 “**Assets**” means all of the rights, title, and interests of the Debtors, of any nature in property of any kind, wherever located, as specified in section 541 of the Bankruptcy Code.

1.1.19 “**Assumption and Assignment Procedures**” means the Assumption and Assignment Procedures approved by the Bankruptcy Court pursuant to the Bidding Procedures Order, as incorporated by reference in, and amended by, the Disclosure Statement Order.

1.1.20 “**ATOP**” means DTC’s Automated Tender Offer Program.

1.1.21 “**Automatic Transfer Employees**” means each individual, as of immediately prior to the Effective Date, (a) who is “employed” (as defined under any applicable

Canadian Labor Law), or has an outstanding offer of employment to be employed in Canada, by any of the Debtors or their Non-Debtor Affiliates; and (b) whose employment by such Debtor or Non-Debtor Affiliate would transfer automatically by operation of law to the applicable Purchaser Entity as a result of the consummation of the Plan Transaction.

1.1.22 “Avoidance Action” means any Claim, Cause of Action, or right arising under section 542, 544, 545, 547, 548, 549, 550, 551, 552, or 553 of the Bankruptcy Code.

1.1.23 “Backstop Commitment Agreements” means, collectively, (a) the First Lien Backstop Commitment Agreement; and (b) the GUC Backstop Commitment Agreement.

1.1.24 “Backstop Premiums” means any premiums payable under the Backstop Commitment Agreements, including the First Lien Backstop Commitment Premium and the GUC Backstop Commitment Premium.

1.1.25 “Ballots” means the ballots upon which holders of Claims and Interests entitled to vote on this Plan shall cast their votes to accept or reject this Plan and make any other elections as may be made thereon, if applicable.

1.1.26 “Bankruptcy Code” means title 11 of the United States Code, 11 U.S.C. § 101, *et seq.*, as amended from time to time.

1.1.27 “Bankruptcy Court” means the United States Bankruptcy Court for the Southern District of New York having jurisdiction over these Chapter 11 Cases.

1.1.28 “Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure and any corresponding local rules of the Bankruptcy Court.

1.1.29 “Bar Date” means, as applicable, the General Bar Date, the Governmental Bar Date, the Administrative Claims Bar Date, the Extended Foreign Bar Date, or any other date established by the Bankruptcy Court as the deadline by which Proofs of Claim or requests for payment of Administrative Expense Claims must be filed in these Chapter 11 Cases.

1.1.30 “Bar Date Order” means the *Further Amended Order (I) Establishing Deadlines for Filing Proofs of Claim; (II) Approving Procedures for Filing Proofs of Claim; (III) Approving the Proof of Claim Forms; (IV) Approving the Form and Manner of Notice Thereof; and (V) Approving the Confidentiality Protocol* [Docket No. 2442] and any amendments or supplements thereto that have the effect of fixing, amending, or extending the deadline to file Proofs of Claim, in each case, as entered by the Bankruptcy Court.

1.1.31 “Bidding Procedures Order” means the *Order (I) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving Certain Transaction Steps, and (III) Granting Related Relief* [Docket No. 1765], as may be amended from time to time and as entered by the Bankruptcy Court.

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

1.1.33 “*Canadian Court*” means the Ontario Superior Court of Justice (Commercial List).

1.1.34 “*Canadian Debtors*” means Debtor Paladin Labs Canadian Holding Inc. and Debtor Paladin Labs Inc.

1.1.35 “*Canadian First Nations*” means any and all Indigenous, Metis, First Nation, or Inuit communities and governments in Canada, including Peter Ballantyne Cree Nation and Lac La Ronge Indian Band.

1.1.36 “*Canadian Labor Laws*” means all laws of a federal, provincial, territorial, or other Governmental Authority in Canada in connection with the transfer of employment by operation of law as applicable to individuals employed by any Debtor or Non-Debtor Affiliate as of the time of consummation of the Plan Transaction, including, without limitation, section 2097 of the Civil Code of Quebec, S.Q. 1991, c. 64, and section 97 of the Act respecting labour standards, CQLR, c. N-1.1 (Que.).

1.1.37 “*Canadian Municipalities*” means any political subdivision located in Canada (other than, for the avoidance of doubt, (a) the Canadian Provinces; (b) the Canadian First Nations; or (c) the Canadian federal government), including (i) the city of Grand Prairie; (ii) the Corp. City of Brantford; (iii) the city of Wetaskiwin; and (iv) the city of Lethbridge.

1.1.38 “*Canadian Opioid Products*” means all current and future medications containing opioids approved by Health Canada and listed on a schedule to the Canadian federal Controlled Drugs and Substances Act and regulations thereunder (including but not limited to ABSTRAL® (fentanyl citrate), DARVON-N® (propoxyphene napsylate), METADOL® (methadone hydrochloride), METADOL-D® (methadone hydrochloride), NUCYNTA® CR (tapentadol), NUCYNTA® Extended-Release (tapentadol), TRIDURAL® (tramadol hydrochloride), STATEX® (morphine sulfate), buprenorphine, codeine, fentanyl, hydrocodone, hydromorphone, meperidine, methadone, morphine, oxycodone, oxymorphone, tapentadol, and tramadol); *provided, however, that*, “Canadian Opioid Products” shall not include the following items, notwithstanding that such items would otherwise satisfy this definition of Canadian Opioid Products: (a) methadone products, buprenorphine products, or other products with a Health Canada-approved product monograph that lists the treatment of opioid or other substance use disorder, abuse, addiction, dependence or overdose in the “INDICATIONS” or “INDICATIONS AND CLINICAL USE” section, insofar as the product is being used to treat opioid abuse, addiction, dependence or overdose (except that the term “Canadian Opioid Products” shall include METADOL-D® (methadone hydrochloride)); or (b) raw materials, immediate precursors, and/or APIs used in the manufacture or study of opioids or Canadian Opioid Products, but only when such materials, immediate precursors, and/or APIs are sold or marketed exclusively to manufacturers or researchers licensed by the Canadian Office of the Controlled Substances.

1.1.39 “*Canadian Plan Recognition Order*” means an order of the Canadian Court in recognition proceedings in respect of the Chapter 11 Cases under Part IV of the *Companies’*

Creditors Arrangement Act (Canada) recognizing and giving full force and effect in Canada to the Confirmation Order and this Plan.

1.1.40 “***Canadian Provinces***” means (a) His Majesty the King in Right of the Province of British Columbia; (b) His Majesty the King in Right of Alberta; (c) the Government of Saskatchewan; (d) His Majesty the King in Right of the Province of Manitoba; (e) His Majesty the King in Right of the Province of Ontario; (f) the Attorney General of Quebec; (g) His Majesty the King in Right of the Province of New Brunswick; (h) His Majesty the King in Right of the Province of Nova Scotia; (i) His Majesty the King in Right of the Province of Newfoundland & Labrador; (j) the Government of Prince Edward Island; (k) the Government of Nunavut; (l) the Government of the Northwest Territories; and (m) the Government of Yukon.

1.1.41 “***Canadian Provinces Claims***” means any and all Claims and Causes of Action held by Canadian Provinces or the Canadian federal government, whether existing as of the Petition Date or arising thereafter, against any of the Debtors, in any way arising out of or relating to the Canadian Opioid Products manufactured or sold by any of the Debtors, any Non-Debtor Affiliate, any of their respective predecessors, or any other Released Party, in each case, prior to the Effective Date, including, for the avoidance of doubt, and without limitation, Claims for indemnification (contractual or otherwise), contribution, or reimbursement against any of the Debtors on account of payments or losses in any way arising out of or relating to the Canadian Opioid Products manufactured or sold by any the Debtors, any Non-Debtor Affiliate, any of their respective predecessors, or any other Non-GUC Released Party prior to the Effective Date, including any Claims and Causes of Action alleging deceptive marketing and/or sale of the Canadian Opioid Products.

1.1.42 “***Canadian Provinces Class Action***” means that certain action commenced by the Canadian Provinces in the Supreme Court of British Columbia (Court File No. S819395).

1.1.43 “***Canadian Provinces Consideration***” means a minimum aggregate amount of \$725,000 in Cash, which amount may be increased up to a maximum aggregate amount of \$7.25 million in Cash depending on the number of Canadian Provinces that grant or are deemed to grant, as applicable, the Non-GUC Releases, to be distributed in accordance with the Canadian Provinces Distribution Documents as set forth in the Canadian Provinces Term Sheet, except as otherwise agreed by the Debtors, the Required Consenting Global First Lien Creditors, and the Canadian Provinces.

1.1.44 “***Canadian Provinces Distribution Documents***” means either (a) the Canadian Provinces Trust Agreement and the Canadian Provinces Trust Distribution Procedures; or (b) any allowance and distribution agreement that may be agreed to in lieu of either or both of the foregoing documents in the foregoing clause (a), each as may be amended from time to time pursuant to the terms thereof, and including all schedules, exhibits, supplements, and any other attachments thereto, and which shall be (i) otherwise acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and the Canadian Provinces; (ii) drafted in accordance with this Plan, the Confirmation Order, and the Canadian Provinces Term Sheet (except as otherwise agreed by the Debtors, the Required Consenting Global First

Lien Creditors, and the Canadian Provinces); and (iii) filed with the Plan Supplement. The Canadian Provinces Distribution Documents shall include provisions (1) governing the submission and resolution procedures with respect to all Canadian Provinces Claims; (2) governing the determination of any Distributions to be made on account of Allowed Canadian Provinces Claims; and (3) providing for the discontinuance or withdrawal of any lawsuits relating to any such Canadian Provinces Claims and the filing of any proceedings necessary to effect such discontinuance or withdrawal.

1.1.45 “*Canadian Provinces McKinsey Action*” means that certain action commenced by the Canadian Provinces in the Supreme Court of British Columbia (Court File No. VLC-S-S-2111367).

1.1.46 “*Canadian Provinces Objection*” means the *Objection of His Majesty the King in Right of the Province of British Columbia and Other Canadian Governments to the Debtors’ Motion for an Order (I) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving Certain Transaction Steps, (III) Approving the Sale of Substantially All of the Debtors’ Assets and (IV) Granting Related Relief and Approval of the Sale of Substantially All of the Assets of the Debtors to the Stalking Horse Bidder as Set Forth Therein* [Docket No. 2418].

1.1.47 “*Canadian Provinces Term Sheet*” means the Voluntary Canadian Governments Resolution Term Sheet filed with the Bankruptcy Court on September 29, 2023 [Docket No. 2988], as may be amended from time to time.

1.1.48 “*Canadian Provinces Trust*” means the trust to be established pursuant to the Canadian Provinces Distribution Documents in accordance with the Canadian Provinces Term Sheet.

1.1.49 “*Canadian Provinces Trust Agreement*” means the trust agreement establishing and delineating the terms and conditions for the creation and operation of the Canadian Provinces Trust.

1.1.50 “*Canadian Provinces Trust Distribution Procedures*” means the trust distribution procedures governing (a) the processing, including the Allowance or Disallowance, of Canadian Provinces Claims; and (b) the determination and payment of Distributions, if any, in each case, by the Canadian Provinces Trust. The Canadian Provinces Trust Distribution Procedures shall provide for Distributions to be made out of the Canadian Provinces Consideration as set forth in the Canadian Provinces Term Sheet unless otherwise agreed by the Debtors, the Required Consenting Global First Lien Creditors, and the Canadian Provinces.

1.1.51 “*Canadian Provinces Trustee*” means the Person serving in such capacity as identified in the Plan Supplement and any successors or replacements duly appointed in accordance with the Canadian Provinces Distribution Documents.

1.1.52 “*Cash*” means legal tender of the United States of America.

1.1.53 “*Cash Collateral Order*” means the *Amended Final Order (I) Authorizing Debtors to Use Cash Collateral; (II) Granting Adequate Protection to Prepetition Secured Parties; (III) Modifying Automatic Stay; and (IV) Granting Related Relief* [Docket No. 535], as may be amended from time to time and as entered by the Bankruptcy Court.

1.1.54 “*Cause of Action*” means any Claim, action, class action, cross-claim, counterclaim, third-party claim, cause of action, controversy, dispute, demand, right, lien, indemnity, contribution, rights of subrogation, reimbursement, guaranty, suit, obligation, liability, debt, damage, judgment, loss, cost, attorneys’ fees and expenses, account, defense, remedy, offset, power, privilege, license, or franchise, in each case, of any kind, character, or nature whatsoever, asserted or unasserted, accrued or unaccrued, known or unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, foreseen or unforeseen, direct or indirect, choate or inchoate, secured or unsecured, Allowed or Disallowed, assertible directly or derivatively (including, without limitation, under alter-ego theories), in rem, quasi in rem, in personam, or otherwise, whether arising before, on, or after the Petition Date, whether arising under federal statutory law, state statutory law, common law, or any other applicable international, foreign, or domestic law, rule, statute, regulation, treaty, right, duty, requirement, or otherwise, in contract or in tort, at law, in equity, or pursuant to any other theory or principle of law, including fraud, negligence, gross negligence, recklessness, reckless disregard, deliberate ignorance, public or private nuisance, breach of fiduciary duty, avoidance, willful misconduct, veil piercing, unjust enrichment, disgorgement, restitution, contribution, indemnification, rights of subrogation, and joint liability, regardless of where in the world accrued or arising. For the avoidance of doubt, “Cause of Action” expressly includes (a) any Cause of Action held by a natural person who is not yet born or who has not yet attained majority as of the Petition Date or as of the Effective Date, as applicable; (b) any right of setoff, counterclaim, or recoupment, and any Cause of Action for breach of contract or for breach of duty imposed by law or in equity; (c) the right to object to or otherwise contest Claims or Interests; (d) any Cause of Action pursuant to section 362 of the Bankruptcy Code or chapter 5 of the Bankruptcy Code; (e) any claim or defense, including fraud, mistake, duress and usury, and any other defense set forth in section 558 of the Bankruptcy Code; and (f) any claim under any federal, state, or foreign law, including for the recovery of any fraudulent transfer or similar theory.

1.1.55 “*CBA*” means the collective bargaining agreement between the Debtors and United Steelworkers Local Union 176 covering employees at the Debtors’ manufacturing facility in Rochester, Michigan that are members of United Steelworkers Local Union 176.

1.1.56 “*Change of Control*” has the meaning set forth in the First Lien Notes Indentures.

1.1.57 “*Channeling Injunction*” means the injunction set forth in Section 10.9 of this Plan.

1.1.58 “*Chapter 11 Cases*” means the Debtors’ chapter 11 cases pending under chapter 11 of the Bankruptcy Code.

1.1.59 “**Claim**” means any “claim” as defined in section 101(5) of the Bankruptcy Code.

1.1.60 “**Claims Objection Deadline**” means, for each Claim that is not a Trust Channeled Claim, the later of (a) the first Business Day that is at least 180 days after the Effective Date; and (b) such other date for objecting to Claims as may be specifically fixed by a Final Order of the Bankruptcy Court upon the request of the applicable Post-Emergence Entities.

1.1.61 “**Class**” means a category of Claims or Interests as set forth in Article III of this Plan and classified as set forth in Article III and Article IV of this Plan pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code.

1.1.62 “**CMS**” means the Centers for Medicare & Medicaid Services.

1.1.63 “**Co-Defendant**” means any Person or Entity that is named as a defendant in any Cause of Action in any way related to any of the Debtors’ Products in which any of the Debtors is also named as a party defendant.

1.1.64 “**Co-Defendant Claims**” means any and all Claims against the Debtors held by a Co-Defendant based upon indemnity, contribution, or similar theory with respect to any Cause of Action involving such Co-Defendant, which Cause of Action is in any way related to any of the Debtors’ Products and in which any of the Debtors is also named as a party defendant.

1.1.65 “**COBRA**” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and any rules or regulations promulgated thereunder.

1.1.66 “**Committees**” means the Creditors’ Committee and the Opioid Claimants’ Committee.

1.1.67 “**Confirmation**” means the entry of the Confirmation Order on the docket of the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.

1.1.68 “**Confirmation Date**” means the date of entry of the Confirmation Order.

1.1.69 “**Confirmation Hearing**” means the hearing held before the Bankruptcy Court on Confirmation of this Plan pursuant to section 1128 of the Bankruptcy Code, as such hearing may be continued from time to time.

1.1.70 “**Confirmation Order**” means the order of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code and approving the transactions contemplated hereby.

1.1.71 “**Consenting First Lien Creditors**” has the meaning set forth in the RSA.

1.1.72 “**Consenting Other First Lien Creditors**” has the meaning set forth in the RSA.

1.1.73 “*Continuing Employee Plans*” means any and all compensation and benefit plans, programs, agreements and arrangements, whether written or unwritten, contractual or non-contractual, that are, in each case, adopted, sponsored, entered into, maintained, contributed to, or required to be contributed to by the Debtors and their Non-Debtor Affiliates and are applicable to any Continuing Employee or any other current or former employee, director, or consultant of the Debtors or their Non-Debtor Affiliates, including any long-term Cash awards, but excluding any equity-based incentive awards.

1.1.74 “*Continuing Employees*” means all of the individuals who are employed by the Debtors and their Non-Debtor Affiliates as of immediately prior to the Effective Date who are or become, as of the Effective Date, employees of the applicable Purchaser Entities.

1.1.75 “*Corporate Governance Documents*” means the certificate of incorporation, certificate of formation, limited liability company agreement, bylaws, constitutions, memoranda and articles of association, and/or other formation documents or forms of such documents of the Purchaser Entities, as such documents may be amended or restated and which shall be in form and substance acceptable to the Required Consenting Global First Lien Creditors and reasonably acceptable to the Debtors and, with respect to any provisions materially, adversely, and disproportionately impacting the rights or entitlements of the constituencies or members of the Creditors’ Committee, reasonably acceptable to the Creditors’ Committee; *provided, however, that*, notwithstanding the foregoing, until the Purchaser Equity is listed on a national securities exchange, an over-the-counter market (OTCQX or OTCQB) or otherwise registered under the Securities Exchange Act of 1934, as amended, the Corporate Governance Documents shall (a) provide that there shall not be any equity securities of any class or series ranking senior in priority to the Purchaser Equity in respect of dividends or distributions, including liquidation distributions, or have any pay-in-kind or other accreting feature, nor shall there be outstanding any rights to acquire such securities; (b) not contain provisions to squeeze out or compel the disposition of Purchaser Equity acquired by the GUC Trust or the beneficiaries thereof unless such squeeze out or disposition is part of a sale of at least a majority of Purchaser Equity then outstanding and is on the same terms; and (c) otherwise contain customary minority protections reasonably acceptable to the Creditors’ Committee.

1.1.76 “*Covenant Not To Collect*” has the meaning set forth in Section 10.4 of this Plan.

1.1.77 “*Creditors’ Committee*” means the Official Committee of Unsecured Creditors appointed in these Chapter 11 Cases.

1.1.78 “*CSA*” means the federal Controlled Substances Act, 21 U.S.C. § 801 *et seq.*

1.1.79 “*Cure*” means the Debtors’ Cash payment, or the distribution of other property pursuant to an agreement of the applicable parties or a Final Order of the Bankruptcy Court, in each case, as necessary to cure applicable defaults under, and permit the assumption

or assumption and assignment under sections 365(a) and 1123 of the Bankruptcy Code of, any Executory Contract or Unexpired Lease of one or more Debtors.

1.1.80 “Cure Amount” means the amount of any Cure payment made in connection with the Debtors’ assumption or assumption and assignment of an Executory Contract or Unexpired Lease.

1.1.81 “Cure Notice” means, collectively, (a) the initial notice of potential assumption and assignment that was served upon the counterparties to the Debtors’ Executory Contracts and Unexpired Leases (to the extent such Executory Contracts and Unexpired Leases were not (i) expired according to their own terms; (ii) terminated; or (iii) rejected prior to the service of such notice), which notice included, among other things, the proposed Cure Amounts, the form of which notice was attached as Exhibit B to *Victor Wong’s Affidavit of Service* [Docket No. 1872]; and (b) any subsequent notices amending the initially proposed Cure Amounts on the notice referenced in the foregoing clause (a), including but not limited to, the *Notice of Amended Cure Cost Schedule* [Docket No. 2392] and the *Notice of the Second Amended Cure Cost Schedule* [Docket No. 2522], as may be amended or supplemented from time to time.

1.1.82 “Cure Objection” means an objection by a counterparty to an Executory Contract or Unexpired Lease that was timely filed by the Cure Objection Deadline and in accordance with the Assumption and Assignment Procedures.

1.1.83 “Cure Objection Deadline” means (a) May 16, 2023; or (b) solely with respect to the counterparties whose Cure Amounts were modified pursuant to the *Notice of Amended Cure Cost Schedule* [Docket No. 2392], July 24, 2023.

1.1.84 “Customer Programs Order” means the *Final Order (I) Authorizing Debtors to Honor Prepetition Obligations to Customers and Related Third Parties and to Otherwise Continue Customer Programs; (II) Granting Relief from Stay to Permit Setoff in Connection with the Customer Programs; (III) Authorizing Financial Institutions to Honor and Process Related Checks and Transfers; and (IV) Granting Related Relief* [Docket No. 316], as may be amended from time to time and as entered by the Bankruptcy Court.

1.1.85 “D&O Insured Person” means any current or former director, officer, employee, or other natural person, in each case, serving in such role with any Debtor, their Estates, or any Non-Debtor Affiliate, which natural person is covered by any Non-GUC Trust D&O Insurance Policy or any GUC Trust D&O Insurance Policy.

1.1.86 “DEA” means the United States Drug Enforcement Administration.

1.1.87 “Debtor Insurance Policies” means, collectively, all of the Debtors’ insurance policies as of immediately prior to the Effective Date, including the GUC Trust Insurance Policies, as applicable, the GUC Trust D&O Insurance Policies, and the Non-GUC Trust Insurance Policies.

1.1.88 “*Debtor Released Parties*” means the GUC Released Parties.

1.1.89 “*Debtor Releases*” means the releases by the Debtors, their Estates, and the Post-Emergence Entities as set forth in Section 10.2 of this Plan; *provided, that*, notwithstanding anything to the contrary herein or in any other document, the Debtors, their Estates, and the Post-Emergence Entities shall not release or be deemed to release any (a) GUC Trust Litigation Claim which, for the avoidance of doubt, shall be preserved and transferred to the GUC Trust pursuant to this Plan and in accordance with the UCC Resolution Term Sheet and the GUC Trust Documents; or (b) Specified Avoidance Action.

1.1.90 “*Debtors*” means Endo International plc and its affiliated debtors in the Chapter 11 Cases.

1.1.91 “*Deemed Opioid Claims Pool*” means \$4.5 trillion.

1.1.92 “*Defensive Rights*” has the meaning of “DMP Defensive Rights” set forth in the DMP Stipulation.

1.1.93 “*DHHS Secretary*” means the Secretary of the Department of Health and Human Services.

1.1.94 “*Disallowed*” means (a) with respect to a Trust Channeled Claim, such Trust Channeled Claim, or any portion thereof, has been Disallowed in accordance with the applicable Trust Documents; and (b) with respect to any Claim against a Debtor (other than a Trust Channeled Claim), such Claim, or any portion thereof, (i) has been Disallowed under this Plan, by a Final Order, or pursuant to a settlement or stipulation pursuant to the authority of the Debtors or the applicable Post-Emergence Entities; (ii) is listed on the Schedules as \$0.00 or as contingent, disputed, or unliquidated and as to which a Bar Date has been established but no Proof of Claim has been timely filed or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court, including the Bar Date Order, or otherwise deemed timely filed under applicable law; or (iii) is not listed on the Schedules and as to which a Bar Date has been established but no Proof of Claim has been timely filed or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court or otherwise deemed timely filed under applicable law. Correlative terms such as “Disallow” and “Disallowance” have correlative meanings.

1.1.95 “*Disbursing Agent*” means the Purchaser Entities or the Person or Persons chosen by the Purchaser Entities to make or facilitate Distributions pursuant to this Plan other than in respect of Trust Channeled Claims (other than Notes Claims); *provided, that*, all Distributions on account of Notes Claims shall be made to, or at the direction of, the applicable Indenture Trustee in accordance with this Plan and following the procedures specified in the applicable Indenture and, to the extent any Distribution is made by the First Lien Agent or an Indenture Trustee under this Plan, such Person shall be deemed a “Disbursing Agent” under this Plan for purposes of such Distribution. For the avoidance of doubt, “Disbursing Agents” shall not include any Trustees.

1.1.96 “Disclosure Statement” means the disclosure statement for this Plan, including all exhibits and schedules thereto, as each may be amended, supplemented, or modified from time to time.

1.1.97 “Disclosure Statement Order” means the order entered by the Bankruptcy Court approving the Disclosure Statement.

1.1.98 “Disputed” means, with respect to a Claim or Interest (other than a Trust Channeled Claim), a Claim or Interest (other than a Trust Channeled Claim) (a) that is neither Allowed nor Disallowed under this Plan or a Final Order, nor deemed Allowed under section 502, 503, or 1111 of the Bankruptcy Code; or (b) as to which an objection or request for estimation has been timely filed (or is intended to be filed) by the Debtors or the applicable Post-Emergence Entities, and such objection or request for estimation has not yet been withdrawn or determined by a Final Order. If only a portion of a Claim is disputed, such Claim shall be deemed Allowed or Disallowed, as applicable, in any amount not disputed, and shall be Disputed as to the balance of such Claim. For the avoidance of doubt, no Trust Channeled Claims shall be deemed Disputed Claims, and any disputes with respect to the Allowance or Disallowance or otherwise with respect to Trust Channeled Claims shall be governed by the procedures set forth in the applicable Trust Documents.

1.1.99 “Distribution” means any payment or transfer of consideration in respect of Allowed Claims under this Plan pursuant to any Plan Documents.

1.1.100 “Distribution Date” means the date, occurring on or as soon as reasonably practicable after the Effective Date, on which Distributions under this Plan are made to holders of Allowed Claims that are not Trust Channeled Claims and any date thereafter on which Distributions under this Plan are made to holders of Allowed Claims that are not Trust Channeled Claims. Any Distributions on account of Allowed Trust Channeled Claims shall be made on the dates and terms set forth in the applicable Trust Documents.

1.1.101 “Distribution Licenses” means all licenses, permits, authorizations, and registrations issued by Health Canada or any other Governmental Authority, including drug establishment licenses, natural health product site licenses, medical device establishment licenses, if any, narcotics licenses, dealer’s licenses, precursor licenses, and cannabis drug licenses.

1.1.102 “Distribution Record Date” means the date for determining which holders of Allowed Interests and Allowed Claims that are not Trust Channeled Claims (other than Notes Claims) are eligible to receive Distributions, which Distribution Record Date shall be (a) with respect to Claims other than Notes Claims and First Lien Credit Agreement Claims, five Business Days before the Effective Date; (b) with respect to First Lien Credit Agreement Claims, such date as designated by the First Lien Agent; (c) with respect to First Lien Notes Claims, such date as designated by the First Lien Notes Indenture Trustee; (d) with respect to Second Lien Deficiency Claims and Unsecured Notes Claims, such date as designated by the applicable Indenture Trustee or the GUC Trust, as applicable; or (e) such other date as designated by a Final Order of the Bankruptcy Court. For the avoidance of doubt, (i) the

Distribution Record Date shall not apply with respect to holders of Trust Channeled Claims other than Notes Claims, and the date for determining which holders of Allowed Trust Channeled Claims other than Notes Claims are eligible to receive Distributions from a Trust shall be set forth in and governed by the applicable Trust Documents; and (ii) the Distribution Record Date does not apply with respect to the Debtors' public securities, the holders of which will receive any Distributions pursuant to the standard and customary procedures of the DTC and any other applicable securities depositories.

1.1.103 “Distribution Sub-Trust Claims” means Generics Price Fixing Claims, Mesh Claims, Ranitidine Claims, and Reverse Payment Claims.

1.1.104 “Distribution Sub-Trust Documents” means the Generics Price Fixing Claims Trust Documents, the Mesh Claims Trust Documents, the Ranitidine Claims Trust Documents, and the Reverse Payment Claims Trust Documents.

1.1.105 “Distribution Sub-Trust Documents Approval Process” means the process for Bankruptcy Court approval of the Distribution Sub-Trust Documents as set forth in Section 5.20(b)(vi) of this Plan.

1.1.106 “Distribution Sub-Trusts” means the Generics Price Fixing Claims Trust, the Mesh Claims Trust, the Ranitidine Claims Trust, and the Reverse Payment Claims Trust.

1.1.107 “DMP Stipulation” means the *Amended Stipulation Among the Debtors and the DMPs Resolving the DMPs' Objection to the Bidding Procedures and Sale Motion as approved by the Bankruptcy Court* attached as Exhibit 1 to the DMP Stipulation Order.

1.1.108 “DMP Stipulation Order” means the *Order Granting Debtors' Motion for an Order Approving the Amended Stipulation Among the Debtors and the DMPs Resolving the DMPs' Objection to the Bidding Procedures and Sale Motion* [Docket No. 2574].

1.1.109 “DOJ” means the United States Department of Justice.

1.1.110 “DOJ Civil Claim” means Claim No. 3157, filed by the DOJ against Debtors Endo International plc, Endo Health Solutions Inc., and Endo Pharmaceuticals Inc., as such Claim may be amended, supplemented, or modified from time to time, together with any Claims that could be asserted with respect thereto.

1.1.111 “DOJ Criminal Claim” means Claim No. 3056, filed by the DOJ against Debtors Endo International plc, Endo Health Solutions Inc., and Endo Pharmaceuticals Inc. and the pending criminal investigation of the aforementioned Debtors by the DOJ, as such Claim may be amended, supplemented, or modified from time to time, together with any Claims that could be asserted with respect thereto.

1.1.112 “DST Act” means the Delaware Statutory Trust Act, 12 Del. C. § 3801 *et seq.* or any successor statute, in each case, as may be amended from time to time.

1.1.113 “*DTC*” means the Depository Trust Company and its successors and assigns.

1.1.114 “*EFBD*” means the Extended Foreign Bar Date.

1.1.115 “*EFBD Claims*” means Exclusively Foreign Claims held by Foreign Claimants and filed after the General Bar Date but before the Extended Foreign Bar Date, if any.

1.1.116 “*EFBD Claims Trust*” means, in the event there are EFBD Claims, the trust to be established in accordance with the EFBD Claims Trust Documents, whose beneficiaries are the holders of EFBD Claims.

1.1.117 “*EFBD Claims Trust Agreement*” means the trust agreement establishing and delineating the terms and conditions for the creation and operation of the EFBD Claims Trust in the event the EFBD Claims Trust is to be established.

1.1.118 “*EFBD Claims Trust Consideration*” means up to \$200,000 in Cash to be used as set forth in the EFBD Claims Trust Agreement, including for Distributions to holders of Allowed EFBD Claims, if any, pursuant to the EFBD Claims Trust Documents.

1.1.119 “*EFBD Claims Trust Distribution Procedures*” means the trust distribution procedures governing (a) the processing, including the Allowance or Disallowance, of EFBD Claims, if any; and (b) the determination and payment of Distributions, if any, in each case, by the EFBD Claims Trust. For the avoidance of doubt, the EFBD Claims Trust Distribution Procedures may be contained in or included as part of the EFBD Claims Trust Agreement.

1.1.120 “*EFBD Claims Trust Documents*” means the EFBD Claims Trust Agreement and/or the EFBD Claims Trust Distribution Procedures, each as may be amended from time to time pursuant to the terms thereof, and including all schedules, exhibits, supplements, and any other attachments thereto, and which shall each be acceptable to the Debtors and the Required Consenting Global First Lien Creditors, and reasonably acceptable to the Opioid Claimants’ Committee and the Creditors’ Committee. The EFBD Claims Trust Documents shall be drafted in accordance with this Plan and the Confirmation Order, and shall be filed with the Plan Supplement.

1.1.121 “*EFBD Claims Trustee*” means the Plan Administrator and any successors or replacements duly appointed in accordance with the EFBD Claims Trust Documents.

1.1.122 “*Effective Date*” means the first date upon which all provisions, terms, and conditions specified in Article XI of this Plan have been satisfied or waived pursuant to the terms set forth therein.

1.1.123 “*Endo EC*” means the Multi-State Endo Executive Committee, comprised of the seven States identified as such in the *Third Amended Verified Statement of the Multi-*

State Endo Executive Committee Pursuant to Bankruptcy Rule 2019 [Docket No. 2511], as may be reconstituted from time to time.

1.1.124 “Endo EC Professional Fees” means (a) the reasonable and documented expenses of, and the professional fees at the prevailing hourly rate incurred by, Pillsbury Winthrop Shaw & Pittman LLP on behalf of the Endo EC; (b) the fees owed to Houlihan Lokey Capital, Inc. pursuant to its prepetition agreement with the Debtors relating to its representation of the Endo EC, including the “Deferred Fee” (as defined therein), which Deferred Fee will be earned upon consummation of this Plan; and (c) the reasonable and documented expenses of, and the professional fees at the prevailing hourly rate incurred by, Brown Rudnick LLP, as special trust counsel to the Endo EC.

1.1.125 “Entity” means any individual, corporation, partnership, joint venture, association, joint stock company, limited liability company, limited liability partnership, trust, estate, unincorporated organization, governmental unit, or other entity.

1.1.126 “Escrowed Equity” means 0.32% of the Purchaser Equity (subject to dilution only by any issuances under the Management Incentive Plan) to be deposited by the Purchaser Parent on the Effective Date in escrow with a third-party escrow agent acceptable to the Required Consenting Global First Lien Creditors and the Creditors’ Committee, subject to an escrow agreement acceptable to the Required Consenting Global First Lien Creditors and the Creditors’ Committee.

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

1.1.128 “ETA” means the Excise Tax Act, R.S.C., 1985, c. E-15 (Canada), as amended, and the regulations promulgated thereunder.

1.1.129 “European Economic Area” means: (a) the 27 countries of the European Union, consisting of Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden; and (b) Iceland, Liechtenstein, and Norway.

1.1.130 “Excluded D&O Parties” means Non-Continuing Directors and Excluded Former Officers.

1.1.131 “Excluded Former Officers” means individuals who, as of the Petition Date, were former officers (or officer equivalents, *e.g.*, managers of an LLC) of Endo International plc or a UCC Specified Subsidiary, and, as of the Petition Date, were no longer an officer of any of the Debtors;² *provided, however, that*, if any such individual is, immediately

² For the avoidance of doubt, if an officer does not continue in any senior-level position post-Effective Date, such individual shall be an Excluded Former Officer; *provided, that*, such individual, to the extent employed (cont’d)

following the Effective Date, (a) a director or officer of any of the Purchaser Entities or any of their Affiliates; or (b) a senior-level employee that continues serving in a senior-level employment position post-Effective Date and performing services commensurate with such position(s), then such individual shall not be an Excluded Former Officer.

1.1.132 “Excluded Parties” means (a) the McKinsey Parties; (b) the Arnold & Porter Parties; (c) any of the Debtors’ current or former third-party agents, partners, representatives, or consultants involved in the production, distribution, marketing, promotion, or sale of Opioids, Opioid Products, or, solely with respect to the Canadian Provinces, the Canadian First Nations, and the Canadian Municipalities, Canadian Opioid Products (in each case of clauses (a), (b), and (c), excluding the Debtors’ (i) current and former officers, directors, and employees (in each case, solely in their respective capacities as such); and (ii) Professionals retained by the Debtors in the Chapter 11 Cases (which, for the avoidance of doubt, shall (1) include any ordinary course professionals; but (2) exclude any Additional Advisor Excluded Parties)); (d) Practice Fusion, Inc.; (e) the Publicis Health Parties; (f) the ZS Associates Parties; and (g) solely with respect to the Specified Opioid Claimant Releasing Parties, the Additional Opioid Excluded Parties, solely in their respective capacities as such. Notwithstanding anything to the contrary herein, none of the following shall be an “Excluded Party”: the Debtors’ (1) current and former directors (including any Persons in analogous roles under applicable law), officers, and employees, in each case, solely in their respective capacities as such; and (2) Professionals retained by the Debtors in the Chapter 11 Cases (which, for the avoidance of doubt, shall (A) include any ordinary course professionals; but (B) exclude any Additional Advisor Excluded Parties) and, for the avoidance of doubt, each Person identified in the foregoing clauses (1) and (2) shall be a Non-GUC Released Party.

1.1.133 “Exclusively Foreign Claims” means any and all Claims against a Foreign Debtor which are (a) governed by the law of a jurisdiction other than the United States (including any States or Territories) or Canada (including any of its provinces or territories); and (b) held by a Foreign Claimant. For the avoidance of doubt, any Claim against a Debtor that is not a Foreign Debtor shall not be an Exclusively Foreign Claim.

1.1.134 “Exculpated Claim” means, in each case, solely to the extent related to an act or omission, or arising, prior to the Effective Date, any Claim, obligation, suit, judgment, damage, demand, debt, right, Cause of Action, remedy, loss, and liability for any Claim related to any act or omission in connection with, relating to, or arising out of the Debtors’ in- or out-of-court restructuring efforts leading up to the Chapter 11 Cases, the Chapter 11 Cases, or the administration of the Chapter 11 Cases; any foreign recognition proceedings or the administration of such foreign recognition proceedings; the Sale Process, including the negotiation and pursuit thereof, any documents related thereto, and any transactions contemplated thereby or in connection therewith; the negotiation and pursuit of this Plan and the Plan Documents, the Disclosure Statement, the RSA, the Exit Financing, the Rights Offerings, the Scheme, and the Scheme Circular; this Plan, the Plan Transaction, the

immediately prior to the Effective Date in a senior-level non-director position, was offered employment by any of the Purchaser Entities.

Restructuring Transactions, the Plan Settlements, and any other transactions contemplated in connection with the foregoing; the negotiation and establishment of the PPOC Trust, any of the PPOC Sub-Trusts, the GUC Trust, any of the Distribution Sub-Trusts, the Future PI Trust, the Public Opioid Trust, the Tribal Opioid Trust, the Canadian Provinces Trust, the EFBD Claims Trust, the Other Opioid Claims Trust, the Trust Documents, the Opioid School District Recovery Trust Governing Documents, the U.S. Government Resolution, and the U.S. Government Resolution Documents; the solicitation of votes for, and Confirmation of, this Plan, the Plan Transaction, and any other transactions or documents contemplated hereby or thereby or in connection herewith or therewith; the funding of this Plan; the pursuit of Confirmation; the occurrence of the Effective Date; the closing of the Plan Transaction; the implementation and administration of this Plan; or any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date; *provided, however, that*, “Exculpated Claims” shall not include (a) any Claim, obligation, suit, judgment, damage, demand, debt, right, Cause of Action, remedy, loss, or liability for any Claim for, or relating to, any act or omission, in each case, determined by a Final Order to be intentional fraud, gross negligence, or willful misconduct; or (b) any GUC Trust Litigation Claim.

1.1.135 “Exculpated Parties” means (a)(i) the Debtors, solely in their respective capacities as such; (ii) the Post-Emergence Entities, solely in their respective capacities as such; (iii) the Creditors’ Committee and each of the members thereof, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the individual members thereof, in each case, solely in their respective capacities as such; (iv) the Opioid Claimants’ Committee and each of the members thereof, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the individual members thereof, in each case, solely in their respective capacities as such; (v) the FCR, solely in his capacity as such, and each of the advisors thereto, solely in their respective capacities as such; and (vi) the Plan Administrator and any advisors thereto, in each case, solely in their respective capacities as such; (b) solely to the extent consistent with section 1125(e) of the Bankruptcy Code: (i) the Prepetition Secured Parties, solely in their respective capacities as such; (ii) the Ad Hoc First Lien Group and each of the members thereof, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the individual members thereof, in each case, solely in their respective capacities as such; (iii) the Ad Hoc Cross-Holder Group and each of the members thereof, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the individual members thereof, in each case, solely in their respective capacities as such; (iv) the PPOC Trust, each PPOC Sub-Trust, the GUC Trust, each Distribution Sub-Trust, the Future PI Trust, the Public Opioid Trust, the Tribal Opioid Trust, and the Trustees, administrators, boards or governing bodies of, any advisors to, and any other Persons with similar administrative or supervisory roles in connection with any of the foregoing, in each case, solely in their respective capacities as such; (v) the GUC Backstop Commitment Parties, solely in their respective capacities as such; (vi) the First Lien Backstop Commitment Parties, solely in their respective capacities as such; (vii) the Unsecured Notes Indenture Trustees, solely in their respective capacities as such; (viii) the Endo EC and each of the States that are members thereof and their respective officers and Representatives, in each case, solely in their respective capacities as such; and (c)(i) with respect to the Persons listed in the

foregoing clauses (a) and (b), such Persons' predecessors, successors, permitted assigns, current and former subsidiaries and Affiliates, respective heirs, executors, estates, and nominees, in each case, solely in their respective capacities as such; and (ii) current and former directors (including any Persons in analogous roles under applicable law), officers, employees, and Representatives of each of the Persons listed in the foregoing clauses (a) through (c)(i), in each case, solely in their respective capacities as such. For the avoidance of doubt, and notwithstanding anything to the contrary herein, (1) no Excluded Party or GUC Excluded Party (other than the Excluded D&O Parties) shall be an Exculpated Party; and (2) with respect to the Excluded D&O Parties, no Excluded D&O Party shall be exculpated from any GUC Trust Litigation Claim.

1.1.136 “Executory Contract” means a contract to which one or more of the Debtors is a party that is subject to assumption or rejection under sections 365 and 1123 of the Bankruptcy Code.

1.1.137 “Existing Equity Interests” means equity Interests in Endo International plc that existed as of immediately before the Effective Date.

1.1.138 “Exit Cash” means, as of the applicable date of measurement, (a) unrestricted Cash held by all of the Debtors; and (b) any restricted Cash that is released and becomes unrestricted Cash held by any of the Debtors on or prior to the Effective Date.

1.1.139 “Exit Financing” means indebtedness in an amount up to \$2.5 billion that will be incurred or deemed to be incurred, as applicable, by the Purchaser Obligors on the Effective Date, which may be in the form of the Syndicated Exit Financing, the New Takeback Debt, or a combination of both Syndicated Exit Financing and New Takeback Debt. The terms of any Exit Financing shall be acceptable to the Required Consenting Global First Lien Creditors and reasonably acceptable to the Debtors; *provided, however, that*, the advisors to Debtors and the Required Consent Global First Lien Creditors shall consult with the advisors to the Creditors' Committee with respect to the terms of any Exit Financing, and the Debtors and the Required Consent Global First Lien Creditors shall consider in good faith any comments to the terms of any Exit Financing and Exit Financing Documents reasonably requested by the Creditors' Committee.

1.1.140 “Exit Financing Documents” means any agreements, indentures, commitment letters, documents, or instruments relating to any exit financing facility or facilities, including the Syndicated Exit Financing and/or the New Takeback Debt, as applicable, to be entered into by the Purchaser Obligors as of the Effective Date.

1.1.141 “Exit Minimum Cash Sweep” means, in the event the Exit Minimum Cash Sweep Trigger occurs, the transfer, on the Effective Date, of any Exit Cash held by the Debtors, on a collective basis and after giving effect to the transactions occurring on the Effective Date, in excess of \$200 million to the First Lien Creditors, which transfer shall be on a pro rata basis until the Debtors or the Purchaser Entities, as applicable, in each case, on a collective basis, hold no more than \$200 million of Exit Cash (excluding, for the avoidance of doubt, any

amounts allocated to the Plan Administrator or otherwise under the Plan Administrator Agreement).

1.1.142 “Exit Minimum Cash Sweep Trigger” means more than \$200 million of Exit Cash held by all of the Debtors, on a collective basis, as of immediately before the Effective Date.

1.1.143 “Extended Foreign Bar Date” means the date, which is 14 days after the Confirmation Date, that is the deadline by which any Foreign Claimant that has not previously filed a Proof of Claim in respect of an Exclusively Foreign Claim must file a Proof of Claim in respect of such Exclusively Foreign Claim; *provided, that*, for the avoidance of doubt, nothing in this Plan or any Plan Document shall provide or afford any Foreign Claimant that has previously filed a Proof of Claim with any right to file any additional Proof of Claim or to amend such previously filed Proof of Claim.

1.1.144 “Fallback Date” means 210 days after the Effective Date.

1.1.145 “Fallback Listing Determination Date” means, in the event a Listing Event occurs prior to the Fallback Date, the date that is 30 days after such Listing Event.

1.1.146 “FCR” means the future claimants’ representative appointed by the Bankruptcy Court pursuant to the FCR Order, and any successor thereto.

1.1.147 “FCR Order” means the *Order (I) Appointing Roger Frankel as Future Claimants’ Representative; and (II) Granting Related Relief* [Docket No. 318], as amended by the *Amended Order (I) Appointing Roger Frankel as Future Claimants’ Representative; and (II) Granting Related Relief* [Docket No. 2582], as may be further amended from time to time and as entered by the Bankruptcy Court.

1.1.148 “FCR Resolution” means the resolution reached as a result of the Mediation with the FCR resolving certain disputes, the terms of which are set forth in the Future Trust Term Sheet.

1.1.149 “FDA” means the United States Food and Drug Administration and any successor thereto.

1.1.150 “Fee Claim” means a Claim for accrued, contingent, and/or unpaid fees (including success fees) for legal, financial advisory, accounting, and other services, and all obligations for reimbursement of expenses rendered or incurred by any retained Professional in the Chapter 11 Cases, in each case, before the Effective Date and subject to any applicable fee caps, that (a) are Allowable under sections 328, 330(a), 331, 363, and/or 503 of the Bankruptcy Code; and (b) have been or, in the future are, approved by the Bankruptcy Court, in each case, to the extent not previously paid.

1.1.151 “FFDCA” means the Federal Food, Drug and Cosmetic Act, 21 U.S.C § 301, *et seq.*

1.1.152 “Final Order” means an order or judgment of a court of competent jurisdiction with respect to the relevant subject matter, which order or judgment has not been reversed, stayed, modified, or amended, and as to which the time to appeal, petition for certiorari, or move for reargument, reconsideration, or rehearing has expired or has been waived and no appeal, petition for certiorari, or motion for reargument, reconsideration, or rehearing has been timely taken or filed, or as to which any appeal, petition for certiorari, or motion for reargument, reconsideration, or rehearing that has been taken or any petition for certiorari that has been, or may be, filed has been resolved by the highest court to which such order or judgment could be appealed or from which certiorari could be sought, or the new trial, reargument, or rehearing shall have been denied, resulted in no modification of such order or judgment, or has otherwise been dismissed with prejudice; *provided, however, that*, the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure or any comparable rule may be filed relating to such order or judgment shall not cause such order or judgment to not be a Final Order.

1.1.153 “Firm” has the meaning set forth in the Disclosure Statement Order.

1.1.154 “First A&R RSA” means the Amended and Restated Restructuring Support Agreement filed with the Bankruptcy Court on March 24, 2023 [Docket No. 1502].

1.1.155 “First Lien Accrued and Unpaid Adequate Protection Payments” means the accrued and unpaid First Lien Adequate Protection Payments through and including the Effective Date payable in respect of the applicable Allowed First Lien Claim pursuant to the Cash Collateral Order.

1.1.156 “First Lien Adequate Protection Payments” has the meaning set forth in the Cash Collateral Order.

1.1.157 “First Lien Agent” means JP Morgan Chase Bank, N.A., in its capacity as administrative agent under the First Lien Credit Agreement.

1.1.158 “First Lien Backstop Commitment Agreement” means the Amended and Restated Backstop Commitment Agreement with Respect to the First Lien Creditor Offering, dated as of December 28, 2023, as may be amended, restated, amended and restated, supplemented, or otherwise modified from time to time in accordance with its terms. For the avoidance of doubt, no Debtor or Non-Debtor Affiliate was a party to the Backstop Commitment Agreement with Respect to the First Lien Creditor Offering, dated as of May 9, 2023, and, notwithstanding anything herein to the contrary, no Debtor or Non-Debtor Affiliate has any obligation to any Person under such agreement and no such obligations are created or implied thereby.

1.1.159 “First Lien Backstop Commitment Parties” means the Consenting First Lien Creditors party to the First Lien Backstop Commitment Agreement.

1.1.160 “First Lien Backstop Commitment Premium” means, collectively, the “Commitment Premium” and the “Additional Premium,” each as defined in the First Lien Backstop Commitment Agreement.

1.1.161 “First Lien Claims” means any and all Claims on account of Prepetition First Lien Indebtedness, including, without limitation, any Make-Whole Claims.

1.1.162 “First Lien Collateral Trustee” means Wilmington Trust, National Association, in its capacity as collateral trustee under that certain Collateral Trust Agreement, dated as of April 27, 2017, as amended, restated, amended and restated, supplemented, or otherwise modified from time to time.

1.1.163 “First Lien Credit Agreement” means that that certain amended and restated credit agreement, dated as of March 25, 2021 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time), among Endo International, plc, Endo Luxembourg Finance Company I S.à r.l, and Endo LLC, the First Lien Agent, JP Morgan Chase Bank, N.A., in its capacity as swingline lender and issuing bank, and certain Prepetition First Lien Lenders, together with all other documentation executed in connection therewith, including, without limitation, the Collateral Documents (as defined in the First Lien Credit Agreement) and each other Loan Document (as defined in the First Lien Credit Agreement) executed in connection therewith.

1.1.164 “First Lien Credit Agreement Claims” means the First Lien Claims arising under the First Lien Credit Agreement.

1.1.165 “First Lien Creditors” means holders of Allowed First Lien Claims.

1.1.166 “First Lien ERO Amount” means \$340 million.

1.1.167 “First Lien ERO Enterprise Value” means \$3.275 billion.

1.1.168 “First Lien Notes” means any notes issued pursuant to the First Lien Notes Indentures.

1.1.169 “First Lien Notes Claims” means the First Lien Claims arising under the First Lien Notes Indentures.

1.1.170 “First Lien Notes Indenture Trustee” means Computershare Trust Company, National Association (as successor trustee to Wells Fargo Bank, National Association), as indenture trustee under each of the First Lien Notes Indentures.

1.1.171 “First Lien Notes Indentures” mean (a) that certain Indenture, dated as of April 27, 2017, for the 5.875% Senior Secured Notes due 2024, by and among Endo Designated Activity Company, Endo Finance LLC, and Endo Finco Inc., as issuers, each of the guarantors party thereto, and the First Lien Notes Indenture Trustee; (b) that certain Indenture, dated as of March 28, 2019, for the 7.500% Senior Secured Notes due 2027, by and among Par Pharmaceutical, Inc., as issuer, each of the guarantors party thereto, and the First Lien Notes

Indenture Trustee; and (c) that certain Indenture, dated as of March 25, 2021, for the 6.125% Senior Secured Notes due 2029, by and among Endo Luxembourg Finance Company I S.à r.l. and Endo U.S. Inc., as issuers, each of the guarantors party thereto, and the First Lien Notes Indenture Trustee, in each case, together with all other related documents, instruments, and agreements, and as each may be supplemented, amended, restated, or otherwise modified from time to time.

1.1.172 “First Lien Rights Offering” means a new money rights offering to be consummated by Purchaser Parent and backstopped in accordance with the First Lien Backstop Commitment Agreement, pursuant to which holders of Allowed First Lien Claims shall have the opportunity to exercise their respective First Lien Subscription Rights in accordance with the First Lien Rights Offering Procedures, the Rights Offering Order, and this Plan.

1.1.173 “First Lien Rights Offering Documents” means the First Lien Rights Offering Procedures, the First Lien Backstop Commitment Agreement, the Rights Offering Order, and any other definitive documents governing the First Lien Rights Offering.

1.1.174 “First Lien Rights Offering Procedures” means the procedures governing the First Lien Rights Offering as set forth in the Rights Offering Order, as may be amended, modified, or supplemented in accordance with the terms of the Rights Offering Order, which procedures shall be in form and substance acceptable to the Debtors and the Required First Lien Backstop Commitment Parties.

1.1.175 “First Lien Subscription Rights” means the right of holders of Allowed First Lien Claims to acquire Purchaser Equity pursuant to the First Lien Rights Offering.

1.1.176 “Foreign Claimants” means holders of Claims against the Debtors that are (a) individuals that are not domiciled in the United States or Canada; or (b) corporate Entities that are incorporated pursuant to the law of a jurisdiction other than the United States (including any States or Territories) or Canada (including any of its provinces or territories).

1.1.177 “Foreign Debtors” means any Debtors which are incorporated pursuant to the laws of a jurisdiction other than (a) the United States or (b) Canada.

1.1.178 “FSMA” means the UK Financial Services and Markets Act 2000, as amended.

1.1.179 “Future Mesh Claims” means any and all Claims against the Debtors held by individuals (a) who have had a transvaginal mesh Product manufactured by any of the Debtors, the Non-Debtor Affiliates, any of their respective current and former Affiliates, or any of their respective predecessors implanted in such individual before the Petition Date; and (b) whose first injury from such implantation manifested after the General Bar Date or, solely with respect to Foreign Claimants, the Extended Foreign Bar Date. For the avoidance of doubt, any Claim of any individual (1) who filed a Proof of Claim (or who had a Proof of Claim filed on their behalf) in the Chapter 11 Cases; (2) who has had a transvaginal mesh product sold, manufactured, or marketed by any of the Debtors, the Non-Debtor Affiliates, or any of their

respective predecessors implanted into such individual before the Petition Date; and (3) whose first injury from such implantation manifested before the General Bar Date or, solely with respect to Foreign Claimants, the Extended Foreign Bar Date, is not a Future Mesh Claim.

1.1.180 “Future Mesh Trust Balance” means, at the applicable time of measurement, the amount of funds held by the Future PI Trust for Trust Operating Expenses and Distributions to holders of Allowed Future Mesh Claims.

1.1.181 “Future Mesh Trust Distribution Procedures” means the trust distribution procedures governing (a) the processing, including the Allowance or Disallowance, of Future Mesh Claims; and (b) the determination and payment of Distributions, if any, in each case, by the Future PI Trust.

1.1.182 “Future Mesh Trust Share” means the funding provided to the Future PI Trust for Distributions to holders of Allowed Future Mesh Claims, which shall be funded by the Debtors and/or the Purchaser Entities, as applicable, in an aggregate amount of up to \$495,000 in Cash.

1.1.183 “Future NAS PI Claims” means any and all Claims held by natural persons who (a) were diagnosed with NAS resulting from such natural person’s intrauterine exposure to Qualifying Opioids; and (b) are born after the General Bar Date or, solely with respect to Foreign Claimants, the Extended Foreign Bar Date, but before the date that is the later of (i) 10 months after the General Bar Date or, solely with respect to Foreign Claimants, the Extended Foreign Bar Date; and (ii) the Effective Date.

1.1.184 “Future NAS PI Trust Distribution Procedures” means the trust distribution procedures governing (a) the processing, including the Allowance or Disallowance, of Future NAS PI Claims; and (b) the determination and payment of Distributions, if any, in each case, by the Future PI Trust.

1.1.185 “Future Opioid PI Claims” means any and all Claims held by a natural person (a) who has been diagnosed by a licensed medical provider with a medical, physical, cognitive, or emotional condition resulting from such natural person’s exposure to Opioids or opioid replacement or treatment medication; (b) arising from such natural person’s own use of a Qualifying Opioid, or arising from the use by a decedent of a Qualifying Opioid, in each case, prior to January 1, 2019; and (c) whose first injury resulting from such use manifested after the General Bar Date or, solely with respect to Foreign Claimants, the Extended Foreign Bar Date. For the avoidance of doubt, any Claims involving opioid use where the first use of a Qualifying Opioid was on January 1, 2019, or later are not Future Opioid PI Claims.

1.1.186 “Future Opioid PI/NAS PI Trust Balance” means, at the applicable time of measurement, the amount of funds held by the Future PI Trust for Trust Operating Expenses

and Distributions to holders of Allowed Future NAS PI Claims and Allowed Future Opioid PI Claims.

1.1.187 “Future Opioid PI/NAS PI Trust Share” means the funding provided to the Future PI Trust for Distributions to holders of Allowed Future Opioid PI Claims and Allowed Future NAS PI Claims, as applicable, which shall be funded by the Debtors and/or the Purchaser Entities, as applicable, in an aggregate amount of up to \$11.385 million in Cash.

1.1.188 “Future Opioid PI Trust Distribution Procedures” means the trust distribution procedures governing (a) the processing, including the Allowance or Disallowance, of Future Opioid PI Claims; and (b) the determination and payment of Distributions, if any, in each case, by the Future PI Trust.

1.1.189 “Future PI Claimants” means holders of Future PI Claims.

1.1.190 “Future PI Claims” means Future Mesh Claims, Future NAS PI Claims, and Future Opioid PI Claims.

1.1.191 “Future PI Trust” means the future personal injury trust to be established to, among other things, (a) assume all liability for Future PI Claims; (b) receive the Future PI Trust Consideration; (c) administer Future PI Claims; and (d) make Distributions to holders of Allowed Future PI Claims, in each case, in accordance with the Future PI Trust Documents.

1.1.192 “Future PI Trust Agreement” means the trust agreement establishing and delineating the terms and conditions for the creation and operation of the Future PI Trust.

1.1.193 “Future PI Trust Consideration” means (a) the Future Opioid PI/NAS PI Trust Share, *plus* (b) the Future Mesh Trust Share.

1.1.194 “Future PI Trust Distribution Procedures” means, collectively, the Future Mesh Trust Distribution Procedures, the Future NAS PI Trust Distribution Procedures, and the Future Opioid PI Trust Distribution Procedures.

1.1.195 “Future PI Trust Documents” means the Future PI Trust Agreement and the Future PI Trust Distribution Procedures, each as may be amended from time to time pursuant to the terms thereof, and including all schedules, exhibits, supplements, and any other attachments thereto, and which shall be otherwise acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and the FCR. The Future PI Trust Documents shall be drafted in accordance with this Plan, the Confirmation Order, and the Future Trust Term Sheet, and shall be filed with the Plan Supplement.

1.1.196 “Future PI Trust Indemnified Parties” means the Future PI Trustee, the Delaware Trustee (as defined in the Future PI Trust Agreement), the FCR, and the respective professionals of the Future PI Trust (including the claims administrator thereof and its staff and agents).

1.1.197 “Future PI Trustee” means Edgar C. Gentle, III, Esq. and any successors or replacements duly appointed by the FCR.

1.1.198 “Future Trust Term Sheet” means the Stalking Horse Bidder-FCR Resolution Term Sheet filed with the Bankruptcy Court on July 13, 2023 [Docket No. 2415], as may be amended from time to time.

1.1.199 “General Bar Date” means July 7, 2023, at 5:00 p.m. (prevailing Eastern Time).

1.1.200 “Generics Price Fixing Claims” means any and all Claims or Causes of Action against the Debtors (a) arising out of, relating to, or in connection with alleged price fixing of generics products, specifically (i) all Claims and Causes of Action against the Debtors in the Generics Price Fixing MDL, including any opt-outs from the Generics Price Fixing MDL; and (ii) any other similar Claims and Causes of Action against the Debtors arising from the same nucleus of operative allegations at issue in the Generics Price Fixing MDL; and (b) for which a Proof of Claim was filed by the General Bar Date (including, for the avoidance of doubt, any consolidated, “class,” or similar Proof of Claim submitted in accordance with the Bar Date Order).

1.1.201 “Generics Price Fixing Claims Trust” means the trust to be established as a Distribution Sub-Trust in accordance with the Generics Price Fixing Claims Trust Documents, whose beneficiaries are the holders of Generics Price Fixing Claims.

1.1.202 “Generics Price Fixing Claims Trust Agreement” means the trust agreement establishing and delineating the terms and conditions for the creation and operation of the Generics Price Fixing Claims Trust.

1.1.203 “Generics Price Fixing Claims Trust Consideration” means \$16 million in Cash from the GUC Trust Consideration to be distributed by the GUC Trust to the Generics Price Fixing Claims Trust and used as set forth in the Generics Price Fixing Claims Trust Agreement, including for Distributions to holders of Allowed Generics Price Fixing Claims.

1.1.204 “Generics Price Fixing Claims Trust Distribution Procedures” means the trust distribution procedures governing (a) the processing, including the Allowance or Disallowance, of Generics Price Fixing Claims; and (b) the determination and payment of Distributions, if any, in each case, by the Generics Price Fixing Claims Trust. The Generics Price Fixing Claims Trustee shall determine the allocation of funds among holders of Allowed Generics Price Fixing Claims in accordance with the Generics Price Fixing Claims Trust Documents, which allocation shall be reasonably acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and acceptable to the Creditors’ Committee. For the avoidance of doubt, the Generics Price Fixing Claims Trust Distribution Procedures may be contained in or included as part of the Generics Price Fixing Claims Trust Agreement.

1.1.205 “Generics Price Fixing Claims Trust Documents” means the GUC Trust Documents, the Generics Price Fixing Claims Trust Agreement, and/or the Generics Price

Fixing Claims Trust Distribution Procedures, each as may be amended from time to time pursuant to the terms thereof, and including all schedules, exhibits, supplements, and any other attachments thereto, and which shall each be acceptable to the Debtors and the Creditors' Committee and reasonably acceptable to the Required Consenting Global First Lien Creditors; *provided, that*, once the Generics Price Fixing Claims Trust Documents are agreed to by the Debtors, the Required Consenting Global First Lien Creditors, and the Creditors' Committee, any subsequent amendments or modifications to the Generics Price Fixing Claims Trust Documents shall be reasonably acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and the Creditors' Committee; *provided, further, that*, with respect to (a) any provisions in any of the Generics Price Fixing Claims Trust Documents providing for an increase in the amount of any Distribution to be made to a holder of an Allowed Generics Price Fixing Claim in exchange for such holder granting or being deemed to grant, as applicable, the GUC Releases, such provisions shall be acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and the Creditors' Committee; and (b) the allocation of the Generics Price Fixing Claims Trust Consideration, such allocation shall be acceptable to the Creditors' Committee and reasonably acceptable to the Debtors and the Required Consenting Global First Lien Creditors. The Generics Price Fixing Claims Trust Documents shall be drafted in accordance with this Plan, the Confirmation Order, and the UCC Resolution Term Sheet, and shall be filed pursuant to the Distribution Sub-Trust Documents Approval Process.

1.1.206 “*Generics Price Fixing Claims Trustee*” means the Person identified as serving in such capacity in the Generics Price Fixing Claims Trust Agreement and any successors or replacements duly appointed in accordance with the Generics Price Fixing Claims Trust Documents.

1.1.207 “*Generics Price Fixing MDL*” means the case of *In re Generics Pharmaceuticals Pricing Antitrust Litigation*, 16-MD2724 (E.D. Pa.) (MDL 2724).

1.1.208 “*GoldenTree*” means GoldenTree Asset Management LP or its Affiliates.

1.1.209 “*Governmental Authority*” means any United States or non-United States national, federal, provincial, territorial, state, municipal, or local governmental, regulatory or administrative authority, agency, court or commission, or any other judicial or arbitral body (including, without limitation, the Bankruptcy Court), and including any “governmental unit” as defined in section 101(27) of the Bankruptcy Code.

1.1.210 “*Governmental Bar Date*” means May 31, 2023, at 5:00 p.m. (prevailing Eastern time).

1.1.211 “*GST/HST*” means any goods and services tax and harmonized sales tax payable under Part IX of the ETA (including, for greater certainty, the provincial component of any harmonized sales tax).

1.1.212 “*GUC Backstop Commitment Agreement*” means the Amended and Restated Backstop Commitment Agreement with Respect to the Unsecured Creditor Offering, dated as of December 28, 2023, as may be amended, restated, amended and restated,

supplemented, or otherwise modified from time to time in accordance with its terms. For the avoidance of doubt, no Debtor or Non-Debtor Affiliate was a party to the Backstop Commitment Agreement with Respect to the Unsecured Creditor Offering, dated as of April 24, 2023, and, notwithstanding anything herein to the contrary, no Debtor or Non-Debtor Affiliate has any obligation to any Person under such agreement and no such obligations are created or implied thereby.

1.1.213 “GUC Backstop Commitment Parties” means the Consenting First Lien Creditors party to the GUC Backstop Commitment Agreement.

1.1.214 “GUC Backstop Commitment Premium” means the “Commitment Premium” as defined in the GUC Backstop Commitment Agreement.

1.1.215 “GUC Excluded Parties” means (a) the Excluded Parties; and (b)(i) the TPG Parties; (ii) the Insurance Advisor Parties; (iii) the Additional Advisor Excluded Parties; (iv) the Additional Third-Party Excluded Parties and (v) the Excluded D&O Parties (subject to the Covenant Not To Collect).

1.1.216 “GUC Released Parties” means (a) the Debtors and their Estates; (b) the Non-Debtor Affiliates; (c) the Post-Emergence Entities; (d) each Consenting First Lien Creditor and Prepetition Secured Party, in each case, solely in their respective capacities as such; (e) the Ad Hoc Cross-Holder Group, the Ad Hoc First Lien Group, and each of the members of the foregoing, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the individual members thereof, in each case, solely in their respective capacities as such; (f) the Opioid Claimants’ Committee and each of the members thereof, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the individual members thereof, in each case, solely in their respective capacities as such; (g) the Creditors’ Committee and each of the members thereof, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the members thereof, in each case, solely in their respective capacities as such; (h) the FCR, solely in his capacity as such, and the advisors to the FCR, solely in their respective capacities as such; (i) the Endo EC and each of the States that are members thereof and their respective officers and Representatives, in each case, solely in their respective capacities as such; (j) the Trusts and the Trustees, administrators, boards or governing bodies of, any advisors to, and any other Persons with similar administrative or supervisory roles in connection with any of the foregoing, in each case, solely in their respective capacities as such; (k) the First Lien Backstop Commitment Parties and the GUC Backstop Commitment Parties, in each case, solely in their respective capacities as such; (l) the Unsecured Notes Indenture Trustees, solely in their respective capacities as such; (m) the Debtors’ current officers (as of or after the Petition Date); (n) the Debtors’ directors (including any Persons in any analogous roles under applicable law) that continue serving in their capacity as directors with, or become directors of, any of the Purchaser Entities after the Effective Date or continue or begin serving in any other prior senior-level

employment position³ after the Effective Date and performing services commensurate with such prior position;⁴ (o) current and former officers and directors (including any Persons in any analogous roles under applicable law) of subsidiaries of Endo International plc that are not UCC Specified Subsidiaries; (p) with respect to each of the foregoing Persons listed in clauses (a) through (c), such Persons' predecessors, successors, assigns, current and former subsidiaries and Affiliates, heirs, executors, estates, nominees, current and former employees, advisors, agents, and consultants (including any professional retained by the Debtors in the Chapter 11 Cases except, with respect to ordinary course professionals, as may be agreed on a case-by-case basis, and excluding the Arnold & Porter Parties, the McKinsey Parties, the Insurance Advisor Parties, the Additional Advisor Excluded Parties, and any other GUC Excluded Party), in each case, solely in their respective capacities as such; and (q) with respect to each of the foregoing Persons listed in clauses (d) through (l), such Persons' predecessors, successors, permitted assigns, current and former subsidiaries and Affiliates, respective heirs, executors, estates, nominees, current and former officers, directors (including any Persons in any analogous roles under applicable law), employees, and Representatives, in each case, solely in their respective capacities as such. For the avoidance of doubt, no GUC Excluded Party shall be a GUC Released Party.

1.1.217 “GUC Releases” means the releases by the GUC Releasing Parties set forth in Section 10.4 of this Plan.

1.1.218 “GUC Releasing Parties” means (a) the GUC Trust; (b) each Distribution Sub-Trust; (c) each holder of (i) an Other General Unsecured Claim; (ii) a Mesh Claim; or (iii) a Ranitidine Claim, in each case, that (1) votes to accept this Plan; (2) was solicited to vote to accept or reject this Plan but who does not vote either to accept or reject this Plan and, further, opts in to grant the GUC Releases; or (3) votes to reject this Plan and opts in to grant the GUC Releases; (d) each holder of (i) a Second Lien Deficiency Claim; (ii) an Unsecured Notes Claim; (iii) a Generics Price Fixing Claim; or (iv) a Reverse Payment Claim, in each case, that (1) votes to accept this Plan; (2) was solicited to vote to accept or reject this Plan but who does not vote either to accept or reject this Plan and, further, does not opt out of granting the GUC Releases; or (3) votes to reject this Plan and opts in to grant the GUC Releases; and (e) Representatives of each Person in the foregoing clauses (a) through (d), in each case, solely in their respective capacities as such.

1.1.219 “GUC Rights Offering” means the new money rights offering to be consummated by Purchaser Parent and backstopped pursuant to the GUC Backstop Commitment Agreement, the subscription for which was commenced on June 21, 2023,

³ For the avoidance of doubt, any individual serving in a position of Band D or higher shall be deemed to be serving in a senior-level employment position.

⁴ For the avoidance of doubt, if a director does not continue in the same position or one or more position(s) of similar seniority post-Effective Date, such individual shall not be a GUC Released Party or a Non-GUC Released Party under this clause (n); *provided, that*, to the extent employed immediately prior to the Effective Date in a senior-level non-director position, such individual was offered employment by any of the Purchaser Entities.

permitting holders of Allowed Second Lien Deficiency Claims and Allowed Unsecured Notes Claims to exercise their respective GUC Subscription Rights in accordance with the GUC Rights Offering Documents.

1.1.220 “GUC Rights Offering Documents” means the GUC Rights Offering Procedures, the GUC Backstop Commitment Agreement, the letter from the UCC describing the GUC Rights Offering included in the materials distributed by the Debtors in connection with the Bar Date Order, the Rights Offering Order, and any other definitive documents governing the GUC Rights Offering.

1.1.221 “GUC Rights Offering Procedures” means the procedures governing the GUC Rights Offering, including the GUC Rights Offering Supplement, as set forth in the Rights Offering Order, as may be amended, modified, or supplemented in accordance with the Rights Offering Order, which shall be in form and substance acceptable to the Debtors, the Required GUC Backstop Commitment Parties, and the Creditors’ Committee.

1.1.222 “GUC Rights Offering Supplement” means the supplement to the initial GUC Rights Offering Procedures, effective June 21, 2023, extending withdrawal rights for holders of Allowed Second Lien Deficiency Claims and Allowed Unsecured Notes Claims that exercised their GUC Subscription Rights in the GUC Rights Offering prior to the GUC Subscription Deadline.

1.1.223 “GUC Subscription Deadline” means July 18, 2023, at 5:00 p.m. (prevailing Eastern Time).

1.1.224 “GUC Subscription Rights” means the rights of holders of Allowed Second Lien Deficiency Claims and Allowed Unsecured Notes Claims to acquire Purchaser Equity pursuant to the GUC Rights Offering.

1.1.225 “GUC Trust” means the Voluntary GUC Creditor Trust to be established pursuant to the UCC Resolution Term Sheet and in accordance with the GUC Trust Documents.

1.1.226 “GUC Trust Agreement” means the trust agreement establishing and delineating the terms and conditions for the creation and operation of the GUC Trust, filed with the Bankruptcy Court on July 7, 2023 [Docket No. 2384], as may be amended from time to time.

1.1.227 “GUC Trust Cash Consideration” means \$60 million in Cash, subject to adjustment as set forth in the UCC Resolution Term Sheet, including to the extent that the professional fees of the Creditors’ Committee incurred on and from April 1, 2023, through and including October 31, 2023, were less than the fee cap provided in the UCC Resolution Term Sheet, in which case, the GUC Trust Cash Consideration shall be increased by an amount equal to 50% of difference between (a) the fee cap set forth in the UCC Resolution Term Sheet; and (b) the fees actually incurred by the Creditors’ Committee during the aforementioned period, in each case, in accordance with the UCC Resolution Term Sheet.

1.1.228 “GUC Trust Channeled Claims” means (a) Second Lien Deficiency Claims; (b) Unsecured Notes Claims; (c) Other General Unsecured Claims; and (d) Distribution Sub-Trust Claims.

1.1.229 “GUC Trust Class A Units” means the units to be issued by the GUC Trust to holders of Allowed Second Lien Deficiency Claims or Allowed Unsecured Notes Claims on account of such Claims, which represent the right to receive Distributions from the GUC Trust in accordance with the GUC Trust Documents.

1.1.230 “GUC Trust Class B Units” means the units to be issued by the GUC Trust to holders of Allowed Other General Unsecured Claims on account of such Claims, which shall represent the right to receive Distributions from the GUC Trust in accordance with the GUC Trust Documents.

1.1.231 “GUC Trust Consideration” means (a) the GUC Trust Cash Consideration; (b) the GUC Trust Purchaser Equity; *provided, that*, notwithstanding anything to the contrary herein or in any other Plan Document, the GUC Trust Purchaser Equity shall be distributed directly to holders of Allowed Second Lien Deficiency Claims and Allowed Unsecured Notes Claims pursuant to Section 5.20(b)(i)(3) of this Plan; (c) the GUC Subscription Rights; and (d) the GUC Trust Litigation Consideration.

1.1.232 “GUC Trust Cooperation Agreement” means an agreement between the Purchaser Entities and the GUC Trust, to be operative as of and after the Effective Date, (a) transferring to the GUC Trust, inter alia, documents, information, and privileges necessary for the pursuit and administration by the GUC Trust of the GUC Trust Litigation Claims and GUC Trust Channeled Claims; and (b) providing for reasonable terms for cooperation between the Purchaser Entities and the GUC Trust regarding the same.

1.1.233 “GUC Trust D&O Insurance Claims” means any Estate Claims or Causes of Action against any insurers that issued GUC Trust D&O Insurance Policies; *provided, that*, “GUC Trust D&O Insurance Claims” shall be limited to those Claims related to (a) breach of contract; and (b) recovery of past costs, in each case, under the GUC Trust D&O Insurance Policies.

1.1.234 “GUC Trust D&O Insurance Policies” means the Debtors’ 2018-19 director and officer insurance policies and all director and officer insurance policies issued in years preceding 2018-19, including any associated tail endorsements (including commercial side A coverage in such policy years but, for the avoidance of doubt, not including the Non-GUC Trust D&O Insurance Policies).

1.1.235 “GUC Trust Disputed Claims Reserve” means the amount of any Distributions reserved on account of any Other General Unsecured Claims deemed disputed by the GUC Trust pursuant to the GUC Trust Documents.

1.1.236 “GUC Trust Documents” means the UCC Resolution Term Sheet, the GUC Trust Agreement, the GUC Trust Cooperation Agreement, and the UCC Allocation, each as

may be amended from time to time pursuant to the terms thereof, and including all schedules, exhibits, supplements, and any other attachments thereto, and which shall each be acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and the Creditors' Committee; *provided, that*, once the GUC Trust Documents are agreed to by the Debtors, the Required Consenting Global First Lien Creditors, and the Creditors' Committee, any subsequent amendments or modifications to the GUC Trust Documents shall be reasonably acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and the Creditors' Committee; *provided, further, that*, with respect to any provisions in any of the GUC Trust Documents providing for an increase in the amount of any Distribution to be made to a holder of an Allowed GUC Trust Channeled Claim in exchange for such holder granting or being deemed to grant, as applicable, the GUC Releases, such provisions shall be acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and the Creditors' Committee. The GUC Trust Documents shall be drafted in accordance with this Plan, the Confirmation Order, and the UCC Resolution Term Sheet, and shall be filed with the Plan Supplement.

1.1.237 “GUC Trust Insurance Policies” means any known or unknown insurance policies that do or may provide coverage to the Debtors for (a) GUC Trust Channeled Claims; and/or (b) Opioid Claims, in each case, including but not limited to known or unknown products liability insurance policies, commercial general liability insurance policies, and life sciences policies, including but not limited to those known policies set forth on Schedule 2 of the UCC Resolution Term Sheet but, in each case, excluding (i) the GUC Trust D&O Insurance Policies; (ii) Non-GUC Trust Insurance Policies; and (iii) workers' compensation policies, auto liability policies, first-party property policies, fiduciary liability, crime, cyber, and any other policies identified either specifically or categorically in the Schedule of Excluded Insurance Policies.

1.1.238 “GUC Trust Insurance Rights” means (a) all of the Debtors' rights, including rights to Claims and/or proceeds, titles, privileges, interests, demands, or entitlements to any proceeds, payments, benefits, Causes of Action, choses in action, defense, or indemnity arising under, or attributable to the GUC Trust Insurance Policies, in each case, whether now existing or hereafter arising, accrued or unaccrued, liquidated or unliquidated, matured or unmatured, disputed or undisputed, fixed or contingent; and (b) the sole and exclusive right to the GUC Trust D&O Insurance Claims. For the avoidance of doubt, the transfer of the GUC Trust Insurance Rights and the pursuit of the GUC Trust D&O Insurance Claims pursuant to the foregoing clauses (a) and (b) shall not impair the rights, if any, of any D&O Insured Person under any GUC Trust Insurance Policy, GUC Trust D&O Insurance Policy, or Non-GUC Trust Insurance Policy.

1.1.239 “GUC Trust Litigation Claims” means any Claims and Causes of Action included in the GUC Trust Litigation Consideration.

1.1.240 “GUC Trust Litigation Consideration” means (a)(i) all Claims and Causes of Action held by the Debtors and their Estates against the GUC Excluded Parties, including,

for the avoidance of doubt, against (1) the McKinsey Parties; (2) the Arnold & Porter Parties⁵; (3) the TPG Parties; (4) the Insurance Advisor Parties; (5) any insurers that issued director and officer insurance policies to the Debtors prior to 2020, *provided, that*, such Claims are limited to those related to breach of contract and recovery of past costs under insurance policies issued to the Debtors prior to 2020; (6) the Excluded D&O Parties, solely with respect to actions taken prior to August 1, 2019, and *provided, that*, the GUC Trust and all other GUC Releasing Parties shall be subject to the Covenant Not To Collect; and (7) the Additional Third-Party Excluded Parties and Additional Advisor Excluded Parties; and (ii) other rights, Claims, or Causes of Action related to those in the foregoing clause (i) to be agreed upon and specifically enumerated by the Debtors, the Creditors' Committee, and the Required Consenting Global First Lien Creditors, in each case, to the extent necessary to realize the benefit of certain of the GUC Trust Consideration, a list of which, if any, shall be filed by the Voting Deadline; *provided, that*, no such rights, Claims, or Causes of Action shall modify the limitations on Claims against Excluded D&O Parties set forth in the foregoing clause (i) or in the Plan Documents, the GUC Trust Documents, or the UCC Resolution Term Sheet; and (b) the GUC Trust Insurance Rights, including any Claims related thereto against (i) the Additional Third-Party Excluded Parties; and (ii) the Additional Advisor Excluded Parties. For the avoidance of doubt, and notwithstanding anything to the contrary herein or in any Plan Document to the contrary, the GUC Trust Litigation Consideration shall be preserved and transferred to the GUC Trust pursuant to the UCC Resolution Term Sheet and in accordance with the GUC Trust Documents.

1.1.241 “GUC Trust Oversight Board” means the board appointed to oversee the affairs of the GUC Trust, as provided in the GUC Trust Agreement, which members shall be identified in the Plan Supplement.

1.1.242 “GUC Trust Purchaser Equity” means (a) 3.70% of Purchaser Equity (subject to dilution only by any issuances under the Management Incentive Plan) to be distributed to holders of Allowed Second Lien Deficiency Claims and Allowed Unsecured Notes Claims on the Effective Date in accordance with this Plan; and (b) the amount, if any, of Escrowed Equity as determined by the Net Debt Equity Split Adjustment as set forth herein.

1.1.243 “GUC Trust Units” means the GUC Trust Class A Units and the GUC Trust Class B Units.

1.1.244 “GUC Trustee” means the Person serving in such capacity as identified in the Plan Supplement and any successors or replacements duly appointed in accordance with the GUC Trust Documents.

1.1.245 “Health Canada” means the Department of Health of the federal government of Canada for which the Canadian federal Minister of Health is responsible.

⁵ The Debtors' pre-Effective Date obligations with respect to any Claim against the Arnold & Porter Parties shall be governed by Rule 2004 of the Federal Rules of Bankruptcy Procedure and the applicable orders of the Bankruptcy Court.

1.1.246 “*HHS*” means the United States Department of Health and Human Services.

1.1.247 “*HHS CMS Mesh/Ranitidine Claim*” means Claim No. 2211, filed by HHS and CMS against the Debtors, as such Claim may be amended, supplemented, or modified from time to time, together with any Claims that could be asserted with respect thereto.

1.1.248 “*HHS CMS Opioid Claim*” means Claim No. 2350, filed by HHS and CMS against the Debtors, as such Claim may be amended, supplemented, or modified from time to time, together with any Claims that could be asserted with respect thereto.

1.1.249 “*HHS IHS Opioid Claim*” means Claim No. 3636, filed by HHS and IHS against the Debtors, as such Claim may be amended, supplemented, or modified from time to time, together with any Claims that could be asserted with respect thereto.

1.1.250 “*HIPAA*” means Health Insurance Portability and Accountability Act of 1996.

1.1.251 “*Hospital Opioid Claims*” means any and all Present Private Opioid Claims against any of the Debtors (a) held by non-federal acute care hospitals (as defined by CMS) and non-federal hospitals and hospital districts that are required by law to provide inpatient acute care and/or fund the provision of inpatient acute care; and (b) for which a Proof of Claim was filed by the General Bar Date. For the avoidance of doubt, “Hospital Opioid Claims” includes Claims set forth in the Proofs of Claims filed by non-federal acute care hospitals in the Chapter 11 Cases.

1.1.252 “*Hospital TAC*” means the advisory committee tasked with overseeing the administration of the Hospital Trust in consultation with the Hospital Trustee.

1.1.253 “*Hospital Trust*” means the abatement trust to be established to (a) assume all liability for Hospital Opioid Claims; (b) administer Hospital Opioid Claims; (c) collect Distributions from the PPOC Trust made on account of such Claims; and (d) make Distributions to holders of Allowed Hospital Opioid Claims, in each case, in accordance with the Hospital Trust Documents.

1.1.254 “*Hospital Trust Agreement*” means the trust agreement establishing and delineating the terms and conditions for the creation and operation of the Hospital Trust.

1.1.255 “*Hospital Trust Distribution Procedures*” means the trust distribution procedures governing (a) the processing of Hospital Opioid Claims; and (b) the determination and payment of Distributions, if any, in each case, by the Hospital Trust.

1.1.256 “*Hospital Trust Documents*” means the PPOC Trust Documents, the Hospital Trust Agreement, and the Hospital Trust Distribution Procedures, each as may be amended from time to time pursuant to the terms thereof, and including all schedules, exhibits, supplements, and any other attachments thereto, and which shall be otherwise reasonably

acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and the Opioid Claimants' Committee; *provided, that*, with respect to any provisions in any of the Hospital Trust Documents providing for an increase in the amount of any Distribution to be made to a holder of an Allowed Hospital Opioid Claim in exchange for such holder granting or being deemed to grant, as applicable, the Non-GUC Releases, such provisions shall be acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and the Opioid Claimants' Committee. The Hospital Trust Documents shall be drafted in accordance with this Plan, the Confirmation Order, and the OCC Resolution Term Sheet, and shall be filed with the Plan Supplement.

1.1.257 “Hospital Trust Share” means a maximum aggregate amount of Cash equal to 17.3%⁶ of the PPOC Trust Consideration (subject to adjustment in accordance with the terms of the Hospital Trust Documents) to be distributed by the PPOC Trust to the Hospital Trust for Distributions to holders of Allowed Hospital Opioid Claims.

1.1.258 “Hospital Trustee” means Thomas L. Hogan and any successors or replacements duly appointed in accordance with the Hospital Trust Documents.

1.1.259 “IERP II Claims” means any and all Present Private Opioid Claims against any of the Debtors (a) held by Independent Emergency Room Physicians; and (b) for which a Proof of Claim was filed by the General Bar Date. For the avoidance of doubt, “IERP II Claims” shall not include Hospital Opioid Claims.

1.1.260 “IERP II Trustee” means Dr. Michael Masiowski and any successors or replacements duly appointed in accordance with the IERP Trust II Documents.

1.1.261 “IERP Trust II” means an abatement trust established to (a) assume all liability for IERP II Claims; (b) administer IERP II Claims; (c) collect Distributions from the PPOC Trust made on account of such Claims; and (d) make Distributions to holders of Allowed IERP II Claims, in each case, in accordance with the IERP Trust II Documents.

1.1.262 “IERP Trust II Advisory Committee” means the advisory committee tasked with overseeing the administration of the IERP Trust II in consultation with the IERP II Trustee.

1.1.263 “IERP Trust II Agreement” means the trust agreement establishing and delineating the terms and conditions for the creation and operation of the IERP Trust II.

1.1.264 “IERP Trust II Distribution Procedures” means the trust distribution procedures governing (a) the processing of IERP II Claims; and (b) the determination and payment of Distributions, if any, in each case, by the IERP Trust II.

1.1.265 “IERP Trust II Documents” means the PPOC Trust Documents, the IERP Trust II Agreement, and the IERP Trust II Distribution Procedures, each as may be amended

⁶ The Hospital Trust Share was initially 17.8%; however, in order to reach an accommodation during Mediation, the percentage above was agreed to.

from time to time pursuant to the terms thereof, and including all schedules, exhibits, supplements, and any other attachments thereto, and which shall be otherwise reasonably acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and the Opioid Claimants' Committee; *provided, that*, with respect to any provisions in any of the IERP Trust II Documents providing for an increase in the amount of any Distribution to be made to a holder of an Allowed IERP II Claim in exchange for such holder granting or being deemed to grant, as applicable, the Non-GUC Releases, such provisions shall be acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and the Opioid Claimants' Committee. The IERP Trust II Documents shall be drafted in accordance with this Plan, the Confirmation Order, and the OCC Resolution Term Sheet, and shall be filed with the Plan Supplement.

1.1.266 “*IERP Trust II Share*” means a maximum aggregate amount of Cash equal to 2.2% of the PPOC Trust Consideration (subject to adjustment in accordance with the terms of the IERP Trust II Documents) to be distributed by the PPOC Trust to the IERP Trust II for Distributions to holders of Allowed IERP II Claims.

1.1.267 “*IHS*” means the Indian Health Service.

1.1.268 “*Impaired*” means any Claim or Interest that is “impaired” as defined in section 1124 of the Bankruptcy Code.

1.1.269 “*Impaired Class*” means a Class of Claims or Interests that are Impaired.

1.1.270 “*IND*” means an “Investigational New Drug Application,” as defined in the FDCA and the applicable regulations promulgated thereunder by the FDA.

1.1.271 “*Indemnification Obligations*” means any indemnification and/or reimbursement provisions, agreements, or obligations of any of the Debtors, their Estates, or any Non-Debtor Affiliates in place as of and/or following the Petition Date for the benefit of any Indemnified Persons, in each case, as set forth in any certificates or articles of incorporation, certificates of formation, memoranda and articles of association, constitutions, or other formation documents, board resolutions, employment contracts, codes of regulation, bylaws, limited liability company agreements, partnership agreements, applicable state, corporate, or non-bankruptcy law, specific agreements, contracts, or any combination of the foregoing, in each case, of any of the Debtors, their Estates, or any Non-Debtor Affiliate.

1.1.272 “*Indemnified Person*” means any director (including any Person in an analogous role under applicable law), officer, employee, manager, member, attorney, agent, professional, or other natural person, in each case, who served in such role with, for, or on behalf of any Debtor, their Estates, or any Non-Debtor Affiliate as of and/or following the Petition Date, to whom the Debtors owe any Indemnification Obligation pursuant to any Indemnification Obligations. For the avoidance of doubt, none of (a) the Excluded Parties; (b) the TPG Parties; (c) the Insurance Advisor Parties; (d) the Additional Advisor Excluded Parties; and (e) the Additional Third-Party Excluded Parties shall be an Indemnified Person.

1.1.273 “Indemnity or Reimbursement Cause of Action” means any and all obligations, liabilities, Claims, Causes of Action, controversies, demands, rights, Liens, indemnity, contribution, reimbursement, guaranty, suits, obligations, debts, damages, judgments, accounts, defenses, remedies, offset, powers, privileges, licenses, or franchises, and any other rights of recovery, arising under or relating to indemnification and reimbursement rights.

1.1.274 “Indenture Trustee Charging Lien” means (a) with respect to the First Lien Notes Indenture Trustee, any Lien that secures payment, or other priority right to payment, of the reasonable and documented fees and expenses of the First Lien Notes Indenture Trustee that are payable under the applicable First Lien Notes Indentures and have not otherwise been paid; (b) with respect to the Second Lien Notes Indenture Trustee, any Lien that secures payment, or other priority right to payment, of the reasonable and documented fees and expenses of the Second Lien Notes Indenture Trustee that are payable under the Second Lien Notes Indenture and have not otherwise been paid; and (c) with respect to the Unsecured Notes Indenture Trustees, any Lien that secures payment, or other priority right to payment, of the reasonable and documented fees and expense of the Unsecured Notes Indenture Trustees (including the reasonable and documented fees and expenses of counsel retained by the Unsecured Notes Indenture Trustees) and that (i) are payable under the applicable Unsecured Notes Indenture and in accordance with the GUC Trust Documents; and (ii) have not otherwise been paid, including pursuant to the UCC Resolution Term Sheet, in each case, as provided for in the applicable Unsecured Notes Indenture.

1.1.275 “Indenture Trustees” means the First Lien Notes Indenture Trustee, the Second Lien Notes Indenture Trustee, and the Unsecured Notes Indenture Trustees.

1.1.276 “Indentures” means the First Lien Notes Indentures, the Second Lien Notes Indenture, and the Unsecured Notes Indentures.

1.1.277 “Independent Emergency Room Physician” means an emergency room physician whose billing and revenue collection are entirely separate from the billing practices of the medical facility/-ies where such emergency room physician practiced or is practicing and who was not employed by such medical facility/-ies at any time between 1997 and 2022.

1.1.278 “India Internal Reorganization” means the transactions described as “Step 4” of Exhibit 1 to the *Order Authorizing the Internal Reorganization Transaction* [Docket No. 2559, Ex. 1, ECF p. 6], which result in the structure depicted in the summary graphic on the following page of the same presentation (ECF p. 7).

1.1.279 “Indian Subsidiaries” means, collectively, Par Formulations Private Limited, Par Active Technologies Private Limited, and Par Biosciences Private Limited.

1.1.280 “Initial Directors” means the seven directors comprising the Purchaser Parent Board immediately following the Effective Date, who shall be chosen in accordance with the terms of the RSA and the Corporate Governance Documents. The identities of the Initial Directors, if known, shall be filed with the Plan Supplement.

1.1.281 “Insider” means an “insider” as defined in section 101(31) of the Bankruptcy Code.

1.1.282 “Insurance Advisor Parties” means the Debtors’ primary insurance advisor and any applicable Affiliates, subsidiaries, or other related Entities or Persons (other than, for the avoidance of doubt, (a) with respect to the Non-GUC Releases, any directors (including any Persons in analogous roles under applicable law), officers, or employees of the Debtors that are Non-GUC Released Parties; and (b) with respect to the GUC Releases, any directors (including any Persons in analogous roles under applicable law), officers, or employees of the Debtors that are GUC Released Parties).

1.1.283 “Intercompany Claims” means any and all Claims held by a Debtor against another Debtor or Non-Debtor Affiliate.

1.1.284 “Intercompany Interests” means Interests in any Debtor held by a Debtor or a Non-Debtor Affiliate.

1.1.285 “Intercreditor Agreements” has the meaning set forth in the Cash Collateral Order.

1.1.286 “Interest” means any equity security (as defined in section 101(16) of the Bankruptcy Code), including all shares, common stock, preferred stock, and other instruments, in each case, evidencing any fixed or contingent ownership interest, whether or not transferable, and any option, warrant, or other right, contractual or otherwise, to acquire any such interest, whether fully vested or vesting in the future, including equity and equity-based incentives, grants, and other instruments issued, granted, or promised to be granted to current or former employees, directors, officers, or contractors. “Interest” also includes any Claim that is determined to be subordinated to the status of an equity security (as defined in section 101(16) of the Bankruptcy Code) by Final Order of the Bankruptcy Court, whether under general principles of equitable subordination, section 510(b) of the Bankruptcy Code or otherwise, including any applicable Subordinated, Recharacterized, or Disallowed Claims.

1.1.287 “Interim Compensation Order” means the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals* [Docket No. 326].

1.1.288 “Irish Companies Act” means the Companies Act 2014 of Ireland (as amended from time to time).

1.1.289 “Irish High Court” means the High Court of Ireland.

1.1.290 “IRS” means the Internal Revenue Service.

1.1.291 “IRS Administrative Expense Claim” means any and all Claims asserted, or that could be asserted, by the IRS or the U.S. Government under section 503(b) of the Bankruptcy Code, together with any taxes or other amounts that are or could be due to the IRS

or the U.S. Government by the Debtors or the Post-Emergence Entities, as applicable, as a result of, or otherwise in connection with, the implementation of the U.S. Government Resolution or this Plan, including the Restructuring Transactions contemplated hereby.

1.1.292 “IRS Claim” means all Claims asserted or that could be asserted by the IRS, including but not limited to Claim No. 3289, filed by the IRS against Debtor Endo U.S. Inc., which asserts, *inter alia*, a priority unsecured Claim of \$3,495,542,269.77 and a general unsecured Claim of \$516,700,716.00, as such Claim may be amended, supplemented, or modified from time to time, together with any Claims that could be asserted with respect thereto. For the avoidance of doubt, “IRS Claim” includes all IRS Administrative Expense Claims, IRS Non-Priority Tax Claims, and IRS Priority Tax Claims.

1.1.293 “IRS Non-Priority Tax Claims” means the general unsecured Claim portion of Claim No. 3289, filed by the IRS against Debtor Endo U.S. Inc., asserted in the amount of \$516,700,716.00, as such Claim may be amended, supplemented, or modified from time to time, together with any Claims that could be asserted with respect thereto, but excluding any IRS Priority Tax Claims.

1.1.294 “IRS Priority Tax Claims” means the portion of Claim No. 3289 asserted by the IRS which is entitled to priority pursuant to section 507(a)(8) of the Bankruptcy Code, asserted in the amount of \$3,495,542,269.77, as such Claim may be amended, supplemented, or modified from time to time, together with any Claims that could be asserted with respect thereto, but excluding any IRS Non-Priority Tax Claims.

1.1.295 “Lien” has the meaning set forth in section 101(37) of the Bankruptcy Code.

1.1.296 “Listing Determination Date” means, if a Listing Event occurs within 150 days of the Effective Date, the date that is 45 days after such Listing Event.

1.1.297 “Listing Event” means the listing of the Purchaser Equity on the New York Stock Exchange or Nasdaq (whether as a result of an initial public offering, a direct listing, or otherwise).

1.1.298 “Local Government Opioid Claims” means any and all Opioid Claims held by any Local Government; *provided, that*, for the avoidance of doubt, “Local Government Opioid Claims” shall not include Public School District Claims.

1.1.299 “Local Governments” means non-federal domestic “governmental units” (as defined in section 101(27) of the Bankruptcy Code) that are not (a) States; (b) Territories; or (c) Tribes. For the avoidance of doubt, “Local Governments” shall not include any governmental unit in any non-U.S. jurisdiction.

1.1.300 “LRP” means lien resolution program.

1.1.301 “Make-Whole Claims” means any and all Claims, if any, whether secured or unsecured, derived from or based upon any make-whole, applicable premium, redemption

premium, prepayment premium, or other similar payment provisions due upon acceleration as provided for in the First Lien Notes Indentures which, for all purposes under this Plan, shall be Allowed in the amount of \$0.00.

1.1.302 “Management Incentive Plan” means the management incentive plan to be adopted by the Purchaser Parent Board.

1.1.303 “Master Proxy” means a form or instrument of proxy appointing the chairperson of the PLC EGM as the proxy of Cede & Co. to attend, speak, and vote at the PLC EGM and authorizing and directing such person to vote in favor of the PLC Liquidation Resolution, the form of which shall be filed with the Plan Supplement.

1.1.304 “MCGDP Agreement” means the Medicare Coverage Gap Discount Program Agreement.

1.1.305 “McKinsey Parties” means McKinsey & Company, Inc., McKinsey & Company, Inc. United States, and any applicable Affiliates, subsidiaries, or other related Persons (other than, for the avoidance of doubt, (a) with respect to the Non-GUC Releases, any directors (including any Persons in analogous roles under applicable law), officers, or employees of the Debtors that are Non-GUC Released Parties; and (b) with respect to the GUC Releases, any directors (including any Persons in analogous roles under applicable law), officers, or employees of the Debtors that are GUC Released Parties).

1.1.306 “Mediation” means the mediation between the Debtors and certain key parties in interest in the Chapter 11 Cases pursuant to the *Stipulation and Order (A) Granting Mediation and (B) Referring Matters to Mediation* [Docket No. 1257], as amended, modified, and extended, and as may be further amended, modified, and extended from time to time.

1.1.307 “Medicaid Program” means Title 19 of the Social Security Act, 42 U.S.C. § 1396-1, *et seq.*

1.1.308 “Mesh Claims” means any and all Claims (a) relating to any personal injury resulting from the use of transvaginal surgical mesh Products designed to treat pelvic organ prolapse or stress urinary incontinence against American Medical Systems Holdings, Inc. and any successor or predecessor thereof, or any other Debtor, and any successor or predecessor thereof; and (b) for which a Proof of Claim was filed by the General Bar Date. For the avoidance of doubt, “Mesh Claims” shall not include Future Mesh Claims.

1.1.309 “Mesh Claims Trust” means the trust to be established as a Distribution Sub-Trust in accordance with the Mesh Claims Trust Documents whose beneficiaries are the holders of Mesh Claims.

1.1.310 “Mesh Claims Trust Agreement” means the trust agreement establishing and delineating the terms and conditions for the creation and operation of the Mesh Claims Trust.

1.1.311 “Mesh Claims Trust Consideration” means (a) \$2 million in Cash from the GUC Trust Consideration; (b) 50% of certain products liability insurance proceeds allocable to liability for Mesh Claims pursuant to the GUC Trust Agreement; and (c) the right to receive 1.75% of the proceeds of the GUC Trust Litigation Consideration in accordance with the GUC Trust Agreement, in each case, to be distributed by the GUC Trust to the Mesh Claims Trust to be used as set forth in the Mesh Claims Trust Agreement, including for Distributions to holders of Allowed Mesh Claims in accordance with the Mesh Claims Trust Documents.

1.1.312 “Mesh Claims Trust Distribution Procedures” means the trust distribution procedures governing (a) the processing, including the Allowance or Disallowance, of Mesh Claims; and (b) the determination and payment of Distributions, if any, in each case, by the Mesh Claims Trust. For the avoidance of doubt, the Mesh Claims Trust Distribution Procedures may be contained in or included as part of the Mesh Claims Trust Agreement.

1.1.313 “Mesh Claims Trust Documents” means the GUC Trust Documents, the Mesh Claims Trust Agreement, and the Mesh Claims Trust Distribution Procedures, each as may be amended from time to time pursuant to the terms thereof, and including all schedules, exhibits, supplements, and any other attachments thereto, and which shall each be acceptable to the Debtors and the Creditors’ Committee and reasonably acceptable to the Required Consenting Global First Lien Creditors; *provided, that*, once the Mesh Claims Trust Documents are agreed to by the Debtors, the Required Consenting Global First Lien Creditors, and the Creditors’ Committee, any subsequent amendments or modifications to the Mesh Claims Trust Documents shall be reasonably acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and the Creditors’ Committee; *provided, further, that*, with respect to (a) any provisions in any of the Mesh Claims Trust Documents providing for an increase in the amount of any Distribution to be made to a holder of an Allowed Mesh Claim in exchange for such holder granting or being deemed to grant, as applicable, the GUC Releases, such provisions shall be acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and the Creditors’ Committee; and (b) the allocation of the Mesh Claims Trust Consideration, such allocation shall be acceptable to the Creditors’ Committee and reasonably acceptable to the Debtors and the Required Consenting Global First Lien Creditors. The Mesh Claims Trust Documents shall be drafted in accordance with this Plan, the Confirmation Order, and the UCC Resolution Term Sheet, and shall be filed in accordance with the Distribution Sub-Trust Documents Approval Process.

1.1.314 “Mesh Claims Trustee” means the Person identified as serving in such capacity in the Mesh Claims Trust Agreement and any successors or replacements duly appointed in accordance with the Mesh Claims Trust Documents.

1.1.315 “MIFID II” means the EU Markets in Financial Instruments Directive 2014 (Directive 2014/65/EU), as amended.

1.1.316 “Minimum Trading Liquidity Threshold” means either (a) the average daily trading volume of Purchaser Equity (expressed as dollar value of shares traded) over the Trading Liquidity Testing Period in an amount that is at least \$3 million; or (b) the average daily trading volume of Purchaser Equity (expressed as number of shares traded) over the

Trading Liquidity Testing Period in an amount equal to 0.35% of outstanding shares of Purchaser Equity.

1.1.317 “MIP Reserve” means 4.5% of fully diluted Purchaser Equity to be issued to management and other key employees of the Purchaser Entities in the form of equity-based awards pursuant to the Management Incentive Plan.

1.1.318 “Monitor” means the monitor appointed pursuant to that certain *Order (I) Appointing R. Gil Kerlikowske as Monitor for Voluntary Operating Injunction and (II) Approving the Monitor’s Employment of Saul Ewing as Counsel at the Cost and Expense of the Debtors* [Docket No. 1262], or any successor thereto appointed by the Bankruptcy Court prior to the Effective Date.

1.1.319 “Monitor Term” means the term beginning on the Petition Date and ending on (a) the Effective Date; or (b) such other earlier date as may be agreed by the Endo EC and, in consultation with the FCR, the Opioid Claimants’ Committee.

1.1.320 “NAS” means (a) Neonatal Abstinence Syndrome; or (b) Neonatal Opioid Withdrawal Syndrome, the medical conditions identified by the International Classification of Diseases (ICD-10 or ICD-9) for the withdrawal from drugs at birth due to fetal opioid exposure, which can result in long-term medical, physical, cognitive, or emotional conditions.

1.1.321 “NAS Additional Amount” means \$500,000 in Cash, to serve as part of the NAS PI Trust Share, which amount will be contributed by certain third parties.

1.1.322 “NAS Committee” means the advisory committee tasked with overseeing the administration of the NAS PI Trust in consultation with the NAS PI Trustee.

1.1.323 “NAS Monitoring Opioid Claims” means any and all Present Private Opioid Claims against any of the Debtors (a) held by, on account of, or on behalf of any natural person who has been diagnosed by a licensed medical provider with a medical, physical, cognitive, or emotional condition resulting from such natural person’s intrauterine exposure to opioids or opioid replacement or treatment medication, including but not limited to the condition known as neonatal abstinence syndrome, and relates to medical monitoring support, educational support, vocational support, familial support, or similar related relief, but is not a NAS PI Claim; and (b) for which a Proof of Claim was filed by the General Bar Date.

1.1.324 “NAS PI Claims” means any and all Present Private Opioid Claims against any of the Debtors (a) of any natural person who has been diagnosed by a licensed medical provider with a medical, physical, cognitive, or emotional condition resulting from such natural person’s intrauterine exposure to opioids or opioid replacement or treatment medication, including but not limited to the condition known as neonatal abstinence syndrome; and (b) for which a Proof of Claim was filed by the General Bar Date. For the avoidance of doubt, “NAS PI Claims” shall not include Future NAS PI Claims but shall include NAS Monitoring Opioid Claims.

1.1.325 “NAS PI Trust” means the victim compensation trust to be established to (a) assume all liability for NAS PI Claims; (b) administer NAS PI Claims; (c) collect Distributions from the PPOC Trust made on account of NAS PI Claims; and (d) make Distributions to holders of Allowed NAS PI Claims, in each case, in accordance with the NAS PI Trust Documents.

1.1.326 “NAS PI Trust Agreement” means the trust agreement establishing and delineating the terms and conditions for the creation and operation of the NAS PI Trust.

1.1.327 “NAS PI Trust Distribution Procedures” means the trust distribution procedures governing (a) the processing of NAS PI Claims; and (b) the determination and payment of Distributions, if any, in each case, by the NAS PI Trust.

1.1.328 “NAS PI Trust Documents” means the PPOC Trust Documents, the NAS PI Trust Agreement, and the NAS PI Trust Distribution Procedures, each as may be amended from time to time pursuant to the terms thereof, and including all schedules, exhibits, supplements, and any other attachments thereto, and which shall be otherwise reasonably acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and the Opioid Claimants’ Committee; *provided, that*, with respect to any provisions in any of the NAS PI Trust Documents providing for an increase in the amount of any Distribution to be made to a holder of an Allowed NAS PI Claim in exchange for such holder granting or being deemed to grant, as applicable, the Non-GUC Releases, such provisions shall be acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and the Opioid Claimants’ Committee. The NAS PI Trust Documents shall be drafted in accordance with this Plan, the Confirmation Order, and the OCC Resolution Term Sheet, and shall be filed with the Plan Supplement.

1.1.329 “NAS PI Trust Share” means a maximum aggregate amount of Cash equal to (a) 7.2%⁷ of the PPOC Trust Consideration (subject to adjustment in accordance with the terms of the NAS PI Trust Documents), *plus* (b) the NAS Additional Amount to be distributed by the PPOC Trust to the NAS PI Trust for Distributions to holders of Allowed NAS PI Claims.

1.1.330 “NAS PI Trustee” means Edgar C. Gentle, III, Esq. and any successors or replacements duly appointed in accordance with the NAS PI Trust Documents.

1.1.331 “Nasdaq” means the Nasdaq Stock Market.

1.1.332 “NDA” means (a) a “new drug application” as defined in the FFDCA and applicable regulations promulgated thereunder by the FDA; or (b) a supplemental new drug application, and any amendments thereto, submitted to the FDA.

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The NAS PI Trust Share was initially 5.2%; however, to reach an accommodation during mediation, other parties agreed (a) to waive for the benefit of the NAS PI Claimants certain amounts to which they would otherwise be entitled such that the NAS PI Trust Share is the percentage reflected above and (b) to the NAS Additional Amount.

1.1.333 “**NDRA**s” means National Drug Rebate Agreements.

1.1.334 “**Net Debt Equity Split Adjustment**” means the determination of the amount (if any) of the Escrowed Equity that is released (a) to the GUC Trustee for distribution to holders of Allowed Second Lien Deficiency Claims and Allowed Unsecured Notes Claims; or (b) to the Purchaser Parent and cancelled in accordance with the following procedure: (i) first, the Purchaser TEV shall be measured in accordance with the Purchaser TEV Formula on the following basis: (1) if a Listing Event occurs within 150 days of the Effective Date, the Purchaser TEV shall be calculated as of the Listing Determination Date based on the volume-weighted average price of Purchaser Equity during the 30-day period ending on the trading day prior to the Listing Determination Date; (2)(A) if a Listing Event does not occur within 150 days of the Effective Date and (B) a Minimum Trading Liquidity Threshold is achieved, the Purchaser TEV shall be based on the volume-weighted average of the over-the-counter trading price for the Purchaser Equity during the 30-day period ending on the trading day prior to the last day of the OTC Period; or (3) if (A) a Listing Event does not occur within 150 days of the Effective Date and (B) a Minimum Trading Liquidity Threshold is not achieved, then the Purchaser TEV shall be determined as of the Fallback Date based on the volume-weighted average of the over-the-counter trading price for Purchaser Equity during the 30-day period ending on the trading day prior to the Fallback Date; *provided, that*, if a Listing Event occurs prior to the Fallback Date, the Purchaser TEV shall be calculated on the Fallback Listing Determination Date, in which event the Purchaser TEV shall be measured based on the volume-weighted average price of the Purchaser Equity during the 30-day period ending on the trading day prior to the Fallback Listing Determination Date; and (ii) second, following the entry of the Purchaser TEV as determined pursuant to clause (i) above into the “TEV” row in the Net Debt Equity Split Adjustment Form, (1) if the resulting value in the cell “Adjusted Equity Split to Unsecured” in Net Debt Equity Split Adjustment Form exceeds 3.70%, then the amount of Escrowed Equity equal to (A) such value, *minus* (B) 3.70% shall be released from escrow and issued to the GUC Trust for distribution to holders of Allowed Second Lien Deficiency Claims and Allowed Unsecured Notes Claims (or, if practicable, in the joint determination of the GUC Trustee and Purchaser, issued directly to such holders as of the Effective Date through DTC), and the remaining Escrowed Equity shall be returned to the Purchaser Parent and cancelled; or (2) if the resulting value in the cell “Adjusted Equity Split to Unsecured” in the Net Debt Equity Split Adjustment Form is 3.70% or less, then all of the Escrowed Equity shall be returned to the Purchaser Parent and cancelled.⁸

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For the avoidance of doubt, the Net Debt Equity Split Adjustment is premised on, and applicable only if, the net debt of the Purchaser Entities on the Effective Date is no more than \$2.3 billion.

1.1.335 “Net Debt Equity Split Adjustment Form” means the following form:

Equity Split Adjustment Form	
Equity Value	\$[•]
(+) Total Debt	[•]
(+) Total Preferred Stock	[•]
(-) Unrestricted Cash	[•]
A TEV	\$[•]
(-) Initial Exit Net Debt	(2,500)
Initial Equity Value	\$[•]
(x) Initial Equity Split to Unsecured	4.25%
B Initial Equity Value to Unsecured	\$[•]
Adjustment:	
A TEV	\$[•]
(-) Revised Exit Net Debt	(2,300)
C Revised Equity Value	\$[•]
B Initial Equity Value to Unsecured	\$[•]
C (I) Revised Equity Value	[•]
Adjusted Equity Split to Unsecured	[•]%

1.1.336 “New Takeback Debt” means, to the extent applicable, new first lien secured takeback debt deemed to be incurred by the Purchaser Obligors as of the Effective Date.

1.1.337 “Nominated Directors” means (a) one Initial Director nominated by GoldenTree; and (b) one Initial Director nominated by GoldenTree that is independent and not an employee of GoldenTree.

1.1.338 “Nominating and Selection Committee” means a nominating and selection committee related to selection of the initial Purchaser Parent Board to be comprised of (a) Consenting Other First Lien Creditors holding over \$225 million of Prepetition First Lien Indebtedness throughout the selection process; and (b) members of the existing steering committee of the Ad Hoc First Lien Group as of March 24, 2023, holding over \$100 million of Prepetition First Lien Indebtedness throughout the selection process.

1.1.339 “Non-Continuing Directors” means (a) individuals who were, prior to the Petition Date, directors of Endo International plc or any of the UCC Specified Subsidiaries, and who, as of the Petition Date, no longer held that role and were no longer as of the Petition Date a director of any Debtor; and (b) individuals who were, as of the date of the UCC Resolution Term Sheet, directors of Endo International plc or the UCC Specified Subsidiaries;⁹ *provided, that*, if an individual described in the foregoing clauses (a) and (b) is, immediately following the Effective Date, (i) a director or officer of any of the Purchaser Entities or any of their Affiliates; or (ii) a senior-level employee that continues serving in a senior-level position post-

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For the avoidance of doubt, if a director does not continue in any director or senior-level non-director position immediately post-Effective Date, such individual shall be a Non-Continuing Director; *provided, that*, such individual, to the extent employed immediately prior to the Effective Date in a senior-level non-director position, was offered employment by any of the Purchaser Entities.

Effective Date and performing services commensurate with such position(s), such individual shall not be a Non-Continuing Director.

1.1.340 “Non-Debtor Affiliates” means the Affiliates and subsidiaries of Endo International plc that did not file voluntary petitions for relief in the Chapter 11 Cases.

1.1.341 “Non-GUC Released Parties” means (a) the Debtors and their Estates; (b) the Non-Debtor Affiliates; (c) the Post-Emergence Entities; (d) each Consenting First Lien Creditor and Prepetition Secured Party, solely in their respective capacities as such; (e) the Ad Hoc Cross-Holder Group, the Ad Hoc First Lien Group, and each of the members of the foregoing, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the individual members thereof, in each case, solely in their respective capacities as such; (f) the Opioid Claimants’ Committee and each of the members thereof, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the individual members thereof, in each case, solely in their respective capacities as such; (g) the Creditors’ Committee and each of the members thereof, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the members thereof, in each case, solely in their respective capacities as such; (h) the FCR, solely in his capacity as such, and the advisors to the FCR, solely in their respective capacities as such; (i) the Endo EC and each of the States that are members thereof and their respective officers and Representatives, in each case, solely in their respective capacities as such; (j) the Trusts and the Trustees, administrators, boards or governing bodies of, any advisors to, and any other Persons with similar administrative or supervisory roles in connection with, any of the foregoing, in each case, solely in their respective capacities as such; (k) the First Lien Backstop Commitment Parties and the GUC Backstop Commitment Parties, in each case, solely in their respective capacities as such; (l) the Unsecured Notes Indenture Trustees, solely in their respective capacities as such; (m) with respect to each of the foregoing Persons listed in clauses (a) through (l), such Persons’ predecessors, successors, permitted assigns, current and former subsidiaries and Affiliates, respective heirs, executors, estates, and nominees, in each case, solely in their respective capacities as such; and (n) with respect to each of the foregoing Persons listed in clauses (a) through (m), such Persons’ current and former officers, directors (including any Persons in any analogous roles under applicable law), employees, and Representatives, in each case, solely in their respective capacities as such. Notwithstanding the foregoing or anything to the contrary herein or in any other Plan Document, “Non-GUC Released Parties” shall not include any Excluded Party and all Claims and Causes of Action against such Persons shall be preserved and not released in accordance with this Plan.

1.1.342 “Non-GUC Releases” means the releases by the Non-GUC Releasing Parties set forth in Section 10.3 of this Plan.

1.1.343 “Non-GUC Releasing Parties” means each (a) Non-GUC Released Party, other than (i) the Debtors; and (ii) the Post-Emergence Entities; (b) holder of a State Opioid Claim; (c) holder of (i) a PI Opioid Claim; (ii) a NAS PI Claim; (iii) an IERP II Claim; (iv) an Other Opioid Claim; or (v) an EFBD Claim, in each case, that (1) votes to accept the Plan; (2) was solicited to vote to accept or reject this Plan but that does not vote to either accept or reject this plan and, further, opts in to grant the Non-GUC Releases; or (3) votes to reject this

Plan and opts in to grant the Non-GUC Releases; (d) holder of (i) a Priority Non-Tax Claim; (ii) an Other Secured Claim; (iii) a First Lien Claim; (iv) a Local Government Opioid Claim; (v) a Tribal Opioid Claim; (vi) a Hospital Opioid Claim; (vii) a TPP Claim; (viii) a Public School District Claim; (ix) a Canadian Provinces Claim; (x) a Settling Co-Defendant Claim; (xi) a Subordinated, Recharacterized, or Disallowed Claim; or (xii) an Existing Equity Interest, in each case, that (1) votes to accept this Plan; (2) is presumed to accept this Plan and does not opt out of granting the Non-GUC Releases; (3) is deemed to reject this Plan and does not opt out of granting the Non-GUC Releases; (4) was solicited to vote to accept or reject this Plan but who does not vote either to accept or reject this Plan and, further, does not opt out of granting the Non-GUC Releases; or (5) votes to reject this Plan and opts in to grant the Non-GUC Releases; and (e) Representatives of each Person in the foregoing clauses (a), (b), (c), and (d), in each case, solely in their respective capacities as such.

1.1.344 “Non-GUC Trust D&O Insurance Policies” means any PCC and the Debtors’ 2022-24 commercial director and officer insurance policies, including any tail policies relating to or associated with the foregoing. For the avoidance of doubt, “Non-GUC Trust D&O Insurance Policies” shall not include the GUC Trust D&O Insurance Policies.

1.1.345 “Non-GUC Trust Insurance Policies” means, collectively, (a) any insurance policy that is issued or becomes effective on or after the Effective Date; (b) the Non-GUC Trust D&O Insurance Policies; (c) any insurance policy identified either specifically or categorically in the Schedule of Excluded Insurance Policies; and (d) all of the Debtor Insurance Policies, other than (i) the GUC Trust Insurance Policies; and (ii) the GUC Trust D&O Insurance Policies.

1.1.346 “Non-IRS Priority Tax Claims” means any and all Claims held by any Governmental Authority, other than the IRS, entitled to priority pursuant to section 507(a)(8) of the Bankruptcy Code or other applicable law in the jurisdiction in which the applicable Debtor carries on business.

1.1.347 “Non-U.S. Payor” means an Irish or other Entity that is created, organized, or resides in a jurisdiction other than the United States.

1.1.348 “Notes” means the First Lien Notes, the Second Lien Notes and the Unsecured Notes.

1.1.349 “Notes Claims” means any and all Claims on account of any of the Notes.

1.1.350 “OCC Resolution” means the resolution reached with the Opioid Claimants’ Committee resolving certain disputes set forth in the Resolution Stipulation, the terms of which are set forth in the OCC Resolution Term Sheet and the PPOC Trust Documents.

1.1.351 “OCC Resolution Term Sheet” means the Amended Voluntary Present Private Opioid Claimant Trust Term Sheet filed with the Bankruptcy Court on July 13, 2023 [Docket No. 2415], as may be amended from time to time.

1.1.352 “Offer Employee” means, as of immediately prior to the Effective Date, any employee of the Debtors or Non-Debtor Affiliates that is not (a) a Specified Subsidiary Employee; or (b) an Automatic Transfer Employee.

1.1.353 “Opana ER” means the long-acting opioid analgesic Opana ER and Opana ER with INTAC.

1.1.354 “Opioid Claimants’ Committee” means the Official Committee of Opioid Claimants appointed in these Chapter 11 Cases.

1.1.355 “Opioid Claims” means any and all Claims and Causes of Action, existing as of the Petition Date, against any of the Debtors in any way arising out of or relating to Opioids or Opioid Products manufactured or sold by any of the Debtors, any Non-Debtor Affiliate, any of their respective predecessors, or any other Released Party, in each case, prior to the Effective Date; *provided, that*, “Opioid Claims” shall not include Claims for indemnification (contractual or otherwise), contribution, or reimbursement arising out of or relating to Opioids or Opioid Products manufactured or sold by any Debtor, any Non-Debtor Affiliate, or any of their respective predecessors, in each case, prior to the Effective Date. For the avoidance of doubt, “Opioid Claims” shall not include Future Opioid PI Claims.

1.1.356 “Opioid MDL” means *In re Nat’l Prescription Opiate Litig.*, No. 1:17-MD-2804 (N.D. Ohio).

1.1.357 “Opioid Products” means all current and future medications containing Opioids approved by the FDA and listed by the DEA as Schedule II, III, or IV pursuant to the federal CSA (including, but not limited to, buprenorphine, codeine, fentanyl, hydrocodone, hydromorphone, meperidine, methadone, morphine, oxycodone, oxymorphone, tapentadol, and tramadol); *provided, however, that*, “Opioid Products” shall not include the following items, notwithstanding that such items would otherwise satisfy this definition of Opioid Products: (a) methadone, buprenorphine, or other products with an FDA-approved label that lists the treatment of OUD or opioid or other substance use disorder, abuse, addiction, dependence, or overdose as their “indications or usage,” insofar as the product is being used to treat OUD or opioid or other substance abuse, addiction, dependence, or overdose; or (b) raw materials, immediate precursors, and/or APIs used in the manufacture or study of Opioids or Opioid Products, but only when such materials, immediate precursors, and/or APIs are sold or marketed exclusively to DEA-licensed manufacturers or DEA-licensed researchers.

1.1.358 “Opioid School District Recovery Trust” means the Public Schools’ Special Education Initiative, as such term is defined in the *Modified Fourth Amended Joint Plan of Reorganization (with Technical Modifications) of Mallinckrodt plc and Its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code, In re: Mallinckrodt plc, et al.*, Case No. 20-12522 (JTD) (Bankr. D. Del. Jun. 21, 2022) [Docket No. 7670], which is now known as the Opioid School District Recovery Trust.

1.1.359 “Opioid School District Recovery Trust Consideration” means a maximum aggregate amount of \$3 million in Cash, which amount may be reduced to an amount no lower

than \$1.5 million in Cash based on the procedure and calculation set forth in Section 5.20(g)(i) of this Plan. The Opioid School District Recovery Trust Consideration shall be distributed to the Opioid School District Recovery Trust for the benefit of public school districts nationwide in accordance with the Opioid School District Recovery Trust Governing Documents.

1.1.360 “Opioid School District Recovery Trust Governing Documents” means the documents governing the implementation of the terms of the Public Schools Term Sheet, including the funding and use of the Opioid School District Recovery Trust Consideration, each as may be amended from time to time pursuant to the terms thereof, and including all schedules, exhibits, supplements, and any other attachments thereto, and which shall be otherwise acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and Ad Hoc Group of Public Schools, and which shall be filed with the Plan Supplement. The Opioid School District Recovery Trust Governing Documents shall be drafted in accordance with this Plan, the Confirmation Order, and the Public Schools Term Sheet.

1.1.361 “Opioid-Related Activities” means the development, production, manufacture, licensing, labeling, marketing, advertising, promotion, distribution, or sale of Opioids or Opioid Products, or the use or receipt of any proceeds therefrom, or the use of Opioids, including Opioids that are not Opioid Products, or any other activities that form the basis of an Opioid Claim.

1.1.362 “Opioids” means all FDA- or Health Canada-approved pain reducing medications consisting of natural, synthetic, or semisynthetic chemicals that bind to opioid receptors in a patient’s brain or body to produce an analgesic effect. The term “Opioid” shall not include: (a) medications and other substances used to treat OUD or opioid or other substance use disorders, abuse, addiction, or overdose, other than METADOL-D® (methadone hydrochloride); (b) raw materials and/or immediate precursors used in the manufacture or study of Opioids or Opioid Products, but only when such materials and/or immediate precursors are sold or marketed exclusively to DEA-licensed manufacturers or DEA-licensed researchers; (c) opioids listed by the DEA as Schedule IV drugs pursuant to the CSA; or (d) chemicals used in products with an FDA-approved label that lists the treatment of OUD or opioid or other substance use disorder, abuse, addiction, dependence, or overdose as their “indications or usage.” For the avoidance of doubt, the term “Opioid” shall not include the opioid antagonists buprenorphine, methadone (other than METADOL-D® (methadone hydrochloride)), naloxone, or naltrexone.

1.1.363 “OTC Period” means the period commencing on the Effective Date and ending 150 days thereafter.

1.1.364 “Other General Unsecured Claims” means any and all unsecured Claims against any of the Debtors other than (a) First Lien Claims; (b) Notes Claims (including, for the avoidance of doubt, Second Lien Deficiency Claims and Unsecured Notes Claims); (c) Claims that are Secured by collateral (including Other Secured Claims); (d) Opioid Claims (including, for the avoidance of doubt, Present Private Opioid Claims, State Opioid Claims, Local Government Opioid Claims, Tribal Opioid Claims, and Public School District Claims); (e) Canadian Provinces Claims; (f) Other Opioid Claims; (g) Subordinated, Recharacterized, or

Disallowed Claims; (h) Settling Co-Defendant Claims; (i) Distribution Sub-Trust Claims; (j) EFBD Claims; (k) Administrative Expense Claims; (l) Intercompany Claims; (m) Claims entitled to priority under the Bankruptcy Code (including the IRS Claim, Non-IRS Priority Tax Claims, and Priority Non-Tax Claims); (n) U.S. Government Claims (including, for the avoidance of doubt, any Claims of any political subdivisions or agencies of the U.S. Government); (o) Claims that are otherwise eligible to be paid pursuant to the Customer Programs Order or the Specified Trade Claims Order; (q) Claims for Cure Amounts; and (p) Claims by an employee of a Debtor or Non-Debtor Affiliate relating to prepetition compensation programs, an equity Interest in any of the Debtors, or a Claim related to any equity Interest in the Debtors. For the avoidance of doubt, “Other General Unsecured Claims” shall include Co-Defendant Claims that (i) are not Opioid Claims; (ii) do not relate to the Debtors’ Opioid-Related Activities; and (iii) have been Allowed under section 502(j) of the Bankruptcy Code; *provided, that*, for the avoidance of doubt, any Co-Defendant Claim that satisfies this definition of “Other General Unsecured Claims” shall be deemed to be an “Other General Unsecured Claim” notwithstanding that such Claim may satisfy the definition of another type of Claim provided herein.

1.1.365 “Other Opioid Claims” means any and all Opioid Claims, if any, that are not (a) Present Private Opioid Claims; (b) Future PI Claims; (c) State Opioid Claims; (d) Tribal Opioid Claims; (e) Settling Co-Defendant Claims; (f) Canadian Provinces Claims; (g) Public School District Claims; or (h) Local Government Opioid Claims. For the avoidance of doubt, “Other Opioid Claims” includes any Claim that is Allowed after the Effective Date under sections 502(h) (or any Claim asserted as a consequence of the recovery of property under chapter 5 of the Bankruptcy Code) and 502(j) of the Bankruptcy Code, which Allowed Claim otherwise satisfies this definition of “Other Opioid Claims.”¹⁰

1.1.366 “Other Opioid Claims Trust” means the trust to be established in accordance with the Other Opioid Claims Trust Documents in the event there are any Other Opioid Claims, whose beneficiaries are the holders of Other Opioid Claims, if any.

1.1.367 “Other Opioid Claims Trust Agreement” means the trust agreement establishing and delineating the terms and conditions for the creation and operation of the Other Opioid Claims Trust in the event the Other Opioid Claims Trust is to be established.

1.1.368 “Other Opioid Claims Trust Consideration” means, with respect to any Allowed Other Opioid Claim, an amount equal to (a)(i) the Allowed amount of such Allowed Other Opioid Claim, *divided by* (ii) the total amount of Allowed Other Opioid Claims as of the date of Allowance of the applicable Allowed Other Opioid Claim, *multiplied by* (b)(i) the maximum aggregate amount of Distributions that may be made under this Plan to holders of Opioid Claims (other than Other Opioid Claims), *divided by* (ii) the Deemed Opioid Claims

¹⁰ “Other Opioid Claims” includes, without limitation, Opioid Claims held by the Canadian First Nations and Canadian Municipalities.

Pool, subject to a maximum aggregate payment with respect to all Allowed Other Opioid Claims, if any, of \$200,000.

1.1.369 “Other Opioid Claims Trust Distribution Procedures” means the trust distribution procedures governing (a) the processing, including the Allowance or Disallowance, of Other Opioid Claims, if any; and (b) the determination and payment of Distributions, if any, in each case, by the Other Opioid Claims Trust. For the avoidance of doubt, the Other Opioid Claims Trust Distribution Procedures may be contained in or included as part of the Other Opioid Claims Trust Agreement.

1.1.370 “Other Opioid Claims Trust Documents” means the Other Opioid Claims Trust Agreement and/or the Other Opioid Claims Trust Distribution Procedures, each as may be amended from time to time pursuant to the terms thereof, and including all schedules, exhibits, supplements, and any other attachments thereto, and which shall each be acceptable to the Debtors and the Required Consenting Global First Lien Creditors, and reasonably acceptable to the Opioid Claimants’ Committee. The Other Opioid Claims Trust Documents shall be drafted in accordance with this Plan and the Confirmation Order, and shall be filed with the Plan Supplement.

1.1.371 “Other Opioid Claims Trustee” means the Plan Administrator and any successors or replacements duly appointed in accordance with the Other Opioid Claims Trust Documents.

1.1.372 “Other Secured Claims” means any and all Secured Claims against any Debtor that are not First Lien Claims. For the avoidance of doubt, “Other Secured Claims” shall not include any Second Lien Notes Claims.

1.1.373 “OUD” means opioid-use disorder.

1.1.374 “PCC” means any insurance policies or coverage offered under a protective captive cell arrangement (including, without limitation, Isosceles Insurance Ltd. Policy Nos. EN-01-2021 and EN-01-22 issued to Endo International plc and those insurance policies’ participation agreements, cash collateral agreements, and any other related agreements), in each case, for the benefit of any D&O Insured Person. All PCCs shall be Non-GUC Trust D&O Insurance Policies.

1.1.375 “Person” has the meaning set forth in section 101(41) of the Bankruptcy Code.

1.1.376 “Petition Date” means August 16, 2022, May 25, 2023, or May 31, 2023, as applicable.

1.1.377 “PI Committee” means the advisory committee tasked with overseeing the administration of the PI Trust in consultation with the PI Trustee.

1.1.378 “PI Opioid Claims” means any and all Present Private Opioid Claims against any of the Debtors (a) held by any natural person (i) who has been diagnosed by a licensed medical provider with a medical, physical, cognitive, or emotional condition resulting from such natural person’s exposure to Opioids or opioid replacement or treatment medication; and (ii) arising from (1) such natural person’s use of a Qualifying Opioid; or (2) the use by a decedent of a Qualifying Opioid, in each case, prior to January 1, 2019; and (b) for which a Proof of Claim was filed by the General Bar Date. For the avoidance of doubt, NAS PI Claims are not PI Opioid Claims.

1.1.379 “PI Trust” means the victim compensation trust to be established to (a) assume all liability for PI Opioid Claims; (b) administer PI Opioid Claims; (c) collect the PI Trust Share; and (d) make Distributions to holders of Allowed PI Opioid Claims, in each case, in accordance with the PI Trust Documents.

1.1.380 “PI Trust Agreement” means the trust agreement establishing and delineating the terms and conditions for the creation and operation of the PI Trust.

1.1.381 “PI Trust Distribution Procedures” means the trust distribution procedures governing (a) the processing of PI Opioid Claims; and (b) the determination and payment of Distributions, if any, in each case, by the PI Trust.

1.1.382 “PI Trust Documents” means the PPOC Trust Documents, the PI Trust Agreement, and the PI Trust Distribution Procedures, each as may be amended from time to time pursuant to the terms thereof, and including all schedules, exhibits, supplements, and any other attachments thereto, and which shall be otherwise reasonably acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and the Opioid Claimants’ Committee; *provided, that*, with respect to any provisions in any of the PI Trust Documents providing for an increase in the amount of any Distribution to be made to a holder of an Allowed PI Opioid Claim in exchange for such holder granting or being deemed to grant, as applicable, the Non-GUC Releases, such provisions shall be acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and the Opioid Claimants’ Committee. The PI Trust Documents shall be drafted in accordance with this Plan, the Confirmation Order, and the OCC Resolution Term Sheet, and shall be filed with the Plan Supplement.

1.1.383 “PI Trust Share” means a maximum aggregate amount of Cash equal to 44.5%¹¹ of the PPOC Trust Consideration (to be calculated in accordance with the terms of the PI Trust Documents) to be distributed by the PPOC Trust to the PI Trust for Distributions to holders of Allowed PI Opioid Claims.

1.1.384 “PI Trustee” means Edgar C. Gentle, III, Esq. and any successors or replacements duly appointed in accordance with the PI Trust Documents.

¹¹ The PI Trust Share was initially 45.3%; however, to reach an accommodation during mediation, the percentage above was agreed to.

1.1.385 “Plan” means this joint chapter 11 plan of reorganization, including and incorporating by reference all attachments, exhibits, appendices, and schedules hereto (including any appendices, schedules, and supplements to this Plan, including any documents contained in the Plan Supplement), in present form or as may be subsequently amended, restated, supplemented, or otherwise modified in accordance with the Bankruptcy Code, Bankruptcy Rules, and this Plan.

1.1.386 “Plan Administration Estimate” means the estimate attached to the RSA as Exhibit D, as the same may be updated from time to time in accordance with the terms of this Plan, the RSA, and the Plan Administrator Agreement, as applicable. For the avoidance of doubt, the version of the Plan Administration Estimate attached to the RSA as Exhibit D is a preliminary version of the Plan Administration Estimate. The form of the Plan Administration Estimate shall be agreed to between the Plan Administrator and the Purchaser Entities and include an initial amount to be funded by the Purchaser Entities under the Plan Administrator Agreement, which initial amount (a) may be adjusted as agreed between the Plan Administrator and the Purchaser Entities as reasonably necessary for the Plan Administrator to implement the terms of the Plan Administrator Agreement; and (b) is not, and shall not be deemed to be, a cap on any amounts to be funded by the Purchaser Entities based upon subsequent requests of the Plan Administrator.

1.1.387 “Plan Administrator” means an Entity appointed by the Debtors and the Required Consenting Global First Lien Creditors, in consultation with the Committees and the FCR, to effectuate the terms of this Plan after the Effective Date on behalf of the Remaining Debtors and to wind down, dissolve or liquidate the Remaining Debtors.

1.1.388 “Plan Administrator Agreement” means an agreement by and between the Plan Administrator and the Remaining Debtors setting forth the terms of the Plan Administrator’s engagement consistent with Section 5.7 of this Plan, which shall be acceptable to the Debtors and the Required Consenting Global First Lien Creditors.

1.1.389 “Plan Documents” means (a) this Plan; (b) the Plan Supplement; (c) the PSA; and (d) the Confirmation Order, each as may be amended from time to time and, in each case, including any and all of the schedules, documents, and exhibits contained herein and therein, and all other schedules, documents, supplements, and exhibits hereto and thereto.

1.1.390 “Plan Injunction” means the injunction set forth in Section 10.8 of this Plan.

1.1.391 “Plan Objection Deadline” means the date set by the Bankruptcy Court as the deadline to file an objection to this Plan with the Bankruptcy Court.

1.1.392 “Plan Settlements” means the settlements of certain Claims and controversies described in Section 5.20 and Article VI of this Plan.

1.1.393 “Plan Supplement” means one or more compilations of documents and/or forms of documents, schedules, and exhibits to this Plan, as may be amended, supplemented,

or otherwise modified from time to time, which shall be (a) in form and substance acceptable to the Debtors and the Required Consenting Global First Lien Creditors (subject to any consent rights of any other parties otherwise provided herein with respect to the documents comprising the Plan Supplement, including, for the avoidance of doubt, the consent rights set forth in the definitions of the applicable Trust Documents); *provided, that*, with respect to any Plan Supplement documents not separately defined herein and other than the Trust Documents, any provisions in such documents that materially and adversely affect the rights or entitlements of the constituencies or members of the Committees or the FCR under this Plan shall be reasonably acceptable to the Creditors' Committee, the Opioid Claimants' Committee, or the FCR, as applicable; and (b) filed by the Debtors no later than the date of the Plan Supplement Filing Deadline. The Plan Supplement shall include, without limitation: (i) the Trust Documents (*provided, however, that*, the Distribution Sub-Trust Documents shall be filed in accordance with Section 5.20(b)(vi) of this Plan); (ii) the Opioid School District Recovery Trust Governing Documents; (iii) the Voluntary Opioid Operating Injunction, including the VOI Side Letter; (iv) the Corporate Governance Documents of Purchaser Parent; (v) the Management Incentive Plan; (vi) the Rejection Schedule; (vii) the Schedule of Retained Causes of Action; (viii) the Step Transactions Documents; (ix) the Exit Financing Documents; (x) the Schedule of Excluded Insurance Policies; (xi) the schedule of Qualifying Opioids; (xii) the U.S. Government Resolution Documents; and (xiii) the Plan Administrator Agreement.

1.1.394 “Plan Supplement Filing Deadline” means the date that is seven days before the Plan Objection Deadline.

1.1.395 “Plan Transaction” means the transactions among the Debtors and the Purchaser Entities contemplated by, as set forth in, and in accordance with the PSA and this Plan.

1.1.396 “PLC EGM” means the extraordinary general meeting of Endo International plc to be convened and held following the Effective Date to consider the PLC Liquidation Resolution.

1.1.397 “PLC Liquidation Resolution” means a resolution of the shareholders of Endo International plc authorizing the commencement of liquidation proceedings.

1.1.398 “Post-Emergence Entities” means, as of and following the Effective Date, the (a) Purchaser Entities; (b) Remaining Debtors; and (c) any Non-Debtor Affiliates that are not owned, directly or indirectly, by Purchaser Parent, as applicable.

1.1.399 “PPAs” means Pharmaceutical Pricing Agreements.

1.1.400 “PPOC” means a Present Private Opioid Claimant.

1.1.401 “PPOC Change of Control Payment” means a payment to be made pursuant to the PPOC Trust Documents upon any Change of Control of Purchaser Parent, at which time Purchaser Parent must immediately make a payment to the PPOC Trust in an amount equal to either (a) with respect to any Change of Control that occurs on or before the

first anniversary of the Effective Date, the applicable PPOC Prepayment Amount otherwise payable on the date of such Change of Control; or (b) with respect to any Change of Control that occurs after the first anniversary of the Effective Date, the amount equal to the third PPOC Trust Installment Payment and any other outstanding remaining PPOC Trust Installment Payments that come into existence due to any adjustment of the amounts and/or timing of the PPOC Trust Installment Payments pursuant to the PPOC Trust Documents, which amount in this clause (b), if made before the second anniversary of the Effective Date, shall be equal to the present value of such amount, discounted at a discount rate of 12% per annum. Any PPOC Change of Control Payment required to be made and not paid when due shall bear interest at a default rate of 12% per annum, compounding quarterly, from the due date until paid in full.

1.1.402 “PPOC Prepayment Amount” means any amount paid or required to be paid as a result of Purchaser Parent’s exercise of the PPOC Prepayment Option.

1.1.403 “PPOC Prepayment Option” means the option of Purchaser Parent to, during the 12-month period commencing on the Effective Date, prepay in full the then-outstanding amount of the PPOC Trust Installment Payments in accordance with the PPOC Trust Documents.

1.1.404 “PPOC Sub-Trust Documents” means the Hospital Trust Documents, the IERP Trust II Documents, the NAS PI Trust Documents, the PI Trust Documents, and the TPP Trust Documents.

1.1.405 “PPOC Sub-Trusts” means the Hospital Trust, the IERP Trust II, the NAS PI Trust, the PI Trust, and the TPP Trust.

1.1.406 “PPOC Trust” means the trust to be established and funded with the PPOC Trust Consideration and the NAS Additional Amount in accordance with the PPOC Trust Documents, this Plan, and the Confirmation Order.

1.1.407 “PPOC Trust Agreement” means the trust agreement establishing and delineating the terms and conditions for the creation and operation of the PPOC Trust.

1.1.408 “PPOC Trust Claim Shares” means (a) the Hospital Trust Share; (b) the IERP Trust II Share; (c) the NAS PI Trust Share; (d) the PI Trust Share; and (e) the TPP Trust Share.

1.1.409 “PPOC Trust Consideration” means a maximum aggregate amount of \$119.2 million in Cash (subject to adjustment in accordance with the PPOC Trust Documents, including as a result of the prepayment or non-prepayment of the PPOC Trust Consideration) to be distributed to the PPOC Trust and distributed by the PPOC Trust to the PPOC Sub-Trusts for Distributions to holders of Allowed Present Private Opioid Claims and otherwise used in accordance with the PPOC Trust Documents.

1.1.410 “PPOC Trust Distribution Procedures” means the trust distribution procedures governing (a) the processing of Present Private Opioid Claims; and (b) the

Distribution of the PPOC Trust Consideration and the NAS Additional Amount, including with respect to the PPOC Trust Claim Shares, in each case, by the PPOC Trust and in accordance with the PPOC Trust Documents.

1.1.411 “PPOC Trust Documents” means the PPOC Trust Agreement and the PPOC Trust Distribution Procedures, each as may be amended from time to time pursuant to the terms thereof, and including all schedules, exhibits, supplements, and any other attachments thereto, and which shall be otherwise reasonably acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and the Opioid Claimants’ Committee; *provided, that*, with respect to any provisions in any of the PPOC Trust Documents providing for an increase in the amount of any Distribution to be made to a holder of an Allowed Present Private Opioid Claim in exchange for such holder granting or being deemed to grant, as applicable, the Non-GUC Releases, such provisions shall be acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and the Opioid Claimants’ Committee. The PPOC Trust Documents shall be drafted in accordance with this Plan, the Confirmation Order, and the OCC Resolution Term Sheet, and shall be filed with the Plan Supplement.

1.1.412 “PPOC Trust Indemnified Parties” means the PPOC Trustee(s) and certain other professionals and Persons engaged by the PPOC Trust as set forth in the PPOC Trust Agreement, in each case, solely in such Person’s capacity as such.

1.1.413 “PPOC Trust Installment Payments” means the installment payments to be made pursuant to the PPOC Trust Documents by the Debtors and/or Purchaser Parent, as applicable, to the PPOC Trust, which installment payments, in the aggregate, comprise the PPOC Trust Consideration and the NAS Additional Amount. The timing and amount of each PPOC Trust Installment Payment shall be calculated in accordance with the PPOC Trust Documents.

1.1.414 “PPOC Trust Operating Reserve” means an operating reserve to be established by the PPOC Trust (and funded solely from the PPOC Trust Consideration and the NAS Additional Amount) to pay the Trust Operating Expenses of the PPOC Trust.

1.1.415 “PPOC Trustee(s)” means the trustee or group of trustees serving in such capacities pursuant to the PPOC Trust Agreement, which trustee or group of trustees shall be identified in the Plan Supplement.

1.1.416 “Preliminary Operating Injunction” means that certain voluntary operating injunction appended to the Preliminary Operating Injunction Order as Appendix 1.

1.1.417 “Preliminary Operating Injunction Order” means the *Order Granting Debtors’ Motion for a Preliminary Injunction Pursuant to Section 105 of the Bankruptcy Code* [Adv. Pro. 22-07039, Docket No. 63], as extended by the *Order Granting Debtors’ Motion to Extend the Preliminary Injunction Pursuant to Section 105 of the Bankruptcy Code* [Adv. Pro. 22-07039, Docket No. 87], and as may be further extended by the Bankruptcy Court.

1.1.418 “*Prepetition Documents*” has the meaning set forth in the Cash Collateral Order.

1.1.419 “*Prepetition First Lien Indebtedness*” has the meaning set forth in the Cash Collateral Order.

1.1.420 “*Prepetition First Lien Lenders*” means JPMorgan Chase Bank, N.A., as issuing bank and swingline lender, and the other lenders from time to time party to the First Lien Credit Agreement.

1.1.421 “*Prepetition Second Lien Secured Notes Parties*” has the meaning set forth in the Cash Collateral Order.

1.1.422 “*Prepetition Secured Parties*” has the meaning set forth in the Cash Collateral Order.

1.1.423 “*Present Private Opioid Claimants*” means holders of Present Private Opioid Claims.

1.1.424 “*Present Private Opioid Claims*” means any and all Opioid Claims that are not (a) State Opioid Claims; (b) Local Government Opioid Claims; (c) Tribal Opioid Claims; (d) Public School District Claims; (e) Canadian Provinces Claims; (f) Settling Co-Defendant Claims; (g) Other Opioid Claims; or (h) held by a Governmental Authority. For the avoidance of doubt, no (i) Future PI Claim; (ii) Co-Defendant Claim; nor (iii) any Claim held by a holder which is a distributor, manufacturer, or pharmacy engaged in the distribution, manufacture, or dispensing/sale of Opioids or Opioid Products is a Present Private Opioid Claim; *provided, however, that*, an Opioid Claim held by a non-governmental hospital shall be a Present Private Opioid Claim notwithstanding the fact that such hospital operated or operates a pharmacy that distributed, dispensed, or sold Opioids or Opioid Products.

1.1.425 “*Prior Settling State*” means any State or Territory that has entered into a settlement, compromise, or similar agreement with the Debtors in relation to such State’s or Territory’s Opioid Claims and which State or Territory has been paid by the Debtors before the Effective Date in respect of such settlement, compromise, or similar agreement. For the avoidance of doubt, “Prior Settling State” shall not include any State or Territory that executed a settlement, compromise, or similar agreement with the Debtors prior to the Petition Date but was not paid with respect to such settlement, compromise, or similar agreement.

1.1.426 “*Priority Non-Tax Claims*” means any and all Claims entitled to priority in right of payment under section 507(a) of the Bankruptcy Code, to the extent such Claims have not already been paid during the Chapter 11 Cases, other than: (a) Administrative Expense Claims; (b) the IRS Administrative Expense Claim; (c) Non-IRS Priority Tax Claims; and (d) the IRS Priority Tax Claim.

1.1.427 “*Priority Tax Claim*” means any Claim of a Governmental Authority of the kind specified in section 507(a)(8) of the Bankruptcy Code.

1.1.428 “Products” means all products (including any ingredient or component thereof) manufactured, distributed, marketed, sold, imported, exported, or under development by any of the Debtors or Non-Debtor Affiliates.

1.1.429 “Professional” means a Person (a) retained pursuant to a Final Order of the Bankruptcy Court in accordance with section 327, 363, or 1103 of the Bankruptcy Code and to be compensated for services rendered before or on the Effective Date pursuant to sections 327, 328, 330, 331, and/or 363 of the Bankruptcy Code; or (b) awarded compensation and reimbursement by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

1.1.430 “Professional Fee Escrow Account” means a segregated escrow account containing the Professional Fee Reserve Amounts.

1.1.431 “Professional Fee Reserve Amounts” means the amounts equal to the good faith estimates of each Professional of such Professional’s Fee Claims as of the Effective Date, and, for the avoidance of doubt, which Fee Claims (a) are not yet Allowed by the Bankruptcy Court as of the Effective Date; or (b) have been Allowed but not yet paid as of the Effective Date.

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

1.1.433 “PSA” means the Purchase and Sale Agreement by and among Purchaser Parent, the applicable Purchaser Entities, the Debtors, and certain Non-Debtor Affiliates, in substantially the form to be attached to this Plan as Exhibit A¹² and as ultimately executed by the parties thereto, together with all schedules and exhibits thereto and as may be amended from time to time in accordance with the terms thereof.

1.1.434 “Public Disclosure Documents” means the original or duplicate writings, recordings, or photographs as defined in Federal Rule of Evidence 1001 to be placed in the Public Disclosure Document Repository in accordance with the terms of the Voluntary Opioid Operating Injunction.

1.1.435 “Public Disclosure Document Repository” means a public repository of all Public Disclosure Documents maintained by a governmental, non-profit, or academic institution or Entity in accordance with section VI of the Voluntary Opioid Operating Injunction.

1.1.436 “Public Opioid Consideration” means \$460,048,000 in Cash (unless prepaid, in which case the prepayment amount shall be calculated in accordance with the Public Opioid Distribution Documents) to be distributed to the Public Opioid Trust in accordance with the Public Opioid Distribution Documents for Distributions to holders of Allowed State Opioid Claims and otherwise used in accordance with the Public Opioid Distribution Documents,

¹²

The PSA shall be filed with the Bankruptcy Court prior to the Voting Deadline.

including any required payments to be made with respect to the Public Disclosure Document Repository.

1.1.437 “Public Opioid Distribution Documents” means the (a) Transaction Support Agreement; (b) the Public Opioid Trust Agreement; and/or (c) any distribution agreement that may be agreed to in lieu of or in addition to the Public Opioid Trust Agreement, each as may be amended from time to time pursuant to the terms thereof, and including all schedules, exhibits, supplements, and any other attachments thereto, and which shall be otherwise acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and the Endo EC. The Public Opioid Distribution Documents shall provide for, among other things, (i) Distributions to be made to holders of Allowed State Opioid Claims that are not Prior Settling States; and (ii) any distributions and/or grants to be made to Local Governments by States in accordance with applicable State agreements and laws, which distributions and grants shall, in each case, be funded solely with the Public Opioid Consideration. For the avoidance of doubt, a Prior Settling State cannot receive a Distribution from or otherwise share in the Public Opioid Consideration. The Public Opioid Distribution Documents shall be drafted in accordance with the Transaction Support Agreement, this Plan, the Confirmation Order, and the Public/Tribal Term Sheet, and shall be filed with the Plan Supplement.

1.1.438 “Public Opioid Installment Payments” means the installment payments to be made pursuant to the Public Opioid Distribution Documents by the Debtors and/or Purchaser Parent, as applicable, to the Public Opioid Trust which, in the aggregate, constitute the Public Opioid Consideration. The timing and amount of each Public Opioid Installment Payment shall be calculated in accordance with the Public Opioid Distribution Documents.

1.1.439 “Public Opioid Trust” means the trust to be established for the benefit of holders of State Opioid Claims in accordance with the Public/Tribal Term Sheet, which trust may satisfy the requirements of Section 468B of the Tax Code and the QSF Regulation (as such may be modified or supplemented from time to time); *provided, however, that*, nothing contained in the Public/Tribal Term Sheet or this Plan shall be deemed to preclude the establishment of one or more trusts as determined to be reasonably necessary or appropriate to provide tax efficiency to the Public Opioid Trust (and all such trusts shall be included in this definition of Public Opioid Trust), so long as the establishment of multiple trusts is not reasonably expected to result in any adverse tax consequences for the Debtors or the Post-Emergence Entities or any of their respective present or future Affiliates.

1.1.440 “Public Opioid Trust Agreement” means the trust agreement establishing and delineating the terms and conditions for the creation and operation of the Public Opioid Trust.

1.1.441 “Public Opioid Trustee” means the Person identified as serving in such capacity in the Plan Supplement and any successors or replacements duly appointed in accordance with the Public Opioid Distribution Documents.

1.1.442 “Public School District Claims” means any and all Opioid Claims held by Public School District Creditors.

1.1.443 “**Public School District Creditors**” means all U.S. public schools that hold any Opioid Claims, including the public school districts identified on Exhibit A to the *Amended Verified Statement of Binder & Schwartz LLP Under Federal Rule of Bankruptcy Procedure 2019* [Docket No. 2417], as such group may be reconstituted from time to time, and any other U.S. public school district which has filed a Proof of Claim.

1.1.444 “**Public Schools Term Sheet**” means the Amended Voluntary Public School District Creditors Resolution Term Sheet to be filed with the Bankruptcy Court, as may be further amended from time to time, which shall be acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and the Ad Hoc Group of Public Schools, in consultation with the Opioid Claimants’ Committee.

1.1.445 “**Public/Tribal Term Sheet**” means the Amended Voluntary Public/Tribal Opioid Trust Term Sheet filed as Exhibit C to the RSA, as may be amended from time to time.

1.1.446 “**Publicis Health Parties**” means Publicis Groupe S.A. and all its Affiliates and subsidiaries, including but not limited to Publicis Health, LLC, Razorfish Health, Publicis Health Media, LLC, Publicis Touchpoint Solutions, Inc., and Verilogue, Inc. (other than, for the avoidance of doubt, (a) with respect to the Non-GUC Releases, any directors (including any Persons in analogous roles under applicable law), officers, or employees of the Debtors that are Non-GUC Released Parties; and (b) with respect to the GUC Releases, any directors (including any Persons in analogous roles under applicable law), officers, or employees of the Debtors that are GUC Released Parties).

1.1.447 “**Purchaser Entity**” means, as of and following the Effective Date, any of (a) Purchaser Parent; and (b) Purchaser Parent’s direct and indirect subsidiaries, including any (i) newly-formed Entities under this Plan; (ii) Transferred Debtors; and (iii) Non-Debtor Affiliates that are owned, directly or indirectly, by Purchaser Parent.

1.1.448 “**Purchaser Equity**” means the common stock or ordinary shares of Purchaser Parent to be issued (a) on the Effective Date pursuant to this Plan, including pursuant to the Rights Offerings and the Backstop Commitment Agreements; (b) upon the implementation of the Management Incentive Plan; and (c) as otherwise permitted pursuant to this Plan, the PSA, the Confirmation Order, and the Corporate Governance Documents.

1.1.449 “**Purchaser Obligors**” means, collectively, the Purchaser Entities that are obligors with respect to the Exit Financing.

1.1.450 “**Purchaser Parent**” means a newly formed Entity which shall be, as of and following the Effective Date, the parent company in the corporate structure of the Purchaser Entities.

1.1.451 “**Purchaser Parent Board**” means the board of directors of Purchaser Parent as of and following the Effective Date, as may be reconstituted from time to time.

1.1.452 “**Purchaser TEV**” means the total enterprise value of the Purchaser Entities as calculated in accordance with the Purchaser TEV Formula.

1.1.453 “**Purchaser TEV Formula**” means (a)(i) the product of (1) the fully diluted outstanding shares of Purchaser Equity (calculated in accordance with the treasury stock method) and (2) the price of Purchaser Equity determined in accordance with the Net Debt Equity Split Adjustment, *plus* (ii) the face value of all funded indebtedness of the Purchaser Entities, *plus* (iii) the accreted liquidation preference (*i.e.*, taking into account all accrued dividends) of all preferred stock of the Purchaser Parent outstanding, *less* (b) all unrestricted Cash of the Purchaser Entities, as reported on the consolidated balance sheet of Purchaser Parent.

1.1.454 “**QSF**” means a “qualified settlement fund” within the meaning of Section 1.468B-1 *et seq.* of the QSF Regulations.

1.1.455 “**QSF Regulations**” means the Treasury Regulations promulgated under Section 468B of the Tax Code.

1.1.456 “**Qualified Successor**” means, upon a Change of Control of Purchaser Parent, a successor Entity to Purchaser Parent that has net leverage less than the greater of (a) the 5.0x maximum allowed net leverage of Purchaser Parent pursuant to the OCC Resolution Term Sheet and the Public/Tribal Term Sheet; and (b) Purchaser Parent’s net leverage at the time of the applicable Change of Control.

1.1.457 “**Qualifying Opioids**” means the schedule of specific Opioid Products manufactured, marketed, or sold by the Debtors (including, for the avoidance of doubt, Debtor Paladin Labs Inc.) and the Non-Debtor Affiliates, which schedule will be filed with the Plan Supplement.

1.1.458 “**Ranitidine Claims**” means any and all Claims against the Debtors (a) arising or relating to the allegation that, under certain conditions, the active ingredient in ranitidine medications can break down to form an alleged carcinogen (including Claims based on theories of product liability, breach of warranty, fraud, negligence, and unjust enrichment); and (b) for which a Proof of Claim was filed by the General Bar Date.

1.1.459 “**Ranitidine Claims Trust**” means the trust to be established as a Distribution Sub-Trust in accordance with the Ranitidine Claims Trust Documents, whose beneficiaries are the holders of Ranitidine Claims.

1.1.460 “**Ranitidine Claims Trust Agreement**” means the trust agreement establishing and delineating the terms and conditions for the creation and operation of the Ranitidine Claims Trust.

1.1.461 “**Ranitidine Claims Trust Consideration**” means (a) \$200,000 in Cash from the GUC Trust Consideration; and (b) 20% of insurance proceeds allocable to liability for Ranitidine Claims in accordance with the GUC Trust Agreement, in each case, to be used as set

forth in the Ranitidine Claims Trust Documents, including for Distributions to holders of Allowed Ranitidine Claims.

1.1.462 “Ranitidine Claims Trust Distribution Procedures” means the trust distribution procedures governing (a) the processing, including the Allowance or Disallowance, of Ranitidine Claims; and (b) the determination and payment of Distributions, if any, in each case, by the Ranitidine Claims Trust. For the avoidance of doubt, the Ranitidine Claims Trust Distribution Procedures may be contained in or included as part of the Ranitidine Claims Trust Agreement.

1.1.463 “Ranitidine Claims Trust Documents” means the GUC Trust Documents, the Ranitidine Claims Trust Agreement, and/or the Ranitidine Claims Trust Distribution Procedures, each as may be amended from time to time pursuant to the terms thereof, and including all schedules, exhibits, supplements, and any other attachments thereto, and which shall each be acceptable to the Debtors and the Creditors’ Committee and reasonably acceptable to the Required Consenting Global First Lien Creditors; *provided, that*, once the Ranitidine Claims Trust Documents are agreed to by the Debtors, the Required Consenting Global First Lien Creditors, and the Creditors’ Committee, any subsequent amendments or modifications to the Ranitidine Claims Trust Documents shall be reasonably acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and the Creditors’ Committee; *provided, further, that*, with respect to (a) any provisions in any of the Ranitidine Claims Trust Documents providing for an increase in the amount of any Distribution to be made to a holder of an Allowed Ranitidine Claim in exchange for such holder granting or being deemed to grant, as applicable, the GUC Releases, such provisions shall be acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and the Creditors’ Committee; and (b) the allocation of the Ranitidine Claims Trust Consideration, such allocation shall be acceptable to the Creditors’ Committee and reasonably acceptable to the Debtors and the Required Consenting Global First Lien Creditors. The Ranitidine Claims Trust Documents shall be drafted in accordance with this Plan, the Confirmation Order, and the UCC Resolution Term Sheet, and shall be filed in accordance with the Distribution Sub-Trust Documents Approval Process.

1.1.464 “Ranitidine Claims Trustee” means the Person identified as serving in such capacity in the Ranitidine Claims Trust Agreement and any successors or replacements duly appointed in accordance with the Ranitidine Claims Trust Documents.

1.1.465 “Reconstruction Steps” has the meaning set forth in the Bidding Procedures Order.

1.1.466 “Regulatory Approvals” means any approvals (including pricing and reimbursement approvals), permits, licenses, registrations, consents, clearances, waivers, exemptions, orders, notices, certifications, or other authorizations of any Governmental Authority, in each case, necessary to operate and/or for the possession, holding, research, development, testing, manufacture, marketing, distribution, sale, procurement, supply, import, or export of a Product (including any component or ingredient thereof), approvals for other regulated activity in relation to a Product, including but not limited to NDAs, INDs, FDA establishment registrations, FDA drug listings, drug identification numbers, medical device

licenses, if any, natural product numbers, clinical trial approvals, and all Distribution Licenses, or any approvals, licenses, permits, registrations, consents, certifications, or authorizations required from any Governmental Authority in relation to the actions, steps, or transactions taken pursuant to this Plan or the PSA.

1.1.467 “Rejection Damages Claims” means any and all Claims for damages under section 502(g) of the Bankruptcy Code resulting from the rejection of an Executory Contract or Unexpired Lease under section 365 of the Bankruptcy Code.

1.1.468 “Rejection Schedule” means the schedule of Executory Contracts and/or Unexpired Leases to be rejected under this Plan, which schedule shall be filed with the Plan Supplement.

1.1.469 “Released Claims” means any and all Claims and Causes of Action arising at any time prior to or on the Effective Date and relating in any way to the Debtors (whether as the Debtors existed prior to the Petition Date or as debtors-in-possession), the Estates, the Debtors’ business, or the Chapter 11 Cases or related foreign recognition proceedings, including, without limitation, any and every Cause of Action, including any and every Claim and action, class action, cross-claim, counterclaim, third-party Claim, controversy, dispute, demand, right, lien, indemnity, contribution, right of subrogation, reimbursement, guaranty, suit, obligation, liability, debt, damage, judgment, loss, cost, attorneys’ fees and expenses, account, defense, remedy, offset, power, privilege, license, or franchise, in each case, of any kind, character, or nature whatsoever, asserted or unasserted, accrued or unaccrued, known or unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, foreseen or unforeseen, direct or indirect, choate or inchoate, Secured or unsecured, Allowed, Disallowed, or Disputed, assertible directly or derivatively (including, without limitation, under alter-ego theories), in rem, quasi in rem, in personam, or otherwise, whether arising before, on, or after the Petition Date, whether arising under federal statutory law, state statutory law, common law, or any other applicable international, foreign, or domestic law, rule, statute, regulation, treaty, right, duty, requirement, or otherwise, in contract or in tort, at law, in equity, or pursuant to any other theory or principle of law, including fraud, negligence, gross negligence, recklessness, reckless disregard, deliberate ignorance, public or private nuisance, breach of fiduciary duty, avoidance (other than any Specified Avoidance Action), willful misconduct, veil piercing, unjust enrichment, disgorgement, restitution, contribution, indemnification, rights of subrogation, and joint liability, regardless of where in the world accrued or arising, including, for the avoidance of doubt, (a) any Cause of Action held by a natural person who is not yet born or who has not yet attained majority as of the Petition Date or as of the Effective Date, as applicable; (b) any right of setoff, counterclaim, or recoupment, and any Cause of Action for breach of contract or for breach of duty imposed by law or in equity; (c) the right to object to or otherwise contest Claims or Interests; (d) any Cause of Action pursuant to section 362 of the Bankruptcy Code or chapter 5 of the Bankruptcy Code; (e) any claim or defense, including fraud, mistake, duress and usury, and any other defense set forth in section 558 of the Bankruptcy Code; and (f) any claim under any federal, state, or foreign law, including for the recovery of any fraudulent transfer or similar theory (other than any Specified Avoidance Action) arising at any time prior

to or on the Effective Date and relating in any way to the Debtors (whether as the Debtors existed prior to the Petition Date or as debtors-in-possession), the Estates, the Debtors' business, the Chapter 11 Cases, or foreign recognition proceedings relating to the Chapter 11 Cases, including, without limitation, any and all Claims and Causes of Action based on or relating to, or in any manner arising from, in whole or in part: (i) Opioids, Opioid Products, Canadian Opioid Products, and Opioid-Related Activities; (ii) the Debtors' use of Cash in accordance with the Cash Collateral Order; (iii) any Avoidance Actions that are not Specified Avoidance Actions (for the avoidance of doubt, Specified Avoidance Actions shall not be Released Claims); (iv) the negotiation, formulation, preparation, dissemination, filing, or implementation of, prior to the Effective Date, the Sale Process, the Bidding Procedures Order, this Plan, the Plan Transaction, the Plan Documents, the Transaction Steps Order, the Plan Settlements, the Trusts, the Trust Documents, the Opioid School District Recovery Trust Governing Documents, the U.S. Government Resolution Documents, the Exit Financing Documents, the Rights Offering Documents, the RSA, the Restructuring Transactions, the India Internal Reorganization, the Scheme, the Scheme Circular, and any contract, instrument, release, or any other similar document or agreement entered into in connection with the foregoing or any transactions or other actions or omissions contemplated thereby; (v) the administration and implementation of this Plan, including the Restructuring Transactions, the Exit Financing, the Rights Offerings and the Backstop Commitment Agreements, the Plan Transaction, and the Plan Settlements, the issuance or Distribution of equity and/or debt securities and/or indebtedness in connection herewith or therewith, and any other transactions, actions, omissions, or documents contemplated hereby or thereby; (vi) the establishment and funding of the Trusts, the implementation of the Plan Settlements, and any other actions taken in connection therewith or contemplated thereby; and (vii) any other act or omission, transaction, agreement, event, or other occurrence or circumstance taking place on or before the Effective Date related or relating to any of the foregoing. For the avoidance of doubt, "Released Claims" shall not include any (1) Claims or Causes of Action against any Excluded Party or, solely with respect to the GUC Releasing Parties, any GUC Excluded Party; or (2) GUC Trust Litigation Claims.

1.1.470 "Released Parties" means, (a) with respect to the Debtor Releases, the Debtor Released Parties; (b) with respect to the GUC Releases, the GUC Released Parties; and (c) with respect to the Non-GUC Releases, the Non-GUC Released Parties. For the avoidance of doubt, each of the following shall be a Released Party: (i) the Debtors' current officers (as of or after the Petition Date); (ii) the Debtors' directors (including any Persons in any analogous roles under applicable law) that continue serving in their capacity as directors with, or become directors of, any of the Purchaser Entities after the Effective Date or continue or begin serving in any other prior senior-level employment position¹³ after the Effective Date and performing services commensurate with such prior position;¹⁴ and (iii) current and former officers and

¹³ For the avoidance of doubt, any individual serving in a position of Band D or higher shall be deemed to be serving in a senior-level employment position.

¹⁴ For the avoidance of doubt, if a director does not continue in the same position or one or more position(s) of similar seniority post-Effective Date, such individual shall not be a GUC Released Party or a Non-GUC (cont'd)

directors (including any Persons in any analogous roles under applicable law) of subsidiaries of Endo International plc that are not UCC Specified Subsidiaries.

1.1.471 “Releases” means the Debtor Releases, the GUC Releases, and the Non-GUC Releases, as applicable.

1.1.472 “Remaining Debtors” means, as of and following the Effective Date, the Debtors that, upon emergence, are not Purchaser Entities (and are not, for the avoidance of doubt, Transferred Debtors).

1.1.473 “Representatives” means, with respect to any Person, such Person’s current and former principals, members, equityholders, managers, partners, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, experts, and other professionals.

1.1.474 “Required Consenting Global First Lien Creditors” has the meaning set forth in the RSA.

1.1.475 “Required Consenting Other First Lien Creditors” has the meaning set forth in the RSA.

1.1.476 “Required First Lien Backstop Commitment Parties” means the “Backstop Majority Parties” as defined in the First Lien Backstop Commitment Agreement.

1.1.477 “Required GUC Backstop Commitment Parties” means the “Backstop Majority Parties” as defined in the GUC Backstop Commitment Agreement.

1.1.478 “Resolution Stipulation” means the *Stipulation Among the Debtors, Official Committee of Unsecured Creditors, Official Committee of Opioid Claimants, and Ad Hoc First Lien Group Regarding Resolution of Joint Standing Motion and Related Matters* [Docket No. 1505], as may be amended from time to time.

1.1.479 “Restructuring Expenses” means, collectively, (a) in accordance with the RSA and, without duplication, pursuant to the Cash Collateral Order or the PSA, the reasonable and documented fees and out-of-pocket expenses and disbursements, in each case, incurred by (i) the Ad Hoc First Lien Group; (ii) the Ad Hoc Cross-Holder Group, in an amount not to exceed an aggregate of \$7.5 million from and after March 24, 2023; (iii) the First Lien Notes Indenture Trustee; (iv) the Second Lien Notes Indenture Trustee, in an amount not to exceed an aggregate of \$200,000 from and after March 24, 2023; (v) the First Lien Agent; (vi) the First Lien Collateral Trustee; and (vii) the Second Lien Collateral Trustee; (b) the Unsecured Noteholders Fees (but solely to the extent that no current or former member of the Ad Hoc Group of Unsecured Noteholders objects to this Plan or to Confirmation); (c) the Endo EC

Released Party under this clause (ii); *provided, that*, to the extent employed immediately prior to the Effective Date in a senior-level non-director position, such individual was offered employment by any of the Purchaser Entities.

Professional Fees; and (d) the fees and expenses (including the reasonable and documented fees and expenses of one counsel) of (i) U.S. Bank Trust Company, National Association, in its capacity as Unsecured Notes Indenture Trustee, in an amount not to exceed an aggregate of \$1 million; and (ii) UMB Bank, National Association, in its capacity as Unsecured Notes Indenture Trustee, in an amount not to exceed an aggregate of \$1 million; *provided, however, that*, the foregoing clauses (i) and (ii) shall not be a cap on the fees and expenses, or limit in any way the rights or remedies, of the Unsecured Notes Indenture Trustees under the terms of the applicable Unsecured Notes Indentures, including such Unsecured Notes Indenture Trustees' rights to exercise any Indenture Trustee Charging Lien. For the avoidance of doubt, neither the Debtors nor the Purchaser Entities shall be required to pay any amount to (1) the Second Lien Notes Indenture Trustee in excess of the amounts provided in the foregoing clause (a)(iv); or (2) the Unsecured Notes Indenture Trustees in excess of the amounts provided in the foregoing clauses (d)(i) and (d)(2), in each case, except to the extent such Indenture Trustee is acting as Disbursing Agent in accordance with this Plan.

1.1.480 “Restructuring Transactions” means all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate this Plan or any other document contemplated thereby, including, but not limited to, the transactions described in Section 5.11 of this Plan or as described in the Plan Supplement.

1.1.481 “Retained Causes of Action” means those Claims and Causes of Action included on a schedule to be filed with the Plan Supplement.

1.1.482 “Reverse Payment Claims” means any and all Claims against the Debtors (a) alleging that the Debtors are liable because a party was compensated for delaying its entry into or refraining from entering a market, or any similar theory of liability, including with respect to the following medications and/or their generic equivalents: Opana® ER, AndroGel®, Exforge®, Seroquel XR®, Xyrem®, Amitiza®, and Colcrys®; and (b) for which a Proof of Claim was filed by the General Bar Date (including, for the avoidance of doubt, any consolidated, “class,” or similar Proof of Claim submitted in accordance with the Bar Date Order).

1.1.483 “Reverse Payment Claims Trust” means the trust to be established as a Distribution Sub-Trust in accordance with the Reverse Payment Claims Trust Documents, whose beneficiaries are the holders of Reverse Payment Claims.

1.1.484 “Reverse Payment Claims Trust Agreement” means the trust agreement establishing and delineating the terms and conditions for the creation and operation of the Reverse Payment Claims Trust.

1.1.485 “Reverse Payment Claims Trust Consideration” means (a) \$6.5 million in Cash from the GUC Trust Consideration; and (b) the right to receive 3.36% of the proceeds of the GUC Trust Litigation Consideration in accordance with the GUC Trust Documents, in each case, to be distributed by the GUC Trust to the Reverse Payment Claims Trust and used as set forth in the Reverse Payment Claims Trust Agreement, including for Distributions to holders

of Allowed Reverse Payment Claims in accordance with the Reverse Payment Claims Trust Documents.

1.1.486 “Reverse Payment Claims Trust Distribution Procedures” means the trust distribution procedures governing (a) the processing, including the Allowance or Disallowance, of Reverse Payment Claims; and (b) the determination and payment of Distributions, if any, in each case, by the Reverse Payment Claims Trust. For the avoidance of doubt, the Reverse Payment Claims Trust Distribution Procedures may be contained in or included as part of the Reverse Payment Claims Trust Agreement.

1.1.487 “Reverse Payment Claims Trust Documents” means the GUC Trust Documents, the Reverse Payment Claims Trust Agreement, and/or the Reverse Payment Claims Trust Distribution Procedures, each as may be amended from time to time pursuant to the terms thereof, and including all schedules, exhibits, supplements, and any other attachments thereto, and which shall each be acceptable to the Debtors and the Creditors’ Committee and reasonably acceptable to the Required Consenting Global First Lien Creditors; *provided, that*, once the Reverse Payment Claims Trust Documents are agreed to by the Debtors, the Required Consenting Global First Lien Creditors, and the Creditors’ Committee, any subsequent amendments or modifications to the Reverse Payment Claims Trust Documents shall be reasonably acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and the Creditors’ Committee; *provided, further, that*, with respect to (a) any provisions in any of the Reverse Payment Claims Trust Documents providing for an increase in the amount of any Distribution to be made to a holder of an Allowed Reverse Payment Claim in exchange for such holder granting or being deemed to grant, as applicable, the GUC Releases, such provisions shall be acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and the Creditors’ Committee; and (b) the allocation of the Reverse Payment Claims Trust Consideration, such allocation shall be acceptable to the Creditors’ Committee and reasonably acceptable to the Debtors and the Required Consenting Global First Lien Creditors. The Reverse Payment Claims Trust Documents shall be drafted in accordance with this Plan, the Confirmation Order, and the UCC Resolution Term Sheet, and shall be filed in accordance with the Distribution Sub-Trust Documents Approval Process.

1.1.488 “Reverse Payment Claims Trustee” means the Person identified as serving in such capacity in the Reverse Payment Claims Trust Agreement and any successors or replacements duly appointed in accordance with the Reverse Payment Claims Trust Documents.

1.1.489 “Rights Offering Documents” means the GUC Rights Offering Documents and the First Lien Rights Offering Documents.

1.1.490 “Rights Offering Order” means the order entered by the Bankruptcy Court approving the Rights Offerings and the Rights Offering Documents, as may be amended from time to time and as entered by the Bankruptcy Court.

1.1.491 “Rights Offerings” means the GUC Rights Offering, the First Lien Rights Offering, and any other rights offerings or similar transactions, in each case, that is consented

to by the Required Consenting Global First Lien Creditors, to be conducted in connection with this Plan or the implementation hereof.

1.1.492 “RSA” means the Restructuring Support Agreement, by and between the Debtors and the Consenting First Lien Creditors, dated as of August 16, 2022 [Docket No. 20], as subsequently amended by the First A&R RSA [Docket No. 1502], the Second A&R RSA [Docket No. 3482], and any future amended and/or restated versions thereof.

1.1.493 “Sale Process” means the marketing and sale process approved by the Bankruptcy Court pursuant to the Bidding Procedures Order, including the “Sale” (as defined in the Bidding Procedures Order), and any and all transactions and documents contemplated by the foregoing.

1.1.494 “Schedule of Excluded Insurance Policies” means the schedule of Non-GUC Trust Insurance Policies that shall be filed with the Plan Supplement.

1.1.495 “Schedules” means, collectively, any schedules of Assets and liabilities and statements of financial affairs filed by the Debtors pursuant to section 521 of the Bankruptcy Code and in substantial accordance with the Official Bankruptcy Forms, as may be amended from time to time before entry of a final decree.

1.1.496 “Scheme” means the Scheme of Arrangement, which will implement certain terms of this Plan, to be proposed by Endo International plc pursuant to the Irish Companies Act, concurrently with this Plan and sanctioned by the Irish High Court on or about the Confirmation Date.

1.1.497 “Scheme Circular” means the scheme circular published by Endo International plc pursuant to section 452 of Part 9, Chapter 1 of the Irish Companies Act describing the terms of the Scheme.

1.1.498 “Search Firm” means a reputable search firm to be selected by the Nominating and Selection Committee.

1.1.499 “Second A&R RSA” means the Second Amended and Restated Restructuring Support Agreement filed with the Bankruptcy Court on December 28, 2023 [Docket No. 3482].

1.1.500 “Second Lien Collateral Trustee” means Wilmington Trust, National Association, as collateral trustee under that certain Second Lien Collateral Trust Agreement, dated as of June 16, 2020, as may be amended, restated, amended and restated, supplemented, or otherwise modified from time to time.

1.1.501 “Second Lien Deficiency Claims” means any Second Lien Notes Claims, all of which shall constitute unsecured deficiency Claims pursuant to section 506(a) of the Bankruptcy Code.

1.1.502 “*Second Lien Notes*” means the 9.500% senior secured second lien notes due July 31, 2027, issued pursuant to the Second Lien Notes Indenture.

1.1.503 “*Second Lien Notes Claims*” means all Claims on account of the Second Lien Notes.

1.1.504 “*Second Lien Notes Documents*” means the Second Lien Notes Indenture, together with all other related documents, instruments, and agreements, in each case, as may be supplemented, amended, restated, or otherwise modified from time to time.

1.1.505 “*Second Lien Notes Indenture*” means that certain Indenture, dated as of June 16, 2020, by and among Endo Designated Activity Company, Endo Finance LLC, and Endo Finco Inc., as issuers, each of the guarantors party thereto, and the Second Lien Notes Indenture Trustee, together with all other related documents, instruments, and agreements, in each case, as supplemented, amended, restated, or otherwise modified from time to time.

1.1.506 “*Second Lien Notes Indenture Trustee*” means Wilmington Savings Fund Society, FSB, as successor trustee to Computershare Trust Company, National Association (as successor trustee to Wells Fargo Bank, National Association), as indenture trustee under the Second Lien Notes Indenture.

1.1.507 “*Secured*” means, with respect to any Claim, that such Claim is (a) secured by a Lien on property in which the Estate of the Debtor against which the Claim is asserted has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by a Final Order of the Bankruptcy Court, to the extent of the value of the applicable creditor’s interest in the Estate’s interest in such property as determined pursuant to section 506(a) of the Bankruptcy Code; (b) subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the property subject to setoff; or (c) otherwise Allowed pursuant to this Plan as a Secured Claim.

1.1.508 “*Securities Act*” means the Securities Act of 1933, as now in effect or hereafter amended, and the rules and regulations of the United States Securities and Exchange Commission promulgated thereunder.

1.1.509 “*Settling Co-Defendant Claims*” means any and all Claims held by Settling Co-Defendants relating to Opioid-Related Activities other than a Generics Price Fixing Claim. For the avoidance of doubt, any Claim that satisfies this definition of “Settling Co-Defendant Claim” shall be considered a Settling Co-Defendant Claim, notwithstanding that such Claim otherwise satisfies the definition of another type of Claim.

1.1.510 “*Settling Co-Defendant Surviving Claims and Causes of Action*” means the DMP Surviving Pre-Closing Date Ordinary Course and/or Contract Claims (as defined in the DMP Stipulation) and any Claims arising under any DMP Contracts (as defined in the DMP Stipulation), in each case, as and to the extent set forth in the DMP Stipulation.

1.1.511 “Settling Co-Defendants” means those holders of Co-Defendant Claims listed on Exhibit A of the DMP Stipulation, as may be amended from time to time in accordance with the terms thereof, and any party who has signed a joinder thereto in accordance with the terms thereof.

1.1.512 “Silver Point” means Silver Point Capital L.P. or its Affiliates.

1.1.513 “Solicitation Directive” has the meaning set forth in the Disclosure Statement Order.

1.1.514 “Solicitation Procedures” means the solicitation procedures approved pursuant to the Disclosure Statement Order.

1.1.515 “Specified Avoidance Action” means any Avoidance Action asserted against a “governmental unit” (as defined in section 101(27) of the Bankruptcy Code) in connection with a settlement of an Opioid Claim.

1.1.516 “Specified Debtor Insurer Injunction” means the injunction provided in Section 10.10 of this Plan.

1.1.517 “Specified Debtor Insurers” means the insurers that issued and/or are party to the GUC Trust Insurance Policies or GUC Trust D&O Insurance Policies, which Specified Debtor Insurers shall be subject to the Specified Debtor Insurer Injunction.

1.1.518 “Specified Opioid Claimant Releasing Parties” means (a) the PPOC Trust; (b) each PPOC Sub-Trust; (c) each Present Private Opioid Claimant; (d) the Future PI Trust; (e) each Future PI Claimant; (f) the Canadian Provinces Trust; (g) each Canadian Province; (h) each Canadian First Nation; (i) each Canadian Municipality; and (j) each Public School District Creditor, in each case, that grants or is deemed to grant, as applicable, the Non-GUC Releases, solely in their respective capacities as such.

1.1.519 “Specified Pharmacies” means CVS Pharmacy, Inc.; CaremarkPCS Health, L.L.C.; CBS Caremark Part D Services, L.L.C.; Zinc Health Services L.L.C.; Walmart Inc., f/k/a Wal-Mart Stores, Inc.; Walgreen Co.; Walgreen Eastern Co.; and Walgreen Arizona Drug Co.

1.1.520 “Specified Pharmacies’ Defendant Claim Provisions” has the meaning of “DMP Opioid Reimbursement Claims” set forth in the DMP Stipulation.

1.1.521 “Specified Subsidiary Employees” means any and all employees, as of immediately prior to the Effective Date, of Endo US Holdings Luxembourg I S.à r.l., Endo India Holdings, LLC, Par Formulations Private Limited, Par Active Technologies Private Limited, Par Biosciences Private Limited, Operand Pharmaceuticals II Limited, Operand Pharmaceuticals III Limited, and Operand Pharmaceuticals HoldCo I Limited.

1.1.522 “Specified Trade Claims Order” means the *Final Order (I) Authorizing Payment of Certain Prepetition Specified Trade Claims; (II) Authorizing Financial Institutions*

to Honor and Process Related Checks and Transfers; and (III) Granting Related Relief [Docket No. 317], as may be amended from time to time and as entered by the Bankruptcy Court.

1.1.523 “State” means any of the 50 states of the United States of America or the District of Columbia, in each case, acting in its capacity as sovereign and in the public interest of its residents.

1.1.524 “State Allocation Table” means the allocation table setting forth the amounts of Distributions with respect to holders of Allowed State Opioid Claims, which shall be included in the Public Opioid Distribution Documents.

1.1.525 “State Opioid Claims” means any and all Opioid Claims held by (a) any State; and (b) any Territory; *provided, that*, for the avoidance of doubt, “State Opioid Claims” shall not include (i) Public School District Claims; or (ii) Local Government Opioid Claims.

1.1.526 “Statutory Fees” means all fees and charges assessed against the Estates pursuant to 28 U.S.C. §§ 1911-1930.

1.1.527 “Subordinated, Recharacterized, or Disallowed Claims” means any and all Claims (a) subject to subordination under sections 509(c) or 510 of the Bankruptcy Code; (b) recharacterized as equity by a Final Order of the Bankruptcy Court; or (c) as of the relevant time, Disallowed under section 502(e) of the Bankruptcy Code (subject, however, to section 502(j) of the Bankruptcy Code; *provided, that*, any Claim arising out of or relating to Opioid-Related Activities, Opioids, or Opioid Products, including any Co-Defendant Claim, that is Allowed under section 502(j) of the Bankruptcy Code following the Effective Date shall be subordinated in accordance with the foregoing clause (a) pursuant to Section 4.26(c) of this Plan).

1.1.528 “Supporting Governmental Entities” means (a) certain States, including the District of Columbia; (b) the Territories of Guam, Puerto Rico, and the U.S. Virgin Islands; and (c) any States or Territories which joined or subsequently join the Transaction Support Agreement.

1.1.529 “Syndicated Exit Financing” means a new money debt financing that may be incurred by the Purchaser Obligors on the Effective Date, the terms of which shall be acceptable to the Required Consenting Global First Lien Creditors and reasonably acceptable to the Debtors, and the net proceeds of which shall, if consummated, be distributed to holders of Allowed First Lien Claims as provided in this Plan.

1.1.530 “Tax” or “Taxes” means (a) any and all taxes, including all net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, branch profits, profit share, license, lease, service, service use, value added (including GST/HST and QST), withholding, payroll, employment, social security, pension, fringe, fringe benefits, excise, estimated, severance, stamp, occupation, premium, property, windfall profits, wealth, net wealth, net worth, or other taxes or charges, fees, duties, levies, tariffs, imposts, tolls, customs, or other assessments in the nature of a tax, imposed by any Governmental Authority, in each

case, together with any interest, penalties, inflationary adjustments, additions to tax, fines, or other additional amounts imposed thereon, with respect thereto; (b) any and all liability for the payment of any items described in the foregoing clause (a) arising from or as a result of being (or having been, or ceasing to be) a member of a fiscal unit, affiliated, consolidated, combined, unitary, or other similar group or being included in any tax return related to such group; (c) any and all liability for the payment of any amounts as a result of any successor or transferee liability or otherwise by operation of law, in respect of any items described in the foregoing clauses (a) or (b); (d) any tax liability in the capacity of an agent or a representative assessee of the Debtors pursuant to the provisions of the Indian Income Tax Act, 1961; and (e) any and all liability for the payment of any items described in the foregoing clauses (a) or (b) as a result of, or with respect to, any express obligation to indemnify any other Person pursuant to any tax sharing, tax indemnity, or tax allocation agreement, or any other similar agreement or arrangement with respect to taxes, or other contract (other than a commercial leasing or financing agreement or other similar agreement, in each case, entered into in the ordinary course of business, that is not primarily related to taxes).

1.1.531 “Tax Code” means the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder.

1.1.532 “Territory” means any of the following territories of the United States of America: American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands, in each case, acting in such Territory’s capacity as sovereign and in the public interests of its residents.

1.1.533 “TPG Parties” means TPG Inc., TPG Capital, and any applicable Affiliates, subsidiaries, managed funds, and immediate or mediate transferees of any consideration paid for Par Pharmaceutical Holdings, Inc., or other related Entities or Persons (other than, for the avoidance of doubt, (a) with respect to the Non-GUC Releases, any directors (including any Persons in analogous roles under applicable law), officers, or employees of the Debtors that are Non-GUC Released Parties; and (b) with respect to the GUC Releases, any directors (including any Persons in analogous roles under applicable law), officers, or employees of the Debtors that are GUC Released Parties).

1.1.534 “TPP” means third-party payor.

1.1.535 “TPP Claims” means any and all Present Private Opioid Claims against any of the Debtors that (a) arose before August 16, 2022; and (b) are held by Present Private Opioid Claimants that are TPPs (*e.g.*, health insurers, employer-sponsored health plans, union health and welfare funds, or any other providers of health care benefits, and any third-party administrators), including any Claims based on the subrogation rights of holders thereof that are not held by a Governmental Authority; *provided, that*, notwithstanding the foregoing, Claims in respect of self-funded government plans which Claims are asserted through (i) a private TPP; or (ii) any carrier of a federal employee health benefits plan, in each case, are TPP Claims.

1.1.536 “*TPP TAC*” means the advisory committee tasked with overseeing the administration of the TPP Trust in consultation with the TPP Trustee.

1.1.537 “*TPP Trust*” means the trust to be established to (a) assume all liability for TPP Claims; (b) administer TPP Claims; (c) collect the TPP Trust Share; and (d) make Distributions to holders of Allowed TPP Claims, in each case, in accordance with the TPP Trust Documents.

1.1.538 “*TPP Trust Agreement*” means the trust agreement establishing and delineating the terms and conditions for the creation and operation of the TPP Trust.

1.1.539 “*TPP Trust Agreement Glossary*” means the glossary of defined terms provided with respect to the TPP Trust Documents.

1.1.540 “*TPP Trust Distribution Procedures*” means the trust distribution procedures governing (a) the processing of TPP Claims; and (b) the determination and payment of Distributions, if any, in each case, by the TPP Trust.

1.1.541 “*TPP Trust Documents*” means the PPOC Trust Documents, the TPP Trust Agreement, the TPP Trust Agreement Glossary, and the TPP Trust Distribution Procedures, each as may be amended from time to time pursuant to the terms thereof, and including all schedules, exhibits, supplements, and any other attachments thereto, and which shall be otherwise reasonably acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and the Opioid Claimants’ Committee; *provided, that*, with respect to any provisions in any of the TPP Trust Documents providing for an increase in the amount of any Distribution to be made to a holder of an Allowed TPP Claim in exchange for such holder granting or being deemed to grant, as applicable, the Non-GUC Releases, such provisions shall be acceptable to the Debtors, the Required Consenting Global First Lien Creditors, and the Opioid Claimants’ Committee. The TPP Trust Documents shall be drafted in accordance with this Plan, the Confirmation Order, and the OCC Resolution Term Sheet, and shall be filed with the Plan Supplement.

1.1.542 “*TPP Trust Share*” means a maximum aggregate amount of Cash equal to 28.8%¹⁵ of the PPOC Trust Consideration (subject to adjustment in accordance with the terms of the TPP Trust Documents) to be distributed by the PPOC Trust to the TPP Trust for Distributions to holders of Allowed TPP Claims.

1.1.543 “*TPP Trustee*” means the Person identified as serving in such capacity in the Plan Supplement and any successors or replacements duly appointed in accordance with the TPP Trust Documents.

¹⁵ The TPP Trust Share was initially 29.5%; however, to reach an accommodation during mediation, the percentage above was agreed to.

1.1.544 “*Trading Liquidity Testing Period*” means 30 days prior to the end of the OTC Period.

1.1.545 “*Transaction Steps Order*” means the *Order Authorizing Certain Transaction Steps* [Docket No. 3367], as may be amended from time to time and as entered by the Bankruptcy Court.

1.1.546 “*Transaction Support Agreement*” means the Transaction Support Agreement to be entered into among the Consenting First Lien Creditors and the Consenting Governmental Entities (as defined in the Transaction Support Agreement), as may be amended, restated, amended and restated, supplemented, or otherwise modified from time to time.

1.1.547 “*Transfer Regulations*” means any relevant local instrument implementing the Acquired Rights Directive 2001/23/EC, the United Kingdom Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended), the European Communities (Protection of Employees on Transfer of Undertakings) Regulations 2003 of Ireland, and any other laws providing for automatic transfer or employer substitution (including, without limitation, Canadian Labor Laws), or that permit the transfer of employees without an offer of employment, and similar laws and regulations in jurisdictions where the Debtors have employees.

1.1.548 “*Transferred Debtors*” means, as of and following the Effective Date, any Debtors that are owned, directly or indirectly, by Purchaser Parent.

1.1.549 “*Tribal Opioid Claims*” means any and all Opioid Claims held by a Tribe.

1.1.550 “*Tribal Opioid Consideration*” means a minimum aggregate amount of \$1.15 million in Cash, which amount may be increased up to a maximum aggregate amount of \$15 million in Cash, subject to adjustment depending on the number of holders of Allowed Tribal Opioid Claims which grant or are deemed to grant, as applicable, the Non-GUC Releases, to be distributed to holders of Allowed Tribal Opioid Claims and otherwise used in accordance with the Tribal Opioid Distribution Documents.

1.1.551 “*Tribal Opioid Distribution Documents*” means either (a) the Tribal Opioid Trust Agreement and the Tribal Opioid Trust Distribution Procedures; or (b) any allowance and distribution agreement that may be agreed to in lieu of either or both of the foregoing documents in the foregoing clause (a), each as may be amended from time to time pursuant to the terms thereof, and including all schedules, exhibits, supplements, and any other attachments thereto, and which shall be otherwise acceptable to the Debtors and the Required Consenting Global First Lien Creditors. The Tribal Opioid Distribution Documents shall be drafted in accordance with this Plan, the Confirmation Order, and the Public/Tribal Term Sheet, and shall be filed with the Plan Supplement.

1.1.552 “*Tribal Opioid Installment Payments*” means the installment payments to be made pursuant to the Tribal Opioid Distribution Documents by the Debtors and/or Purchaser Parent, as applicable, to the Tribal Opioid Trust which, in the aggregate, constitutes the Tribal

Opioid Consideration. The timing and amount of each Tribal Opioid Installment Payment shall be calculated in accordance with the Tribal Opioid Distribution Documents.

1.1.553 “Tribal Opioid Trust” means the trust to be established for the benefit of holders of Tribal Opioid Claims in accordance with the Public/Tribal Term Sheet, which trust will satisfy the requirements of Section 468B of the Tax Code and the QSF Regulations (as such may be modified or supplemented from time to time); *provided, however, that*, nothing contained in the Public/Tribal Term Sheet or this Plan shall be deemed to preclude the establishment of one or more trusts as determined to be reasonably necessary or appropriate to provide tax efficiency to the Tribal Opioid Trust (and all such trusts shall be included in this definition of Tribal Opioid Trust), so long as the establishment of multiple trusts is not reasonably expected to result in any adverse tax consequences for the Debtors or the Post-Emergence Entities or any of their respective present or future Affiliates.

1.1.554 “Tribal Opioid Trust Agreement” means the trust agreement establishing and delineating the terms and conditions for the creation and operation of the Tribal Opioid Trust.

1.1.555 “Tribal Opioid Trust Distribution Procedures” means the trust distribution procedures governing (a) the processing, including the Allowance or Disallowance, of Tribal Opioid Claims; and (b) the determination and payment of Distributions, if any, in each case, by the Tribal Opioid Trust.

1.1.556 “Tribal Opioid Trustee” means the Person identified as serving in such capacity in the Plan Supplement and any successors or replacements duly appointed in accordance with the Tribal Opioid Distribution Documents.

1.1.557 “Tribe” means any (a) American Indian or Alaska Native Tribe, band, nation, pueblo, village, or community that the U.S. Secretary of the Interior acknowledges as an Indian Tribe, as provided in the Federally Recognized Tribe List Act of 1994, 25 U.S.C. § 5130, and as periodically listed by the U.S. Secretary of the Interior in the Federal Register pursuant to 25 U.S.C. § 5131; or (b) “Tribal Organization” as defined in the Indian Self-Determination and Education Assistance Act of 1975, as amended, 25 U.S.C. § 5304(l).

1.1.558 “Trust Channeled Claims” means all GUC Trust Channeled Claims, State Opioid Claims, Tribal Opioid Claims, Present Private Opioid Claims (including, for the avoidance of doubt, PI Opioid Claims, NAS PI Claims, Hospital Opioid Claims, TPP Claims, and IERP II Claims), Future PI Claims, Canadian Provinces Claims, Other Opioid Claims, and EFBD Claims.

1.1.559 “Trust Documents” means the Public Opioid Distribution Documents, the Tribal Opioid Distribution Documents, the GUC Trust Documents, the Distribution Sub-Trust Documents, the PPOC Trust Documents, the PPOC Sub-Trust Documents, the Future PI Trust Documents, the Canadian Provinces Distribution Documents, the Other Opioid Claims Trust Documents, and the EFBD Claims Trust Documents.

1.1.560 *“Trust Operating Expenses”* means any and all costs, expenses, fees, taxes, disbursements, debts, or obligations incurred from the operation and administration of the applicable Trust, including in connection with the prosecution or settlement of any Claims or Causes of Action accruing to such Trust, working capital, all compensation, costs, and fees of the applicable Trustee and any professionals or advisors retained by such Trust, and any actual or potential indemnification obligations reasonably expected by such Trustee, but excluding the amounts of any Distributions to be paid on account of Allowed Trust Channeled Claims. For the avoidance of doubt, in the event of any inconsistency between this definition of “Trust Operating Expenses” and applicable definition in any Trust Document, the definition in the applicable Trust Document shall govern.

1.1.561 *“Trustees”* means the PPOC Trustee(s), the PI Trustee, the NAS PI Trustee, the Hospital Trustee, the IERP II Trustee, the TPP Trustee, the GUC Trustee, the Mesh Claims Trustee, the Generics Price Fixing Claims Trustee, the Ranitidine Claims Trustee, the Reverse Payment Claims Trustee, the Future PI Trustee, the Public Opioid Trustee, the Tribal Opioid Trustee, the Canadian Provinces Trustee, the Other Opioid Claims Trustee, the EFBD Claims Trustee, and any other trustee of any Trust duly appointed in accordance with the applicable Trust Documents.

1.1.562 *“Trusts”* means any and all trusts or sub-trusts established pursuant to this Plan, including the PPOC Trust, each PPOC Sub-Trust, the GUC Trust, each Distribution Sub-Trust, the Future PI Trust, the Public Opioid Trust, the Tribal Opioid Trust, the Canadian Provinces Trust, the Other Opioid Claims Trust, and the EFBD Claims Trust. For the avoidance of doubt, “Trusts” shall not include the Opioid School District Recovery Trust.

1.1.563 *“U.S. Government”* means the federal government of the United States of America, including, without limitation, among other federal agencies, the IRS, the DOJ, the HHS, and the VA.

1.1.564 *“U.S. Government Claims”* means (a) the Claims asserted in each of the Proofs of Claim filed by the U.S. Government including, without limitation, the IRS (other than the IRS Priority Tax Claims but including the IRS Administrative Expense Claims), the DOJ, the HHS, and the VA, each as supplemented, revised, and/or amended; and (b) any other prepetition or postpetition Claims (including contractual Claims) of the U.S. Government, including, without limitation, the IRS (other than with respect to the IRS Priority Tax Claims but including the IRS Administrative Expense Claims), the DOJ, the HHS, and the VA (but excluding any Statutory Fees or expenses owed to the U.S. Trustee), in each case, against any of the Debtors. For the avoidance of doubt, “U.S. Government Claims” includes IRS Non-Priority Tax Claims, the IRS Administrative Expense Claim, the DOJ Criminal Claim, the DOJ Civil Claim, the HHS CMS Opioid Claim, the HHS CMS Mesh/Ranitidine Claim, the HHS IHS Opioid Claim, and the VA Opioid Claim but does not include State Opioid Claims, Local Government Opioid Claims, Tribal Opioid Claims, Public School District Claims, or any Claims held by a Prior Settling State.

1.1.565 *“U.S. Government Economic Term Sheet”* means the term sheet setting forth the key economic terms of the U.S. Government Resolution attached as Exhibit A to the

Notice of Filing of Term Sheet [Docket No. 3118] filed with the Bankruptcy Court on November 20, 2023, as may be amended from time to time.

1.1.566 “U.S. Government Resolution” means the resolution reached with the U.S. Government¹⁶ resolving disputes among such parties with respect to, among other things, the DOJ Civil Claim, the DOJ Criminal Claim, and the IRS Claim, the terms of which shall be set forth in the U.S. Government Resolution Documents.

1.1.567 “U.S. Government Resolution Consideration” means the consideration set forth in the U.S. Government Economic Term Sheet.

1.1.568 “U.S. Government Resolution Documents” means the definitive documentation governing the U.S. Government Resolution and the implementation thereof, which shall be filed with the Plan Supplement.

1.1.569 “UCC Allocation” means the document setting forth the allocation of the GUC Trust Consideration among the GUC Trust and the Distribution Sub-Trusts, which (a) is an integral component of the UCC Resolution; (b) shall be filed with the Plan Supplement; and (c) shall be in form and substance acceptable to the Creditors’ Committee.

1.1.570 “UCC Resolution” means the resolution reached with the Creditors’ Committee resolving certain disputes set forth in the Resolution Stipulation, the terms of which are set forth in the UCC Resolution Term Sheet and the GUC Trust Documents.

1.1.571 “UCC Resolution Term Sheet” means the UCC Resolution Term Sheet attached as Exhibit 1 to the Resolution Stipulation, as may be amended from time to time.

1.1.572 “UCC Specified Subsidiaries” means Endo Ventures Unlimited Company (f/k/a Endo Ventures Limited), Endo Health Solutions Inc., Endo Pharmaceuticals Inc., Endo Generics Holdings, Inc., Par Pharmaceutical Companies, Inc., Par Pharmaceutical, Inc.,

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AS OF THE DATE HEREOF, THE U.S. GOVERNMENT RESOLUTION HAS NOT YET BEEN REACHED NOR APPROVED BY THE U.S. GOVERNMENT, THE DEBTORS, THEIR APPLICABLE BOARDS OF DIRECTORS, OR ANY OTHER CONSTITUENCIES, AND REMAINS SUBJECT TO AND CONDITIONED UPON (A) AGREEMENT ON THE DEFINITIVE TERMS OF ANY U.S. GOVERNMENT RESOLUTION, WHICH, IF AND WHEN REACHED, SHALL BE REFLECTED IN THE U.S. GOVERNMENT RESOLUTION DOCUMENTS (WHICH SHALL BE FILED WITH THE PLAN SUPPLEMENT); AND (B) EACH SUCH PARTY OBTAINING ANY NECESSARY APPROVALS OF THE TERMS EMBODIED IN THE U.S. GOVERNMENT RESOLUTION. ANY REFERENCES IN THIS PLAN OR ANY OTHER PLAN DOCUMENT TO THE U.S. GOVERNMENT RESOLUTION AND THE U.S. GOVERNMENT RESOLUTION DOCUMENTS ARE QUALIFIED IN THEIR ENTIRETY BY THE FINAL TERMS OF THE AGREED U.S. GOVERNMENT RESOLUTION AND THE U.S. GOVERNMENT RESOLUTION DOCUMENTS, WHICH, AS OF THE DATE HEREOF, ARE SUBJECT TO CONTINUING NEGOTIATIONS. FOR THE AVOIDANCE OF DOUBT, NO PARTY HAS CONSENTED TO THE U.S. GOVERNMENT RESOLUTION OR THE U.S. GOVERNMENT RESOLUTION DOCUMENTS AND ALL PARTIES TO SUCH RESOLUTION AND DOCUMENTS RESERVE THEIR RESPECTIVE RIGHTS WITH RESPECT THERETO.

Generics Bidco I, LLC, Vintage Pharmaceuticals, LLC, Par Sterile Products, LLC, Paladin Labs Inc., DAVA Pharmaceuticals, LLC, and Par Pharmaceutical Holdings, Inc.

1.1.573 “**UK**” means the United Kingdom.

1.1.574 “**Underwriter**” means an “underwriter” as defined in section 1145(b) of the Bankruptcy Code.

1.1.575 “**Unexpired Lease**” means a lease to which one or more of the Debtors is a party that is subject to assumption or rejection under sections 365 and 1123 of the Bankruptcy Code.

1.1.576 “**Unimpaired**” means not Impaired.

1.1.577 “**United States**” or “**U.S.**” means the United States of America.

1.1.578 “**United States Trustee**” or “**U.S. Trustee**” means the United States Trustee Program.

1.1.579 “**Unsecured Noteholders Fees**” means the fees and expenses of the advisors to the Ad Hoc Group of Unsecured Noteholders, in the amount of \$950,000.

1.1.580 “**Unsecured Notes**” means the notes issued pursuant to the Unsecured Notes Indentures.

1.1.581 “**Unsecured Notes Claims**” means any and all Claims against the Debtors on account of any Unsecured Notes.

1.1.582 “**Unsecured Notes Documents**” means the Unsecured Notes Indentures, together with all other related documents, instruments, and agreements, in each case, as may be supplemented, amended, restated, or otherwise modified from time to time.

1.1.583 “**Unsecured Notes Indenture Trustees**” means (a) U.S. Bank Trust Company, National Association, in its capacity as successor indenture trustee to Computershare Trust Company, National Association (as successor trustee to Wells Fargo Bank, National Association) under (i) that certain Indenture, dated as of June 30, 2014; and (ii) that certain Indenture, dated as of June 16, 2020; and (b) UMB Bank, National Association, in its capacity as successor indenture trustee to (1) Computershare Trust Company, National Association (as successor trustee to Wells Fargo Bank, National Association) under that certain Indenture, dated as of January 27, 2015; and (2) U.S. Bank Trust Company, National Association, as successor trustee to Computershare Trust Company, National (as successor trustee to Wells Fargo Bank, National Association) under that certain Indenture, dated as of July 9, 2015.

1.1.584 “**Unsecured Notes Indentures**” means (a) that certain Indenture, dated as of June 30, 2014, for the 5.375% Senior Notes due 2023, by and among Endo Finance LLC and Endo Finco Inc., as issuers, each of the guarantors party thereto, and U.S. Bank Trust Company, National Association, as trustee; (b) that certain Indenture, dated as of January 27, 2015, for the

6.00% Senior Notes due 2025, by and among Endo Designated Activity Company (formerly Endo Limited), Endo Finance LLC, and Endo Finco Inc., as issuers, each of the guarantors party thereto, and UMB Bank, National Association, as trustee; (c) that certain Indenture, dated as of July 9, 2015, for the 6.000% Senior Notes due 2023, by and among Endo Designated Activity Company (formerly Endo Limited), Endo Finance LLC, and Endo Finco Inc., as issuers, each of the guarantors party thereto, and UMB Bank, National Association, as trustee; and (d) that certain Indenture, dated as of June 16, 2020, for the 6.000% Senior Notes due 2028, by and among Endo Designated Activity Company, Endo Finance LLC, and Endo Finco Inc., as issuers, each of the guarantors party thereto, and U.S. Bank Trust Company, National Association, as trustee.

1.1.585 “**VA**” means the United States Department of Veterans Affairs.

1.1.586 “**VA Opioid Claim**” means Claim No. 4186, filed by the VA against the Debtors, as such Claim may be amended, supplemented, or modified from time to time, together with any Claims that could be asserted with respect thereto.

1.1.587 “**VOI Opioid Products**” means all current and future medications containing VOI Opioids approved by the FDA and listed by the DEA as Schedule II, III, or W pursuant to the CSA (including but not limited to buprenorphine, codeine, fentanyl, hydrocodone, hydromorphone, meperidine, methadone, morphine, oxycodone, oxymorphone, tapentadol, and tramadol). For the avoidance of doubt, “VOI Opioid Products” shall not include (a) methadone, buprenorphine, or other products with an FDA-approved label that lists the treatment of opioid or other substance use disorder, abuse, addiction, dependence or overdose as their “indications or usage,” insofar as the product is being used to treat opioid abuse, addiction, dependence or overdose; or (b) raw materials, immediate precursors, and/or APIs used in the manufacture or study of VOI Opioids or VOI Opioid Products, but only when such materials, immediate precursors, and/or APIs are sold or marketed exclusively to DEA-licensed manufacturers or DEA-licensed researchers.

1.1.588 “**VOI Opioids**” means all natural, semi-synthetic, or synthetic chemicals that interact with opioid receptors and act like opium; except, for the avoidance of doubt, does not include: (a) such chemicals used in products with an FDA-approved label that lists the treatment of opioid or other substance use disorder, abuse, addiction, dependence, or overdose as their “indications or usage”; or (b) the opioid antagonists naloxone or naltrexone.

1.1.589 “**VOI Side Letter**” means the document, if any, in connection with the Voluntary Opioid Operating Injunction to be filed with the Plan Supplement.

1.1.590 “**VOI-Specific Debtors**” means Endo Pharmaceuticals Inc., Par Pharmaceutical, Inc., and each of their parents, subsidiaries, predecessors, successors, joint ventures, divisions, assigns, officers, directors, agents, partners, principals, current employees, and Affiliates acting on behalf of Endo Pharmaceuticals Inc. or Par Pharmaceutical, Inc in the United States.

1.1.591 “*VOI-Specific Post-Emergence Entities*” means, as of and following the Effective Date, the VOI-Specific Debtors, as reorganized pursuant to and under this Plan, and any successors thereto.

1.1.592 “*Voluntary Opioid Operating Injunction*” means the operating injunction set forth in the Plan Supplement, the terms of which shall be substantially the same in form and substance as the Preliminary Operating Injunction, and shall be approved by, and enforced pursuant to, the Confirmation Order.

1.1.593 “*Voting Deadline*” means the deadline by which parties entitled to vote with respect to this Plan must submit their votes to accept or reject the Plan in accordance with the Disclosure Statement Order.

1.1.594 “*Voting Representative*” means a Firm representing holders of Claims in Classes 4(C), 4(D), 4(E), 4(F), 7(A), 7(B), 7(C), 7(D), and 7(E) who has returned a properly completed Solicitation Directive and elected to utilize the Non-Notes Master Ballot Solicitation Method (as such terms are defined in the Disclosure Statement Order).

1.1.595 “*ZS Associates Parties*” means ZS Associates, Inc. and all of its Affiliates and subsidiaries (other than, for the avoidance of doubt, (a) with respect to the Non-GUC Releases, any directors (including any Persons in analogous roles under applicable law), officers, or employees of the Debtors that are Non-GUC Released Parties; and (b) with respect to the GUC Releases, any directors (including any Persons in analogous roles under applicable law), officers, or employees of the Debtors that are GUC Released Parties).

Section 1.2 Rules of Interpretation

For purposes of this Plan: (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) unless otherwise specified, any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form, or on particular terms and conditions, means that the referenced document shall be substantially in that form and/or substantially on those terms and conditions; (c) unless otherwise specified, any reference to this Plan shall mean this Plan, including any amendments, modifications, and supplements hereto and as it may be subsequently amended, modified, and supplemented; (d) any reference in this Plan to an existing document or exhibit having been filed or to be filed shall mean that such document or exhibit, as it may thereafter be amended, modified, or supplemented; (e) any reference to an Entity as a holder of a Claim or Interest includes that Entity’s successors and assigns; (f) unless otherwise specified, all references herein to “Sections,” “Exhibits,” and “Articles” are references to Sections, Exhibits, and Articles hereof or hereto; (g) unless otherwise stated, the words “herein,” “hereof” and “hereto” refer to this Plan in its entirety (and as may be amended, modified, or supplemented) rather than to a particular portion of this Plan; (h) subject to the provisions of any contract, certificate of incorporation, bylaw, instrument, release, or other agreement or document created or entered into in connection with this Plan, the rights and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, applicable federal law, including the

Bankruptcy Code and the Bankruptcy Rules; (i) unless otherwise specified, the words “include” and “including,” and any variations thereof, shall not be deemed to be terms of limitation and shall be deemed to be followed by the words “without limitation”; (j) references to “shareholders,” “directors,” and/or “officers” shall also include “members” and/or “managers,” as applicable, as such terms are defined under applicable state limited liability company laws; (k) references to “Proofs of Claim,” “holders of Claims,” “Disputed Claims,” and the like shall be deemed to include “Proofs of Interests,” “holders of Interests,” “Disputed Interests,” and the like, as applicable; (l) captions and headings of Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Plan; (m) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (n) to the extent there is any inconsistency between the terms of the Disclosure Statement and the terms of this Plan, this Plan shall control; (o) to the extent there is any inconsistency between the terms of this Plan and any exhibits hereto or any Plan Supplements or any documents contemplated hereby or thereby, including the PSA, this Plan shall control; *provided, that*, to the extent there is any inconsistency between the terms of this Plan and any Trust Document, the terms of the applicable Trust Document shall control; (p) to the extent there is any inconsistency between this Plan and the Confirmation Order, the Confirmation Order shall control; (q) references to “shares,” “shareholders,” or “directors” shall also include “membership units,” “members,” “managers,” and/or “officers” or other functional equivalents, as applicable, as such terms are defined under the applicable state or non-U.S. corporate or comparable law, as applicable; (r) any immaterial effectuating provisions may be interpreted by the applicable Post-Emergence Entities in a manner that is consistent with the overall purpose and intent of this Plan, all without further order of the Bankruptcy Court; (s) references to docket numbers are references to the docket numbers of documents filed in the Chapter 11 Cases under the Bankruptcy Court’s CM/ECF system; (t) any consent, acceptance, or approval with respect to any party may be conveyed by counsel for the applicable party with such consent, acceptance, or approval rights, including by electronic mail; and (u) any rights of any Person or Entity with respect to the implementation and administration of this Plan are not, and shall not be construed to be, affirmative obligations of such Person or Entity to take (or refrain from taking) any action with respect thereto.

Section 1.3 Computation of Time

The provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein.

Section 1.4 Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of New York, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of this Plan, and any agreements, documents, instruments, or contracts executed or entered into in connection with this Plan (except as otherwise set forth in such agreements, in which case the governing law of such agreement shall control); *provided, that*, corporate governance matters relating to the Debtors or the Post-Emergence Entities, as applicable, shall be governed by the laws of the state or other jurisdiction of incorporation or organization of the Debtors or the Post-Emergence Entities, as applicable.

Section 1.5 *Reference to Monetary Figures*

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

Section 1.6 *Reference to the Debtors or the Post-Emergence Entities*

Except as otherwise specifically provided in this Plan to the contrary, references in this Plan to the Debtors or to the Post-Emergence Entities shall mean the Debtors and the applicable Post-Emergence Entities, as applicable, to the extent the context requires.

Section 1.7 *Controlling Document*

(a) In the event of an inconsistency between this Plan and the Plan Supplement or any other instrument or document created or executed pursuant to this Plan, between this Plan and the Disclosure Statement, or between this Plan and the PSA, this Plan shall control; *provided, that*, in the event of any inconsistency between this Plan and any Trust Document, the applicable Trust Document shall control; *provided, further, that*, in the event of any inconsistency between the (a) DMP Stipulation and the DMP Stipulation Order; and (b) the Plan, the Disclosure Statement, the Plan Supplement, or any other Plan Document, the DMP Stipulation and the DMP Stipulation Order shall control as to the subject matter of the DMP Stipulation.

(b) The provisions of this Plan, the PSA, and the Confirmation Order shall be construed in a manner consistent with each other so as to effectuate the purposes of each and the DMP Stipulation and the DMP Stipulation Order shall be incorporated by reference into the Confirmation Order; *provided, that*, if there is determined to be any inconsistency between any provisions of this Plan and any provision of the Confirmation Order and such inconsistency cannot be reconciled, the provisions of the Confirmation Order shall govern and any such provisions of the Confirmation Order shall be deemed a modification of this Plan, solely to the extent of such inconsistency; *provided, further, that*, in the event of any inconsistency between (i) the DMP Stipulation and the DMP Stipulation Order; and (ii) the Confirmation Order, the DMP Stipulation and the DMP Stipulation Order shall control as to the subject matter of the DMP Stipulation.

(c) The DMP Stipulation and the DMP Stipulation Order shall be incorporated by reference into the Confirmation Order. The incorporation of the DMP Stipulation and the DMP Stipulation Order into the Confirmation Order shall not alter the scope of the discharge provided in Article X under this Plan; *provided, however, that*, any such discharge shall be consistent with all of the terms of the DMP Stipulation and the DMP Stipulation Order and shall not alter in any way the rights of the parties to the DMP Stipulation and the DMP Stipulation Order thereunder.

ARTICLE II

TREATMENT OF UNCLASSIFIED CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims, Non-IRS Priority Tax Claims, and IRS Priority Tax Claims have not been

classified and, thus, are excluded from the Classes of Claims and Interests set forth in Article III, and shall have the following treatment:

Section 2.1 Administrative Expense Claims

Except to the extent that a holder of an Allowed Administrative Expense Claim agrees to less favorable treatment, each holder of an Allowed Administrative Expense Claim that is not a Fee Claim shall receive, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, its Allowed Administrative Expense Claim, Cash equal to the unpaid portion of such Allowed Administrative Expense Claim on the latest of: (a) the Effective Date; (b) the first Business Day after the date that is 30 days after the date on which such Administrative Expense Claim becomes an Allowed Administrative Expense Claim; (c) the date on which such Administrative Expense Claim becomes payable under any agreement with the Debtors or the applicable Post-Emergence Entities relating thereto; (d) in respect of liabilities incurred by the Debtors in the ordinary course of business, the date upon which such liabilities are payable in the ordinary course of business by the Debtors or the applicable Post-Emergence Entities, as applicable, consistent with the Debtors' past practice; or (e) such other date as may be agreed upon between the holder of such Allowed Administrative Expense Claim and the Debtors or the applicable Post-Emergence Entities, as the case may be; *provided, however, that*, in order to receive payment of an Administrative Expense Claim, the holder thereof shall have filed and served a request for payment of such Administrative Expense Claim pursuant to the procedures specified in the Confirmation Order, and such Claim shall have become an Allowed Claim, other than with respect to a holder of: (i) an Administrative Expense Claim Allowed by a Final Order of the Bankruptcy Court on or before the Effective Date; or (ii) an Administrative Expense Claim that is (1) not Disputed; (2) arose in the ordinary course of business; and (3) was paid or is to be paid in accordance with the terms and conditions of the particular transaction giving rise to such Administrative Expense Claim. Any request for payment of an Administrative Expense Claim pursuant to this Section 2.1 that is not timely filed and served shall be Disallowed automatically without the need for any objection from the Debtors or the Post-Emergence Entities.

Section 2.2 Fee Claims

(a) Fee Claims Generally

Professionals or other Persons asserting Fee Claims for services rendered to the Debtors, the Committees, the FCR, or the Endo EC before the Effective Date must file and serve on the Debtors and/or the Post-Emergence Entities, and such other Persons who are designated by the applicable Bankruptcy Rules, the Confirmation Order, the Interim Compensation Order, or any other applicable order of the Bankruptcy Court, an application for final Allowance of such Fee Claim no later than 30 days after the Effective Date. Objections to any Fee Claim must be filed and served on the Purchaser Entities, the Committees, the United States Trustee, and the Professional requesting Allowance of such Fee Claim no later than 45 days after the Effective Date. Following the Effective Date, payment of compensation to Professionals in satisfaction of any Fee Claims shall be paid out of the Professional Fee Escrow Account as soon as reasonably practicable following the Allowance of such Fee Claims by the Bankruptcy Court; *provided, that*, to the extent any Fee Claim is Allowed only with respect to a portion of such Fee Claims, only the

Allowed portion of such Fee Claim shall be paid; *provided, further, that*, to the extent the funds held in the Professional Fee Escrow Account are insufficient to satisfy the amount of Fee Claims owing to any Professional, such Professional shall hold an Allowed Administrative Expense Claim for the amount of any deficiency, which Allowed Administrative Expense Claim shall be satisfied by the Purchaser Entities. For the avoidance of doubt, (i) Fee Claims shall be subject to any limitations as agreed with the applicable Professional or other Person asserting such Fee Claims; and (ii) Allowed Fee Claims shall not be subject to Disallowance, setoff, recoupment, subordination, recharacterization, or reduction of any kind, including pursuant to section 502(d) of the Bankruptcy Code.

(b) Professional Fee Escrow Account

No later than 10 Business Days prior to the Effective Date, the Debtors shall have deposited the Professional Fee Reserve Amounts, the estimates for which shall have been provided by the Professionals to the Debtors at least seven days prior to the date of such deposit by the Debtors; *provided, that*, none of the estimates provided by Professionals, the provision of the Professional Fee Reserve Amounts, nor the funding of the Professional Fee Escrow Account shall be considered an admission or limitation of any kind with respect to any Fee Claim. The Professional Fee Reserve Amounts in the Professional Fee Escrow Account shall be held in trust for Professionals and for no other party until all Allowed Fee Claims are paid in full, and such Professional Fee Reserve Amounts held in the Professional Fee Escrow Account shall not be considered property of the Debtors, their Estates, or the Post-Emergence Entities; *provided, that*, after all Allowed Fee Claims have been paid in full, any amounts remaining in the Professional Fee Escrow Account shall revert to the Purchaser Entities and constitute property of the Purchaser Entities.

(c) Post-Effective Date Professional Fees and Expenses

From and after the Effective Date, the Remaining Debtors shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable and documented legal, professional, or other fees and expenses of the Professionals in the ordinary course of business (including as related to the implementation of this Plan, the Plan Settlements, the Plan Transaction, and the Restructuring Transactions, preparing, reviewing, and prosecuting or addressing any issues with respect to final fee applications), subject to any applicable fee caps as agreed with the applicable Professional. Upon the Effective Date, any requirement that professionals comply with sections 327 through 331, section 363, and section 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after the Effective Date shall terminate, and the applicable Post-Emergence Entities and the Plan Administrator may employ and pay any professionals in the ordinary course of business without any further notice to, or action, order, or approval of, the Bankruptcy Court.

Section 2.3 *Restructuring Expenses*

The Restructuring Expenses incurred, or estimated to be incurred prior to and including the Effective Date, to the extent not previously paid during the course of the Chapter 11 Cases, shall be paid in full in Cash on the Effective Date or as soon as reasonably practicable

thereafter in accordance with, and subject to the terms of the Cash Collateral Order and the RSA, in each case, without any requirement to file a fee application or Administrative Expense Claim with the Bankruptcy Court or any requirement for Bankruptcy Court review or approval, which payments shall be final and not subject to disgorgement, turnover, recovery, avoidance, recharacterization, or any other similar Claim. All Restructuring Expenses to be paid on the Effective Date shall be estimated in good faith, and such estimates shall be delivered to the Debtors at least two Business Days before the anticipated Effective Date; *provided, however, that*, such estimates shall not be considered an admission or limitation of any kind with respect to such Restructuring Expenses. Other than the payment of the Restructuring Expenses and Fee Claims, or as otherwise authorized by the Bankruptcy Court, no broker, finder, or investment banker engaged by or on behalf of any Debtor or Non-Debtor Affiliate shall be entitled to any brokerage, finder's, or other fee or commission in connection with this Plan or the Restructuring Transactions.

Section 2.4 Non-IRS Priority Tax Claims

Except to the extent that a holder of an Allowed Non-IRS Priority Tax Claim agrees to less favorable treatment, each holder of an Allowed Non-IRS Priority Tax Claim shall receive, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, its Allowed Non-IRS Priority Tax Claim: (a) Cash in an amount equal to such Allowed Non-IRS Priority Tax Claim on or as soon as reasonably practicable after the later of (i) the Effective Date, to the extent such Claim is Allowed as of the Effective Date; (ii) the first Business Day after the date that is 30 days after the date such Non-IRS Priority Tax Claim becomes an Allowed Non-IRS Priority Tax Claim; and (iii) the date such Allowed Non-IRS Priority Tax Claim becomes due and payable in the ordinary course; or (b) an installment payment in Cash and the right to receive annual installment payments in Cash equal to an aggregate total value, calculated as of the Effective Date, of the Allowed amount of such Non-IRS Priority Tax Claim, over a period ending not later than five years after the Petition Date.

Section 2.5 IRS Priority Tax Claims

Pursuant to and in accordance with the U.S. Government Resolution Documents, on the Effective Date, the IRS Priority Tax Claims shall be deemed Allowed on the terms set forth in the U.S. Government Resolution Documents and holders of the IRS Priority Tax Claims shall receive, in full and final satisfaction, settlement, release, and discharge of and in exchange for such Claims, the applicable U.S. Government Resolution Consideration.

ARTICLE III

CLASSIFICATION OF CLAIMS AND INTERESTS

Section 3.1 Classification of Claims and Interests

Pursuant to section 1122 of the Bankruptcy Code, set forth below is a designation of Classes of Claims and Interests. A Claim or Interest is placed in a particular Class for the purposes of voting on this Plan and receiving distributions pursuant to this Plan only to the extent

that such Claim or Interest is an Allowed Claim or Allowed Interest in such Class and such Claim or Interest has not been paid, released, withdrawn, or otherwise settled before the Effective Date.

Section 3.2 Grouping of Debtors for Convenience Only

Each Class of Claims or Interests will be deemed to contain sub-classes for each of the Debtors, to the extent applicable for voting and distribution purposes. To the extent there are no Allowed Claims or Interests in a Class with respect to a particular Debtor, such Class is deemed to be omitted with respect to such Debtor. Except as otherwise provided herein, to the extent a Claim may be asserted against more than one Debtor, the vote of the applicable holder of such Claim in connection with such Claim shall be counted as a vote of such Claim against each Debtor against which such Claim is asserted. The grouping of the Debtors in this manner shall not change the organizational structure of the Debtors' business enterprise, constitute a change of control of any Debtor for any purpose, cause a merger or consolidation of any legal Entities, or cause the transfer of any Assets, and, except as otherwise provided by or permitted under this Plan, all Debtors shall continue to exist as separate legal Entities.

Section 3.3 Summary of Classification

The categories of Claims and Interests set forth below classify all Claims against and Interests in the Debtors for all purposes of this Plan. A Claim or Interest shall be deemed classified in a particular Class only to the extent such Claim or Interest qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Interest qualifies within the description of such different Class. The treatment with respect to each Class of Claims and Interests provided for in this Article III shall be in full and final satisfaction, settlement, release, and discharge of, and in exchange for, such Claims and Interests.

Class	Designation	Impairment	Entitled to Vote
1	Priority Non-Tax Claims	Unimpaired	No (conclusively presumed to accept)
2	Other Secured Claims	Unimpaired	No (conclusively presumed to accept)
3	First Lien Claims	Impaired	Yes
4(A)	Second Lien Deficiency and Unsecured Notes Claims	Impaired	Yes
4(B)	Other General Unsecured Claims	Impaired	Yes
4(C)	Mesh Claims	Impaired	Yes
4(D)	Ranitidine Claims	Impaired	Yes
4(E)	Generics Price Fixing Claims	Impaired	Yes
4(F)	Reverse Payment Claims	Impaired	Yes

Class	Designation	Impairment	Entitled to Vote
5	U.S. Government Claims	Impaired	Yes
6(A)	State Opioid Claims	Impaired	Yes
6(B)	Local Government Opioid Claims	Impaired	Yes
6(C)	Tribal Opioid Claims	Impaired	Yes
7(A)	PI Opioid Claims	Impaired	Yes
7(B)	NAS PI Claims	Impaired	Yes
7(C)	Hospital Opioid Claims	Impaired	Yes
7(D)	TPP Claims	Impaired	Yes
7(E)	IERP II Claims	Impaired	Yes
8	Public School District Claims	Impaired	Yes
9	Canadian Provinces Claims	Impaired	Yes
10	Settling Co-Defendant Claims	Impaired	Yes
11	Other Opioid Claims	Impaired	Yes
12	EFBD Claims	Impaired	Yes
13	Intercompany Claims	Impaired / Unimpaired	No (deemed to reject / conclusively presumed to accept)
14	Intercompany Interests	Impaired / Unimpaired	No (deemed to reject / conclusively presumed to accept)
15	Subordinated, Recharacterized, or Disallowed Claims	Impaired	No (deemed to reject)
16	Existing Equity Interests	Impaired	No (deemed to reject)

Section 3.4 Special Provision Governing Unimpaired Claims

Except as otherwise provided in this Plan, nothing under this Plan shall affect the Debtors' rights in respect of any Claims that are Unimpaired, including all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Claims that are Unimpaired. Except as otherwise specifically provided in this Plan, nothing in this Plan shall be deemed to be a waiver or relinquishment of any claim, Cause of Action, right of setoff, or other legal or equitable defense which the Debtors had immediately prior to the Petition Date, against or with respect to any Claim that is Unimpaired, and the Post-Emergence Entities shall have, retain, reserve, and be entitled to fully assert all such claims, Causes of Action, rights of setoff, and other legal or equitable defenses which the Debtors had immediately prior to the Petition Date as if the Chapter 11 Cases had not been commenced, and all of the Post-Emergence Entities' legal and

equitable rights with respect to any reinstated Claim or Claim that is Unimpaired by this Plan may be asserted after the Confirmation Date and the Effective Date to the same extent as if the Chapter 11 Cases had not been commenced.

Section 3.5 Voting Classes

Classes 3, 4(A), 4(B), 4(C), 4(D), 4(E), 4(F), 5, 6(A), 6(B), 6(C), 7(A), 7(B), 7(C), 7(D), 7(E), 8, 9, 10, 11, and 12 are Impaired under this Plan and are entitled to vote to accept or reject this Plan.

Section 3.6 Acceptance or Rejection of this Plan

(a) Acceptance by Certain Impaired Classes

An Impaired Class of Claims shall have accepted this Plan if the holders, including holders acting through a Voting Representative, of (i) at least two-thirds in amount of Claims actually voting in such Class have voted to accept this Plan; and (ii) more than one-half in number of Claims actually voting in such Class have voted to accept this Plan. Holders of Claims in Classes 3, 4(A), 4(B), 4(C), 4(D), 4(E), 4(F), 5, 6(A), 6(B), 6(C), 7(A), 7(B), 7(C), 7(D), 7(E), 8, 9, 10, 11, and 12 (or, if applicable, the Voting Representatives of such holders) shall receive Ballots containing detailed voting instructions. For the avoidance of doubt, pursuant to and except as otherwise provided in the Solicitation Procedures, each Claim in Classes 4(C), 4(D), 4(E), 4(F), 6(A), 6(B), 6(C), 7(A), 7(B), 7(C), 7(D), 7(E), 8, 9, 10, 11, and 12 shall be accorded one vote and valued at \$1.00 for voting purposes only, and not for purposes of Allowance or Distribution, such that Classes 4(C), 4(D), 4(E), 4(F), 6(A), 6(B), 6(C), 7(A), 7(B), 7(C), 7(D), 7(E), 8, 9, 10, 11, and 12 shall each be deemed to have accepted this Plan if the holders, including holders acting through a Voting Representative, of at least two-thirds in number of Claims actually voting in such Class have voted to accept this Plan.

(b) Presumed Acceptance of this Plan

Classes 1 and 2 are Unimpaired under this Plan and are therefore conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

(c) Presumed Acceptance / Deemed Rejection of this Plan

Holders of Claims and Interests in Classes 13 and 14 are either (i) Unimpaired and are therefore conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code; or (ii) Impaired and not receiving any Distribution under this Plan and are therefore deemed to have rejected this Plan pursuant to section 1126(g) of the Bankruptcy Code.

Section 3.7 Elimination of Vacant Classes

Any Class of Claims or Interests that does not have a holder of an Allowed Claim or Allowed Interest or a Claim or Interest temporarily Allowed by the Bankruptcy Court as of the date of the Confirmation Hearing shall be deemed eliminated from this Plan for purposes of voting

to accept or reject this Plan and for purposes of determining acceptance or rejection of this Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

Section 3.8 Presumed Acceptance by Non-Voting Classes

If a Class contains Claims eligible to vote and no holders of Claims eligible to vote in such Class vote to accept or reject this Plan, this Plan shall be presumed to have been accepted by the holders of such Claims in such Class.

Section 3.9 Cramdown

If any Class rejects or is deemed to reject this Plan, the Debtors may (a) seek Confirmation of this Plan under section 1129(b) of the Bankruptcy Code; or (b) amend or modify this Plan in accordance with Section 12.1 of this Plan, with the consent of the Required Consenting Global First Lien Creditors, to the extent that Confirmation under section 1129(b) of the Bankruptcy Code requires such amendment or modification.

ARTICLE IV

TREATMENT OF CLAIMS AND INTERESTS

Section 4.1 Class 1 – Priority Non-Tax Claims

(a) *Classification.* Class 1 consists of all Priority Non-Tax Claims.

(b) *Impairment and Voting.* Class 1 is Unimpaired, and holders of Allowed Priority Non-Tax Claims are conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, holders of Allowed Priority Non-Tax Claims are not entitled to vote to accept or reject this Plan, and the votes of such holders will not be solicited with respect to Allowed Priority Non-Tax Claims.

(c) *Treatment.* Except to the extent that a holder of an Allowed Priority Non-Tax Claim agrees to less favorable treatment, on the later of (i) the Effective Date; and (ii) the date that is 30 days after the date such Priority Non-Tax Claim becomes an Allowed Claim or, in each case, as soon as reasonably practicable thereafter, each holder of an Allowed Priority Non-Tax Claim shall receive, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, such holder's Allowed Priority Non-Tax Claim, (1) Cash in an amount equal to such Allowed Priority Non-Tax Claim; or (2) such other treatment that shall render such claim Unimpaired under the Bankruptcy Code.

Section 4.2 Class 2 – Other Secured Claims

(a) *Classification.* Class 2 consists of Other Secured Claims.

(b) *Impairment and Voting.* Class 2 is Unimpaired, and holders of Other Secured Claims are conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, holders of Other Secured Claims are not entitled to vote to accept

or reject this Plan, and the votes of such holders will not be solicited with respect to Other Secured Claims.

(c) *Treatment.* Except to the extent that a holder of an Allowed Other Secured Claim against the Debtors agrees to a less favorable treatment of such Claim, each holder of an Allowed Other Secured Claim shall receive, in full and final satisfaction, settlement, release, and discharge of, and in exchange for such Claim, at the sole option of the Debtors or the applicable Post-Emergence Entities, as applicable: (i) Cash in an amount equal to such Claim, payable on the later of (1) the Effective Date; (2) the date that is a maximum of 30 days after the date on which such Other Secured Claim becomes an Allowed Other Secured Claim; or (3) such other date as agreed to by the Debtors or the applicable Post-Emergence Entities, as applicable, and such holder, or as soon after the applicable of the foregoing clause (1), (2), or (3) as is reasonably practicable; (ii) delivery of collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code; or (iii) such other treatment rendering such holder's Allowed Other Secured Claim Unimpaired under the Bankruptcy Code; *provided, that*, Other Secured Claims that arise in the ordinary course of the Debtors' business and that are not due and payable on or before the Effective Date shall be paid in the ordinary course of business in accordance with the terms thereof.

Section 4.3 Class 3 – First Lien Claims

(a) *Classification.* Class 3 consists of all First Lien Claims.

(b) *Impairment and Voting.* Class 3 is Impaired, and holders of First Lien Claims are entitled to vote to accept or reject this Plan.

(c) *Allowance.* The First Lien Claims shall be deemed Allowed on the Effective Date in the following amounts, *plus* accrued and unpaid interest, fees, expenses, and other obligations arising, due, or owing under or in connection with the First Lien Credit Agreement and/or the First Lien Notes Indentures, as applicable, in each case, through and including the Petition Date:

First Lien Claim by Debt Instrument	Allowed Amounts (in USD)¹⁷
First Lien Credit Agreement	\$2,252,200,000.00
First Lien Notes Indenture dated as of April 27, 2017, for the 5.875% Senior Secured Notes due 2024	\$300,000,000.00
First Lien Notes Indenture dated as of March 28, 2019, for the 7.500% Senior Secured Notes due 2027	\$2,015,479,000.00
First Lien Notes Indenture dated as of March 25, 2021, for the 6.125% Senior Secured Notes due 2029	\$1,295,000,000.00
Total	\$5,862,679,000.00

¹⁷ Amounts to be updated prior to the Confirmation Hearing.

(d) *Treatment.* Except to the extent that a holder of an Allowed First Lien Claim agrees to less favorable treatment, on the Effective Date, each holder of an Allowed First Lien Claim shall receive, in full and final satisfaction, settlement, release, and discharge of, and in exchange for such Claim, such holder's pro rata share of:

(i) 96.30% of the Purchaser Equity (subject to dilution by any issuances of Purchaser Equity under or pursuant to (1) the Rights Offerings and the Backstop Commitment Agreements; and (2) the Management Incentive Plan);

(ii) (1) if the Exit Minimum Cash Sweep Trigger occurs, Cash from the Exit Minimum Cash Sweep; and/or (2) the net proceeds of the Syndicated Exit Financing, if any, after giving effect to the transactions occurring on the Effective Date; and/or (3) the New Takeback Debt;

(iii) the First Lien Accrued and Unpaid Adequate Protection Payments; and

(iv) the First Lien Subscription Rights.

Section 4.4 Class 4(A) – Second Lien Deficiency Claims and Unsecured Notes Claims

(a) *Classification.* Class 4(A) consists of all Second Lien Deficiency Claims and Unsecured Notes Claims.

(b) *Impairment and Voting.* Class 4(A) is Impaired, and holders of Second Lien Deficiency Claims and Unsecured Notes Claims are entitled to vote to accept or reject this Plan.

(c) *Allowance of Second Lien Deficiency Claims.* The Second Lien Deficiency Claims shall be deemed Allowed as an unsecured deficiency claim pursuant to section 506(a) of the Bankruptcy Code on the Effective Date in the amount of \$940,590,000.00.

(d) *Allowance of Unsecured Notes Claims.* The Unsecured Notes Claims shall be deemed Allowed on the Effective Date in the following amounts:

Unsecured Notes Claim by Indenture	Allowed Amounts (in USD)
Unsecured Notes Indenture dated as of June 30, 2014, for the 5.375% Senior Notes due 2023	\$6,155,358.65
Unsecured Notes Indenture dated as of January 27, 2015, for the 6.00% Senior Notes due 2025	\$22,281,173.08
Unsecured Notes Indenture dated as of July 9, 2015, for the 6.000% Senior Notes due 2023	\$56,736,474.67
Unsecured Notes Indenture dated as of June 16, 2020, for the 6.000% Senior Notes due 2028	\$1,270,079,189.33
Total	\$1,355,252,195.73

(e) *Treatment.* Except to the extent that a holder of a Second Lien Deficiency Claim or Unsecured Notes Claim agrees to less favorable treatment, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the Second Lien Deficiency Claims and Unsecured Notes Claims, the GUC Trust shall receive the GUC Trust Consideration in accordance with the GUC Trust Documents, and

(i) holders of Allowed Second Lien Deficiency Claims and Allowed Unsecured Notes Claims shall receive GUC Subscription Rights; *provided, that*, the exercise of such GUC Subscription Rights shall be subject to the terms and conditions set forth in the GUC Rights Offering Documents; and

(ii) on the Effective Date, each Second Lien Deficiency Claim and each Unsecured Notes Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the GUC Trust pursuant to Section 10.9 of this Plan, and all of the Debtors' liability for such Claim shall be assumed by, the GUC Trust and such Claim shall thereafter be asserted exclusively against the GUC Trust. The sole recourse of any holder of a Second Lien Deficiency Claim or an Unsecured Notes Claim on account thereof shall be to the GUC Trust and only in accordance with the terms, provisions, and procedures of the GUC Trust Documents, which shall provide that such Claims shall be Allowed in the amounts set forth above and administered by the GUC Trust and holders of Allowed Second Lien Deficiency Claims and Allowed Unsecured Notes Claims shall receive:

(1) such holders' applicable share of the GUC Trust Purchaser Equity; and

(2) such holders' pro rata share of GUC Trust Class A Units.

(f) *Incremental Trust Distributions in Exchange for Granting GUC Releases.* The procedures governing Distributions set forth in the GUC Trust Documents shall provide for an additional payment by the GUC Trust to any holder of an Allowed Second Lien Deficiency Claim or Allowed Unsecured Notes Claim who is entitled to receive a Distribution from the GUC Trust and who grants or is deemed to grant, as applicable, the GUC Releases. Such additional payment from the GUC Trust shall be in exchange for such holder's granting or being deemed to grant, as applicable, the GUC Releases and shall be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to Section 4.4(e)(ii), by (ii) a multiplier of 4x. Notwithstanding the foregoing, this Section 4.4(f) shall not apply with respect to GUC Subscription Rights or any Purchaser Equity issued or distributed as a result of the exercise of GUC Subscription Rights as contemplated by Section 4.4(e)(i).

Section 4.5 Class 4(B) – Other General Unsecured Claims

(a) *Classification.* Class 4(B) consists of all Other General Unsecured Claims.

(b) *Impairment and Voting.* Class 4(B) is Impaired, and holders of Other General Unsecured Claims are entitled to vote to accept or reject this Plan.

(c) *Treatment.* Except to the extent that a holder of an Other General Unsecured Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the Other General Unsecured Claims, (i) the GUC Trust shall receive the GUC Trust Consideration in accordance with the GUC Trust Documents; and (ii) each Other General Unsecured Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the GUC Trust pursuant to Section 10.9 of this Plan, and all of the Debtors' liability for such Claim shall be assumed by the GUC Trust, and such Other General Unsecured Claim shall thereafter be asserted exclusively against the GUC Trust and treated solely in accordance with the terms, provisions, and procedures of the GUC Trust Documents, which shall provide that Other General Unsecured Claims shall be either Allowed and administered by the GUC Trust or otherwise Disallowed and released in full. Holders of Allowed Other General Unsecured Claims shall receive a recovery, if any, from the GUC Trust Consideration. The sole recourse of any holder of an Other General Unsecured Claim on account thereof shall be to the GUC Trust and only in accordance with the terms, provisions, and procedures of the GUC Trust Documents.

(d) *Incremental Trust Distributions in Exchange for Granting GUC Releases.* The procedures governing Distributions set forth in the GUC Trust Documents shall provide for an additional payment by the GUC Trust to any holder of an Allowed Other General Unsecured Claim who is entitled to receive a Distribution from the GUC Trust and who grants or is deemed to grant, as applicable, the GUC Releases. Such additional payment from the GUC Trust shall be in exchange for such holder granting or being deemed to grant, as applicable, the GUC Releases and shall be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to the GUC Trust Documents, by (ii) a multiplier of 4x. Notwithstanding the foregoing, this Section 4.5(d) shall not apply with respect to GUC Subscription Rights or any Purchaser Equity issued or distributed as a result of the exercise of GUC Subscription Rights.

Section 4.6 Class 4(C) – Mesh Claims

(a) *Classification.* Class 4(C) consists of all Mesh Claims.

(b) *Impairment and Voting.* Class 4(C) is Impaired, and holders of Mesh Claims are entitled to vote to accept or reject this Plan.

(c) *Treatment.* Except to the extent that a holder of a Mesh Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the Mesh Claims, (i) the GUC Trust shall receive the GUC Trust Consideration, including the Mesh Claims Trust Consideration, in accordance with the Mesh Claims Trust Documents; and (ii) each Mesh Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the GUC Trust pursuant to Section 10.9 of this Plan, and all of the Debtors' liability for such Claim shall be assumed by the GUC Trust. Mesh Claims shall be exclusively handled by the Mesh Claims Trust, which shall be funded with the Mesh Claims Trust Consideration in accordance with the Mesh Claims Trust Documents, and Mesh Claims shall be treated solely in accordance with the terms, provisions, and procedures of the Mesh Claims Trust Documents, which shall provide that Mesh Claims shall be either Allowed and administered by the Mesh Claims Trust or otherwise Disallowed and released in full. Holders

of Allowed Mesh Claims shall receive a recovery, if any, from the Mesh Claims Trust Consideration and shall be entitled to no other asset of the GUC Trust. The sole recourse of any holder of a Mesh Claim on account thereof shall be to the Mesh Claims Trust and only in accordance with the terms, provisions, and procedures of the Mesh Claims Trust Documents.

(d) *Incremental Trust Distributions in Exchange for Granting GUC Releases.* The procedures governing Distributions set forth in the Mesh Claims Trust Documents shall provide for an additional payment by the Mesh Claims Trust to any holder of an Allowed Mesh Claim who is entitled to receive a Distribution from the Mesh Claims Trust and who grants or is deemed to grant, as applicable, the GUC Releases. Such additional payment from the Mesh Claims Trust shall be in exchange for such holder granting or being deemed to grant, as applicable, the GUC Releases and shall be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to the Mesh Claims Trust Documents, by (ii) a multiplier of 4x.

Section 4.7 Class 4(D) – Ranitidine Claims

(a) *Classification.* Class 4(D) consists of all Ranitidine Claims.

(b) *Impairment and Voting.* Class 4(D) is Impaired, and holders of Ranitidine Claims are entitled to vote to accept or reject this Plan.

(c) *Treatment.* Except to the extent that a holder of a Ranitidine Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the Ranitidine Claims, (i) the GUC Trust shall receive the GUC Trust Consideration, including the Ranitidine Claims Trust Consideration, in accordance with the Ranitidine Claims Trust Documents; and (ii) each Ranitidine Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the GUC Trust pursuant to Section 10.9 of this Plan, and all of the Debtors' liability for such Claim shall be assumed by the GUC Trust. Ranitidine Claims shall be exclusively handled by the Ranitidine Claims Trust, which shall be funded with the Ranitidine Claims Trust Consideration in accordance with the Ranitidine Claims Trust Documents, and Ranitidine Claims shall be treated solely in accordance with the terms, provisions, and procedures of the Ranitidine Claims Trust Documents, which shall provide that Ranitidine Claims shall be either Allowed and administered by the Ranitidine Claims Trust or otherwise Disallowed and released in full. Holders of Allowed Ranitidine Claims shall receive a recovery, if any, from the Ranitidine Claims Trust Consideration and shall be entitled to no other asset of the GUC Trust. The sole recourse of any holder of a Ranitidine Claim on account thereof shall be to the Ranitidine Claims Trust and only in accordance with the terms, provisions, and procedures of the Ranitidine Claims Trust Documents.

(d) *Incremental Trust Distributions in Exchange for Granting GUC Releases.* The procedures governing Distributions set forth in the Ranitidine Claims Trust Documents shall provide for an additional payment by the Ranitidine Claims Trust to any holder of an Allowed Ranitidine Claim who is entitled to receive a Distribution from the Ranitidine Claims Trust and who grants or is deemed to grant, as applicable, the GUC Releases. Such additional payment from the Ranitidine Claims Trust shall be in exchange for such holder granting or being deemed to grant, as applicable, the GUC Releases and shall be calculated by multiplying (i) the amount of any

Distribution to be made to such holder pursuant to the Ranitidine Claims Trust Documents, by (ii) a multiplier of 4x.

Section 4.8 Class 4(E) – Generics Price Fixing Claims

(a) *Classification.* Class 4(E) consists of all Generics Price Fixing Claims.

(b) *Impairment and Voting.* Class 4(E) is Impaired, and holders of Generics Price Fixing Claims are entitled to vote to accept or reject this Plan.

(c) *Treatment.* Except to the extent that a holder of a Generics Price Fixing Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the Generics Price Fixing Claims, (i) the GUC Trust shall receive the GUC Trust Consideration, including the Generics Price Fixing Claims Trust Consideration, in accordance with the Generics Price Fixing Claims Trust Documents; and (ii) each Generics Price Fixing Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the GUC Trust pursuant to Section 10.9 of this Plan, and all of the Debtors' liability for such Claim shall be assumed by the GUC Trust. Generics Price Fixing Claims shall be exclusively handled by the Generics Price Fixing Claims Trust, which shall be funded with the Generics Price Fixing Claims Trust Consideration in accordance with the Generics Price Fixing Claims Trust Documents, and Generics Price Fixing Claims shall be treated solely in accordance with the terms, provisions, and procedures of the Generics Price Fixing Claims Trust Documents, which shall provide that Generics Price Fixing Claims shall be either Allowed and administered by the Generics Price Fixing Claims Trust or otherwise Disallowed and released in full. Holders of Allowed Generics Price Fixing Claims shall receive a recovery, if any, from the Generics Price Fixing Claims Trust Consideration and shall be entitled to no other asset of the GUC Trust. The sole recourse of any holder of a Generics Price Fixing Claim on account thereof shall be to the Generics Price Fixing Claims Trust and only in accordance with the terms, provisions, and procedures of the Generics Price Fixing Claims Trust Documents.

(d) *Incremental Trust Distributions in Exchange for Granting GUC Releases.* The procedures governing Distributions set forth in the Generics Price Fixing Claims Trust Documents shall provide for an additional payment by the Generics Price Fixing Claims Trust to any holder of an Allowed Generics Price Fixing Claim who is entitled to receive a Distribution from the Generics Price Fixing Claims Trust and who grants or is deemed to grant, as applicable, the GUC Releases. Such additional payment from the Generics Price Fixing Claims Trust shall be in exchange for such holder granting or being deemed to grant, as applicable, the GUC Releases and shall be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to the Generics Price Fixing Claims Trust Documents, by (ii) a multiplier of 4x.

Section 4.9 Class 4(F) – Reverse Payment Claims

(a) *Classification.* Class 4(F) consists of all Reverse Payment Claims.

(b) *Impairment and Voting.* Class 4(F) is Impaired, and holders of Reverse Payment Claims are entitled to vote to accept or reject this Plan.

(c) *Treatment.* Except to the extent that a holder of a Reverse Payment Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the Reverse Payment Claims, (i) the GUC Trust shall receive the GUC Trust Consideration, including the Reverse Payment Claims Trust Consideration, in accordance with the Reverse Payment Claims Trust Documents; and (ii) each Reverse Payment Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the GUC Trust pursuant to Section 10.9 of this Plan, and all of the Debtors' liability for such Claim shall be assumed by the GUC Trust. Reverse Payment Claims shall be exclusively handled by the Reverse Payment Claims Trust, which shall be funded with the Reverse Payment Claims Trust Consideration in accordance with the Reverse Payment Claims Trust Documents, and Reverse Payment Claims shall be treated solely in accordance with the terms, provisions, and procedures of the Reverse Payment Claims Trust Documents, which shall provide that Reverse Payment Claims shall be either Allowed and administered by the Reverse Payment Claims Trust or otherwise Disallowed and released in full. Holders of Allowed Reverse Payment Claims shall receive a recovery, if any, from the Reverse Payment Claims Trust Consideration and shall be entitled to no other asset of the GUC Trust. The sole recourse of any holder of a Reverse Payment Claim on account thereof shall be to the Reverse Payment Claims Trust and only in accordance with the terms, provisions, and procedures of the Reverse Payment Claims Trust Documents.

(d) *Incremental Trust Distributions in Exchange for Granting GUC Releases.* The procedures governing Distributions set forth in the Reverse Payment Claims Trust Documents shall provide for an additional payment by the Reverse Payment Claims Trust to any holder of an Allowed Reverse Payment Claim who is entitled to receive a Distribution from the Reverse Payment Claims Trust and who grants or is deemed to grant, as applicable, the GUC Releases. Such additional payment from the Reverse Payment Claims Trust shall be in exchange for such holder granting or being deemed to grant, as applicable, the GUC Releases and shall be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to the Reverse Payment Claims Trust Documents, by (ii) a multiplier of 4x.

Section 4.10 Class 5 – U.S. Government Claims

(a) *Classification.* Class 5 consists of all U.S. Government Claims.

(b) *Impairment and Voting.* Class 5 is Impaired, and holders of U.S. Government Claims are entitled to vote to accept or reject this Plan.

(c) *Allowance of U.S. Government Claims.* The U.S. Government Claims (including the DOJ Criminal Claim, the DOJ Civil Claim, and the IRS Administrative Expense Claim but, for the avoidance of doubt, excluding the IRS Priority Tax Claims) shall be deemed Allowed as of the Effective Date on the terms set forth in the U.S. Government Resolution Documents.

(d) *Treatment.* On the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for such Claims, the holders of the U.S. Government Claims shall receive the U.S. Government Resolution Consideration pursuant to and in accordance with the terms of the U.S. Government Resolution Documents.

Section 4.11 Class 6(A) – State Opioid Claims

- (a) *Classification.* Class 6(A) consists of all State Opioid Claims.
- (b) *Impairment and Voting.* Class 6(A) is Impaired, and holders of State Opioid Claims are entitled to vote to accept or reject this Plan.
- (c) *Treatment.* Except to the extent that a holder of a State Opioid Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the State Opioid Claims, (i) the Public Opioid Trust shall receive the Public Opioid Consideration in accordance with the Public Opioid Distribution Documents; and (ii) each State Opioid Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the Public Opioid Trust pursuant to Section 10.9 of this Plan, and all of the Debtors' liability for such Claim shall be assumed by the Public Opioid Trust. The sole recourse of any holder of a State Opioid Claim on account thereof shall be to the Public Opioid Trust and only in accordance with the terms, provisions, and procedures of the Public Opioid Distribution Documents, pursuant to which any holder of a State Opioid Claim that votes to accept this Plan shall be deemed to hold an Allowed State Opioid Claim and shall be eligible to participate in the Public Opioid Trust, in each case, in accordance with the Public Opioid Distribution Documents.

Section 4.12 Class 6(B) – Local Government Opioid Claims

- (a) *Classification.* Class 6(B) consists of all Local Government Opioid Claims.
- (b) *Impairment and Voting.* Class 6(B) is Impaired, and holders of Local Government Opioid Claims are entitled to vote to accept or reject this Plan.
- (c) *Treatment.* On the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for such Claims, holders of Local Government Opioid Claims shall be eligible to receive distributions from their respective State in accordance with such State's opioid abatement programs, subject to the laws and agreements of such State and such State's opioid abatement programs. For the avoidance of doubt, the treatment provided with respect to this Class 6(B) shall not prevent any Local Government from participating in its respective State's opioid abatement programs as provided by and in accordance with applicable State law and agreements, regardless of whether such Local Government filed a Local Government Opioid Claim and/or voted to accept or reject this Plan.

Section 4.13 Class 6(C) – Tribal Opioid Claims

- (a) *Classification.* Class 6(C) consists of all Tribal Opioid Claims.
- (b) *Impairment and Voting.* Class 6(C) is Impaired, and holders of Tribal Opioid Claims are entitled to vote to accept or reject this Plan.
- (c) *Treatment.* Except to the extent that a holder of a Tribal Opioid Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release,

and discharge of, and in exchange for the Tribal Opioid Claims, (i) the Tribal Opioid Trust shall receive the Tribal Opioid Consideration in accordance with the Tribal Opioid Distribution Documents; and (ii) each Tribal Opioid Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the Tribal Opioid Trust pursuant to Section 10.9 of this Plan, and all of the Debtors' liability for such Claim shall be assumed by the Tribal Opioid Trust. The sole recourse of any holder of a Tribal Opioid Claim on account thereof shall be to the Tribal Opioid Trust and only in accordance with the terms, provisions, and procedures of the Tribal Opioid Distribution Documents, which shall provide that (1) such Claims shall be either Allowed and administered by the Tribal Opioid Trust or otherwise Disallowed and released in full; and (2) holders of Tribal Opioid Claims shall receive the applicable shares of the Tribal Opioid Consideration allocated to such holders as set forth in the Tribal Opioid Distribution Documents, in each case, in accordance with and subject to the terms of the Tribal Opioid Distribution Documents.

Section 4.14 Class 7(A) – PI Opioid Claims

(a) *Classification.* Class 7(A) consists of all PI Opioid Claims.

(b) *Impairment and Voting.* Class 7(A) is Impaired, and holders of PI Opioid Claims are entitled to vote to accept or reject this Plan.

(c) *Treatment.* Except to the extent that a holder of a PI Opioid Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the PI Opioid Claims, (i) the PI Trust shall receive the PI Trust Share in accordance with the PI Trust Documents; and (ii) each PI Opioid Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the PPOC Trust pursuant to Section 10.9 of this Plan and subsequently channeled to the PI Trust, and all of the Debtors' liability for such Claim shall be assumed by the PI Trust and such PI Opioid Claim shall be Allowed, Disallowed and released in full, or otherwise resolved, in each case, in accordance with the PI Trust Documents. Holders of Allowed PI Opioid Claims shall receive a recovery, if any, from the PI Trust Share, in each case, in accordance with and subject to the terms of the PI Trust Documents.

(d) *Incremental Trust Distributions in Exchange for Granting Non-GUC Releases.* The procedures governing Distributions set forth in the PI Trust Documents shall provide for an additional payment by the PI Trust to any holder of an Allowed PI Opioid Claim who is entitled to receive a Distribution from the PI Trust and who grants or is deemed to grant, as applicable, the Non-GUC Releases. Such additional payment from the PI Trust shall be in exchange for such holder granting or being deemed to grant, as applicable, the Non-GUC Releases and shall be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to the PI Trust Documents, by (ii) a multiplier of 4x.

Section 4.15 Class 7(B) – NAS PI Claims

- (a) *Classification.* Class 7(B) consists of all NAS PI Claims.
- (b) *Impairment and Voting.* Class 7(B) is Impaired, and holders of NAS PI Claims are entitled to vote to accept or reject this Plan.
- (c) *Treatment.* Except to the extent that a holder of a NAS PI Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the NAS PI Claims, (i) the NAS PI Trust shall receive the NAS PI Trust Share in accordance with the NAS PI Trust Documents; and (ii) each NAS PI Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the PPOC Trust pursuant to Section 10.9 of this Plan and subsequently channeled to the NAS PI Trust, and all of the Debtors' liability for such Claim shall be assumed by the NAS PI Trust and such NAS PI Claim shall be Allowed, Disallowed and released in full, or otherwise resolved, in each case, in accordance with the NAS PI Trust Documents. Holders of Allowed NAS PI Claims shall receive a recovery, if any, from the NAS PI Trust Share, in each case, in accordance with and subject to the terms of the NAS PI Trust Documents.
- (d) *Incremental Trust Distributions in Exchange for Granting Non-GUC Releases.* The procedures governing Distributions set forth in the NAS PI Trust Documents shall provide for an additional payment by the NAS PI Trust to any holder of an Allowed NAS PI Claim who is entitled to receive a Distribution from the NAS PI Trust and who grants or is deemed to grant, as applicable, the Non-GUC Releases. Such additional payment from the NAS PI Trust shall be in exchange for such holder granting or being deemed to grant, as applicable, the Non-GUC Releases and shall be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to the NAS PI Trust Documents, by (ii) a multiplier of 4x.

Section 4.16 Class 7(C) – Hospital Opioid Claims

- (a) *Classification.* Class 7(C) consists of all Hospital Opioid Claims.
- (b) *Impairment and Voting.* Class 7(C) is Impaired, and holders of Hospital Opioid Claims are entitled to vote to accept or reject this Plan.
- (c) *Treatment.* Except to the extent that a holder of a Hospital Opioid Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the Hospital Opioid Claims, (i) the Hospital Trust shall receive the Hospital Trust Share in accordance with the Hospital Trust Documents; and (ii) each Hospital Opioid Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the PPOC Trust pursuant to Section 10.9 of this Plan and subsequently channeled to the Hospital Trust, and all of the Debtors' liability for such Claim shall be assumed by the Hospital Trust and such Hospital Opioid Claim shall be Allowed, Disallowed and released in full, or otherwise resolved, in each case, in accordance with the Hospital Trust Documents. Holders of Allowed Hospital Opioid Claims shall receive a recovery, if any, from the

Hospital Trust Share, in each case, in accordance with and subject to the terms of the Hospital Trust Documents.

(d) *Incremental Trust Distributions in Exchange for Granting Non-GUC Releases.* The procedures governing Distributions set forth in the Hospital Trust Documents shall provide for an additional payment by the Hospital Trust to any holder of an Allowed Hospital Opioid Claim who is entitled to receive a Distribution from the Hospital Trust and who grants or is deemed to grant, as applicable, the Non-GUC Releases. Such additional payment from the Hospital Trust shall be in exchange for such holder granting or being deemed to grant, as applicable, the Non-GUC Releases and shall be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to the Hospital Trust Documents, by (ii) a multiplier of 4x.

Section 4.17 Class 7(D) – TPP Claims

(a) *Classification.* Class 7(D) consists of all TPP Claims.

(b) *Impairment and Voting.* Class 7(D) is Impaired, and holders of TPP Claims are entitled to vote to accept or reject this Plan.

(c) *Treatment.* Except to the extent that a holder of a TPP Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the TPP Claims, (i) the TPP Trust shall receive the TPP Trust Share in accordance with the TPP Trust Documents; and (ii) each TPP Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the PPOC Trust pursuant to Section 10.9 of this Plan and subsequently channeled to the TPP Trust, and all of the Debtors' liability for such Claim shall be assumed by the TPP Trust and such TPP Claim shall be Allowed, Disallowed and released in full, or otherwise resolved, in each case, in accordance with the TPP Trust Documents. Holders of Allowed TPP Claims shall receive a recovery, if any, from the TPP Trust Share, in each case, in accordance with and subject to the terms of the TPP Trust Documents.

(d) *Incremental Trust Distributions in Exchange for Granting Non-GUC Releases.* The procedures governing Distributions set forth in the TPP Trust Documents shall provide for an additional payment by the TPP Trust to any holder of an Allowed TPP Claim who is entitled to receive a Distribution from the TPP Trust and who grants or is deemed to grant, as applicable, the Non-GUC Releases. Such additional payment from the TPP Trust shall be in exchange for such holder granting or being deemed to grant, as applicable, the Non-GUC Releases and shall be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to the TPP Trust Documents, by (ii) a multiplier of 4x.

Section 4.18 Class 7(E) – IERP II Claims

(a) *Classification.* Class 7(E) consists of all IERP II Claims.

(b) *Impairment and Voting.* Class 7(E) is Impaired, and holders of IERP II Claims are entitled to vote to accept or reject this Plan.

(c) *Treatment.* Except to the extent that a holder of an IERP II Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the IERP II Claims, (i) the IERP Trust II shall receive the IERP Trust II Share in accordance with the IERP Trust II Documents; and (ii) each IERP II Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the PPOC Trust pursuant to Section 10.9 of this Plan and subsequently channeled to the IERP Trust II, and all of the Debtors' liability for such Claim shall be assumed by the IERP Trust II and such IERP II Claim shall be Allowed, Disallowed and released in full, or otherwise resolved, in each case, in accordance with the IERP Trust II Documents. Holders of Allowed IERP II Claims shall receive a recovery, if any, from the IERP Trust II Share, in each case, in accordance with and subject to the terms of the IERP Trust II Documents.

(d) *Incremental Trust Distributions in Exchange for Granting Non-GUC Releases.* The procedures governing Distributions set forth in the IERP Trust II Documents shall provide for an additional payment by the IERP Trust II to any holder of an Allowed IERP II Claim who is entitled to receive a Distribution from the IERP Trust II and who grants or is deemed to grant, as applicable, the Non-GUC Releases. Such additional payment from the IERP Trust II shall be in exchange for such holder granting or being deemed to grant, as applicable, the Non-GUC Releases and shall be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to the IERP Trust II Documents, by (ii) a multiplier of 4x.

Section 4.19 Class 8 – Public School District Claims

(a) *Classification.* Class 8 consists of all Public School District Claims.

(b) *Impairment and Voting.* Class 8 is Impaired, and holders of Public School District Claims are entitled to vote to accept or reject this Plan.

(c) *Treatment.* As of the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, all Allowed Public School District Claims, the Opioid School District Recovery Trust shall be funded with the Opioid School District Recovery Trust Consideration in accordance with the Opioid School District Recovery Trust Governing Documents.

Section 4.20 Class 9 – Canadian Provinces Claims

(a) *Classification.* Class 9 consists of all Canadian Provinces Claims.

(b) *Impairment and Voting.* Class 9 is Impaired, and holders of Canadian Provinces Claims are entitled to vote to accept or reject this Plan.

(c) *Treatment.* Except to the extent that a holder of a Canadian Provinces Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the Canadian Provinces Claims, (i) the Canadian Provinces Trust shall receive the Canadian Provinces Consideration in accordance with the Canadian Provinces Distribution Documents, pursuant to which the aggregate amount of Canadian Provinces

Consideration shall be subject to adjustment depending on the number of Canadian Provinces that grant or are deemed to grant, as applicable, the Non-GUC Releases; and (ii) each Canadian Provinces Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the Canadian Provinces Trust pursuant to [Section 10.9](#) of this Plan, and all of the Debtors' liability for such Claim shall be assumed by the Canadian Provinces Trust. The sole recourse of any holder of a Canadian Provinces Claim on account thereof shall be to the Canadian Provinces Trust and only in accordance with the terms, provisions, and procedures of the Canadian Provinces Distribution Documents, which shall provide that (1) such Claims shall be either Allowed and administered by the Canadian Provinces Trust or otherwise Disallowed and released in full; and (2) the Canadian Provinces shall receive the applicable allocated portion of the Canadian Provinces Consideration set forth in the Canadian Provinces Term Sheet except as otherwise agreed between the Debtors, the Required Consenting Global First Lien Creditors, and the Canadian Provinces.

Section 4.21 Class 10 – Settling Co-Defendant Claims

- (a) *Classification.* Class 10 consists of all Settling Co-Defendant Claims.
- (b) *Impairment and Voting.* Class 10 is Impaired, and holders of Settling Co-Defendant Claims are entitled to vote to accept or reject this Plan.
- (c) *Treatment.* The DMP Stipulation and the DMP Stipulation Order are incorporated by reference into this Plan as though fully set forth herein. On the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for such Claim, each holder of a Settling Co-Defendant Claim shall receive the treatment set forth in the DMP Stipulation, pursuant to which such Settling Co-Defendant Claims shall be released or subordinated, as applicable, by the applicable Settling Co-Defendants subject to the other terms and conditions of the DMP Stipulation. Notwithstanding anything herein to the contrary, in the event of any inconsistency between any provision in this Plan relating to Settling Co-Defendant Claims and any provision in the DMP Stipulation, the DMP Stipulation shall govern; *provided, however, that*, notwithstanding anything herein or in the DMP Stipulation or the DMP Stipulation Order to the contrary, nothing in the DMP Stipulation or the DMP Stipulation Order shall affect the discharge provided in [Article X](#) of this Plan.

Section 4.22 Class 11 – Other Opioid Claims

- (a) *Classification.* Class 11 consists of all Other Opioid Claims.
- (b) *Impairment and Voting.* Class 11 is Impaired, and holders of Other Opioid Claims are entitled to vote to accept or reject this Plan.
- (c) *Treatment.* Except to the extent that a holder of an Other Opioid Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the Other Opioid Claims, (i) the Other Opioid Claims Trust shall receive the Other Opioid Claims Trust Consideration in accordance with the Other Opioid Claims Trust Documents; and (ii) each Other Opioid Claim shall automatically, and without

further act, deed, or court order, be channeled exclusively to the Other Opioid Claims Trust pursuant to Section 10.9 of this Plan, and all of the Debtors' liability for such Claim shall be assumed by the Other Opioid Claims Trust and such Other Opioid Claim shall be Allowed, Disallowed and released in full, or otherwise resolved, in each case, in accordance with the Other Opioid Claims Trust Documents. Holders of Allowed Other Opioid Claims shall receive a recovery, if any, from the Other Opioid Claims Trust Consideration, in each case, in accordance with and subject to the terms of the Other Opioid Claims Trust Documents.

(d) *Incremental Trust Distributions in Exchange for Granting Non-GUC Releases.* The procedures governing Distributions set forth in the Other Opioid Claims Trust Documents shall provide for an additional payment by the Other Opioid Claims Trust to any holder of an Allowed Other Opioid Claim who is entitled to receive a Distribution from the Other Opioid Claims Trust and who grants or is deemed to grant, as applicable, the Non-GUC Releases. Such additional payment from the Other Opioid Trust shall be in exchange for such holder granting or being deemed to grant, as applicable, the Non-GUC Releases and shall be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to the Other Opioid Trust Documents, by (ii) a multiplier of 4x.

Section 4.23 Class 12 – EFBD Claims

(a) *Classification.* Class 12 consists of all EFBD Claims.

(b) *Impairment and Voting.* Class 12 is Impaired, and holders of EFBD Claims are entitled to vote to accept or reject this Plan.

(c) *Treatment.* Except to the extent that a holder of an EFBD Claim agrees to less favorable treatment, on the Effective Date, in full and final satisfaction, settlement, release, and discharge of, and in exchange for the EFBD Claims, (i) the EFBD Claims Trust shall receive the EFBD Claims Trust Consideration in accordance with the EFBD Claims Trust Documents; and (ii) each EFBD Claim shall automatically, and without further act, deed, or court order, be channeled exclusively to the EFBD Claims Trust pursuant to Section 10.9 of this Plan, and all of the Debtors' liability for such Claim shall be assumed by the EFBD Claims Trust and such EFBD Claim shall be Allowed, Disallowed and released in full, or otherwise resolved, in each case, in accordance with the EFBD Claims Trust Documents. Holders of Allowed EFBD Claims shall receive a recovery, if any, from the EFBD Claims Trust Consideration, in each case, in accordance with and subject to the terms of the EFBD Claims Trust Documents; *provided, that*, the amount of any Distribution to a holder of an Allowed EFBD Claim on account of such Allowed EFBD Claim shall not exceed the amount of comparable Distributions provided by another Trust under this Plan to holders of similar Allowed Claims that were filed before the General Bar Date and channeled to such other Trust under this Plan; *provided, further, that*, the procedures for determining the maximum amount of any Distribution to be made by the EFBD Claims Trust shall be substantially similar to those provided in the Future PI Trust Distribution Procedures.

(d) *Incremental Trust Distributions in Exchange for Granting Non-GUC Releases.* The procedures governing Distributions set forth in the EFBD Claims Trust Documents shall provide for an additional payment by the EFBD Claims Trust to any holder of an Allowed

EFBD Claim who is entitled to receive a Distribution from the EFBD Claims Trust and who grants or is deemed to grant, as applicable, the Non-GUC Releases. Such additional payment from the EFBD Claims Trust shall be in exchange for such holder granting or being deemed to grant, as applicable, the Non-GUC Releases and shall be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to the EFBD Claims Trust Documents, by (ii) a multiplier of 4x. For the avoidance of doubt, such additional amount shall in no event be greater than the additional amount provided to any holder of an Allowed Present Private Opioid Claim or an Allowed GUC Trust Channeled Claim, as applicable, who received an additional payment in exchange for granting or being deemed to grant, as applicable, the Non-GUC Releases or the GUC Releases, as applicable.

Section 4.24 Class 13 – Intercompany Claims

(a) *Classification.* Class 13 consists of all Intercompany Claims.

(b) *Impairment and Voting.* Intercompany Claims are either (i) Unimpaired, in which case the holders of such Intercompany Claims are conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code; or (ii) Impaired and not receiving any Distribution under this Plan, in which case the holders of such Intercompany Claims are deemed to have rejected this Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, holders of Intercompany Claims are not entitled to vote to accept or reject this Plan, and the votes of such holders will not be solicited.

(c) *Treatment.* On the Effective Date, each Intercompany Claim shall either be (i) reinstated; or (ii) settled or deemed automatically cancelled, extinguished, and discharged in the discretion of the Debtors, subject to the consent of the Required Consenting Global First Lien Creditors; *provided, that*, any Intercompany Claims of any Debtor (other than the Transferred Debtors) against any Purchaser Entity shall be cancelled, extinguished, and discharged.

Section 4.25 Class 14 – Intercompany Interests

(a) *Classification.* Class 14 consists of all Intercompany Interests.

(b) *Impairment and Voting.* Intercompany Interests are either (1) Unimpaired, in which case the holders of such Intercompany Interests are conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code; or (2) Impaired and not receiving any Distribution under this Plan, in which case the holders of such Intercompany Interests are deemed to have rejected this Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, holders of Intercompany Interests are not entitled to vote to accept or reject this Plan, and the votes of such holders will not be solicited.

(c) *Treatment.* On the Effective Date, each Intercompany Interest shall either be (i) transferred, directly or indirectly, to the applicable Purchaser Entities; (ii) reinstated; or (iii) deemed automatically cancelled, extinguished, and discharged, in each case, in the discretion of the Debtors, subject to the consent of the Required Consenting Global First Lien Creditors.

Section 4.26 Class 15 – Subordinated, Recharacterized, or Disallowed Claims

(a) *Classification.* Class 15 consists of all Subordinated, Recharacterized, or Disallowed Claims.

(b) *Impairment and Voting.* Class 15 is Impaired and not receiving any Distribution under this Plan. Therefore, holders of Subordinated, Recharacterized, or Disallowed Claims are deemed to have rejected this Plan pursuant to section 1126(g) of the Bankruptcy Code and are not entitled to vote to accept or reject this Plan, and the votes of such holders will not be solicited.

(c) *Treatment.* On the Effective Date, each Subordinated, Recharacterized or Disallowed Claim, shall be cancelled, extinguished, and discharged, and each holder thereof shall not receive or retain any property under this Plan on account of such Claim. To the extent that any Claim in this Class 15 arising out of or relating to Opioid-Related Activities or any Opioids or Opioid Products manufactured, marketed, or sold by the Debtors, including any Co-Defendant Claim, that is Disallowed pursuant to section 502(e) of the Bankruptcy Code is later Allowed in accordance with section 502(j) of the Bankruptcy Code, on the date of the Allowance of such Claim, such Claim shall automatically be subordinated pursuant to section 509(c) of the Bankruptcy Code and shall therefore be automatically deemed a Subordinated, Recharacterized, or Disallowed Claim and such Claim shall automatically be cancelled, extinguished, and discharged in accordance with this Section 4.26(c).

Section 4.27 Class 16 – Existing Equity Interests

(a) *Classification.* Class 16 consists of all Existing Equity Interests.

(b) *Impairment and Voting.* Class 16 is Impaired and not receiving any Distribution under this Plan. Therefore, holders of Existing Equity Interests are deemed to have rejected this Plan pursuant to section 1126(g) of the Bankruptcy Code and are not entitled to vote to accept or reject this Plan, and the votes of such holders will not be solicited.

(c) *Treatment.* On the Effective Date, each Existing Equity Interest, shall be cancelled, extinguished, and discharged, subject to applicable law, and each holder thereof shall not receive or retain any property under this Plan on account of such Existing Equity Interest.

ARTICLE V

MEANS FOR IMPLEMENTATION

Section 5.1 Cancellation of Securities and Agreements

(a) Except for the purpose of evidencing a right to a Distribution under this Plan and as otherwise specifically provided for in this Plan and subject in all respect to the Intercreditor Agreements (other than as provided herein), on the Effective Date, each Prepetition Document, each Second Lien Notes Document, Unsecured Notes Document, and any other indentures, notes, bonds, purchase rights, agreements, instruments, guarantees, certificates, warrants, options, puts,

securities, pledges, and other documents, in each case, that relate to any Claim against or Interest in the Debtors and any rights of any holder in respect thereof, including, but not limited to, Existing Equity Interests, the First Lien Credit Agreement, the Indentures (and the Notes issued thereunder), and any indebtedness or obligations thereunder, shall be deemed, subject to applicable law, cancelled, discharged, and of no force or effect, without any need for any person, including, without limitation, the First Lien Collateral Trustee, the Second Lien Collateral Trustee, the First Lien Agent, any Indenture Trustee, or any holder of any First Lien Claim, Second Lien Notes Claims, or Unsecured Notes Claims to take further action with respect thereto, and the obligations of the Debtors, the First Lien Collateral Trustee, the Second Lien Collateral Trustee, the First Lien Agent, the Indenture Trustees, each other Prepetition Secured Party, and each other party to any of the foregoing documents or beneficiary thereunder shall be deemed fully satisfied, released, and discharged. For the avoidance of doubt, notwithstanding anything to the contrary herein, any provision in any document, instrument, lease, or other agreement that causes or effectuates, or purports to cause or effectuate, a default, termination, waiver, or other forfeiture of, or by, the Debtors as a result of the cancellations, terminations, satisfaction, releases, or discharges provided for in this Plan shall be deemed null and void and shall be of no force and effect.

(b) Notwithstanding such cancellation and discharge, the Intercreditor Agreements (including any amendments thereto, and in accordance with and subject to section 27(c) of the RSA, as further clarified by the last proviso in this Section 5.1(b)), the First Lien Credit Agreement, and the Indentures shall continue in effect solely for purposes of: (i) allowing holders of First Lien Claims, Second Lien Notes Claims, and Unsecured Notes Claims to receive Distributions under or in connection with this Plan, including under any Plan Document, as provided herein; (ii) enforcing the rights, claims, and interests of the First Lien Collateral Trustee, the Second Lien Collateral Trustee, the First Lien Agent, the Indenture Trustees, and each other Prepetition Secured Party vis-à-vis any parties other than the Debtors and the Post-Emergence Entities, including any rights with respect to priority of payment and/or to exercise the Indenture Trustee Charging Liens against any Distributions (including, but not limited, to rights of the Indenture Trustees to assert the applicable Indenture Trustee Charging Lien against any Distributions to holders of Notes under the applicable Indentures); (iii) permitting the First Lien Collateral Trustee, the Second Lien Collateral Trustee, the First Lien Agent, the First Lien Notes Indenture Trustee, the Second Lien Notes Indenture Trustee, each other Prepetition Secured Party, and the Unsecured Notes Indenture Trustees to appear and be heard in the Chapter 11 Cases or in any proceedings in the Bankruptcy Court or any other court relating to the First Lien Credit Agreement, the First Lien Notes Indentures, the Second Lien Notes Indentures, and the Unsecured Notes Indentures, as applicable; (iv) preserving the rights of the First Lien Collateral Trustee, the Second Lien Collateral Trustee, the First Lien Agent, and the Indenture Trustees to compensation and indemnification as against any money or property distributable to holders under the First Lien Credit Agreement and the Indentures, as applicable; (v) enforcing any obligation owed to the First Lien Collateral Trustee, the Second Lien Collateral Trustee, the First Lien Trustee, and the Indenture Trustees under this Plan and any Plan Documents; and (vi) permitting the First Lien Collateral Trustee, the Second Lien Collateral Trustee, the First Lien Trustee, and the Indenture Trustees to perform any function necessary to effectuate the foregoing or the making of any Distributions under or as required by this Plan; *provided, that*, the preceding proviso shall not affect the discharge of Claims pursuant to the Bankruptcy Code, the Confirmation Order, or this Plan, or result in any expense or liability

to the Debtors or the Post-Emergence Entities, except to the extent set forth in or provided for under this Plan; *provided, further, that*, (1) the cancellation hereunder shall not itself alter the obligations or rights among third parties other than the Debtors and the Post-Emergence Entities; and (2) the Confirmation Order shall provide that the First Lien Collateral Trustee and the holders of over 50% in amount of Prepetition First Lien Indebtedness agree, effective as of the earlier of (A) the closing of the Plan Transaction; and (B) the Effective Date, not to enforce, and to waive, any turnover, or payment over or transfer rights under the Intercreditor Agreement against any Prepetition Second Lien Secured Notes Party in respect of any GUC Trust Consideration provided to the GUC Trust (and to which any beneficiary of the GUC Trust or of any of the Distribution Sub-Trusts may be entitled on or after the earlier of (x) the closing of the Plan Transaction; and (y) the Effective Date), in each case, as contemplated by the UCC Resolution Term Sheet.

(c) Except as otherwise set forth in this Section 5.1 or the PSA, subsequent to the performance by the First Lien Agent of its obligations pursuant to this Plan, the First Lien Agent and each of its respective agents shall be relieved of all further duties and responsibilities related to the First Lien Credit Agreement and each other Prepetition Document.

(d) Except as otherwise set forth in this Section 5.1 or the PSA, subsequent to the performance by the First Lien Notes Indenture Trustee of its obligations pursuant to this Plan, the First Lien Notes Indenture Trustee and each of its respective agents shall be relieved of all further duties and responsibilities related to the First Lien Notes Indentures and each other Prepetition Document.

(e) Except as otherwise set forth in this Section 5.1 or the PSA, subsequent to the performance by the First Lien Collateral Trustee and the Second Lien Collateral Trustee of their respective obligations pursuant to this Plan, the First Lien Collateral Trustee, the Second Lien Collateral Trustee, and each of their respective agents shall be relieved of all further duties and responsibilities related to the Intercreditor Agreements and each Prepetition Document.

(f) Except as otherwise set forth in this Section 5.1 or the PSA, subsequent to the performance by the Second Lien Notes Indenture Trustee of its obligations pursuant to this Plan, the Second Lien Notes Indenture Trustee and each of its respective agents shall be relieved of all further duties and responsibilities related to the Second Lien Notes Indenture and each other Second Lien Notes Document.

(g) Except as otherwise set forth in this Section 5.1 or the PSA, subsequent to the performance by each of the Unsecured Notes Indenture Trustees of their respective obligations pursuant to this Plan, the Unsecured Notes Indenture Trustees and each of their respective agents shall be relieved of all further duties and responsibilities related to the Unsecured Note Indentures and each other Unsecured Notes Document, in each case, subject to the terms of the GUC Trust Agreement.

(h) In order to effectuate the liquidation and dissolution of Endo International plc and the extinguishment of each Existing Equity Interest pursuant thereto under the laws of Ireland: (i) Endo International plc will convene and hold the PLC EGM; and (ii) pursuant to this Plan, (1) in circumstances where Cede & Co. is the registered holder of an Existing Equity Interest, each

applicable underlying beneficial holder of such Existing Equity Interest will be deemed to have instructed Cede & Co. to submit a Master Proxy to Endo International plc voting all of the Existing Equity Interests in favor of the PLC Liquidation Resolution; and (2) the Master Proxy will be executed by Cede & Co.

Section 5.2 Sources of Plan Distributions

(a) Distributions under this Plan shall be comprised of, as applicable, (i) Cash on hand; (ii) the Exit Financing or the proceeds thereof, as applicable; (iii) Purchaser Equity (including the net proceeds of the Rights Offerings); and (iv) the GUC Trust Litigation Consideration.

(b) All Cash necessary for the Debtors or the applicable Post-Emergence Entities, as applicable, to make payments or Distributions pursuant hereto shall be obtained from the following sources, as appropriate: (i) Cash on hand; (ii) the net proceeds of the Rights Offerings; and (iii) if applicable, the net proceeds from the Syndicated Exit Financing. Further, the Debtors or the Post-Emergence Entities, as the case may be, will be entitled to transfer funds among themselves as they determine to be necessary or appropriate to enable the applicable Post-Emergence Entities to satisfy any obligations under this Plan and the PSA. To the extent this Plan obligates the Remaining Debtors to make any payments or Distributions or take any other actions hereunder, the amount of any such payments or Distributions or the cost of taking such actions shall be funded solely by the Purchaser Entities.

(c) All Cash necessary for any of the Trusts to make payments or Distributions pursuant hereto and pursuant to the applicable Trust Documents shall be obtained from the sources set forth in, and in accordance with, the applicable Trust Documents, which sources may include, among others: (i) Cash funded by the Debtors and/or the Purchaser Entities, as applicable; (ii) insurance proceeds; (iii) proceeds of investments of Trust assets; and (iv) proceeds of the pursuit of any Claims or Causes of Action, in each case as applicable and in accordance with the applicable Trust Documents.

Section 5.3 Exit Financing

(a) Subject to the occurrence of the Effective Date, Confirmation of this Plan shall be deemed to constitute authorization and approval by the Bankruptcy Court of (i) the Exit Financing and the Exit Financing Documents (including all transactions contemplated thereby, and all actions to be taken, undertakings to be made and obligations to be incurred by the Purchaser Obligors in connection therewith, including the payment of all fees and expenses provided for therein); and (ii) the entry by the Purchaser Obligors into, and performance of their obligations under, the Exit Financing Documents (inclusive of such documents as may be reasonably required or appropriate to effectuate the foregoing). For the avoidance of doubt, any Exit Financing shall be issued under this Plan.

(b) As of the Effective Date, the Exit Financing Documents shall constitute legal, valid, binding, and authorized obligations of the Purchaser Obligors, enforceable in accordance with their terms. The financial accommodations set forth in the Exit Financing Documents (i) are being extended, and shall be deemed to have been extended, in good faith, for legitimate business

purposes; (ii) are reasonable; (iii) shall not be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever; and (iv) shall not constitute preferential transfers, fraudulent conveyances, or other voidable transfers under the Bankruptcy Code or any applicable non-bankruptcy law.

(c) As of the Effective Date, all of the Liens and security interests to be granted under the Exit Financing Documents shall (i) be legal, binding, and enforceable Liens on, and security interests in, the collateral granted in accordance therewith (including the priority set forth therein); (ii) be deemed to be or have been automatically perfected on the Effective Date; and (iii) shall not (1) be subject to avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever; and (2) shall not constitute preferential transfers, fraudulent conveyances, or other voidable transfers under the Bankruptcy Code or any applicable non-bankruptcy law. The Purchaser Obligors granting such Liens and security interests are authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect such Liens and security interests under the provisions of the applicable state, provincial, federal, or other law (whether domestic or foreign) that would be applicable in the absence of the Plan and the Confirmation Order; *provided, that*, perfection shall occur automatically on the Effective Date by virtue of the entry of the Confirmation Order.

(d) To the extent that the Exit Financing consists, in whole or in part, of New Takeback Debt, each Entity that receives New Takeback Debt shall be deemed, without further notice or action, to have agreed to be bound by the Exit Financing Documents in respect of the New Takeback Debt, as the same may be amended from time to time following the Effective Date and in accordance with their terms. Such Exit Financing Documents shall be binding on all Entities receiving New Takeback Debt (and their respective successors and assigns), whether received pursuant to the Plan or otherwise, and regardless of whether any such Entity executes or delivers a signature page to any applicable Exit Financing Document.

Section 5.4 Issuance of Purchaser Equity

(a) As of the Effective Date, (i) Purchaser Parent shall be authorized to issue, and shall issue, or shall cause to be issued, the Purchaser Equity; and (ii) the issuance of the Purchaser Equity in connection with the Rights Offerings and the Backstop Commitment Agreements shall be authorized, ratified, and confirmed in all respects, in each case, in accordance with the terms of this Plan and the Rights Offering Documents, in each case, without the need for further corporate or shareholder action. All of the Purchaser Equity issuable under this Plan (including under the Rights Offering Documents), when so issued, shall be duly authorized, validly issued, fully paid, and non-assessable.

(b) Purchaser Parent shall issue or reserve for issuance a sufficient number of common stock or ordinary shares, as applicable, to effectuate all issuances of Purchaser Equity contemplated by the Plan, including the Rights Offerings and the Management Incentive Plan. Each holder of Purchaser Equity shall be deemed, without further notice or action, to have agreed to be bound by the Corporate Governance Documents, as the same may be amended from time to time following the Effective Date and in accordance with their terms. The Corporate Governance Documents shall be binding on all Entities receiving Purchaser Equity (and their

respective successors and assigns), whether received pursuant to the Plan or otherwise and regardless of whether any such Entity executes or delivers a signature page to any Corporate Governance Document.

Section 5.5 Exemption from Securities Act Registration Requirements

(a) All Purchaser Equity issued under this Plan (including pursuant to the Rights Offerings and the Backstop Commitment Agreements) will be issued by Purchaser Parent (as “successor” to Endo International plc within the meaning of section 1145 of the Bankruptcy Code and not for any other purposes) without registration under the Securities Act or any similar federal, state, or local law in reliance upon (i) section 1145 of the Bankruptcy Code (except with respect to (1) any Entity that is an Underwriter; and (2) equity issued pursuant to the GUC Rights Offering); (ii) pursuant to section 4(a)(2) under the Securities Act and/or Regulation D or Regulation S thereunder and similar exemptions under applicable State or local law (including with respect to any Entity that is an Underwriter); and/or (iii) if applicable, in the European Economic Area, pursuant to an exemption under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended or supplemented), and, in the United Kingdom, pursuant to an exemption under the retained European Union law version of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as it forms part of the United Kingdom’s domestic law pursuant to the European Union (Withdrawal) Act 2018, and/or generally, in compliance with any other applicable securities law in the United Kingdom (including the FSMA, as amended) and in the European Economic Area, as the case may be.

(b) Purchaser Equity issued in reliance upon section 1145 of the Bankruptcy Code (except with respect to any Entity that is an Underwriter) is exempt from, among other things, the registration requirements of section 5 of the Securities Act and any other applicable U.S. State or local law requiring registration for the offer or sale of securities and (i) are not “restricted securities” as defined in Rule 144(a)(3) under the Securities Act, and (ii) are freely tradable and transferable by any holder thereof that, at the time of transfer, (1) is not an “affiliate” (as defined in Rule 144(a)(1) under the Securities Act) of any Purchaser Entity; (2) has not been such an “affiliate” within 90 days of such transfer; and (3) is not an Entity that is an Underwriter.

(c) To the extent any Purchaser Equity is issued in reliance on section 4(a)(2) of the Securities Act and/or Regulation D or Regulation S thereunder, such Purchaser Equity will be “restricted securities” subject to resale restrictions and may be resold, exchanged, assigned, or otherwise transferred only in a transaction registered, or exempt from registration, under the Securities Act and other applicable law. In that regard, each of the recipients of Purchaser Equity issued pursuant to this Plan has made customary representations (including that each is an “accredited investor” (within the meaning of Rule 501(a) of the Securities Act) or a “qualified institutional buyer” (as defined under Rule 144A promulgated under the Securities Act)) to the Purchaser Entities or the GUC Trust, as applicable.

Section 5.6 *Rights Offerings*

(a) First Lien Rights Offering

(i) Prior to the Effective Date, the First Lien Rights Offering shall be commenced pursuant to the First Lien Rights Offering Procedures. The Purchaser Equity offered pursuant to the First Lien Rights Offering shall have an aggregate investment amount equal to the First Lien ERO Amount and shall be offered at the First Lien ERO Enterprise Value. On the Effective Date, Purchaser Equity will be distributed to holders of First Lien Claims who validly exercised their First Lien Subscription Rights in accordance with the First Lien Rights Offering Procedures.

(ii) To facilitate the First Lien Rights Offering, the First Lien Backstop Commitment Parties have agreed to duly subscribe and pay for all Purchaser Equity issuable to such First Lien Backstop Commitment Parties in relation thereto in accordance with, and subject to, the terms and conditions of the First Lien Rights Offering Documents. Any obligation to make or pay any payments or premiums due under the First Lien Backstop Commitment Agreement (including the payment of the First Lien Backstop Commitment Premium) shall be satisfied by the applicable parties as set forth in the First Lien Rights Offering Documents.

(iii) As further set forth in the First Lien Backstop Commitment Agreement, assignments of backstop commitments by any First Lien Backstop Commitment Party (other than to an Affiliate of such First Lien Backstop Commitment Party) shall be subject to a right of first refusal in favor of the other First Lien Backstop Commitment Parties.

(b) GUC Rights Offering

(i) On June 20, 2023, the GUC Rights Offering was commenced.

(ii) Prior to the Effective Date, eligible holders of Second Lien Deficiency Claims and Unsecured Notes Claims who subscribed to the GUC Rights Offering shall have exercised their GUC Subscription Rights and, on or promptly following the Effective Date, such holders shall receive Purchaser Equity pursuant to and in accordance with the GUC Rights Offering Documents; *provided, that*, the subscription elections made as of the GUC Subscription Deadline shall be binding, subject to the limited withdrawal rights permitted pursuant to the GUC Rights Offering Supplement, on all holders of Second Lien Deficiency Claims and Unsecured Notes Claims and no new or additional elections shall be solicited or permitted in connection with this Plan or otherwise.

(iii) To facilitate the GUC Rights Offering, the GUC Backstop Commitment Parties have agreed to duly subscribe and pay for all Purchaser Equity issuable to such GUC Backstop Commitment Parties in accordance with, and subject to the terms and conditions set forth in, the GUC Rights Offering Documents. Any obligation to make or pay any payments or premiums due under the GUC Backstop Commitment Agreement

(including the payment of the GUC Backstop Commitment Premium) shall be satisfied by the applicable parties as set forth in the GUC Rights Offering Documents.

(iv) Pursuant to and as further described in the GUC Backstop Commitment Agreement, assignments of backstop commitments by any GUC Backstop Commitment Party (other than to an Affiliate of such GUC Backstop Commitment Party) shall be subject to a right of first refusal in favor of the other GUC Backstop Commitment Parties.

(v) Holders of Second Lien Deficiency Claims and Unsecured Notes Claims shall not have any oversubscription or backstop rights with respect to the GUC Rights Offering.

Section 5.7 Plan Administration for Remaining Debtors

(a) Plan Administrator and Plan Administrator Agreement

After the Effective Date, this Plan shall be implemented with respect to the Remaining Debtors through the appointment of a Plan Administrator pursuant to the Plan Administrator Agreement. The Plan Administrator and the Purchaser Entities shall agree on an initial amount to be funded by the Purchaser Entities under the Plan Administrator Agreement and in accordance with the Plan Administration Estimate, which initial amount may be adjusted as agreed between the Plan Administrator and the Purchaser Entities as reasonably necessary for the Plan Administrator to implement the terms of this Plan and the Plan Administrator Agreement. The costs and expenses associated with such implementation shall be funded by the Purchaser Entities upon the reasonable request of the Plan Administrator; *provided, that*, any amounts allocated to the Remaining Debtors and/or the Plan Administrator to implement the terms of this Plan and the Plan Administrator Agreement shall be subject to a reversionary interest of the Purchaser Entities and shall automatically revert to the Purchaser Entities in accordance with the terms set forth in the Plan Administrator Agreement, including upon completion of all of the Plan Administrator's obligations under this Plan and the Plan Administrator Agreement.

(i) *Appointment of the Plan Administrator.* On the Effective Date, the Plan Administrator shall be jointly selected by the Debtors and the Required Consenting Global First Lien Creditors, in consultation with the Committees and the FCR.

(ii) *Bonded.* The Plan Administrator shall not be required to be bonded.

(iii) *Plan Administrator Agreement.* The Plan Administrator Agreement shall be executed and delivered by each of the Remaining Debtors and the Plan Administrator on the Effective Date.

(iv) *Powers and Duties.* As of the Effective Date, the Plan Administrator shall have the powers described in the Plan Administrator Agreement.

(v) *Exculpation, Indemnification, and Liability Limitation.* The Plan Administrator and all professionals retained by the Plan Administrator, in each case, solely

in their respective capacities as such, shall be deemed exculpated and indemnified, except for fraud, willful misconduct, or gross negligence, in all respects by the Purchaser Entities or as otherwise agreed by the Plan Administrator and any other Person or Entity.

(vi) *Payment Obligation.* The Purchaser Entities shall be obligated to fund the Remaining Debtors with amounts necessary to satisfy the Remaining Debtors' payment obligations under the Plan and the fees and expenses of the Plan Administrator and the Remaining Debtors under the Plan and the Plan Administrator Agreement, including any Persons or professionals retained by the Plan Administrator and/or the Remaining Debtors in accordance with the terms of this Plan and the Plan Administrator Agreement, as applicable; *provided, that*, the Plan Administrator shall be subject to, and shall operate in accordance with, the Plan Administrator Agreement; *provided, further, that*, all remaining amounts held by the Plan Administrator on the date on which the Plan Administrator has completed its obligations pursuant to Section 5.7(c) shall automatically revert to the Purchaser Entities on such date.

(vii) *Reversionary Interest of the Purchaser Entities.* Any amounts received by the Plan Administrator from Entities other than the Purchaser Entities shall be allocated to the Purchaser Entities and shall automatically transfer to the Purchaser Entities on the first day of each calendar month.

(b) Obligations of the Remaining Debtors under this Plan

Any obligation of the Remaining Debtors under this Plan may be satisfied or undertaken by the Plan Administrator, acting on behalf of the Remaining Debtors.

(c) Administration of the Remaining Debtors

As of the Effective Date, the Plan Administrator shall be authorized and directed to take all corporate actions consistent with the Plan, any applicable order of the Bankruptcy Court, and foreign laws necessary and desirable to wind down, dissolve, or liquidate the Remaining Debtors and any of their Non-Debtor Affiliates and, with the consent of the Purchaser Entities, to take any such other actions as the Plan Administrator may determine to be necessary or desirable to carry out the purposes of the Plan and the Plan Administrator Agreement.

Section 5.8 Tax Matters

(a) To the maximum extent permitted pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property in contemplation of, in connection with, or pursuant to this Plan and the PSA 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, sales or use tax, mortgage recording tax, or other similar tax or governmental assessment in the United States, and the Confirmation Order shall direct and be deemed to direct the appropriate state or local governmental officials or agents to forgo the collection of any such tax or governmental assessment and to accept for filing and recordation instruments or other documents pursuant to such transfers of property without the payment of any such tax or governmental assessment. Such

exemption specifically applies, without limitation, to: (i) the creation of any mortgage, deed of trust, Lien, or other security interest; (ii) the making or assignment of any lease or sublease; (iii) any Restructuring Transaction authorized herein; or (iv) the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with this Plan or the PSA, including: (1) any merger agreements; (2) agreements of consolidation, restructuring, disposition, liquidation, or dissolution; (3) deeds; or (4) assignments executed in connection with any transaction occurring under this Plan.

(b) Notwithstanding anything to the contrary in this Plan (other than Section 5.8(a)), the tax treatment of the Plan, the Plan Transaction and the Restructuring Transactions for all United States federal Tax purposes shall be as set forth in the U.S. Government Resolution Documents.

Section 5.9 Corporate Action

(a) As of the Effective Date, all actions and transactions contemplated by this Plan and the PSA shall be deemed authorized, approved, and, to the extent taken or implemented, as applicable, prior to the Effective Date, ratified without any requirement for further action by holders of Claims or Interests, or by the directors (including any Persons in any analogous roles under applicable law), officers, or managers of the Debtors or any Post-Emergence Entity in all respects, including (i) the selection of the directors (including any Persons in any analogous roles under applicable law), officers, and managers of the Post-Emergence Entities (whether occurring before, on, or after the Effective Date); (ii) the assumption, assumption and assignment, and rejection, as applicable, of Executory Contracts and Unexpired Leases; (iii) the execution of the Plan Documents (including but not limited to the Corporate Governance Documents, the Trust Documents (including the GUC Trust Cooperation Agreement), the Exit Financing Documents, the Rights Offering Documents, and the U.S. Government Resolution Documents); (iv) the issuance and Distribution of Purchaser Equity; (v) the implementation of the Plan Transaction and the Restructuring Transactions; and (vi) all other actions or transactions contemplated by or reasonably necessary or appropriate to promptly consummate the transactions contemplated by this Plan and the PSA, in each case, whether occurring prior to, on, or after the Effective Date; *provided, that*, with respect to any Foreign Debtors, prior to the Effective Date, the Debtors will undertake any necessary or advisable steps in order to select, appoint, and remove any directors (including any Persons in any analogous roles under applicable law), officers, and managers, as applicable, of the Foreign Debtors, and the occurrence of the Effective Date shall serve as ratification of the appointment, selection, or removal of any directors (including any Persons in any analogous roles under applicable law), officers, or managers of the applicable Post-Emergence Entities and any other actions taken in furtherance of the foregoing so that such actions are effective as of the Effective Date. All matters provided for in this Plan involving the corporate or limited liability company structure of the Debtors or the Post-Emergence Entities, as applicable, and any corporate or limited liability company action required by the Debtors or the Post-Emergence Entities, as applicable, in connection with this Plan, shall be deemed to have occurred and shall be in effect without any requirement of further action by the directors, managers, or officers of the Debtors or the Post-Emergence Entities, as applicable.

(b) On or before the Effective Date, as applicable, the appropriate officers of the Debtors or the Post-Emergence Entities, as applicable, shall be authorized and directed to issue,

execute, and deliver the agreements, documents, securities, certificates of incorporation, operating agreements, and instruments contemplated by this Plan (or necessary or desirable to effect the transactions contemplated by this Plan and the PSA) in the name of and on behalf of the Debtors or the Post-Emergence Entities, as applicable. The authorizations and approvals contemplated by this Section 5.9 shall be effective notwithstanding any requirements under non-bankruptcy law.

Section 5.10 Vesting of Assets in the Post-Emergence Entities

Except as otherwise provided in this Plan, the PSA, the Plan Supplement, or in any agreement, instrument, or other document incorporated herein or therein, on the Effective Date all property in each Debtor's Estate, and all Causes of Action held by the Debtors or their Estates (except those released pursuant to Article X of this Plan, retained by the Remaining Debtors, or transferred to the GUC Trust pursuant to Section 5.20(b)(i)(2) of this Plan), shall vest in or be transferred to, as applicable, each applicable Post-Emergence Entity, free and clear of all Liens, Claims, charges, and other encumbrances to the fullest extent possible under the Bankruptcy Code, and none of the Post-Emergence Entities shall have any liability for such Liens, Claims, charges, or other encumbrances whatsoever (other than to the extent provided in the PSA). On and after the Effective Date, except as provided in this Plan, the Post-Emergence Entities may operate their business and may (a) use, acquire, and dispose of property; (b) compromise or settle Claims, Interests, and Causes of Action; and (c) take any other action contemplated by this Plan, the PSA, the Plan Supplement, or the Confirmation Order, in each case, without Bankruptcy Court supervision or approval, and free of any Bankruptcy Code or Bankruptcy Rule restrictions.

Section 5.11 Restructuring Transactions

(a) The Plan Transaction shall be implemented in accordance with this Plan and the PSA. The Plan Transaction shall be effected through at least two mechanisms: (i) the Assets of the Debtors that become Remaining Debtors shall be sold and transferred directly to the applicable newly-formed Purchaser Entities; and (ii) the Interests in the Transferred Debtors and certain Non-Debtor Affiliates shall be sold, issued, and/or transferred, directly or indirectly, to and subsequently held by the applicable newly-formed Purchaser Entities such that the Transferred Debtors and the applicable Non-Debtor Affiliates shall, as of and following the Effective Date, be owned, directly or indirectly, by Purchaser Parent, in each case, free and clear of all Liens, Claims, charges, or other encumbrances (other than to the extent provided in the PSA) to the fullest extent possible under the Bankruptcy Code. As of the Confirmation Date, the Debtors shall be authorized and empowered to execute, deliver, implement, and fully perform any and all obligations, instruments, documents, and papers and to take any actions reasonably necessary or appropriate to consummate the Restructuring Transactions, the Plan, the Plan Transaction, the PSA, and any other transactions contemplated by the foregoing, including but not limited to any transaction steps authorized pursuant to prior orders of the Bankruptcy Court in furtherance of the Debtors' restructuring for purposes of (i) streamlining their corporate structure; (ii) obtaining tax and other efficiencies; (iii) obtaining Regulatory Approvals; and (iv) implementing this Plan and the PSA in non-U.S. jurisdictions.

(b) In connection with the transaction steps contemplated in Section 5.11(a) and other transaction steps contemplated in furtherance of the implementation of this Plan and the Plan

Transaction, the Debtors and the Post-Emergence Entities, as applicable, are authorized and empowered to take all actions necessary and appropriate to consummate the Restructuring Transactions, including, without limitation: (i) the execution, delivery, implementation, and performance of appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution, or liquidation on terms consistent with the terms of this Plan, the PSA, any prior orders of the Bankruptcy Court, and applicable law, including such documents required for, as a result of, or in connection with this Plan and/or the Scheme; (ii) the execution and delivery of the Exit Financing Documents, the Rights Offering Documents, the Trust Documents (including the GUC Trust Cooperation Agreement) and any related agreements or other documents on terms consistent with the terms of this Plan, any prior orders of the Bankruptcy Court, and applicable law; (iii) the transfer of the GUC Trust Litigation Consideration and the documents and information set forth in the GUC Trust Cooperation Agreement, as applicable; (iv) the Reconstruction Steps, as described in and in accordance with the Bidding Procedures Order; (v) the India Internal Reorganization; (vi) the execution and delivery of the PSA and any other documents contemplated thereby; (vii) the execution and delivery of instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of this Plan, the PSA, any prior orders of the Bankruptcy Court, and applicable law; (viii) the execution and filing of certificates or articles of incorporation, reincorporation, merger, consolidation, conversion, dissolution, and amendments of the foregoing, including the Corporate Governance Documents, in accordance with this Plan and applicable law; (ix) the liquidation, dissolution, or wind-down of any of the Remaining Debtors; (x) the issuance of the Purchaser Equity; (xi) the implementation of the Plan in jurisdictions outside of the United States, including (1) seeking recognition of the Confirmation Order and/or such other orders of the Bankruptcy Court as may be necessary or desirable; (2) implementing the Plan in Ireland pursuant to the Scheme, including the solicitation of votes on the Scheme; and (3) initiating one or more parallel insolvency or other proceedings in jurisdictions outside the United States of America; (xii) the abandonment of assets; and (xiii) all other actions determined by the Debtors and/or the Post-Emergence Entities, as applicable, to be necessary or appropriate in furtherance of the Restructuring Transactions, the Plan, the Plan Transaction, the PSA, and any transactions contemplated by or in connection with the foregoing, including making filings or recordings that may be required by applicable law.

(c) In each case in which any Purchaser Entity specifically assumes or acquires any obligations of any Debtor, such Purchaser Entity shall perform such obligations of such Debtor pursuant to this Plan to satisfy the Allowed Claims against, or Allowed Interests in, such Debtor, except as provided in the PSA or in any contract, instrument, or other agreement or document effecting a disposition to such Purchaser Entity, which provides that another Entity shall perform such obligations.

Section 5.12 Effectuating Documents; Further Transactions

On and after the Effective Date, the applicable Post-Emergence Entities and the directors, officers, and managers thereof are authorized and directed to issue, execute, deliver, file, or record such contracts, securities, instruments, releases, and other agreements or documents, and to take such actions as may be necessary or appropriate to effectuate, implement, and further

evidence the terms and conditions of this Plan, the PSA, and the securities issued pursuant to this Plan in the name of and on behalf of the applicable Post-Emergence Entities, including the transfer of documents, information, and privileges (to the extent set forth in the Resolution Stipulation and in accordance with the GUC Trust Cooperation Agreement), in each case, without the need for any approvals, authorizations, or consents except for those expressly required pursuant to this Plan or the PSA.

Section 5.13 Preservation of Causes of Action

In accordance with section 1123(b) of the Bankruptcy Code, but subject in all respects to Section 5.20 of this Plan and the GUC Trust Documents, (a) the Post-Emergence Entities shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Retained Causes of Action, whether arising before or after the Petition Date, and the Post-Emergence Entities' rights to commence, prosecute, or settle such Retained Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date, and the Post-Emergence Entities may pursue such Retained Causes of Action, as appropriate, in accordance with the best interests of the Post-Emergence Entities, subject to the payment of any amounts recovered by the Remaining Debtors to the Purchaser Entities pursuant to the PSA; (b) following the Effective Date, the Purchaser Entities shall retain and may enforce all rights to commence, prosecute, and/or settle any and all Causes of Action acquired pursuant to the Plan and the PSA; and (c) following the Effective Date, the GUC Trust shall retain and may enforce all rights to commence, pursue, and settle, as appropriate, any and all GUC Trust Litigation Claims, subject to, solely with respect to Claims and Causes of Action brought against any Excluded D&O Party, the Covenant Not To Collect. **No Person may rely on the absence of a specific reference in this Plan or the Disclosure Statement to any Cause of Action against them as any indication that the Debtors, the Post-Emergence Entities, or the GUC Trust, as applicable, will not pursue any and all available Causes of Action against such Person.** Except with respect to Causes of Action against any Person which Person was released by the Debtors or the Post-Emergence Entities on or before the Effective Date (including pursuant to this Plan), the applicable Post-Emergence Entities, expressly reserve all rights to prosecute any and all Retained Causes of Action against any Person, except as otherwise expressly provided in this Plan. The GUC Trust expressly reserves all rights to prosecute any and all GUC Trust Litigation Claims in accordance with and to the extent provided in the GUC Trust Documents and subject to the Covenant Not To Collect. Unless any Causes of Action against a Person are expressly waived, relinquished, exculpated, released, compromised, transferred (including to the GUC Trust), or settled in this Plan or a Final Order of the Bankruptcy Court, (i) the Post-Emergence Entities expressly reserve all Retained Causes of Action for later adjudication; and (ii) the GUC Trust expressly reserves all GUC Trust Litigation Claims for later adjudication, and therefore, in each case, 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 this Plan.

Section 5.14 Single Satisfaction of Claims

Holders of Allowed Claims other than Trust Channeled Claims may assert such Claims against each Debtor obligated with respect to such Claims, and such Claims shall be

entitled to share in the recovery provided for the applicable Class of Claims against each obligated Debtor based upon the full Allowed amount of the Claim. Holders of Allowed Trust Channelled Claims may assert such Claims solely against the applicable Trust and subject to Section 10.9 hereof, such Claims shall be entitled to recovery, if any, pursuant to and in accordance with the terms of the applicable Trust Documents. Notwithstanding the foregoing, in no case shall the aggregate value of all property received or retained under this Plan (including, for the avoidance of doubt, pursuant to the Trust Documents) by a holder of an Allowed Claim on account of such Allowed Claim exceed 100% of the underlying Allowed Claim.

Section 5.15 Corporate Governance Documents and Corporate Existence

(a) The Corporate Governance Documents of Purchaser Parent, which shall be filed with the Plan Supplement and which shall be in form and substance reasonably acceptable to the Debtors and acceptable to the Required Consenting Global First Lien Creditors, shall provide for, among other things, certain terms and designation rights with respect to the Purchaser Parent Board.

(b) Except as otherwise provided herein, in the Corporate Governance Documents, or elsewhere in the Plan Supplement, each of the Post-Emergence Entities shall continue to exist after the Effective Date as a separate corporate Entity or limited liability company, as the case may be, with all the powers of a corporation or limited liability company, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Post-Emergence Entity is incorporated. After the Effective Date, each Post-Emergence Entity may amend and restate its Corporate Governance Documents as permitted by the laws of its respective state, province, or country of formation and its respective charter and bylaws or limited liability company agreement, as applicable.

Section 5.16 Purchaser Parent Board of Directors

(a) Upon the Effective Date, the Purchaser Parent Board shall initially consist of the following seven Initial Directors:

- (i) the chief executive officer of Purchaser Parent;
- (ii) the Nominated Directors; and

(iii) after engagement by the Nominating and Selection Committee of the Search Firm, four directors to be (1) agreed upon by each member of the Nominating and Selection Committee; and (2) consented to by the Required Consenting Global First Lien Creditors; *provided, that*, in the event that each member of the Nominating and Selection Committee cannot agree upon the four directors; (A) two directors shall be (x) selected by members of the Nominating and Selection Committee holding more than 50% of the Prepetition First Lien Indebtedness then held by all members of the Nominating and Selection Committee; and (y) consented to by the Required Consenting Global First Lien Creditors; (B) one director shall be (x) selected by members of the Nominating and Selection Committee holding more than 50% of the Prepetition First Lien Indebtedness then held by all members

of the Nominating and Selection Committee; and (y) consented to by Silver Point; and (C) one director shall be selected by the Required Consenting Other First Lien Creditors; *provided, further, that*, all directors must have been first identified as part of the selection process and vetted by the Search Firm.

(b) Other than the Nominated Directors, the Initial Directors shall serve until Purchaser Parent's next annual meeting following the Effective Date, at which time such directors will be subject to re-election.

(c) GoldenTree shall have a right to designate the Nominated Directors for appointment to the Purchaser Parent Board until the earlier of (i) the first annual meeting of shareholders of the Purchaser Parent following a Listing Event at which the election of the directors of the Purchaser Parent Board is among the matters considered at such annual meeting; and (ii) GoldenTree's ownership percentage of Purchaser Equity falling below 5%; *provided, however, that*, for the avoidance of doubt, only GoldenTree shall be entitled to request removal of its Nominated Directors and appointment of replacements for such Nominated Directors at any time until the earlier of the foregoing clauses (i) and (ii) and the Purchaser Parent Board and Purchaser Parent shall take all necessary action (subject to the Purchaser Parent Board's fiduciary duties) to effectuate the same.

(d) The identities of the officers and members of the Purchaser Parent Board and the boards of each of the other Purchaser Entities, in each case, if known, shall be set forth in the Plan Supplement or announced at the Confirmation Hearing in accordance with section 1129(a)(5) of the Bankruptcy Code.

Section 5.17 Management Incentive Plan

On the Effective Date, the Purchaser Parent Board will adopt the Management Incentive Plan, which will provide for the issuance of equity-based awards to management and other key employees of the Purchaser Entities up to the amount of the MIP Reserve. No later than 90 days after the Effective Date, the Purchaser Entities shall allocate 72.2% of the MIP Reserve under the Management Incentive Plan subject to terms (including, without limitation, performance metrics and vesting schedules) to be determined by the Purchaser Parent Board.

Section 5.18 Employee Matters

(a) With respect to any individuals employed by the Debtors immediately prior to the Effective Date, (x) all Specified Subsidiary Employees shall become, as of the Effective Date, employees of the applicable Purchaser Entities; (y) all employment contracts of all Automatic Transfer Employees shall transfer by operation of law to the applicable Purchaser Entities under any applicable Transfer Regulations; and (z) all Offer Employees shall be offered employment by the applicable Purchaser Entities. Each Specified Subsidiary Employee, Offer Employee (to the extent such Offer Employee accepts the offer of employment from the applicable Purchaser Entity), and Automatic Transfer Employee (that, if permitted by applicable Transfer Regulations, does not object to such transfer under the Transfer Regulations) shall be, as of and following the Effective Date, a Continuing Employee (such that, for the avoidance of doubt, any individuals

employed by the Transferred Debtors as of immediately prior to the Effective Date, other than Automatic Transfer Employees who lawfully object to such transfer and Offer Employees who do not accept an offer of employment, shall be, as of and following the Effective Date, Continuing Employees).

(b) Subject to the terms of the CBA, as applicable, the Purchaser Entities shall provide, for a period of one year, or such longer period as required by law, from and after the Effective Date, each Continuing Employee with: (i) a position, responsibilities, and a base salary or wage rate, as applicable, that is, in each case, no less favorable than the position, responsibilities, and the base salary or wage rate, as applicable, provided to such Continuing Employee by the applicable Debtor or Non-Debtor Affiliate as of immediately prior to the Effective Date; (ii) target short- and long-term incentive compensation levels and opportunities that are in each case no less favorable than such levels and opportunities that were most recently communicated in writing to the applicable Continuing Employee or used to determine any 2023 prepayments (including any such prepayments that were made in 2022 in respect of 2023 compensation); (iii) other compensation and benefits (excluding any one-time or special bonus payments that do not constitute target incentive compensation) that are no less favorable in the aggregate than the other compensation and benefits provided to such Continuing Employee as of immediately prior to the Effective Date; and (iv) recognition of all prior service with the Debtors and their Non-Debtor Affiliates, as applicable, for all purposes under the Continuing Employee Plans on the same basis as recognized by the applicable Debtors and Non-Debtor Affiliates as of immediately prior to the Effective Date, in each case, as set forth in the PSA.

(c) To the extent permitted by law or the CBA, all accrued and unused vacation and paid time off for each Continuing Employee accrued as of the Effective Date shall be transferred to or assumed by, as applicable, the applicable Purchaser Entities and such Purchaser Entities shall honor such accrued vacation and paid time off on the same basis as provided under the vacation policies of the applicable Debtors and Non-Debtor Affiliates in effect immediately prior to the Effective Date.

(d) The Debtors and their Non-Debtor Affiliates, as applicable, shall assume, assume and assign, or transfer, as applicable, to the Purchaser Entities, and the Purchaser Entities shall assume, as applicable, the Continuing Employee Plans and, as of the Effective Date, the Continuing Employee Plans and all related liabilities shall revert in and be fully enforceable by and/or against, as applicable, the Purchaser Entities, in each case, in accordance with the terms thereof and as set forth in the PSA.

(e) With respect to all Continuing Employees who are Insiders, including for purposes of disclosure pursuant to section 1129(a)(5) of the Bankruptcy Code, on the Effective Date, all then-effective employment agreements shall vest in or be transferred to, as applicable, and assumed by the applicable Purchaser Entities. If no employment agreement is then in effect for any Insider, then the applicable Purchaser Entities shall execute a new employment agreement with such Insider that provides for terms of employment, including a base salary, employee benefits, and severance protections to such Insider that is no less favorable than such Insider's most recent employment agreement and arrangement with the Debtors as adjusted to reflect increases in base salary and target incentive levels or opportunities prior to the Effective

Date. Additionally, on the Effective Date, the Purchaser Entities will include all Insiders in the short- and long-term incentive programs for 2024 with (i) target short- and long-term incentive levels and opportunities that are in each case no less favorable than such levels and opportunities that were most recently communicated in writing to the applicable Insider or used to determine any 2023 prepayments (including any such prepayments that were made in 2022 in respect of 2023 compensation); and (ii) eligibility for full-year 2024 incentives that are not pro-rated.

(f) On and after the Effective Date, the Purchaser Entities shall be liable for any and all liabilities, arising at any time, in any way attributable to the employment or service of current or former employees, directors (including any Persons in any analogous roles under applicable law), or consultants of the Debtors, including but not limited to, (i) any obligation to provide COBRA continuation coverage and other retiree benefits to any former employee of the Debtors and spouses and dependents of the foregoing; (ii) the assumption of and any liabilities relating to all health plan coverage obligations under Section 4980B of the Tax Code with respect to all “M&A qualified beneficiaries” as defined in Treasury Regulation section 54.4980B-9; (iii) all liabilities with respect to any Continuing Employee Plan and any funding arrangements relating thereto, in each case, in accordance with Section 2.3(a) of the PSA; (iv) all liabilities with respect to the employment of any Continuing Employees or the termination of employment of any (1) Automatic Transfer Employee who objects to the transfer of their employment; (2) Offer Employee who refuses an offer of employment from the Purchaser Entities; and (3) any Continuing Employee to the extent arising on or after the Effective Date; (v) all unpaid base wages and base salaries and other accrued compensation, employee expenses, and benefits in respect of any Continuing Employees; and (vi) all liabilities arising under the CBA or any collective bargaining laws or arrangements in relation to Continuing Employees in accordance with the terms thereof, in each case, other than (x) any liabilities relating to workers compensation claims for injuries or illnesses occurring prior to the Effective Date to the extent permitted by applicable law; or (y) Disputed Claims or liabilities relating thereto, in each case, in accordance with the PSA.

(g) Notwithstanding anything otherwise contained in this Plan or any of the Plan Documents, the Debtors shall assume the CBA, which constitutes an Executory Contract pursuant to sections 365(a) and 1123 of the Bankruptcy Code. The Cure Amounts, if any, related to the assumption of the CBA shall be satisfied in full by payment by the Debtors or the Purchaser Entities, as applicable, in the ordinary course, including all obligations arising under the CBA, including but not limited to grievances, grievance and other settlements, and arbitration awards, to the extent such obligations are valid and payable; *provided, that*, the Debtors’ and the Post-Emergence Entities’ rights, defenses, Claims, and counterclaims with respect to any such obligations are expressly preserved. Any Proofs of Claim filed or to be filed for amounts due under the CBA are deemed to be satisfied by the Debtors’ assumption of the CBA as set forth herein.

Section 5.19 Non-GUC Trust D&O Insurance Policies and Indemnification Obligations

(a) Notwithstanding anything herein to the contrary, as of the Effective Date, the Non-GUC Trust D&O Insurance Policies belonging to, owed to, or covering D&O Insured Persons shall be transferred to or automatically vest in, as applicable, the Purchaser Entities (subject to any rights of the D&O Insured Persons in such policies). The Non-GUC Trust D&O Insurance Policies

(which, for the avoidance of doubt are not, and do not include, the GUC Trust D&O Insurance Policies) shall have a six-year extended reporting period that will run from the Effective Date.

(b) As of and following the Effective Date, the Purchaser Entities shall assume and be jointly and severally liable (i) for all Indemnification Obligations owed to any Indemnified Persons, which Indemnification Obligations shall (1) survive Confirmation of the Plan; (2) remain unaffected thereby; and (3) not be discharged under section 1141 of the Bankruptcy Code, in each case, irrespective of whether any indemnification or reimbursement is owed in connection with any event occurring before, on, or after the Petition Date, and each of the Purchaser Entities shall be jointly and severally liable with respect to such Indemnification Obligations; *provided, that*, the Purchaser Entities shall only assume Indemnification Obligations relating to the GUC Trust Litigation Consideration owed to any Indemnified Person solely to the extent of any defense costs (but not to satisfy any judgment or settlement); *provided, further, that*, notwithstanding any language in any applicable insurance policy mandating indemnification, all indemnification provided hereunder shall be excess over and will not contribute with all valid and collectible insurance, whenever purchased, whether such insurance is stated to be primary, contributing, excess, contingent or otherwise; and (ii) to pay, defend, discharge, indemnify, and hold harmless any directors (including any Persons in analogous roles under applicable law), managers, officers, employees, or agents of the Debtors or their Non-Debtor Affiliates from and against any and all liability to the extent arising out of, resulting from, or attributable to any non-action or action such parties or Entities take, cause to be taken, or cause to be done in relation to any consent, permit, or Regulatory Approvals, including, but not limited to, making or amending any filings, submissions, notices, communications or otherwise appearing before any governmental agency as required for any such consent, permit, or Regulatory Approval.

Section 5.20 Plan Settlements

(a) As further described in Article VI of this Plan, the Disclosure Statement, the provisions of this Plan (including the release and injunctive provisions contained in Article X of this Plan) and any other documents contemplated hereby, constitute a good faith compromise and settlement of Claims and controversies among the Debtors, the U.S. Government, the Endo EC, the Opioid Claimants' Committee, the Creditors' Committee, the FCR, the Canadian Provinces, the Public School District Creditors, certain other participants in the Mediation, and other parties in interest, which compromises and settlements are each (i) integrated with all other compromises and settlements contemplated in connection with the Plan; and (ii) necessary and integral to this Plan and the Plan Documents and the success of these Chapter 11 Cases. The description of any settlement, compromise, or resolution described in this Section 5.20 is qualified in its entirety to the applicable definitive documents pertaining thereto, which definitive documents shall, unless otherwise specified herein, be filed with the Plan Supplement.

(b) UCC Resolution

(i) GUC Trust. In accordance with the GUC Trust Documents, on or prior to the Effective Date, the Debtors shall establish the GUC Trust. On the Effective Date, all GUC Trust Channeled Claims shall be channeled to the GUC Trust pursuant to Section

10.9 of this Plan. The establishment of the GUC Trust and approval of the UCC Resolution are integral components of this Plan.

(1) *GUC Trust Cash Consideration.* On the Effective Date, the GUC Trust will receive the GUC Trust Cash Consideration, which shall be used to (A) fund the administration of the GUC Trust, including any costs associated with monetizing the GUC Trust Litigation Consideration; and (B) make Distributions to holders of Allowed Second Lien Deficiency Claims, Allowed Unsecured Notes Claims, and Allowed Other General Unsecured Claims in accordance with the GUC Trust Documents; and (C) distribute the Generics Price Fixing Claims Trust Consideration, the Mesh Claims Trust Consideration, the Ranitidine Claims Trust Consideration, and the Reverse Payment Claims Trust Consideration to the applicable Distribution Sub-Trusts, in each case, for further Distribution to holders of Distribution Sub-Trust Claims in accordance with the applicable Distribution Sub-Trust Documents.

(A) The GUC Trust shall pay, from the GUC Trust Cash Consideration, the reasonable and documented expenses of each of the Unsecured Notes Indenture Trustees (including the reasonable and documented fees and expenses of counsel retained thereby) that, in each case, (x) are payable under the applicable Unsecured Notes Indentures; and (y) have not otherwise been paid, including pursuant to the UCC Resolution Term Sheet.¹⁸

(2) *GUC Trust Litigation Consideration.* On the Effective Date, pursuant to this Plan and the GUC Trust Cooperation Agreement, the GUC Trust Litigation Consideration shall be irrevocably transferred to and vest in the GUC Trust, free and clear of any and all Claims, Interests, Liens, other encumbrances, and liabilities of any kind, in each case, except as otherwise set forth in Section 10.10 of this Plan or in the GUC Trust Documents. From and after the Effective Date, the GUC Trust shall have the sole and exclusive right to pursue any GUC Trust Litigation Claims subject, in each case and solely with respect to GUC Trust Litigation Claims against the Excluded D&O Parties, to the Covenant Not To Collect. Other than as set forth herein, all Estate Claims and Causes of Action that are not transferred to the GUC Trust shall vest in and be owned by the applicable Purchaser Entities upon the Effective Date.

(A) In pursuing or enforcing any Claim, Cause of Action, right, or Interest, the GUC Trust and each Distribution Sub-Trust (if applicable) shall be entitled to the tolling provisions provided under

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For the avoidance of doubt, such payment shall be in addition to any amounts paid to the Unsecured Notes Indenture Trustees pursuant to Section 2.3 of this Plan.

section 108 of the Bankruptcy Code, and shall succeed to the Debtors' Estates' rights with respect to the time periods in which the GUC Trust Litigation Claims may be brought under section 546 of the Bankruptcy Code.

(B) To the extent any of the GUC Trust Litigation Consideration cannot be transferred to the GUC Trust because of a restriction on transferability under applicable non-bankruptcy law that is not superseded or preempted by the Bankruptcy Code, such GUC Trust Litigation Consideration shall be deemed to be retained by the applicable Post-Emergence Entities and the GUC Trust (as successor to the Estates with respect to the GUC Trust Litigation Claims) shall be deemed to have been designated as a representative of the Post-Emergence Entities, as applicable, to enforce and pursue such consideration on behalf of the Post-Emergence Entities to the extent and subject to the limitations set forth in this Plan and the GUC Trust Cooperation Agreement; *provided, that*, to the extent, as a result of the foregoing, the pursuit and enforcement of such Claims results in claims or counterclaims being asserted against any of the Post-Emergence Entities, their respective subsidiaries, or any of their respective Affiliates, officers, directors (including any Persons in any analogous roles under applicable law), managers, members, employees, equityholders, agents, and representatives, the Post-Emergence Entities shall have the right, but not the obligation, to assume control of the defense against such claims or counterclaims, and the GUC Trust shall, to the fullest extent permitted by law, indemnify and hold harmless the foregoing Persons from and against any Claims suffered or incurred by any of them arising out of, resulting from, or relating to such claims or counterclaims; *provided, further, that*, nothing in this Section 5.20(b)(i)(2)(B) or in the GUC Trust Documents shall require any Remaining Debtor or Transferred Debtor to maintain its corporate (or similar) existence, or to prevent any Remaining Debtor or Transferred Debtor from winding down its operations, in each case, following the Effective Date. All recoveries made by the Post-Emergence Entities on behalf of the GUC Trust as a representative of the Post-Emergence Entities in accordance with this Section 5.20(b)(i)(2)(B) shall, subject to a right of setoff in favor of the Post-Emergence Entities with respect to the foregoing indemnity rights, be promptly and permanently transferred to the GUC Trust.

(C) The Confirmation Order shall provide (x) that such transfer of the GUC Trust Insurance Rights¹⁹ is authorized and enforceable under the Bankruptcy Code notwithstanding any state law or contractual provision; (y) that insurers party to the GUC Trust Insurance Policies had sufficient notice of the Chapter 11 Cases; and (z) the Allowed amount of any GUC Trust Channeled Claim is legally enforceable against the GUC Trust or the applicable Distribution Sub-Trust; *provided, that*, for the avoidance of doubt, the amount of any installment payments, initial payments, or payments based on payment percentages established under the GUC Trust Documents, as determined or as actually paid by the GUC Trust or the applicable Distribution Sub-Trust, are not the equivalent of the Allowed amount of any GUC Trust Channeled Claim.

(D) Any costs associated with monetizing the GUC Trust Litigation Consideration shall be paid solely from the GUC Trust Consideration.

(E) For the avoidance of doubt, (x) the transfer of the GUC Trust Litigation Consideration to the GUC Trust shall not impair the rights, if any, of any D&O Insured Person under any GUC Trust Insurance Policy, GUC Trust D&O Insurance Policy, or Non-GUC Trust Insurance Policy, as applicable; and (y) no Settling Co-Defendant Surviving Claims and Causes of Action shall be transferred to the GUC Trust or any other Trust under this Plan.

(3) *GUC Trust Purchaser Equity.* On the Effective Date, (x) 3.70% of the Purchaser Equity shall be distributed directly to holders of Allowed Second Lien Deficiency Claims and Unsecured Notes Claims in amounts equal to such holders' pro rata shares of the GUC Trust Purchaser Equity; and (y) the Escrowed Equity shall be deposited with a third-party escrow agent acceptable to the Required Consenting Global First Lien Creditors and the Creditors' Committee and shall be subject to an escrow agreement that shall be in form and substance acceptable to the Required Consenting Global First Lien Creditors and the Creditors' Committee.

(A) In order to receive a Distribution of GUC Trust Purchaser Equity, holders of Allowed Second Lien Deficiency Claims and Allowed Unsecured Notes Claims shall be required to tender their Second Lien Notes and Unsecured Notes, as applicable,

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The Debtors and the Purchaser Entities shall take reasonable steps to preserve the value of the insurance assets acquired by the Purchaser Entities that may apply to claims against the Excluded D&O Parties by the GUC Trust, including but not limited to the Purchaser Entities providing notice required by and in accordance with the terms of the applicable policy of any claim asserted against the Excluded D&O Parties by the GUC Trust and complying with all applicable policy terms and conditions.

through ATOP into a securities account to be established following the Effective Date, as to be noticed following entry of the Confirmation Order (*provided, that*, the Purchaser Entities and the Creditors' Committee shall cooperate with respect to the such securities account and noticing). Second Lien Notes and Unsecured Notes tendered through ATOP will not be returned and will be subject to cancellation.

(B) The issuance of the GUC Trust Purchaser Equity and the Distribution thereof directly to holders of Allowed Second Lien Deficiency Claims and Allowed Unsecured Notes Claims shall, in each case, be exempt from registration under the Securities Act pursuant to section 1145 of the Bankruptcy Code in accordance with Section 5.5 of this Plan.

(C) The amount of the Escrowed Equity to be distributed to holders of Allowed Second Lien Deficiency Claims and Allowed Unsecured Notes Claims shall be determined in accordance with the Net Debt Equity Split Adjustment. Any Escrowed Equity not distributed to the GUC Trust and/or holders of Allowed Second Lien Deficiency Claims and Allowed Unsecured Notes Claims pursuant to the Net Debt Equity Split Adjustment shall be returned to Purchaser Parent and cancelled.

(4) *GUC Rights Offering.* Each holder of an Allowed Second Lien Deficiency Claim or Allowed Unsecured Notes Claim that exercised such holder's GUC Subscription Rights shall receive, on the Effective Date, Purchaser Equity pursuant to and in accordance with the terms of the GUC Rights Offering Documents.

(A) The GUC Rights Offering shall be backstopped by the GUC Backstop Commitment Parties pursuant to and in accordance with the GUC Backstop Commitment Agreement.

(5) *Distribution Sub-Trust Consideration.* On the Effective Date, or as soon thereafter as practicable, the GUC Trust shall pay the following amounts from the GUC Trust Cash Consideration to the Distribution Sub-Trusts, in each case, subject to the GUC Trust Documents and the applicable Distribution Sub-Trust Documents (*provided, that*, any remaining GUC Trust Cash Consideration shall be retained by the GUC Trust to be used for, among other things, payment of Trust Operating Expenses of the GUC Trust and Distributions to holders of GUC Trust Units, in each case, as set forth in the GUC Trust Documents):

(A) to the Generics Price Fixing Claims Trust, \$16 million;

- (B) to the Mesh Claims Trust, \$2 million;
- (C) to the Ranitidine Claims Trust, \$200,000; and
- (D) to the Reverse Payment Claims Trust, \$6.5 million.

(6) *Distribution of Proceeds of GUC Trust Litigation Consideration and GUC Trust Insurance Policies.* As among the holders of Allowed GUC Trust Channeled Claims and the Distribution Sub-Trusts, the Cash proceeds of the GUC Trust Litigation Consideration and the GUC Trust Insurance Policies shall be allocated, net of Trust Operating Expenses of the GUC Trust and any other holdbacks set forth in the GUC Trust Documents, as follows, in each case, in accordance with the GUC Trust Documents and the Distribution Sub-Trust Documents, as applicable:

(A) 93.09% of the Cash proceeds of the GUC Trust Litigation Consideration to the holders of GUC Trust Class A Units;

(B) 1.80% of the Cash proceeds of the GUC Trust Litigation Consideration to the holders of GUC Trust Class B Units;

(C) (x) 1.75% of the Cash proceeds of the GUC Trust Litigation Consideration; and (y) 50% of the proceeds of certain products liability GUC Trust Insurance Policies allocable to liability for Mesh Claims, in each case, to the Mesh Claims Trust;

(D) 3.36% of the Cash proceeds of the GUC Trust Litigation Consideration to the Reverse Payment Claims Trust; and

(E) 20% of the proceeds of certain products liability GUC Trust Insurance Policies allocable to liability for Ranitidine Claims shall be allocated to the Ranitidine Claims Trust;

(F) *provided, that*, the GUC Trust will issue certain interests in the GUC Trust to the Purchaser Entities that will entitle the Purchaser Entities to up to 5% of the proceeds of the GUC Trust Litigation Consideration in excess of \$100 million of the GUC Trust Litigation Consideration, up to a maximum aggregate amount of \$2.2 million (excluding, for the avoidance of doubt, the 50% of proceeds of the products liability tower allocable to holders of Mesh Claims and the 20% of proceeds of the products liability tower allocable to holders of Ranitidine Claims).

(7) *Administration of GUC Trust Channeled Claims.* All Second Lien Deficiency Claims, Unsecured Notes Claims, and Other General Unsecured Claims will be administered, processed, and resolved

pursuant to the GUC Trust Documents. The GUC Trust shall determine the Allowance or Disallowance of all Other General Unsecured Claims and the amounts of any Distributions to be provided to holders on account thereof. The determination by the GUC Trust of the Allowance or Disallowance of any Other General Unsecured Claim, and the amount of any Distribution on account thereof shall not be subject to any challenge or review of any kind, by any court or Person, except as otherwise set forth in this Plan or the GUC Trust Documents. The sole recourse of any holder of a (x) Second Lien Deficiency Claim, Unsecured Notes Claim, or Other General Unsecured Claim shall be to the GUC Trust and only in accordance with the terms, provisions, and procedures of the GUC Trust Documents; and (y) Distribution Sub-Trust Claim shall be to the applicable Distribution Sub-Trust and only in accordance with the terms, provisions, and procedures of the applicable Distribution Sub-Trust Documents.

(A) Subject to Section 4.4(f) of this Plan, the procedures governing Distributions set forth in the GUC Trust Documents shall provide for an additional payment by the GUC Trust to any holder of an Allowed Second Lien Deficiency Claim, Allowed Unsecured Notes Claim, or Allowed Other General Unsecured Claim who is entitled to receive a Distribution from the GUC Trust that grants or is deemed to grant, as applicable, the GUC Releases, which additional payment by the GUC Trust shall be in exchange for such holder granting or being deemed to grant, as applicable, the GUC Releases.

(B) On the Effective Date or as soon as reasonably practicable thereafter, the GUC Trust shall pay, from the GUC Trust Consideration, the reasonable and documented expenses of the Unsecured Notes Indenture Trustees not otherwise paid by the Purchaser Entities in accordance with the GUC Trust Documents. For the avoidance of doubt, any Distributions made to holders of Allowed Second Lien Deficiency Claims and Allowed Unsecured Notes Claims shall be subject to the applicable Indenture Trustee Charging Liens.

(C) The remaining GUC Trust Cash Consideration, subject to any adjustments and holdbacks set forth in the GUC Trust Documents, including an estimated \$10 million for Trust Operating Expenses of the GUC Trust, shall be distributed on the applicable distribution dates set forth in the GUC Trust Documents to holders of GUC Trust Units, in accordance with the GUC Trust Agreement. As set forth in the GUC Trust Agreement, no more than \$2 million of the GUC Trust Cash Consideration shall be distributed to holders of GUC Trust Class B Units.

(8) *Dispute Resolution.* With respect to any Other General Unsecured Claims that are disputed by the GUC Trust in accordance with the GUC Trust Documents, the GUC Trust shall reserve the amount of GUC Trust Class B Units that such disputed Other General Unsecured Claim would otherwise be entitled to on account of such disputed Other General Unsecured Claim into the GUC Trust Disputed Claims Reserve, from which the GUC Trust shall make future Distributions, if any, on account of such disputed Other General Unsecured Claims which are subsequently Allowed by the GUC Trust in accordance with the GUC Trust Documents.

(ii) *Generics Price Fixing Claims Trust.* The Generics Price Fixing Claims Trust shall be established in accordance with the Generics Price Fixing Claims Trust Documents.

(iii) *Mesh Claims Trust.* The Mesh Claims Trust shall be established in accordance with the Mesh Claims Trust Documents.

(iv) *Ranitidine Claims Trust.* The Ranitidine Claims Trust shall be established in accordance with the Ranitidine Claims Trust Documents.

(v) *Reverse Payment Claims Trust.* The Reverse Payment Claims Trust shall be established in accordance with the Reverse Payment Claims Trust Documents.

(vi) *Distribution Sub-Trust Documents Approval Process.* The Distribution Sub-Trust Documents shall be filed with the Bankruptcy Court on or prior to the date that is 14 days after the Confirmation Date. If no objections are filed to any Distribution Sub-Trust Document within 14 days of such Distribution Sub-Trust Document being filed, such Distribution Sub-Trust Document shall become effective. If any objection is filed to any Distribution Sub-Trust Document, the applicable party in interest (including the Creditors' Committee and/or the GUC Trust, if and as applicable) may request a hearing in front of the Bankruptcy Court to resolve any such objection with respect to the applicable Distribution Sub-Trust Document.

(c) OCC Resolution

(i) *PPOC Trust.* In accordance with the terms of the OCC Resolution Term Sheet and pursuant to the PPOC Trust Documents, on or prior to the Effective Date, the Debtors shall establish the PPOC Trust. On the Effective Date, all Present Private Opioid Claims shall be channeled to the PPOC Trust in accordance with Section 10.9 of this Plan and subsequently, to the extent applicable, further channeled by the PPOC Trust to the applicable PPOC Sub-Trust.

(1) *PPOC Trust Installment Payments.* The channeling of the Present Private Opioid Claims to the PPOC Trust shall entitle the PPOC Trust to the aggregate payment of the PPOC Trust Consideration and the NAS Additional Amount as follows, in each case, subject to the PPOC

Prepayment Option and pursuant to and in accordance with the terms of the PPOC Trust Documents:

(A) on the Effective Date, the PPOC Trust shall receive the first PPOC Trust Installment Payment in Cash in the amount of \$30,233,333.34;

(B) on the first anniversary of the Effective Date, the PPOC Trust shall receive the second PPOC Trust Installment Payment in Cash in the amount of \$29,733,333.33; and

(C) on the second anniversary of the Effective Date, the PPOC Trust shall receive the second PPOC Trust Installment Payment in Cash in the amount of \$59,733,333.33.

(D) Any PPOC Trust Installment Payment not paid when due shall bear interest at a default rate of 12% per annum, compounding quarterly, from the applicable due date until such date as such PPOC Trust Installment Payment has been paid in full.

(E) In the event any amount is received by the PPOC Trust pursuant to (x) the PPOC Prepayment Option; (y) any PPOC Change of Control Payment; or (z) any other payment required in accordance with the PPOC Trust Documents, such amount, net of any amounts funded to the PPOC Trust Operating Reserve and any other reductions set forth in the PPOC Trust Documents, shall be further distributed to the PPOC Sub-Trusts as promptly as practicable, in accordance with the PPOC Trust Distribution Procedures.

(2) *PPOC Prepayment Option.* During the 12-month period commencing on the Effective Date, Purchaser Parent shall have the right to exercise the PPOC Prepayment Option. In the event Purchaser Parent exercises the PPOC Prepayment Option, the PPOC Trust shall be entitled to receive the following payments, in each case, in accordance with the PPOC Trust Documents in lieu of any remaining PPOC Trust Installment Payments due pursuant to the preceding Section 5.20(c)(i)(1):

(A) in the event Purchaser Parent exercises the PPOC Prepayment Option on the Effective Date, on the Effective Date, the PPOC Trust shall receive payment in the amount of \$89,700,000;

(B) in the event Purchaser Parent exercises the PPOC Prepayment Option after the Effective Date, but on or prior to the six-month anniversary of the Effective Date, on such date as

Purchaser Parent exercises the PPOC Prepayment Option, the PPOC Trust shall receive payment in the amount of \$95,800,000; and

(C) in the event Purchaser Parent exercises the PPOC Prepayment Option after the six-month anniversary of the Effective Date but prior to the first anniversary of the Effective Date, on such date as Purchaser Parent exercises the PPOC Prepayment Option, the PPOC Trust shall receive payment in the amount of \$103,400,000.

(D) The amount of any payment made as a result of Purchaser Parent's exercise of the PPOC Prepayment Option after the Effective Date shall be reduced by the amount of the first PPOC Trust Installment Payment, and shall not include the amount of the PPOC Trust Installment Payment that would have otherwise been due on the first anniversary of the Effective Date.

(E) In the event Purchaser Parent does not exercise the PPOC Prepayment Option, on the Effective Date, the Purchaser Entities, as applicable, shall fund \$875,000 into an escrow account which shall be used solely by the PPOC Trust for litigation or enforcement costs necessary to enforce the terms of the PPOC Trust Documents and the PPOC Sub-Trust Documents against the Purchaser Entities.

(3) *Dividend Payments.* Upon the payment of a dividend by Purchaser Parent to holders of Purchaser Equity, Purchaser Parent shall make an equal payment in Cash to the PPOC Trust, which shall reduce the amount of the outstanding PPOC Trust Installment Payments on a dollar-per-dollar basis, which reduction shall be applied to the outstanding PPOC Trust Installment Payments in reverse chronological order. Any payment to be made under this Section 5.20(c)(i)(3) and not paid when due shall bear interest at a default rate of 12% per annum, compounding quarterly, from the date such payment was due until the date such overdue payment is paid in full.

(4) *PPOC Change of Control Payment.* Upon a Change of Control of Purchaser Parent, to the extent Purchaser Parent has not exercised the PPOC Prepayment Option, Purchaser Parent must (x) make a PPOC Change of Control Payment; or (y) provide for the assumption of the obligation to make the PPOC Trust Installment Payments by a Qualified Successor. Any payment to be made under this Section 5.20(c)(i)(4) and not paid when due shall bear interest at a default rate of 12% per annum, compounding quarterly, from the date such payment was due until the date such overdue payment is paid in full.

(5) *Prepayment of PPOC Trust Consideration Upon Prepayment of Public Opioid Consideration and/or Tribal Opioid Consideration.* If, at any time, the Purchaser Entities prepay, substantially or in full, the amounts owing to the Public Opioid Trust or the Tribal Opioid Trust as of such date, the applicable Purchaser Entities shall, on the same date as the prepayment of the Public Opioid Trust or the Tribal Opioid Trust, as applicable, make a prepayment to the PPOC Trust (x) if such prepayment of the Public Opioid Trust or the Tribal Opioid Trust, as applicable, occurs on or before the first anniversary of the Effective Date, the amount that would be due if Purchaser Parent had exercised the PPOC Prepayment Option on such date; or (y) if such prepayment of the Public Opioid Trust or the Tribal Opioid Trust, as applicable, occurs after the first anniversary of the Effective Date but on or before the second anniversary of the Effective Date, the amount of the net present value of the third PPOC Trust Installment Payment (and any other outstanding remaining PPOC Trust Installment Payments that may become due pursuant to the terms of the PPOC Trust Documents), discounted at a discount rate of 12% per annum; *provided, that*, to the extent the Purchaser Entities prepay in full the amounts owing to the Public Opioid Trust or the Tribal Opioid Trust, as applicable, at a time when there are any overdue amounts of PPOC Trust Installment Payments then, in addition to the amounts described in the foregoing clauses (x) and (y), the Purchaser Entities shall immediately make a payment to the PPOC Trust of (a) such overdue amounts; and (b) default interest on such amounts at a rate of 12% per annum, compounding quarterly from the date such PPOC Trust Installment Payment was due until the date such overdue amounts are paid in full.

(A) As a result of the Mediation, the holders of State Opioid Claims were given the right to require prepayment of the Public Opioid Consideration on the Effective Date, which the Endo EC has informed the Debtors and the Ad Hoc First Lien Group will be exercised as set forth in Section 5.20(e) below. To the extent holders of State Opioid Claims exercise such prepayment right, the Purchaser Entities shall be required to exercise the PPOC Prepayment Option as of the Effective Date and, in accordance therewith, prepay the PPOC Trust Consideration in full in Cash on the Effective Date in the amount of the PPOC Prepayment Amount pursuant to Section 5.20(c)(i)(5) (and, for the avoidance of doubt, the NAS Additional Amount shall also be funded on the Effective Date).

(6) *PPOC Trust Claim Shares.* In consideration for the assumption by the PPOC Sub-Trusts of the Present Private Opioid Claims, the PPOC Trust shall issue the PPOC Trust Claim Shares to the applicable PPOC Sub-Trusts on the same date as each PPOC Trust Installment

Payment is received or as soon as practicable thereafter, in each case, in accordance with the PPOC Trust Documents. The amounts of the PPOC Trust Claim Shares shall, to the extent applicable, be reduced in accordance with the PPOC Trust Documents. The PPOC Trust shall make Distributions in respect of the PPOC Trust Claim Shares, in each case, in accordance with the PPOC Trust Documents and the applicable PPOC Sub-Trust Documents, on the following payment schedule (*provided, that*, in the event of any conflict between the provisions of this Section 5.20(c)(i)(5) and the PI Trust Documents, the PI Trust Documents shall govern):

(A) On the Effective Date, or as soon thereafter as reasonably practicable, the PPOC Trust shall make an initial Distribution of the PPOC Trust Claim Shares from the first PPOC Trust Installment Payment or any other amount received in respect of the PPOC Prepayment Option to the PPOC Sub-Trusts, in each case, net of any amounts funded from the first PPOC Trust Installment Payment to the PPOC Trust Operating Reserve or otherwise applied pursuant to the PPOC Trust Documents.

(B) On the first anniversary of the Effective Date, or as soon thereafter as reasonably practicable, the PPOC Trust shall distribute the second PPOC Trust Installment Payment to the PPOC Sub-Trusts in amounts equal to the applicable PPOC Trust Claim Shares, net of any amounts funded from the applicable PPOC Trust Installment Payment to the PPOC Trust Operating Reserve or otherwise applied pursuant to the PPOC Trust Documents.

(C) On the second anniversary of the Effective Date, or as soon thereafter as reasonably practicable, the PPOC Trust shall distribute the third PPOC Trust Installment Payment to the PPOC Sub-Trusts in amounts equal to the applicable PPOC Trust Claim Shares, net of any amounts funded from the applicable PPOC Trust Installment Payment to the PPOC Trust Operating Reserve or otherwise applied pursuant to the PPOC Trust Documents.

(D) Each distribution of the PPOC Trust Claim Shares shall be made on a date that is not more than 10 Business Days after receipt by the PPOC Trust of any PPOC Trust Installment Payment.

(7) *Administration of Present Private Opioid Claims and PPOC Trust Distribution Procedures.* Pursuant to the PPOC Trust Distribution Procedures, (A) all PI Opioid Claims will be administered by the PI Trust and resolved in accordance with, and to the extent provided in, the PI Trust Distribution Procedures; (B) all NAS PI Claims will be administered by the NAS PI Trust and resolved in accordance with, and to the extent provided in, the NAS PI Trust Distribution Procedures; (C) all Hospital Opioid

Claims will be administered by the Hospital Trust and resolved in accordance with, and to the extent provided in, the Hospital Trust Distribution Procedures; (D) all IERP II Claims will be administered by the IERP Trust II and resolved in accordance with, and to the extent provided in, the IERP Trust II Distribution Procedures; and (E) all TPP Claims will be administered by the TPP Trust and resolved in accordance with, and to the extent provided in, the TPP Trust Distribution Procedures.

(ii) PI Trust. The PI Trust shall be established as a PPOC Sub-Trust in accordance with the PI Trust Documents.

(1) *PI Trust Share*. The channeling of the PI Opioid Claims to the PI Trust shall entitle the PI Trust to the aggregate payment of the PI Trust Share. To the extent Purchaser Parent does not exercise the PPOC Prepayment Option, on the Effective Date, the first anniversary thereof, and the second anniversary thereof, or, in each case, as soon thereafter as reasonably practicable, the PI Trust shall receive from the PPOC Trust an amount equal to (A) the PI Trust Share, *multiplied by* (B) the applicable PPOC Trust Installment Payment, in each case, from the applicable PPOC Trust Installment Payment and net of any Trust Operating Expenses of the PI Trust and any other holdbacks as set forth in the PI Trust Documents. For the avoidance of doubt, in the event of any conflict between the provisions of this Section 5.20(c)(ii)(1) and the PI Trust Documents, the PI Trust Documents shall govern.

(2) *Administration of PI Opioid Claims*. All PI Opioid Claims will be administered, processed, and resolved pursuant to the PI Trust Documents, which shall provide that such Claims shall be Allowed and administered by the PI Trust or otherwise Disallowed and released in full. The PI Trust shall determine the amounts of any Distributions from the PI Trust Share to be made to holders of Allowed PI Opioid Claims. The determination by the PI Trust of the Allowance or Disallowance of any PI Opioid Claim and any Distributions to holders of Allowed PI Opioid Claims shall not be subject to any challenge or review of any kind, by any court or Person, except as otherwise set forth in this Plan or the PI Trust Documents. The sole recourse of any holder of a PI Opioid Claim on account thereof shall be to the PI Trust and only in accordance with the terms, provisions, and procedures of the PI Trust Documents.

(A) The PI Trust shall make Distributions on account of Allowed PI Opioid Claims to holders of such Claims out of the PI Trust Share, net of any Trust Operating Expenses of the PI Trust and of any other holdbacks described in the PI Trust Documents, in each case, funded from the PI Trust Share. Any Distribution on account of any Allowed PI Opioid Claim shall be made in accordance with the PI Trust Documents.

(B) The procedures governing Distributions set forth in the PI Trust Documents shall provide for an additional payment by the PI Trust to any holder of an Allowed PI Opioid Claim who is entitled to receive a Distribution from the PI Trust, with such additional payment to be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to the PI Trust Documents, by (ii) a multiplier of 4x, for any such holder that grants or is deemed to grant, as applicable, the Non-GUC Releases, which additional payment by the PI Trust shall be in exchange for such holder granting or being deemed to grant, as applicable, the Non-GUC Releases.

(3) *Appeals Process.* If a holder of a PI Opioid Claim is dissatisfied with any determination made by the PI Trust with respect to such holder's PI Opioid Claim, including the amount of any Distribution or lack thereof, such holder may appeal to a special master within 15 days of receiving notice of the relevant determination; *provided, that*, such special master shall review only the applicable appeal record and claim file in deciding such appeal. For the avoidance of doubt, in the event of any conflict between the provisions of this Section 5.20(c)(ii)(3) and the PI Trust Documents, the PI Trust Documents shall govern.

(iii) *NAS PI Trust.* The NAS PI Trust shall be established as a PPOC Sub-Trust in accordance with the NAS PI Trust Documents.

(1) *NAS PI Trust Share.* The channeling of the NAS PI Claims to the NAS PI Trust shall entitle the NAS PI Trust to the aggregate payment of the NAS PI Trust Share. To the extent Purchaser Parent does not exercise the PPOC Prepayment Option, on the Effective Date, the first anniversary thereof, and the second anniversary thereof, or, in each case, as soon thereafter as reasonably practicable, the NAS PI Trust shall receive from the PPOC Trust an amount equal to (A) the NAS PI Trust Share, *multiplied by* (B) the applicable PPOC Trust Installment Payment, in each case, from the applicable PPOC Trust Installment Payment and net of any Trust Operating Expenses of the NAS PI Trust and any other holdbacks as set forth in the NAS PI Trust Documents. For the avoidance of doubt, in the event of any conflict between the provisions of this Section 5.20(c)(iii)(1) and the NAS PI Trust Documents, the NAS PI Trust Documents shall govern.

(2) *Administration of NAS PI Claims.* All NAS PI Claims will be administered, processed, and resolved pursuant to the NAS PI Trust Documents, which shall provide that such Claims shall be Allowed and administered by the NAS PI Trust or otherwise Disallowed and released in full. The NAS PI Trust shall determine the amounts of any Distributions from the NAS PI Trust Share to be made to holders of Allowed NAS PI

Claims. The determination by the NAS PI Trust of the Allowance or Disallowance of any NAS PI Claim and any Distributions to holders of Allowed NAS PI Claims shall not be subject to any challenge or review of any kind, by any court or Person, except as otherwise set forth in this Plan or the NAS PI Trust Documents. The sole recourse of any holder of a NAS PI Claim on account thereof shall be to the NAS PI Trust and only in accordance with the terms, provisions, and procedures of the NAS PI Trust Documents.

(A) The NAS PI Trust shall make Distributions on account of Allowed NAS PI Claims to holders of such Claims out of the NAS PI Trust Share, net of any Trust Operating Expenses of the NAS PI Trust and of any other holdbacks described in the NAS PI Trust Documents, in each case, funded from the NAS PI Trust Share. Any Distribution on account of any Allowed NAS PI Claim shall be made in accordance with the NAS PI Trust Documents.

(B) The NAS PI Trust Documents shall provide that NAS Monitoring Opioid Claims shall be Allowed in the amount of \$0.00 and holders of such Claims shall not receive a Distribution on account thereof. For the avoidance of doubt, in the event of any conflict between the provisions of this Section 5.20(c)(iii)(2)(B) and the NAS PI Trust Documents, the NAS PI Trust Documents shall govern.

(C) The procedures governing Distributions set forth in the NAS PI Trust Documents shall provide for an additional payment by the NAS PI Trust to any holder of an Allowed NAS PI Claim who is entitled to receive a Distribution from the NAS PI Trust, with such additional payment to be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to the NAS PI Trust Documents, by (ii) a multiplier of 4x, for any such holder that grants or is deemed to grant, as applicable, the Non-GUC Releases, which additional payment by the NAS PI Trust shall be in exchange for such holder granting or being deemed to grant, as applicable, the Non-GUC Releases.

(3) *Appeals Process.* If a holder of a NAS PI Claim is dissatisfied with any determination made by the NAS PI Trust with respect to such holder's NAS PI Claim, including the amount of any Distribution or lack thereof, such holder may appeal to the NAS PI Trust within 14 days of receiving notice of the relevant determination. The NAS PI Trustee shall conduct a *de novo* review of such holder's NAS PI Claim upon such appeal. For the avoidance of doubt, in the event of any conflict between the provisions of this Section 5.20(c)(iii)(3) and the NAS PI Trust Documents, the NAS PI Trust Documents shall govern.

(iv) Hospital Trust. The Hospital Trust shall be established as a PPOC Sub-Trust in accordance with the Hospital Trust Documents.

(1) *Hospital Trust Share*. The channeling of the Hospital Opioid Claims to the Hospital Trust shall entitle the Hospital Trust to the aggregate payment of the Hospital Trust Share. To the extent Purchaser Parent does not exercise the PPOC Prepayment Option, on the Effective Date, the first anniversary thereof, and the second anniversary thereof, or, in each case, as soon thereafter as reasonably practicable, the Hospital Trust shall receive from the PPOC Trust an amount equal to (A) the Hospital Trust Share, *multiplied by* (B) the applicable PPOC Trust Installment Payment, in each case, from the applicable PPOC Trust Installment Payment and net of any Trust Operating Expenses of the Hospital Trust and any other holdbacks as set forth in the Hospital Trust Documents. For the avoidance of doubt, in the event of any conflict between the provisions of this Section 5.20(c)(iv)(1) and the Hospital Trust Documents, the Hospital Trust Documents shall govern.

(2) *Administration of Hospital Opioid Claims*. All Hospital Opioid Claims will be administered, processed, and resolved pursuant to the Hospital Trust Documents, which shall provide that such Claims shall be Allowed and administered by the Hospital Trust or otherwise Disallowed and released in full. The Hospital Trust shall determine the amounts of any Distributions from the Hospital Trust Share to be made to holders of Allowed Hospital Opioid Claims. The determination by the Hospital Trust of the Allowance or Disallowance of any Hospital Opioid Claim and any Distributions to holders of Allowed Hospital Opioid Claims shall not be subject to any challenge or review of any kind, by any court or Person, except as otherwise set forth in this Plan or the Hospital Trust Documents. The sole recourse of any holder of a Hospital Opioid Claim on account thereof shall be to the Hospital Trust and only in accordance with the terms, provisions, and procedures of the Hospital Trust Documents.

(A) The Hospital Trust shall make Distributions on account of Allowed Hospital Opioid Claims to holders of such Claims out of the Hospital Trust Share, net of any Trust Operating Expenses of the Hospital Trust and of any other holdbacks described in the Hospital Trust Documents, in each case, funded from the Hospital Trust Share. Any Distribution on account of any Allowed Hospital Opioid Claim shall be made in accordance with the Hospital Trust Documents.

(B) The procedures governing Distributions set forth in the Hospital Trust Documents shall provide for an additional payment by the Hospital Trust to any holder of an Allowed Hospital Opioid Claim who is entitled to receive a Distribution from the

Hospital Trust, with such additional payment to be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to the Hospital Trust Documents, by (ii) a multiplier of 4x, for any such holder that grants or is deemed to grant, as applicable, the Non-GUC Releases, which additional payment by the Hospital Trust shall be in exchange for such holder granting or being deemed to grant, as applicable, the Non-GUC Releases.

(v) *IERP Trust II*. The IERP Trust II shall be established as a PPOC Sub-Trust in accordance with the IERP Trust II Documents.

(1) *IERP Trust II Share*. The channeling of the IERP II Claims to the IERP Trust II shall entitle the IERP Trust II to the aggregate payment of the IERP Trust II Share. To the extent Purchaser Parent does not exercise the PPOC Prepayment Option, on the Effective Date, the first anniversary thereof, and the second anniversary thereof, or, in each case, as soon thereafter as reasonably practicable, the IERP Trust II shall receive from the PPOC Trust an amount equal to (A) the IERP Trust II Share, *multiplied by* (B) the applicable PPOC Trust Installment Payment, in each case, from the applicable PPOC Trust Installment Payment and net of any Trust Operating Expenses of the IERP Trust II and any other holdbacks as set forth in the IERP Trust II Documents. For the avoidance of doubt, in the event of any conflict between the provisions of this Section 5.20(c)(v)(1) and the IERP Trust II Documents, the IERP Trust II Documents shall govern.

(2) *Administration of IERP II Claims*. All IERP II Claims will be administered, processed, and resolved pursuant to the IERP Trust II Documents, which shall provide that such Claims shall be Allowed and administered by the IERP Trust II or otherwise Disallowed and released in full. The IERP Trust II shall determine the amounts of any Distributions from the IERP Trust II Share to be made to holders of Allowed IERP II Claims. The determination by the IERP Trust II of the Allowance or Disallowance of any IERP II Claim and any Distributions to holders of Allowed IERP II Claims shall not be subject to any challenge or review of any kind, by any court or Person, except as otherwise set forth in this Plan or the IERP Trust II Documents. The sole recourse of any holder of an IERP II Claim on account thereof shall be to the IERP Trust II and only in accordance with the terms, provisions, and procedures of the IERP Trust II Documents.

(A) The IERP Trust II shall make Distributions on account of Allowed IERP II Claims to holders of such Claims out of the IERP Trust II Share, net of any Trust Operating Expenses of the IERP Trust II and of any other holdbacks described in the IERP Trust II Documents, in each case, funded from the IERP Trust II

Share. Any Distribution on account of any Allowed IERP II Claim shall be made in accordance with the IERP Trust II Documents.

(B) The procedures governing Distributions set forth in the IERP Trust II Documents shall provide for an additional payment by the IERP Trust II to any holder of an Allowed IERP II Claim who is entitled to receive a Distribution from the IERP Trust II, with such additional payment to be calculated by multiplying (i) the amount of any Distribution to be made to such holder pursuant to the IERP Trust II Documents, by (ii) a multiplier of 4x, for any such holder that grants or is deemed to grant, as applicable, the Non-GUC Releases, which additional payment by the IERP Trust II shall be in exchange for such holder granting or being deemed to grant, as applicable, of the Non-GUC Releases.

(vi) *TPP Trust*. The TPP Trust shall be established as a PPOC Sub-Trust in accordance with the TPP Trust Documents.

(1) *TPP Trust Share*. The channeling of the TPP Claims to the TPP Trust shall entitle the TPP Trust to the aggregate payment of the TPP Trust Share. To the extent Purchaser Parent does not exercise the PPOC Prepayment Option, on the Effective Date, the first anniversary thereof, and the second anniversary thereof, or, in each case, as soon thereafter as reasonably practicable, the TPP Trust shall receive from the PPOC Trust an amount equal to (A) the TPP Trust Share, *multiplied by* (B) the applicable PPOC Trust Installment Payment, in each case, from the applicable PPOC Trust Installment Payment and net of any Trust Operating Expenses of the TPP Trust and any other holdbacks as set forth in the TPP Trust Documents. For the avoidance of doubt, in the event of any conflict between the provisions of this Section 5.20(c)(vi)(1) and the TPP Trust Documents, the TPP Trust Documents shall govern.

(2) *Administration of TPP Claims*. All TPP Claims will be administered, processed, and resolved pursuant to the TPP Trust Documents, which shall provide that such Claims shall be Allowed and administered by the TPP Trust or otherwise Disallowed and released in full. The TPP Trust shall determine the amounts of any Distributions from the TPP Trust Share to be made to holders of Allowed TPP Claims. The determination by the TPP Trust of the Allowance or Disallowance of any TPP Claim and any Distributions to holders of Allowed TPP Claims shall not be subject to any challenge or review of any kind, by any court or Person, except as otherwise set forth in this Plan or the TPP Trust Documents. The sole recourse of any holder of a TPP Claim on account thereof shall be to the TPP Trust and only in accordance with the terms, provisions, and procedures of the TPP Trust Documents.

(A) Upon the channeling of the TPP Claims to the TPP Trust, Persons and Entities asserting TPP Claims shall conduct claims reconciliation processes in accordance with such Persons' and Entities' internal procedures and consistent with the criteria set forth in the TPP Trust Distribution Procedures for the administration of TPP Claims thereunder. In the event any Person or Entity asserting a TPP Claim that conditionally granted or was deemed to grant the Non-GUC Releases is ultimately determined not to hold a TPP Claim, solely in such Person's or Entity's capacity as such, (x) such Person or Entity shall not (a) be a holder of a TPP Claim or a Trust Channeled Claim on account of such asserted TPP Claim and any Claim previously asserted by such Person or Entity shall not be submitted to the TPP Trust; and (b) be eligible to receive a Distribution from the PPOC Trust or the TPP Trust; and (y) such Person or Entity shall not be a Non-GUC Releasing Party. In the event that any Person or Entity that filed a TPP Proof of Claim is determined to hold a TPP Claim following reconciliation, such Person or Entity shall have the right to elect whether to submit its TPP Claim to the TPP Trust for administration pursuant to the TPP Trust Distribution Procedures (including determining the Allowance or Disallowance of such TPP Claim and the amount of the Distribution, if any, to be made by the TPP Trust on account of such TPP Claim). If such Person or Entity elects to submit its TPP Claim to the TPP Trust, then such Person or Entity shall receive the treatment set forth in Section 4.17 of this Plan. In the event such Person or Entity does not opt out of granting the Non-GUC Releases at the time it submits its TPP Claim to the TPP Trust, such Person or Entity shall be deemed a Non-GUC Releasing Party, and the Non-GUC Release granted or deemed to be granted, as applicable, by such Person or Entity shall be deemed effective as of the Effective Date in accordance with Section 10.3 of this Plan.

(B) The TPP Trust shall make Distributions on account of Allowed TPP Claims to holders of such Claims out of the TPP Trust Share, net of any Trust Operating Expenses of the TPP Trust and of any other holdbacks described in the TPP Trust Documents, in each case, funded from the TPP Trust Share. Any Distribution on account of any Allowed TPP Claim shall be made in accordance with the TPP Trust Documents.

(C) The procedures governing Distributions set forth in the TPP Trust Documents shall provide for an additional payment by the TPP Trust to any holder of an Allowed TPP Claim who is entitled to receive a Distribution from the TPP Trust, with such additional payment to be calculated by multiplying (i) the amount of

any Distribution to be made to such holder pursuant to the TPP Trust Documents, by (ii) a multiplier of 4x, for any such holder that grants or is deemed to grant, as applicable, the Non-GUC Releases, which additional payment by the TPP Trust shall be in exchange for such holder granting or being deemed to grant, as applicable, the Non-GUC Releases.

(3) *TPP Trust Claims Resolution Procedures.* In accordance with the TPP Trust Documents, the TPP Trustee will post a claims register on the website for the TPP Trust showing the TPP Trustee's initial determination with respect to the Allowance or Disallowance and amount of any TPP Claims with respect to which such a determination has been made. Any holder wishing to contest such initial determination must contact the TPP Trust in writing within 60 days from the date of posting of the applicable claims register and seek to consensually resolve any disputes. In the event a timely dispute with respect to a TPP Claim is resolved within such 60-day period, such resolution shall be binding upon the confirmation thereof, in writing, by (A) the holder of such TPP Claim or such holder's authorized representative; and (B) the TPP Trustee or counsel to the TPP Trustee. In the event any timely dispute with respect to a TPP Claim is not resolved within such 60-day period, the TPP Trustee's initial determination with respect to such TPP Claim shall be final and binding; *provided, that*, in the event such TPP Claim is asserted in the amount of \$500,000 or more, the holder of such TPP Claim may notify the TPP Trustee within 15 days of the expiration of such 60-day period that such holder wishes to have the dispute referred to mediation; *provided, further, that*, in the event such dispute is referred to mediation, such TPP Claim shall be considered disputed and funds on account of such TPP Claim shall be reserved pending resolution of such dispute in accordance with the TPP Trust Documents. For the avoidance of doubt, in the event of any conflict between the provisions of this Section 5.20(c)(vi)(3) and the TPP Trust Documents, the TPP Trust Documents shall govern.

(d) FCR Resolution

In accordance with the terms of the Future Trust Term Sheet and pursuant to the Future PI Trust Documents, on or prior to the Effective Date, the Debtors shall establish the Future PI Trust. The establishment of the Future PI Trust and the approval of the FCR Resolution are integral components of this Plan. Any Future PI Claim asserted on or following the Effective Date shall be channeled to the Future PI Trust in accordance with Section 10.9 of this Plan, and shall be Allowed or Disallowed and resolved solely in accordance with the terms, provisions, and procedures of the Future PI Trust Documents, which shall provide that Future PI Claims shall be Allowed and administered by the Future PI Trust or otherwise Disallowed and released in full. The Future PI Trust shall terminate on the earlier of (x) the 10th anniversary of the Effective Date; and (y) the date on which no Future NAS PI Claims or Future Opioid PI Claims have been submitted

to the Future PI Trust during any trailing 12-month period calculated from such date; *provided, that*, the start date of such 12-month period shall in no event be prior to the second anniversary of the Effective Date.

(i) *Future PI Trust Consideration.* The channeling of the Future PI Claims to the Future PI Trust shall entitle the Future PI Trust to the aggregate payment of the Future PI Trust Consideration.

(1) *Future Opioid PI/NAS PI Trust Share.* The Future PI Trust shall receive the Future Opioid PI/NAS PI Trust Share in accordance with the Future PI Trust Documents, which Future Opioid PI/NAS PI Trust Share shall be used to make Distributions to holders of Allowed Future Opioid PI Claims and Allowed Future NAS PI Claims in accordance with the Future Opioid PI Trust Distribution Procedures and the Future NAS PI Trust Distribution Procedures, as applicable, in each case, solely to the extent such holders are Non-GUC Releasing Parties. The Future PI Trust shall receive the Future Opioid PI/NAS PI Trust Share in the following installments in accordance with the Future PI Trust Documents:

(A) on the Effective Date and on the first, second, third, fourth, and fifth anniversaries thereof, Cash in the amount of \$1.15 million;

(B) on the sixth, seventh, eighth, and ninth anniversaries of the Effective Date, Cash in an amount equal to the lesser of (x) \$1.15 million; and (y) the amount (if any) necessary for the Future Opioid PI/NAS PI Trust Balance to equal (x) \$3.5 million (together with any recoveries or investments from any source) in the years following the sixth and seventh anniversaries of the Effective Date; and (y) \$2.35 million (together with any recoveries or investments from any source) in the years following the eighth and ninth anniversaries of the Effective Date; *provided, that*, the maximum amount of any such annual payment shall be \$1.15 million; *provided, further, that*, the maximum aggregate amount of all payments described in the foregoing clauses (x) and (y) shall be \$11.385 million.

(C) To the extent the Future Opioid PI/NAS PI Trust Balance exceeds (x) \$3.5 million on the fifth, sixth, and seventh anniversaries of the Effective Date; and/or (y) \$2.35 million on the eighth and ninth anniversaries of the Effective Date, as applicable, such excess amounts on such dates shall revert to the Purchaser Parent on such dates, as applicable.

(D) Upon the termination of the Future PI Trust, any remaining excess Future PI Trust Consideration shall revert to the Purchaser Entities.

(2) *Future Mesh Trust Share.* The Future PI Trust shall receive the Future Mesh Trust Share, which Future Mesh Trust Share shall be used to make Distributions to holders of Allowed Future Mesh Claims in accordance with the Future Mesh Trust Distribution Procedures solely to the extent such holders are Non-GUC Releasing Parties. The Future PI Trust shall receive the Future Mesh Trust Share in the following installments in accordance with the Future PI Trust Documents:

(A) on the Effective Date, Cash in the amount of \$250,000; and

(B) on the first anniversary of the Effective Date, Cash in the amount of \$245,000;

(C) *provided, that*, upon the earlier of (x) the fourth anniversary of the Effective Date; and (y) the date as of which no Future Mesh Claims have been submitted to the Future PI Trust during the trailing 12-month period calculated from such date (*provided, that*, the starting date of such trailing 12-month period shall in no event be prior to the first anniversary of the Effective Date) the Future Mesh Trust Balance as of such date shall revert to the Purchaser Entities.

(ii) *Payment Owed Upon Change of Control.* Upon a Change of Control of Purchaser Parent, if required by the Future PI Trustee, the Purchaser Entities must immediately make a payment to the Future PI Trust of Cash in an amount equal to the then-outstanding amount of the Future PI Trust Consideration, which may be paid at a price equal to the present value of such amounts, discounted at a discount rate of 12% per annum; *provided, that*, upon the termination of the Future PI Trust, any amounts paid in accordance with this Section 5.20(d)(ii) shall remain subject to the reversionary interest therein of the Purchaser Entities, as described in Section 5.20(d)(i) above, in accordance with the Future PI Trust Documents.

(iii) *Administration of Future PI Claims.* All Future PI Claims will be administered, processed, and resolved pursuant to the Future PI Trust Documents, which shall provide that such Claims shall be Allowed and administered by the Future PI Trust or otherwise Disallowed and released in full. The Future PI Trust shall determine the amounts of any Distributions from the Future Opioid PI/NAS PI Trust Share or the Future Mesh Trust Share, as applicable, to be provided to holders of Allowed Future PI Claims on account thereof; *provided, that*, the Future PI Trust Distribution Procedures shall require that any holder of an Allowed Future PI Claim grants the Non-GUC Releases in order to

be eligible to receive a Distribution from the Future PI Trust on account of such Allowed Future PI Claim.

(1) The determination by the Future PI Trust of the Allowance or Disallowance of any Future PI Claim and any Distribution on account of any Allowed Future PI Claim shall not be subject to any challenge or review of any kind, by any court or Person, except as otherwise set forth in this Plan or the Future PI Trust Documents. Upon the channeling of any Future PI Claim in accordance with Section 10.9 of this Plan, the holder of such Future PI Claim shall be deemed to release such holder's Future PI Claim against the Debtors and the Post-Emergence Entities; *provided, that*, notwithstanding the foregoing, no holder of an Allowed Future PI Claim that does not grant the Non-GUC Releases shall receive a Distribution from the Future PI Trust. The sole recourse of any holder of a Future PI Claim on account thereof shall be to the Future PI Trust and only in accordance with the terms, provisions, and procedures of the Future PI Trust Documents.

(2) The claims evaluation process of the Future PI Trust shall be subject to the right of the Purchaser Entities (subject to any applicable limitations imposed by HIPAA or any similar applicable State or other laws on the Future PI Trustee and/or the Purchaser Entities) to (A) audit the eligibility and award decisions of the Future PI Trust no more frequently than annually; and (B) pursue any available legal recourse in connection with any decisions alleged by the Purchaser Entities to be inconsistent with the terms of the Future PI Trust Documents; *provided, that*, the Purchaser Entities shall reimburse the Future PI Trust for any incremental costs incurred with respect to any such audit and/or legal challenges; and *provided, further, that*, the Future PI Trustee shall retain discretion to inquire into the veracity of any Claim submitted to the Future PI Trust.

(3) *Administration of Future Opioid PI Claims.* The Future PI Trust shall make Distributions from the Future Opioid PI/NAS PI Trust Share to holders of Allowed Future Opioid PI Claims, solely to the extent such holders are Non-GUC Releasing Parties, out of the Future Opioid PI/NAS PI Trust Share, net of any Trust Operating Expenses of the Future PI Trust and any other holdbacks described in the Future PI Trust Documents, in each case, from the Future Opioid PI/NAS PI Trust Share, in accordance with the Future Opioid PI Trust Distribution Procedures. The amounts of Distributions to holders of Allowed Future Opioid PI Claims on account of such Allowed Future Opioid PI Claims shall not exceed the amount of comparable Distributions provided by the PI Trust to holders of Allowed PI Opioid Claims on account thereof.

(4) *Administration of Future NAS PI Claims.* The Future PI Trust shall make Distributions from the Future Opioid PI/NAS PI Trust

Share to holders of Allowed Future NAS PI Claims, solely to the extent such holders are Non-GUC Releasing Parties, out of the Future Opioid PI/NAS PI Trust Share, net of any Trust Operating Expenses of the Future PI Trust and any other holdbacks described in the Future PI Trust Documents, in each case, from the Future Opioid PI/NAS PI Trust Share, in accordance with the Future NAS PI Trust Distribution Procedures. The amounts of Distributions to holders of Allowed Future NAS PI Claims on account of such Allowed Future NAS PI Claims shall not exceed the amount of comparable Distributions provided by the NAS PI Trust to holders of Allowed NAS PI Claims on account thereof.

(5) *Administration of Future Mesh Claims.* The Future PI Trust shall make Distributions to holders of Allowed Future Mesh Claims, solely to the extent such holders are Non-GUC Releasing Parties, out of the Future Mesh Trust Share, net of any Trust Operating Expenses of the Future PI Trust and any other holdbacks described in the Future PI Trust Documents, in each case, from the Future Mesh Trust Share, in accordance with the Future Mesh Trust Distribution Procedures. The amounts of Distributions to holders of Allowed Future Mesh Claims on account of such Allowed Future Mesh Claims shall not exceed the amount of comparable Distributions provided by the Mesh Claims Trust to holders of Allowed Mesh Claims on account thereof.

(iv) *Dispute Resolution.* A holder of a Future PI Claim which disagrees with the ruling of the Future PI Trust with respect to the Allowance or Disallowance, Distribution on account of, or other resolution of such holder's Future PI Claim, may file a lawsuit in the U.S. District Court for the Southern District of New York against the Future PI Trust. Any such lawsuit may be filed by such holder of such Future PI Claim in such holder's own right and name, and not as a member or representative of a class, and no such lawsuit may be consolidated with any other lawsuit, and may only name the Future PI Trust as a defendant. If such holder of a Future PI Claim obtains a judgment on such holder's Future PI Claim in the tort system which judgment becomes a final judgment, such final judgment shall be deemed an Allowed Future PI Claim and, thereafter, the Future PI Trust shall make a Distribution on account of such Allowed Future PI Claim in accordance with the applicable Future PI Trust Distribution Procedures. For the avoidance of doubt, in the event of any conflict between the provisions of this Section 5.20(d)(iv) and the PI Trust Documents, the PI Trust Documents shall govern.

(e) Public Opioid Trust and Tribal Opioid Trust

(i) *Public Opioid Trust.* In accordance with the terms of this Plan and pursuant to this Plan and the Public Opioid Distribution Documents, on or prior to the Effective Date, the Debtors shall establish the Public Opioid Trust. On the Effective Date, all State Opioid Claims shall be channeled to the Public Opioid Trust in accordance with Section 10.9 of this Plan.

(1) *Public Opioid Consideration and Prepayment Rights.* Purchaser Parent and the holders of State Opioid Claims shall have the following prepayment rights:

(A) During the 18-month period commencing on the Effective Date, Purchaser Parent shall have the option to prepay in full the then-outstanding amount of the aggregate Public Opioid Consideration, at a price equal to the present value of the amounts to be prepaid (as of the date of prepayment), discounted at a rate of 12.75% per annum.

(B) As a result of the Mediation, the holders of State Opioid Claims (x) agreed to reduce the gross amount of the Public Opioid Consideration; and (y) were given the right to require prepayment of the Public Opioid Consideration on the Effective Date at a discount rate of 12.75% per annum, which the Endo EC has informed the Debtors and the Ad Hoc First Lien Group will be exercised. As a result of the exercise of such prepayment right, on the Effective Date, the Public Opioid Trust will receive the Public Opioid Consideration in the amount of \$273,616,966.26 in Cash on the Effective Date.²⁰

(2) *Payment Owed Upon Change of Control.* Solely to the extent the holders of State Opioid Claims do not exercise the prepayment right set forth in the foregoing Section 5.20(e)(i)(1), following the Effective Date, upon a Change of Control of Purchaser Parent, the Purchaser Entities must either (A) immediately make a payment to the Public Opioid Trust in an amount equal to the then-outstanding amount of the Public Opioid Installment Payments, which may be discounted at a discount rate of 12.75% per annum if such payment would be made within the 18-month period in which Purchaser Parent may exercise the prepayment option set forth in the foregoing Section 5.20(e)(i)(1)(A); or (B) provide for the assumption of the obligation to make any outstanding Public Opioid Installment Payments by a Qualified Successor.

(3) *Dividend Payments.* Solely to the extent the holders of State Opioid Claims do not exercise the prepayment right set forth in the foregoing Section 5.20(e)(i)(1), following the Effective Date, upon the payment of a dividend by Purchaser Parent to holders of Purchaser Equity, the Purchaser Entities shall make an equal payment in Cash to the Public Opioid Trust, which shall reduce the amount of any outstanding Public Opioid Installment Payments on a dollar-per-dollar basis, which reduction

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To the extent such prepayment right is not exercised, a revised schedule of Public Opioid Installment Payments shall be included in the Public Opioid Distribution Documents and filed with the Plan Supplement.

shall be applied to the latest payable Public Opioid Installment Payments still outstanding.

(4) *Administration of State Opioid Claims.* The Public Opioid Distribution Documents shall provide for, among other things, (x) Distributions to be made to holders of Allowed State Opioid Claims that are not Prior Settling States; and (y) distributions and/or grants to be made to Local Governments in accordance with any governing agreement with any State or other applicable State law, which Distributions, in each case, shall be made solely out of the Public Opioid Consideration. For the avoidance of doubt, no Prior Settling State may receive a Distribution from, or otherwise share in, the Public Opioid Consideration.

(A) All expenses related to any resolution or settlement with a Prior Settling State, including any attorneys' fees for any Prior Settling State or a group thereof, shall be borne by the applicable Prior Settling State(s) and shall not be (x) an obligation of the Debtors or the Post-Emergence Entities; or (y) paid out of the Public Opioid Consideration.

(ii) *Tribal Opioid Trust.* In accordance with the terms of the Public/Tribal Term Sheet and pursuant to the Tribal Opioid Distribution Documents, on or prior to the Effective Date, either (1) the Debtors shall take all necessary steps to establish the Tribal Opioid Trust; or (2) the Public Opioid Trust shall establish the Tribal Opioid Trust as a sub-trust thereof, in each case, in accordance with this Plan and the Tribal Opioid Distribution Documents. On the Effective Date, all Tribal Opioid Claims shall be channeled to the Tribal Opioid Trust in accordance with Section 10.9 of this Plan.

(1) *Tribal Opioid Installment Payments.* The channeling of the Tribal Opioid Claims to the Tribal Opioid Trust shall entitle the Tribal Opioid Trust to the aggregate payment of the Tribal Opioid Consideration, which shall be paid in eleven equal installments (with the first Tribal Opioid Installment Payment being funded on the Effective Date and the subsequent 10 Tribal Opioid Installment Payments being funded on applicable anniversary of the Effective Date) pursuant to and in accordance with the terms of the Tribal Opioid Distribution Documents.

(2) *Prepayment Option.* During the 18-month period commencing on the Effective Date, Purchaser Parent shall have the option to prepay in full the then-outstanding amount of the aggregate Tribal Opioid Installment Payment, at a price equal to the present value of the amounts to be prepaid (as of the date of prepayment), discounted at a rate of 12% per annum. To the extent Purchaser Parent exercises the prepayment option described herein on a day other than the last day of the applicable month, the applicable prepayment amount shall be calculated as of such day.

(f) Canadian Provinces Resolution

On or prior to the Effective Date, the Debtors shall establish the Canadian Provinces Trust in accordance with the terms of the Canadian Provinces Distribution Documents.

(i) *Canadian Provinces Consideration.* On the Effective Date or as soon as reasonably practicable thereafter, the Debtors or the Purchaser Entities, as applicable, shall make the first installment payment, in Cash, to the Canadian Provinces Trust. The Debtors or the Purchaser Entities, as applicable, shall fund the Canadian Provinces Trust with the Canadian Provinces Consideration, subject to adjustment pursuant to Section 5.20(f)(ii) and (iii) and in accordance with the Canadian Provinces Distribution Documents.

(1) The Canadian Provinces Consideration shall be distributed to the Canadian Provinces by the Canadian Provinces Trust as set forth in the Canadian Provinces Term Sheet, except as otherwise agreed by the Debtors, the Required Consenting Global First Lien Creditors, and the Canadian Provinces.

(ii) *Prepayment Option.* As of and following the Effective Date, the Debtors or Purchaser Parent, as applicable, may elect to prepay in full or in part the then-outstanding amount of the Canadian Provinces Consideration at a discount rate of 12.75%. Illustrative prepayment amounts shall be set forth in the Canadian Provinces Distribution Documents; *provided, that*, such amounts are calculated based on the assumption that all Canadian Provinces holding Allowed Canadian Provinces Claims grant or are deemed to grant, as applicable, the Non-GUC Releases.

(iii) *Administration of Canadian Provinces Claims.* All Canadian Provinces Claims will be administered, processed, and resolved pursuant to the Canadian Provinces Distribution Documents. The Canadian Provinces Distribution Documents shall provide that the amount of any Distribution from the Canadian Provinces Consideration to any Canadian Province on account of an Allowed Canadian Provinces Claim shall be equal to such Canadian Province's pro rata share of the Canadian Provinces Consideration, except as otherwise agreed by the Debtors, the Required Consenting First Lien Creditors, and the Canadian Provinces; *provided, that*, in accordance with the Canadian Provinces Term Sheet, the Canadian Provinces shall be required to grant or have been deemed to grant, as applicable, the Non-GUC Releases on or before the Confirmation Date in order to be eligible to receive a Distribution from the Canadian Provinces Consideration; *provided, further, that*, in the event any of the Canadian Provinces does not or is not deemed to grant the Non-GUC Releases, the aggregate amount of the Canadian Provinces Consideration shall be reduced by an amount equal to the pro rata share such Canadian Province would otherwise have been eligible to receive on account of such Allowed Canadian Provinces Claim if all Canadian Provinces had granted or been deemed to grant, as applicable, the Non-GUC Releases.

(g) Public School District Creditors Resolution

(i) *Opioid School District Recovery Trust Consideration.* In accordance with the terms of the Public Schools Term Sheet and pursuant to the Opioid School District Recovery Trust Governing Documents, on or prior to the Effective Date, the Debtors or the Purchaser Entities shall fund the Opioid School District Recovery Trust with the Opioid School District Recovery Trust Consideration. In accordance with the Public Schools Term Sheet, the Opioid School District Recovery Trust shall be funded (x) on the Effective Date in the amount of \$1.5 million; and (y) with additional amounts each equal to \$750,000 to be funded on each of the first and second anniversaries of the Effective Date; provided, that, the amounts specified in the foregoing clause (y) shall be reduced, in each case, by an amount equal to \$750,000, *multiplied by* the percentage of U.S. public school districts that receive the opt out notice and so opt out.

(1) In accordance with the Opioid School District Recovery Trust Governing Documents, the Opioid School District Recovery Trust shall use the Opioid School District Recovery Trust Consideration to (A) provide grants and other funding to school districts participating in the Opioid School District Recovery Trust for the purpose of funding opioid abuse/misuse abatement or remediation programs; and (B) fund the fees, costs and expenses to administer and implement the foregoing.

(2) The fees, costs, and expenses of administering and implementing the foregoing terms and the terms of the Opioid School District Recovery Trust Governing Documents shall be paid solely from the Opioid School District Recovery Trust Consideration and shall not be an obligation of the Debtors or the Post-Emergence Entities.

(ii) *Prepayment Option.* Purchaser Parent shall have the option to prepay in full the then-outstanding amount of the Opioid School District Recovery Trust Consideration at any time, in whole or in part, at a discount rate of 30.0% per annum.

(h) U.S. Government Resolution

Pursuant to Section 4.10 of this Plan, the U.S. Government shall receive the U.S. Government Resolution Consideration, which shall be distributed as set forth in the U.S. Government Economic Term Sheet; *provided, that*, the payment, terms, and manner of such Distribution shall be governed by the U.S. Government Resolution Documents. Other than the U.S. Government Resolution Consideration, no payment or Distribution shall be made by the Debtors or any Post-Emergence Entity on account of the U.S. Government Claims or the IRS Priority Tax Claims.

Section 5.21 Public Disclosure Document Repository

(a) Documents Subject to Public Disclosure; Information That May be Redacted; Redaction of Public Disclosure Documents

The VOI-Specific Debtors and/or the VOI-Specific Post-Emergence Entities, as applicable, shall provide the Public Disclosure Documents to the Endo EC in accordance with section VI.B of the Voluntary Opioid Operating Injunction. Notwithstanding the foregoing sentence, certain categories of information, as enumerated in section VI.C of the Voluntary Opioid Operating Injunction, are exempt from public disclosure. The process for redacting any such exempted Public Disclosure Documents shall be governed by section VI.D of the Voluntary Opioid Operating Injunction.

(b) Review of Trade Secret Redactions

The review and production of all assertions of trade secret protection by the VOI-Specific Post-Emergence Entities shall be governed by section VI.E of the Voluntary Opioid Operating Injunction.

(c) Public Disclosure through a Document Repository

(i) The Supporting Governmental Entities shall, in accordance with section VI.F of the Voluntary Opioid Operating Injunction, coordinate to publicly disclose all Public Disclosure Documents subject to disclosure under section VI of the Voluntary Opioid Operating Injunction through the Public Disclosure Document Repository.

(ii) The Supporting Governmental Entities shall coordinate to specify the terms of the Public Disclosure Document Repository's use, protection, and preservation of the Public Disclosure Documents in accordance with section VI.F of the Voluntary Opioid Operating Injunction.

(d) Timeline for Production

The timeline for production of Public Disclosure Documents by the VOI-Specific Debtors and/or the VOI-Specific Post-Emergence Entities, as applicable, shall be governed by section VI.G of the Voluntary Opioid Operating Injunction. Such timeline may be extended by written agreement between the VOI-Specific Debtors and/or the VOI-Specific Post-Emergence Entities, as applicable, and the Supporting Governmental Entities.

(e) Costs

On the Effective Date or as soon as practicable thereafter, the Debtors or the applicable Purchaser Entities, as applicable, shall undertake to pay \$2.75 million to help defray the costs and expenses of the Public Disclosure Document Repository in accordance with the Public Opioid Distribution Documents; *provided, that*, any costs in excess of \$2.75 million shall be paid out of the Public Opioid Consideration or such other source(s) identified for such purpose. For the avoidance of doubt, the payment of \$2.75 million with respect to the Public Disclosure

Document Repository shall be in addition to the obligation of the VOI-Specific Debtors and/or the VOI-Specific Post-Emergence Entities, as applicable, to pay certain costs associated with their review of the Public Disclosure Documents, which costs, and any payment thereof, shall be governed by section VI.H of the Voluntary Operating Injunction.

Section 5.22 Monitor

Through the end of the Monitor Term, the Monitor shall have all of the duties, rights, powers, and responsibilities set forth in the Preliminary Operating Injunction and the Voluntary Opioid Operating Injunction. Upon the conclusion of the Monitor Term, neither the Debtors nor the Post-Emergence Entities shall be required to appoint or retain an independent monitor for purposes of reviewing the Purchaser Entities' compliance with the Voluntary Opioid Operating Injunction.

ARTICLE VI

PLAN SETTLEMENTS AND TRUSTS

Section 6.1 Plan Settlements

(a) The provisions of this Plan (including the release and injunctive provisions contained in Article X of this Plan) and any other documents contemplated hereby, including the Plan Documents, constitute a good faith compromise and settlement of Claims and controversies among the Debtors, the U.S. Government, the Endo EC, the Opioid Claimants' Committee, the Creditors' Committee, the FCR, the Canadian Provinces, the Public School District Creditors, certain other participants in the Mediation, and other parties in interest, which compromise and settlement is necessary and integral to this Plan and the Plan Documents.

(b) The Plan Documents and the Plan Settlements constitute a good faith full and final comprehensive compromise and settlement of all Claims, Interests, and controversies described in this Plan based upon the unique facts and circumstances of these Chapter 11 Cases such that (i) none of the foregoing documents, nor any materials used in furtherance of Confirmation (including, but not limited to, the Disclosure Statement and all Plan Documents, and any notes related to, and drafts of, such documents and materials) shall prejudice or be used in connection with or in opposition to, the Debtors' pursuit of, or the Debtors' ability to pursue, any alternative restructuring structure or transaction; and (ii) any obligation or forbearance by any party, in furtherance of such compromise and settlement shall be understood to be an obligation or forbearance solely in connection with this specific compromise and settlement and shall be inapplicable in the absence of such compromise and settlement. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of this Plan and the Plan Settlements under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that this Plan and the Plan Settlements are fair, equitable, reasonable, and in the best interests of the Debtors and their Estates.

Section 6.2 *GUC Trust*

(a) Establishment and Purpose of the GUC Trust

On or before the Effective Date, the Debtors shall take all necessary steps to establish the GUC Trust in accordance with this Plan and the GUC Trust Documents. The GUC Trust shall be established for the purposes described in this Plan and any other purposes more fully described in the GUC Trust Documents, and the GUC Trust and the Distribution Sub-Trusts shall be subject to the jurisdiction of the Bankruptcy Court. The GUC Trust shall be formed for purposes of, in each case, in accordance with this Plan and the GUC Trust Documents:

- (i) receiving, collecting, holding, administering, liquidating, and distributing the assets of the GUC Trust for the benefit of the beneficiaries thereof;
- (ii) providing for efficient, fair, and reasonable procedures for processing and making distributions, if any, to holders of GUC Trust Channeled Claims; and
- (iii) making distributions to holders of Allowed GUC Trust Channeled Claims.

(b) Assumption of Liabilities

Except as set forth in this Plan and in the GUC Trust Documents, the GUC Trust shall have no liability for any prepetition or postpetition Claims, Causes of Action, or liabilities of any kind, in each case that have been or could have been asserted against the Debtors, their Estates, or their property (including, but not limited to, Claims based on successor liability) based on any acts or omissions prior to the Effective Date. For the avoidance of doubt, with respect to any Distribution Sub-Trust Claims subsequently channeled from the GUC Trust to a Distribution Sub-Trust pursuant to the GUC Trust Documents, such Distribution Sub-Trust shall assume all liability for the applicable Distribution Sub-Trust Claims. In furtherance of the foregoing, the GUC Trust, except as otherwise provided in this Plan or in the GUC Trust Documents, and subject to the Covenant Not To Collect, shall have all defenses, cross-claims, offsets, and recoupments, as well as rights of indemnification, contribution, subrogation, and similar rights regarding the GUC Trust Channeled Claims that the Debtors have, or would have had, under applicable law, but solely to the extent consistent with this Plan and the GUC Trust Documents; *provided, that*, all such defenses, cross-claims, offsets, and recoupments regarding any Distribution Sub-Trust Claim channeled to the GUC Trust and subsequently channeled to a Distribution Sub-Trust in accordance with the GUC Trust Documents shall be transferred, subject to the Covenant Not To Collect, to the applicable Distribution Sub-Trust, at which point, the GUC Trust shall no longer have such defenses, cross-claims, offsets, or recoupments regarding such Distribution Sub-Trust Claim.

(c) GUC Trustee

The GUC Trustee shall have and perform all of the duties, responsibilities, rights, and obligations of GUC Trustee set forth in the GUC Trust Documents. The GUC Trustee, in consultation with the GUC Trust Oversight Board, shall be expressly authorized to empower and undertake actions on behalf of the GUC Trust, without the need for any additional approvals,

authorization, or consents, and without any further notice to or action, order, or approval of the Bankruptcy Court, in each case, in accordance with this Plan and the GUC Trust Documents.

(d) GUC Trust Oversight Board

The GUC Trust Oversight Board shall be responsible for exercising oversight over the activities of the GUC Trust and consulting with the GUC Trustee with respect to the GUC Trustee's performance of its duties provided for in the GUC Trust Documents, which consultations shall occur at such times as specifically set forth in the GUC Trust Documents or otherwise at the request of the GUC Trust Oversight Board.

(e) Tax Matters

(i) The GUC Trust is intended to qualify as a liquidating trust pursuant to Treasury Regulation Section 301.7701-4(d) and the beneficiaries thereof are intended to qualify as the grantors and owners of the GUC Trust in accordance with Treasury Regulation Section 301.7701-4(d) and Tax Code Section 671, *et seq.* The primary purpose of the GUC Trust shall be to liquidate and distribute the assets thereof to the beneficiaries of the GUC Trust, with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, the purpose of the GUC Trust as set forth in this Plan and the GUC Trust Documents.

(ii) The GUC Trust Disputed Claims Reserve is intended to qualify as a disputed ownership fund pursuant to Treasury Regulation Section 1.468B-9.

(iii) To the extent Section 162(f)(1) of the Tax Code would otherwise apply to payments to the GUC Trust or Distributions from the GUC Trust (or payments to or Distributions from the GUC Trust Disputed Claims Reserve), such payments or Distributions shall be treated as "restitution" within the meaning of Section 162(f)(2) of the Tax Code, solely to the extent Allowed by applicable law.

(f) Indemnification by the GUC Trust

The GUC Trustee, the members of the GUC Trust Oversight Board, and certain other professionals engaged by the GUC Trust as set forth in the GUC Trust Documents, each in their capacity as such, as the case may be, and any of such parties' successors and assigns, shall be indemnified and held harmless, to the fullest extent permitted by law, by the GUC Trust, in each case, as and to the extent set forth in the GUC Trust Documents.

(g) Nonliability of GUC Trustee and Trust Professionals

Notwithstanding anything in the GUC Trust Documents to the contrary, none of the GUC Trustee, any member of the GUC Trust Oversight Board, the Creditors' Committee or its members, the Second Lien Notes Indenture Trustee, the Second Lien Collateral Trustee, the Unsecured Notes Indenture Trustees, nor certain other professionals engaged by the GUC Trust as set forth in the GUC Trust Documents, in each case, solely in their respective capacities as such,

shall be liable to the GUC Trust or any beneficiary thereof for any Claim arising out of, or in connection with, the creation, operation, or termination of the GUC Trust, including actions taken or omitted in fulfillment of such parties' duties with respect to the GUC Trust, nor shall such parties incur any responsibility or liability by reason of any error of law or of any matter or thing done or suffered or omitted to be done under this Plan or the GUC Trust Agreement, including any action taken in good faith reliance upon the advice of professionals retained by the GUC Trust, except as may be determined by Final Order to have arisen out of such party's gross negligence, bad faith, or willful misconduct; *provided, that*, in no event will any such party be liable for punitive, exemplary, consequential, or special damages under any circumstances.

(h) Cooperation with the GUC Trust

Prior to the Effective Date, the Debtors shall (i) take reasonable actions as may be reasonably requested by the Creditors' Committee to enable the GUC Trust to preserve, access, maximize, pursue, and settle, or otherwise obtain the full value of, the GUC Trust Insurance Rights, the GUC Trust D&O Insurance Policies, and the GUC Trust Litigation Consideration; and (ii) to the extent reasonably requested by the Creditors' Committee, facilitate the delivery of documents and information, in each case, subject to the Debtors' reasonable discretion with respect to the Debtors' privileges, to enable the reconciliation of the GUC Trust Channeled Claims; *provided, that*, no actions taken pursuant to the foregoing clauses (i) or (ii) shall impair the rights, if any, of any D&O Insured Person under the GUC Trust Insurance Policies or GUC Trust D&O Insurance Policies. The receipt of privileges and privileged materials from the Debtors shall be without waiver in recognition of the joint/successorship interest in prosecuting Claims on behalf of the Debtors; *provided, that*, the delivery of any records and information, including copies of any relevant Proofs of Claim (and any related forms that have been filed or submitted) provided by the Debtors shall be subject to the Debtors' reasonable discretion with respect to privilege. On and following the Effective Date, the applicable Purchaser Entities shall, inter alia, provide the GUC Trust with additional documents, information, and cooperation in accordance with and to the extent set forth in the GUC Trust Cooperation Agreement.

Section 6.3 *Mesh Claims Trust*

The Mesh Claims Trust shall be established in accordance with the Mesh Claims Trust Documents.

Section 6.4 *Generics Price Fixing Claims Trust*

The Generics Price Fixing Claims Trust shall be established in accordance with the Generics Price Fixing Claims Trust Documents.

Section 6.5 *Ranitidine Claims Trust*

The Ranitidine Claims Trust shall be established in accordance with the Ranitidine Claims Trust Documents.

Section 6.6 *Reverse Payment Claims Trust*

The Reverse Payment Claims Trust shall be established in accordance with the Reverse Payment Claims Trust Documents.

Section 6.7 *PPOC Trust*

(a) Establishment and Purpose of the PPOC Trust

On or before the Effective Date, the Debtors shall take all necessary steps to establish the PPOC Trust in accordance with this Plan and the PPOC Trust Documents. The PPOC Trust shall be established for the purposes described in this Plan and any other purposes more fully described in the PPOC Trust Documents, and the PPOC Trust and each PPOC Sub-Trust shall be subject to the jurisdiction of the Bankruptcy Court. The PPOC Trust shall, in each case, in accordance with this Plan and the PPOC Trust Documents:

- (i) hold, manage, sell, invest, and distribute the PPOC Trust Consideration for the benefit of the PPOC Sub-Trusts;
- (ii) further channel all asserted Present Private Opioid Claims channeled to the PPOC Trust to the applicable PPOC Sub-Trusts;
- (iii) make payments to the PPOC Sub-Trusts from time to time, to permit such PPOC Sub-Trusts to satisfy the Present Private Opioid Claims channeled to their applicable PPOC Sub-Trusts;
- (iv) maintain a publicly available website to aid in communicating information to the PPOC Sub-Trusts and holders of Present Private Opioid Claims and in making the activities of the PPOC Trust as transparent as possible, if determined necessary or desirable by the PPOC Trustee(s);
- (v) fund the PPOC Trust Operating Reserve to pay Trust Operating Expenses of the PPOC Trust; and
- (vi) pay any and all administration and other expenses of the PPOC Trust.

(b) Assumption of Liabilities

Except as set forth in this Plan, the Confirmation Order, and the PPOC Trust Documents, the PPOC Trust shall have no liability for any prepetition or postpetition Claims, Causes of Action, or liabilities of any kind, in each case that have been or could have been asserted against the Debtors, their Estates, or their property (including, but not limited to, Claims based on successor liability) based on any acts or omissions prior to the Effective Date. In furtherance of the foregoing, the PPOC Trust, except as otherwise provided in this Plan, the Confirmation Order, or the PPOC Trust Documents, shall have all defenses, cross-claims, offsets, and recoupments, as well as rights of indemnification, contribution, subrogation, and similar rights, regarding the Present Private Opioid Claims that the Debtors have, or would have had, under applicable law, but

solely to the extent consistent with this Plan, the Confirmation Order, and the PPOC Trust Documents; *provided, that*, no such cross-claims, defenses, offsets, recoupments, or other rights may be asserted against any Released Party; and *provided, further, that*, all such defenses, cross-claims, offsets, recoupments, and other rights regarding any Present Private Opioid Claim that is channeled to a PPOC Sub-Trust in accordance with the PPOC Trust Distribution Procedures shall be transferred to such PPOC Sub-Trust, at which point, the PPOC Trust shall no longer have such defenses, cross-claims, offsets, and recoupments regarding such Present Private Opioid Claim and the applicable PPOC Sub-Trust shall be liable for such Present Private Opioid Claims.

(c) Appointment and Acceptance of Initial PPOC Trustee(s)

There shall initially be one PPOC Trustee; *provided, however, that*, the PPOC Trustee, with the consent of the Trustees of the PPOC Sub-Trusts, may increase the number of PPOC Trustees to not more than five. The PPOC Trustee(s) shall have and perform all of the duties, responsibilities, rights, and obligations of the PPOC Trust set forth in the PPOC Trust Documents. The PPOC Trustee(s), subject to the terms and conditions of this Plan, the Confirmation Order, and the PPOC Trust Documents, shall be authorized to execute, deliver, file, or record such documents, contracts, instruments, releases, and other agreements, and to take such actions as may be necessary or appropriate, to effectuate and further evidence the terms and conditions of this Plan, the OCC Resolution Term Sheet, any agreement entered into in connection with the Resolution Stipulation, and the PPOC Trust Documents. Pursuant to the PPOC Trust Documents, the PPOC Trustee(s) shall have all powers necessary to accomplish the purposes of the PPOC Trust in accordance with the PPOC Trust Documents and this Plan. The PPOC Trustee(s) shall be responsible for all decisions and duties with respect to the PPOC Trust and its assets and shall, in all circumstances, and at all times, act in a fiduciary capacity for the benefit of and in the best interests of the PPOC Sub-Trusts, in furtherance of the purposes of the PPOC Trust.

(d) Obligations of the PPOC Fiduciaries

The PPOC Trustee(s) shall take into account the interests of, and owe fiduciary duties to, each of the PPOC Sub-Trusts in making all decisions on behalf of the PPOC Trust. In furtherance of the foregoing, (i) in the event Purchaser Parent fails to make any payment of PPOC Trust Consideration contemplated to be due and payable pursuant to the PPOC Trust Documents, the PPOC Trustee(s) will take into account the remaining rights of the holders of Present Private Opioid Claims in formulating and exercising appropriate remedies, but shall in all events, to the extent there are obligations remaining to the PPOC Sub-Trusts upon such default, seek to utilize all other available sources of assets to pay all outstanding amounts owed to the holders of Present Private Opioid Claims then-due or to be paid in the future until such outstanding amounts have been paid in full; and (ii) the PPOC Trust shall provide no less than 10 Business Days' advance written notice (unless urgent circumstances require less notice) to each PPOC Sub-Trust of any material action proposed to be taken in respect of such payments, including the commencement or settlement of any litigation.

(e) PPOC Trust Operating Expenses

On and after the Effective Date, the PPOC Trust Operating Reserve shall be held in a single segregated account administered by the PPOC Trustee(s) to pay any and all PPOC Trust Operating Expenses. On the Effective Date, or as promptly as practicable thereafter, the PPOC Trustee(s) shall establish and fund the PPOC Trust Operating Reserve from a portion of the PPOC Trust Consideration received on, or promptly following, the Effective Date, in an amount determined by the PPOC Trustee(s) as necessary to satisfy and pay estimated future PPOC Trust Operating Expenses, and to be held and maintained by the PPOC Trustee(s). All PPOC Trust Operating Expenses shall be satisfied and paid from the PPOC Trust Operating Reserve. Periodically, until the dissolution of the PPOC Trust, the PPOC Trustee(s) shall replenish the PPOC Trust Operating Reserve from Cash held or received by the PPOC Trust to the extent deemed necessary by the PPOC Trustee(s) to satisfy and pay estimated future PPOC Trust Operating Expenses.

(f) Tax Matters

(i) The PPOC Trust and each PPOC Sub-Trust is intended to be treated as a QSF for U.S. federal income tax purposes, and, the PPOC Trust Consideration is intended to be treated as amounts transferred to a QSF by, or on behalf of, a “transferor” within the meaning of the QSF Regulations to resolve or satisfy a liability for which the QSF is established. The PPOC Trust shall be reported in a manner that is consistent with such tax treatment for U.S. federal tax purposes and, to the extent applicable, for state and local tax purposes, in each case, to the extent permitted by applicable law. Solely for U.S. federal income tax purposes, to the extent the PPOC Trust does not meet the requirements of Treasury Regulations Section 1.468B-1(c)(1) and -1(c)(3), the PPOC Trust Consideration and NAS Additional Amount shall be treated as owned by the “transferor” within the meaning of the QSF Regulations pursuant to Treasury Regulations Section 1.468B-1(j)(1); *provided, that*, the PPOC Trust and any PPOC Sub-Trusts shall be implemented with the objective of maximizing tax efficiency to the Post-Emergence Entities (including with respect to the availability, location, and timing of tax deductions), the PPOC Trust, any PPOC Sub-Trusts, and holders of Allowed Present Private Opioid Claims. To the extent that Section 162(f)(1) of the Tax Code would otherwise apply to payments to the PPOC Trust, such payments shall be treated as “restitution” within the meaning of Section 162(f)(2) of the Tax Code solely to the extent allowed by applicable law.

(ii) To the extent that the PPOC Trust Consideration and NAS Additional Amount is paid by or on behalf of a Non-U.S. Payor to the PPOC Trust (or, if applicable, the PPOC Sub-Trusts), any structuring, implementation, and Tax reporting for purposes of maximizing Tax efficiency to the Purchaser Entities shall be exclusively at the expense of the Purchaser Entities. For the avoidance of doubt, if the Purchaser Entities determine for the PPOC Trust Consideration and NAS Additional Amount to be paid to the PPOC Trust (or, if applicable, the PPOC Sub-Trusts) by a Non-U.S. Payor, the Purchaser Entities shall bear any (1) non-U.S. income, withholding, stamp, transfer, or any other taxes imposed by the applicable non-U.S. jurisdiction on such payment of the PPOC Trust Consideration and NAS Additional Amount to the PPOC Trust (or, if applicable, the PPOC Sub-Trusts); and

(2) without duplication, any non-U.S. Tax reporting costs incurred by the PPOC Trust or PPOC Sub-Trusts that would not have been incurred but for the use of a Non-U.S. Payor.

(g) Indemnification by the PPOC Trust

The PPOC Trust shall indemnify and hold harmless the PPOC Trust Indemnified Parties, from and against and with respect to any and all liabilities, losses, damages, claims, costs, and expenses (other than taxes in the nature of income taxes imposed on compensation paid to the PPOC Trust Indemnified Parties), including, but not limited to, attorneys' fees, arising out of, or due to the implementation or administration of the Resolution Stipulation or the PPOC Trust Documents, other than such PPOC Trust Indemnified Party's willful misconduct, bad faith, gross negligence, or fraud, with respect to the implementation or administration of the Resolution Stipulation or the PPOC Trust Documents. To the extent that a PPOC Trust Indemnified Party asserts a claim for indemnification as provided above, (i) any payment on account of such claim shall be paid solely from the PPOC Trust Operating Reserve; and (ii) the legal fees and related costs incurred by counsel to such PPOC Trust Indemnified Party in monitoring and participating in the defense of such claims giving rise to the asserted right of indemnification shall be advanced to such PPOC Trust Indemnified Party (*provided, that, such PPOC Trust Indemnified Party undertakes to repay such amounts if it ultimately shall be determined that such PPOC Trust Indemnified Party is not entitled to be indemnified therefor*) solely out of the PPOC Trust Operating Reserve or any insurance purchased using the PPOC Trust Operating Reserve. These indemnification provisions, subject to the terms of the PPOC Trust Documents, shall remain available to, and the repayment obligation shall remain binding upon, any former PPOC Trust Indemnified Party or the estate of any deceased PPOC Trust Indemnified Party, as the case may be, and shall survive the termination of the PPOC Trust.

(h) Exculpation

To the maximum extent permitted by applicable law, the PPOC Trustee(s), the PPOC Trust Indemnified Parties, and the Delaware resident trustee appointed pursuant to the PPOC Trust Agreement shall not have or incur any liability for actions taken or omitted in his or their respective capacities as such, except with respect to those acts found by Final Order to be arising out of such Person's willful misconduct, bad faith, gross negligence, or fraud, and shall be entitled to indemnification and reimbursement for reasonable fees and expenses (solely payable from the PPOC Trust Consideration) in defending any and all actions or inactions of such Persons in connection with any actions taken pursuant to this Plan, the PPOC Trust Documents, the OCC Resolution Term Sheet, or otherwise required by the foregoing, except for any actions or inactions found by Final Order to be arising out of such party's willful misconduct, bad faith, gross negligence, or fraud.

(i) Covenants of Purchaser Parent

The PPOC Trust Documents shall include the following covenants to be made by Purchaser Parent for the benefit of the PPOC Trust and each of the PPOC Sub-Trusts, which covenants shall be the same (*mutatis mutandis*) as those included in the Public Opioid Distribution Documents pursuant to Section 6.14(e) of this Plan:

(i) (1) a limitation on permitted investments by Purchaser Parent, which limitation shall be consistent with the terms agreed in any new money indebtedness raised or deemed incurred on or around the Effective Date (including the Exit Financing); *plus* (2) a customary level of incremental cushion, consistent with the covenants set forth in the OCC Resolution Term Sheet;

(ii) a maximum leverage ratio for Purchaser Parent equal to 5.0x;

(iii) (1) a limitation on restricted payments by Purchaser Parent, which limitation shall be consistent with the terms agreed in any new money indebtedness raised or deemed incurred on or around the Effective Date (including the Exit Financing); *plus* (2) a customary level of incremental cushion, consistent with the covenants described in the OCC Resolution Term Sheet and applicable solely with respect to Allowed Present Private Opioid Claims; and

(iv) reporting requirements, which reporting requirements shall include the provision of periodic reporting materials and notices consistent with the reporting and notice requirements agreed in any documents governing new money indebtedness raised or deemed incurred on or around the Effective Date (including the Exit Financing).

Section 6.8 PI Trust

(a) Establishment and Purpose of the PI Trust

On or before the Effective Date, the PI Trust shall be established in accordance with this Plan and the PI Trust Documents. The purpose of the PI Trust is to, in each case, in accordance with this Plan and pursuant to the PI Trust Documents:

(i) assume all of the Debtors' liability for PI Opioid Claims;

(ii) collect distributions made on account of the PI Trust Share;

(iii) administer the PI Opioid Claims;

(iv) make distributions to holders of Allowed PI Opioid Claims in accordance with the PI Trust Documents; and

(v) carry out such other matters as are set forth in the PI Trust Documents, including preserving, holding, and managing the assets of the PI Trust for use in paying and satisfying Allowed PI Opioid Claims and using the PI Trust's assets and income to pay any and all Trust Operating Expenses of the PI Trust in accordance with the PI Trust Documents.

(b) Assumption of Liabilities

The PI Trust shall expressly assume all liabilities and responsibility for all PI Opioid Claims, and none of the Debtors nor the Post-Emergence Entities shall have any further

financial or other responsibility or liability therefor or in connection therewith. Except as otherwise provided in this Plan, the Confirmation Order, or the PI Trust Documents, the PI Trust shall have all defenses, cross-claims, offsets, and recoupments, as well as rights of indemnification, contribution, subrogation, and similar rights, regarding such claims that the Debtors or the Post-Emergence Entities have or would have had under applicable law, but solely to the extent consistent with the PI Trust Documents (which include, for the avoidance of doubt, the PPOC Trust Documents and this Plan); *provided, however, that*, the PI Trust shall not assert such cross-claims, defenses, or rights against any Released Party.

(c) PI Trustee

The identity of the PI Trustee shall be disclosed in the Plan Supplement. The PI Trustee is and shall act as the fiduciary to the PI Trust in accordance with the provisions of the PI Trust Documents. The PI Trustee shall, at all times, administer the PI Trust and its assets in accordance with the PI Trust Documents. Subject to the PI Trust Documents, the PI Trustee shall have the power to take any and all actions that, in the judgment of the PI Trustee, are necessary or proper to fulfill the purposes of the PI Trust, including taking the following actions, in each case, pursuant to the PI Trust Documents:

(i) establishing an LRP and appointing and overseeing the actions of a lien resolution agent to carry out any such LRP;

(ii) (1) appointing, hiring, or engaging professionals to provide such legal, financial, accounting, investment, auditing, forecasting, claims administration, lien resolution, and other services as the business of the PI Trust requires, including hiring a financial advisor responsible for determining the available assets of the PI Trust and providing guidance with respect to the investment and accounting thereof; (2) delegating to such professionals such powers and authorities as the fiduciary duties of the PI Trustee permit and as the PI Trustee, in the PI Trustee's discretion, deems advisable or necessary in order to carry out the terms of the PI Trust Documents; and (3) paying reasonable compensation to such professionals engaged by the PI Trust; and

(iii) selecting, engaging, and paying reasonable compensation to one or more appeals masters as set forth in the PI Trust Distribution Procedures;

(iv) *provided, however, that*, the PI Trustee shall give the PI Committee reasonably prompt notice of material acts taken or proposed to be taken as required by the PI Trust Documents. Further, the PI Trustee shall be required to consult with the PI Committee (1) on the general implementation and administration of the PI Trust; (2) on the general implementation and administration of the PI Trust Distribution Procedures; and (3) on such other matters as required by the PI Trust Documents.

(d) PI Committee

(i) The members of the PI Committee shall serve in a fiduciary capacity representing all holders of PI Opioid Claims. The PI Committee will work with the PI

Trustee in establishing and monitoring any operating budgets with respect to the PI Trust. Except for the duties and obligations expressed in the PI Trust Documents and the documents referenced therein, there shall be no other duties (including fiduciary duties) or obligations, express or implied, at law or in equity, of the PI Committee.

(ii) The PI Trustee shall pay or reimburse, as applicable, the compensation, costs, and fees of the professionals that represented or advised the Ad Hoc Group of Personal Injury Victims in connection with the Chapter 11 Cases, in each case, as and to the extent set forth in the PI Trust Documents.

(e) Tax Matters

Notwithstanding anything to the contrary herein, no provision herein, in any PI Trust Document, in the OCC Resolution Term Sheet, or in any document contemplated hereby or thereby shall be construed or implemented in a manner that would cause the PI Trust to fail to qualify as a QSF under the QSF Regulations.

(f) Indemnification by the PI Trust

The PI Trust shall indemnify and defend the PI Trustee, the members of the PI Committee, the Ad Hoc Group of Personal Injury Victims, and any professionals engaged by the PI Trust (including any appeals master(s)), in addition to such other parties as described in the PI Trust Documents, against any and all liabilities, expenses, claims, damages, or losses incurred by them in the performance of their respective duties under the PI Trust Documents or in connection with activities undertaken by them prior to the Effective Date in connection with the formation, establishment, or funding of the PI Trust.

(g) Nonliability of PI Trustee and PI Committee

The PI Trustee and the members of the PI Committee shall not be liable to the PI Trust, to any holder of a PI Opioid Claim, or to any other Person, except for any act or omission by such party that constitutes a bad faith violation of the implied contractual covenant of good faith and fair dealing within the meaning of Section 3806(e) of the DST Act.

Section 6.9 NAS PI Trust

(a) Establishment and Purpose of the NAS PI Trust

On or before the Effective Date, the NAS PI Trust shall be established in accordance with this Plan and the NAS PI Trust Documents. The purpose of the NAS PI Trust is to, in each case, in accordance with this Plan and the NAS PI Trust Documents:

- (i) assume all of the Debtors' liability for NAS PI Claims;
- (ii) collect distributions made on account of the NAS PI Trust Share;
- (iii) administer the NAS PI Claims;

(iv) make distributions to holders of Allowed NAS PI Claims in accordance with the NAS PI Trust Documents; and

(v) carry out such other matters as are set forth in the NAS PI Trust Documents, including preserving, holding, and managing the assets of the NAS PI Trust for use in paying and satisfying Allowed NAS PI Claims and using the NAS PI Trust's assets and income to pay any and all Trust Operating Expenses of the NAS PI Trust.

(b) Assumption of Liabilities

The NAS PI Trust shall expressly assume all liabilities and responsibility for all NAS PI Claims, and none of the Debtors nor the Post-Emergence Entities shall have any further financial or other responsibility or liability therefor or in connection therewith. Except as otherwise provided in this Plan, the Confirmation Order, or the NAS PI Trust Documents, the NAS PI Trust shall have all defenses, cross-claims, offsets, and recoupments, as well as rights of indemnification, contribution, subrogation, and similar rights, regarding such claims that the Debtors or the Post-Emergence Entities have or would have had under applicable law, but solely to the extent consistent with the NAS PI Trust Documents (which include, for the avoidance of doubt, the PPOC Trust Documents and this Plan); *provided, however, that*, the NAS PI Trust shall not assert such cross-claims, defenses, or rights against any Released Party.

(c) NAS PI Trustee

The identity of the NAS PI Trustee shall be disclosed in the Plan Supplement. The NAS PI Trustee is and shall act as the fiduciary to the NAS PI Trust in accordance with the provisions of the NAS PI Trust Documents. The NAS PI Trustee shall, at all times, administer the NAS PI Trust and its assets in accordance with the NAS PI Trust Documents. Subject to the NAS PI Trust Documents, the NAS PI Trustee shall have the power to take any and all actions that, in the judgment of the NAS PI Trustee, are necessary or proper to fulfill the purposes of the NAS PI Trust, including taking the following actions, in each case, pursuant to the NAS PI Trust Documents:

(i) establishing an LRP and appointing and overseeing the actions of a lien resolution agent to carry out the LRP;

(ii) (1) appointing, hiring, or engaging such professionals to provide such legal, financial, accounting, investment, auditing, forecasting, claims administration, lien resolution, and other services as the business of the NAS PI Trust requires, including hiring a financial advisor responsible for determining the available assets of the NAS PI Trust and providing oversight and guidance with respect to the investment and accounting thereof; (2) delegating to such professionals such powers and authorities as the fiduciary duties of the NAS PI Trustee permit and as the NAS PI Trustee, in the NAS PI Trustee's discretion, deems advisable or necessary in order to carry out the terms of the NAS PI Trust Documents; and (3) paying reasonable compensation to such professionals engaged by the NAS PI Trust; and

(iii) selecting, engaging, and paying reasonable compensation to one or more appeals masters as set forth in the NAS PI Trust Distribution Procedures;

(iv) *provided, however, that*, the NAS PI Trustee shall give the NAS Committee reasonably prompt notice of material acts taken or proposed to be taken as required by the NAS PI Trust Documents. Further, the NAS PI Trustee shall be required to consult with the NAS Committee (1) on the general implementation and administration of the NAS PI Trust; (2) on the general implementation and administration of the NAS PI Trust Distribution Procedures; and (3) on such other matters as required by the NAS PI Trust Documents.

(v) The NAS PI Trustee shall pay or reimburse, as applicable, the compensation, costs, and fees of the professionals that represented or advised the Ad Hoc Committee of NAS Children in connection with the Chapter 11 Cases, in each case, as and to the extent set forth in the NAS PI Trust Documents.

(d) NAS Committee

The members of the NAS Committee shall serve in a fiduciary capacity representing all holders of NAS PI Claims. The NAS Committee will work with the NAS PI Trustee in establishing and monitoring any operating budgets with respect to the NAS PI Trust. Except for the duties and obligations expressed in the NAS PI Trust Documents and the documents referenced therein, there shall be no other duties (including fiduciary duties) or obligations, express or implied, at law or in equity, of the NAS Committee.

(e) Tax Matters

Notwithstanding anything to the contrary herein, no provision herein, in the NAS PI Trust Distribution Procedures, in the OCC Resolution Term Sheet, or in any other document contemplated hereby or thereby shall be construed or implemented in a manner that would cause the NAS PI Trust to fail to qualify as a QSF under the QSF Regulations.

(f) Indemnification by the NAS PI Trust

The NAS PI Trust shall indemnify and defend the NAS PI Trustee, the members of the NAS Committee, the Ad Hoc Committee of NAS Children, and any professionals engaged by the NAS PI Trust (including any appeals master(s)), in addition to such other parties as described in the NAS PI Trust Documents, against any and all liabilities, expenses, claims, damages, or losses incurred by them in the performance of their respective duties under the NAS PI Trust Documents or in connection with activities undertaken by them prior to the Effective Date in connection with the formation, establishment, or funding of the NAS PI Trust.

(g) Nonliability of PI Trustee and PI Committee

The NAS PI Trustee and the members of the NAS Committee shall not be liable to the NAS PI Trust, to any holder of a NAS PI Claim, or to any other Person, except for any act or

omission by such party that constitutes a bad faith violation of the implied contractual covenant of good faith and fair dealing within the meaning of Section 3806(e) of the DST Act.

Section 6.10 Hospital Trust

(a) Establishment and Purpose of the Hospital Trust

On or before the Effective Date, the Hospital Trust shall be established in accordance with this Plan and the Hospital Trust Documents. The purpose of the Hospital Trust is to, in each case, in accordance with this Plan and the Hospital Trust Documents:

- (i) assume all of the Debtors' liability for Hospital Opioid Claims;
- (ii) collect distributions made on account of the Hospital Trust Share;
- (iii) administer the Hospital Opioid Claims;
- (iv) make distributions to holders of Allowed Hospital Opioid Claims for authorized opioid abatement purposes in accordance with the Hospital Trust Documents; and
- (v) carry out such other matters as are set forth in the Hospital Trust Documents, including preserving, holding, and managing the assets of the Hospital Trust for use in paying and satisfying Allowed Hospital Opioid Claims and using the Hospital Trust's assets and income to pay any and all Trust Operating Expenses of the Hospital Trust.

(b) Assumption of Liabilities

The Hospital Trust shall expressly assume all liabilities and responsibility for all Hospital Opioid Claims, and none of the Debtors nor the Post-Emergence Entities shall have any further financial or other responsibility or liability therefor or in connection therewith. Except as otherwise provided in this Plan, the Confirmation Order, or the Hospital Trust Documents, the Hospital Trust shall have all defenses, cross-claims, offsets, and recoupments, as well as rights of indemnification, contribution, subrogation, and similar rights, regarding such claims that the Debtors or the Post-Emergence Entities have or would have had under applicable law, but solely to the extent consistent with the Hospital Trust Documents (which include, for the avoidance of doubt, the PPOC Trust Documents and this Plan); *provided, however, that*, the Hospital Trust shall not assert such cross-claims, defenses, or rights against any Released Party.

(c) Hospital Trustee

The identity of the Hospital Trustee shall be disclosed in the Plan Supplement. The Hospital Trustee is and shall act as the fiduciary to the Hospital Trust in accordance with the provisions of the Hospital Trust Documents. The Hospital Trustee shall, at all times, administer the Hospital Trust and its assets in accordance with the Hospital Trust Documents. Subject to the Hospital Trust Documents, the Hospital Trustee shall have the power to take any and all actions

that, in the judgment of the Hospital Trustee, are necessary or proper to fulfill the purposes of the Hospital Trust, including taking the following actions, in each case, pursuant to the Hospital Trust Documents:

(i) (1) appointing, hiring, or engaging such professionals to provide such legal, financial, accounting, investment, auditing, forecasting, and other services as the business of the Hospital Trust requires; (2) delegating to such professionals such powers and authorities as the fiduciary duties of the Hospital Trustee permit and as the Hospital Trustee, in the Hospital Trustee's discretion, deems advisable or necessary in order to carry out the terms of the Hospital Trust Documents; and (3) paying reasonable compensation to such professionals engaged by the Hospital Trust; and

(ii) auditing compliance with the authorized abatement purposes set forth in the Hospital Trust Documents governing the use of any Distributions made on account of Allowed Hospital Opioid Claims.

(iii) *provided, however, that*, the Hospital Trustee shall give the Hospital TAC prompt notice of material acts taken or proposed to be taken as required by the Hospital Trust Documents. Further, the Hospital Trustee shall be required to consult with the Hospital TAC (1) on the general implementation and administration of the Hospital Trust; (2) on the general implementation and administration of the Hospital Trust Distribution Procedures; and (3) on such other matters as required by the Hospital Trust Documents.

(iv) The Hospital Trustee shall, in accordance with the Hospital Trust Documents, pay or reimburse, as applicable, the attorneys' fees and costs of the Ad Hoc Group of Hospitals from the Hospital Trust Share.

(d) Hospital TAC

The members of the Hospital TAC shall serve in a fiduciary capacity representing all holders of Hospital Opioid Claims. The Hospital TAC will work with the Hospital Trustee in establishing and monitoring any operating budgets with respect to the Hospital Trust. Except for the duties and obligations expressed in the Hospital Trust Documents and the documents referenced therein, there shall be no other duties (including fiduciary duties) or obligations, express or implied, at law or in equity, of the Hospital TAC.

(e) Tax Matters

Notwithstanding anything to the contrary herein, no provision herein, in the Hospital Trust Distribution Procedures, in the OCC Resolution Term Sheet, or in any other document contemplated hereby or thereby shall be construed or implemented in a manner that would cause the Hospital Trust to fail to qualify as a QSF under the QSF Regulations.

(f) Indemnification by the Hospital Trust

The Hospital Trust shall indemnify and defend the Hospital Trustee, the members of the Hospital TAC, and any professionals engaged by the Hospital Trust, in addition to such other parties as described in the Hospital Trust Documents, against any and all liabilities, expenses, claims, damages, or losses incurred by them in the performance of their respective duties under the Hospital Trust Documents or in connection with activities undertaken by them in connection with the formation, establishment, or funding of the Hospital Trust.

(g) Nonliability of Hospital Trustee and Hospital TAC

The Hospital Trustee and the members of the Hospital TAC shall not be liable to the Hospital Trust, to any holder of a Hospital Opioid Claim, or to any other Person, except for any act or omission by such party that constitutes a bad faith violation of the implied contractual covenant of good faith and fair dealing within the meaning of Section 3806(e) of the DST Act.

Section 6.11 IERP Trust II

(a) Establishment and Purpose of the IERP Trust II

On or before the Effective Date, the IERP Trust II shall be established in accordance with this Plan and the IERP Trust II Documents. The purpose of the IERP Trust II is to, in each case, in accordance with this Plan and pursuant to the IERP Trust II Documents:

- (i) assume all of the Debtors' liability for IERP II Claims;
- (ii) collect distributions made on account of the IERP Trust II Share;
- (iii) administer the IERP II Claims;
- (iv) make distributions to holders of Allowed IERP II Claims for authorized opioid abatement purposes in accordance with the IERP Trust II Documents; and
- (v) carry out such other matters as are set forth in the IERP Trust II Documents, including preserving, holding, and managing the assets of the IERP Trust II for use in paying and satisfying Allowed IERP II Claims and using the IERP Trust II's assets and income to pay any and all Trust Operating Expenses of the IERP Trust II.

(b) Assumption of Liabilities

The IERP Trust II shall expressly assume all liabilities and responsibility for all IERP II Claims, and none of the Debtors nor the Post-Emergence Entities shall have any further financial or other responsibility or liability therefor or in connection therewith. Except as otherwise provided in this Plan, the Confirmation Order, or the IERP Trust II Documents, the IERP Trust II shall have all defenses, cross-claims, offsets, and recoupments, as well as rights of indemnification, contribution, subrogation, and similar rights, regarding such claims that the Debtors or the Post-Emergence Entities have or would have had under applicable law, but solely

to the extent consistent with the IERP Trust II Documents (which include, for the avoidance of doubt, the PPOC Trust Documents and this Plan); *provided, however, that*, the IERP Trust II shall not assert such cross-claims, defenses, or rights against any Released Party.

(c) IERP II Trustee

The IERP II Trustee is and shall act as the fiduciary to the IERP Trust II in accordance with the provisions of the IERP Trust II Documents. The IERP II Trustee shall, at all times, administer the IERP Trust II and its assets in accordance with the IERP Trust II Documents. Subject to the IERP Trust II Documents, the IERP II Trustee shall have the power to take any and all actions that, in the judgment of the IERP II Trustee, are necessary or proper to fulfill the purposes of the IERP Trust II, including taking the following actions, in each case, pursuant to the IERP Trust II Documents:

(i) (1) appointing, hiring, or engaging such professionals to provide such legal, financial, accounting, investment, auditing, forecasting, claims administration, lien resolution, and other services as the business of the IERP Trust II requires; (2) delegating to such professionals such powers and authorities as the fiduciary duties of the IERP II Trustee permit and as the IERP II Trustee, in the IERP II Trustee's discretion, deems advisable or necessary in order to carry out the terms of the IERP Trust II Documents; and (3) paying reasonable compensation to such professionals engaged by the IERP Trust II;

(ii) implementing certain approved opioid abatement programs with unused assets of the IERP Trust II; and

(iii) auditing compliance with the authorized abatement purposes set forth in the IERP Trust II Documents governing the use of any Distributions made on account of Allowed IERP II Claims;

(iv) *provided, however, that*, the IERP II Trustee shall give the IERP Trust II Advisory Committee prompt notice of material acts taken or proposed to be taken as required by the IERP Trust II Documents. Further, the IERP II Trustee shall be required to consult with the IERP Trust II Advisory Committee (1) on the general implementation and administration of the IERP Trust II; (2) on the general implementation and administration of the IERP Trust II Distribution Procedures; and (3) on such other matters as required by the IERP Trust II Documents.

(v) The IERP II Trustee shall pay or reimburse, as applicable, the compensation, costs, and fees of the professionals that represent or represented, or advise or advised, the IERP II Trustee in connection with the establishment of the IERP Trust II, the preparation of the IERP Trust II Documents, and the Chapter 11 Cases, in each case, whether incurred prior to or following the appointment of the IERP II Trustee.

(d) IERP Trust II Advisory Committee

The members of the IERP Trust II Advisory Committee shall serve in a fiduciary capacity representing all holders of IERP II Claims. The IERP Trust II Advisory Committee will work with the IERP II Trustee in establishing and monitoring any operating budgets with respect to the IERP Trust II. Except for the duties and obligations expressed in the IERP Trust II Documents and the documents referenced therein, there shall be no other duties (including fiduciary duties) or obligations, express or implied, at law or in equity, of the IERP Trust II Advisory Committee.

(e) Tax Matters

Notwithstanding anything to the contrary herein, no provision herein, in the IERP Trust II Distribution Procedures, in the OCC Resolution Term Sheet, or in any other document contemplated hereby or thereby shall be construed or implemented in a manner that would cause the IERP Trust II to fail to qualify as a QSF under the QSF Regulations.

(f) Indemnification by the IERP Trust II

The IERP Trust II shall indemnify and defend the IERP II Trustee, the members of the IERP Trust II Advisory Committee, and such other parties as set forth in the IERP Trust II Documents, against any and all liabilities, expenses, claims, damages, or losses incurred by them in the performance of their respective duties under the IERP Trust II Documents.

(g) Nonliability of IERP II Trustee and IERP Trust II Advisory Committee

The IERP II Trustee and the members of the IERP Trust II Advisory Committee shall not be liable to the IERP Trust II, to any holder of an IERP II Claim, or to any other Person, except for any act or omission by such party that constitutes a bad faith violation of the implied contractual covenant of good faith and fair dealing.

Section 6.12 TPP Trust

(a) Establishment and Purpose of the TPP Trust

On or before the Effective Date, the TPP Trust shall be established in accordance with this Plan and the TPP Trust Documents. The purpose of the TPP Trust is to, in each case, in accordance with this Plan and pursuant to the TPP Trust Documents:

- (i) assume all of the Debtors' liability for TPP Claims;
- (ii) hold, manage, and invest all funds and other assets received by the TPP Trust for the benefit of the beneficiaries of the TPP Trust;
- (iii) administer, process, resolve, and liquidate all TPP Claims in accordance with the TPP Trust Distribution Procedures, including making distributions to holders of Allowed TPP Claims; and

(iv) carry out such other matters as are set forth in the TPP Trust Documents, including establishing such funds, reserves, and accounts within the TPP Trust as the TPP Trustee deems useful in carrying out the purpose of the TPP Trust, including holding an operating reserve and using such operating reserve to pay any and all Trust Operating Expenses of the TPP Trust.

(b) Assumption of Liabilities

The TPP Trust shall expressly assume all liabilities and responsibility for all TPP Claims, and none of the Debtors nor the Post-Emergence Entities shall have any further financial or other responsibility or liability therefor or in connection therewith. Except as otherwise provided in this Plan, the Confirmation Order, or the TPP Trust Documents, the TPP Trust shall have all defenses, cross-claims, offsets, and recoupments, as well as rights of indemnification, contribution, subrogation, and similar rights, regarding such claims that the Debtors or the Post-Emergence Entities have or would have had under applicable law, but solely to the extent consistent with the TPP Trust Documents (which include, for the avoidance of doubt, the PPOC Trust Documents and this Plan); *provided, however, that*, the TPP Trust shall not assert such cross-claims, defenses, or rights against any Released Party.

(c) TPP Trustee

The TPP Trustee is and shall act as the fiduciary to the TPP Trust in accordance with the provisions of the TPP Trust Documents. The TPP Trustee shall, at all times, administer the TPP Trust and its assets in accordance with the TPP Trust Documents. Subject to the TPP Trust Documents, the TPP Trustee shall have the power to take any and all actions that, in the judgment of the TPP Trustee, are necessary or proper to fulfill the purposes of the TPP Trust, including taking the following actions, in each case, pursuant to the TPP Trust Documents:

(i) in the event that holders of TPP Claims elect to resolve claims they hold against those with personal injury opioid claims through an LRP, exercise any and all rights and responsibilities of the TPP Trust pursuant to any agreement governing such LRP (which agreement has been consented to by the TPP Trustee on behalf of the TPP Trust);

(ii) (1) engaging such professionals as the TPP Trust and/or the TPP Trustee requires, including the TPP Trustee's firms or Affiliates, professionals previously employed by the Debtors, and representatives of holders of TPP Claims; (2) delegating to such professionals such powers and authorities as the fiduciary duties of the TPP Trustee permit and as the TPP Trustee in its discretion, deems advisable or necessary; or (3) engaging such professionals to advise and assist the TPP Trustee, in order to carry out the terms of the TPP Trust and the TPP Trust Documents;

(iii) entering into such other arrangements with third parties as the TPP Trustee deems useful in carrying out the purposes of the TPP Trust; and

(iv) creating sub-trusts or title vehicles; *provided, that*, the TPP Trustee shall not create a sub-trust or title vehicle that would cause the TPP Trust to fail to qualify as a QSF within the meaning of the QSF Regulations;

(v) *provided, however, that*, the TPP Trustee shall be required to consult with the TPP TAC (1) on the general implementation and administration of the TPP Trust; (2) on the general implementation and administration of the TPP Trust Distribution Procedures; and (3) on such other matters as required by the TPP Trust Documents.

(vi) The TPP Trustee shall pay or reimburse, as applicable, the compensation, costs, and fees of the professionals that represented or advised holders of TPP Claims in connection with and to the extent relating to the preparation of the TPP Trust Documents and the establishment of the TPP Trust, in each case, as and to the extent provided in the TPP Trust Documents.

(d) TPP TAC

The members of the TPP TAC shall serve in a fiduciary capacity representing all holders of TPP Claims. The TPP TAC shall work with the TPP Trustee with respect to establishing and monitoring any operating budgets with respect to the TPP Trust. Except for the duties and obligations expressed in the TPP Trust Documents and the documents referenced therein, there shall be no other duties (including fiduciary duties) or obligations, express or implied, at law or in equity, of the TPP TAC.

(e) Tax Matters

Notwithstanding anything to the contrary herein, no provision in the TPP Trust Agreement, the TPP Trust Distribution Procedures, the OCC Resolution Term Sheet, or in any other document contemplated hereby or thereby, shall be construed or implemented in a manner that would cause the TPP Trust to fail to qualify as a QSF under the QSF Regulations.

(f) Indemnification by the TPP Trust

The TPP Trust shall indemnify and reimburse the TPP Trustee, the members of the TPP TAC, any professionals engaged by the TPP Trust, and any other parties set forth in the TPP Trust Documents against any and all liabilities, expenses, claims, damages, or losses incurred by such Persons in the performance of their respective duties under the TPP Trust Documents or in connection with activities undertaken by them in connection with the formation, establishment, or funding of the TPP Trust.

(g) Nonliability of TPP Trustee and TPP TAC

The TPP Trustee and the members of the TPP TAC shall not be liable to the TPP Trust, to any holder of a TPP Claim, or to any other Person, except those acts found by Final Order to be arising out of the TPP Trustee's or the TPP TAC member's, as applicable, willful misconduct, gross negligence or fraud.

Section 6.13 *Future PI Trust*

(a) Establishment and Purpose of the Future PI Trust

On or before the Effective Date, the Debtors shall take all necessary steps to establish the Future PI Trust in accordance with this Plan and the Future PI Trust Documents. The purpose of the Future PI Trust is to, in each case, in accordance with this Plan and the Future PI Trust Documents:

- (i) assume all of the Debtors' liability for Future PI Claims;
- (ii) administer the Future PI Claims;
- (iii) make distributions to holders of Allowed Future PI Claims in accordance with the Future PI Trust Documents; and
- (iv) carry out such other matters as are set forth in the Future PI Trust Documents, including preserving, holding, and managing the assets of the Future PI Trust for use in paying and satisfying Allowed Future PI Claims and using the Future PI Trust's assets and income to pay any and all Trust Operating Expenses of the Future PI Trust in accordance with the Future PI Trust Documents.

(b) Assumption of Liabilities

The Future PI Trust shall expressly assume all liabilities and responsibility for all Future PI Claims, and none of the Debtors nor the Post-Emergence Entities shall have any further financial or other responsibility or liability therefor or in connection therewith.

(c) Future PI Trustee

The Future PI Trustee shall act as the fiduciary to the Future PI Trust in accordance with the provisions of the Future PI Trust Documents. The Future PI Trustee shall, at all times, administer the Future PI Trust and its assets in accordance with the Future PI Trust Documents.

(d) FCR

(i) The FCR shall serve in a fiduciary capacity representing the interests of Future PI Claimants. The FCR shall have no fiduciary obligations or duties to any party other than Future PI Claimants.

(ii) The FCR will work with the Future PI Trustee in establishing and monitoring any operating budgets with respect to the Future PI Trust. Except for the duties and obligations expressed in the Future PI Trust Documents and the documents referenced therein, the FCR shall have no other duties (including fiduciary duties) or obligations, express or implied, at law or in equity with respect to the Future PI Trust.

(iii) The FCR shall negotiate in good faith with the Future PI Trustee to determine a reasonable budget to administer and operate the Future PI Trust and to compensate the Future PI Trustee, which budget shall not exceed (1) \$1 million during the period between the Effective Date and the third anniversary thereof; and (2) \$140,000 per annum thereafter; *provided, that*, in the year in which the Future PI Trust is terminated, the applicable budget for such year shall be increased by \$100,000, absent the agreement of the FCR and Purchaser Parent.

(e) Indemnification by the Future PI Trust

The Future PI Trust shall indemnify and defend the Future PI Trust Indemnified Parties in the performance of their respective duties to the fullest extent that a statutory trust organized under the laws of the State of Delaware as permitted by Section 3817 of the DST Act (after the application of Section 8.13 thereof) is from time to time entitled to indemnify and defend such persons against any and all liabilities, expenses, claims, damages, or losses incurred by them in the performance of their respective duties under the Future PI Trust Documents or in connection with activities undertaken by them prior to the Effective Date in connection with the formation, establishment, or funding of the Future PI Trust.

(f) Nonliability of Future PI Trustee and FCR

The Future PI Trustee and the FCR shall not be liable to the Future PI Trust, to any holder of a Future PI Claim, or to any other Person, except for any act or omission by such party that constitutes a bad faith violation of the implied contractual covenant of good faith and fair dealing within the meaning of Section 3806(e) of the DST Act.

Section 6.14 Other Opioid Claims Trust

To the extent that there are any Other Opioid Claims, the Other Opioid Claims Trust shall be established in accordance with the Other Opioid Claims Trust Documents.

Section 6.15 EFBD Claims Trust

(a) The EFBD Claims Trust shall be established in accordance with the EFBD Claims Trust Documents and the Plan Administrator Agreement.

(b) The EFBD Claims Trust Distribution Procedures governing the processing and administration of the applicable EFBD Claims shall be substantially similar to the trust distribution procedures governing the administration of comparable Trust Channeled Claims under this Plan.

(c) Holders of EFBD Claims shall receive a Distribution, if any, from the EFBD Claims Trust in accordance with the EFBD Claims Trust Distribution Procedures, which, as applied to each EFBD Claim, shall be substantially similar to the trust distribution procedures applied by the other Trusts under this Plan with respect to similar Trust Channeled Claims filed by the General Bar Date; *provided, that*, the amount of any Distribution to a holder of an Allowed EFBD Claim on account of such Allowed EFBD Claim shall not exceed the amount of comparable Distributions

provided by another Trust under this Plan to holders of similar Allowed Claims that were filed before the General Bar Date and channeled to such other Trust under this Plan; *provided, further, that*, the procedures for determining the maximum amount of any Distribution to be made by the EFBD Claims Trust shall be substantially similar to those provided in the Future PI Trust Distribution Procedures.

Section 6.16 Public Opioid Trust

(a) Establishment and Purpose of the Public Opioid Trust

On or before the Effective Date, the Debtors shall take all necessary steps to establish the Public Opioid Trust in accordance with this Plan and the Public Opioid Distribution Documents.

(b) Tax Matters

The Public Opioid Trust shall at all times satisfy the requirements of Section 468B of the Tax Code and the QSF Regulations (as such may be modified or supplemented from time to time). The Public Opioid Trust may be treated as a QSF for tax purposes and payments to the Public Opioid Trust may constitute “restitution” within the meaning of Section 162(f) of the Tax Code and shall be treated as such to the extent allowed by applicable law.

(c) Participation in the Public Opioid Trust

(i) Holders of State Opioid Claims that vote to accept the Plan shall participate in the Public Opioid Trust, subject to the terms and conditions of the Public Opioid Distribution Documents.

(ii) Any Prior Settling State shall have the opportunity, on or before the Effective Date, subject to acceptance by the Debtors and the approval of the Bankruptcy Court, to permanently and irrevocably return to the Debtors’ Estates an amount equal to (1) the funds received by such Prior Settling State from the Debtors prior to the Petition Date on account of settling such Prior Settling State’s Opioid Claims as such Claims existed prior to the Petition Date, *less* (2)(A) an amount equal to the Public Opioid Consideration, *multiplied by* (B) the allocation percentage for such Prior Settling State set forth in the State Allocation Table. The remaining funds may be retained by the applicable Prior Settling State in full satisfaction of such Prior Settling State’s Opioid Claims (and of the obligation of the Public Opioid Trust to make a Distribution to such Prior Settling State), which Prior Settling State’s Opioid Claims shall be released and discharged. In accordance with the Confirmation Order, such Prior Settling State shall receive a full and complete release for any Claim for the return of settlement funds under chapter 5 of the Bankruptcy Code or otherwise.

(d) Public Opioid Trust Operating Reserves and Expenses

(i) In accordance with the Public Opioid Distribution Documents, the Public Opioid Trust shall establish reserves for professional fees of (1) States, in the amount of 4.5% of Distributions to be allocated to States in accordance with the State Allocation Table; and (2) Local Governments, in the amount of 5.5% of Distributions to be allocated to Local Governments pursuant to Opioid MDL Docket No. 4428 (clarified by Opioid MDL Docket No. 4503) and Opioid MDL Docket No. 5100 of the Opioid MDL, pursuant to which any amount allocated to Local Governments in accordance with this clause (2) shall be administered under the jurisdiction of the court presiding over the Opioid MDL. Any payments made pursuant to this Section 6.16(d)(i) shall be funded solely from the Public Opioid Consideration and shall not be an obligation of the Debtors or the Post-Emergence Entities.

(ii) All Trust Operating Expenses of the Public Opioid Trust and any expenses of the Public Opioid Trustee, any professionals retained thereby, the reimbursement of any plaintiffs' attorneys' fees and costs, and any attorneys' fees and costs, other than the Endo EC Professional Fees, incurred by any holder of a State Opioid Claim or a group of such holders shall be paid solely from the Public Opioid Consideration and shall not be an obligation of the Debtors or the Post-Emergence Entities, in each case, subject to and in accordance with the Public Opioid Distribution Documents.

(e) Covenants of Purchaser Parent

The Public Opioid Distribution Documents shall include the following covenants to be made by Purchaser Parent (*provided, that*, no covenants or similar limitations or restrictions on the Purchaser Entities other than the following shall be included in the Public Opioid Distribution Documents):

(i) (1) a limitation on permitted investments by Purchaser Parent, which limitation shall be consistent with the terms agreed in any new money indebtedness raised or deemed incurred on or around the Effective Date (including the Exit Financing); *plus* (2) a customary level of incremental cushion, consistent with the covenants set forth in the Public/Tribal Term Sheet;

(ii) a maximum leverage ratio for Purchaser Parent equal to 5.0x;

(iii) (1) a limitation on restricted payments by Purchaser Parent, which limitation shall be consistent with the terms agreed in any new money indebtedness raised or deemed incurred on or around the Effective Date (including the Exit Financing); *plus* (2) a customary level of incremental cushion, consistent with the covenants set forth in the Public/Tribal Term Sheet and applicable solely with respect to Allowed State Opioid Claims; and

(iv) reporting requirements, which reporting requirements shall include the provision of periodic reporting materials and notices consistent with the reporting and

notice requirements agreed in any documents governing new money indebtedness raised or deemed incurred on or around the Effective Date (including the Exit Financing).

Section 6.17 Tribal Opioid Trust

(a) Establishment and Purpose of the Tribal Opioid Trust

On or before the Effective Date, either (i) the Debtors shall take all necessary steps to establish the Tribal Opioid Trust; or (ii) the Public Opioid Trust shall establish the Tribal Opioid Trust as a sub-trust thereof, in each case, in accordance with this Plan and the Tribal Opioid Distribution Documents.

(b) Tax Matters

The Tribal Opioid Trust shall at all times satisfy the requirements of Section 468B of the Tax Code and the QSF Regulations (as such may be modified or supplemented from time to time). The Tribal Opioid Trust may be treated as a QSF for tax purposes and payments to the Tribal Opioid Trust may constitute “restitution” within the meaning of Section 162(f) of the Tax Code and shall be treated as such to the extent allowed by applicable law.

(c) Tribal Opioid Trust Operating Expenses

All Trust Operating Expenses of the Tribal Opioid Trust and any expenses of the Tribal Opioid Trustee, any professionals retained thereby, the reimbursement of any plaintiffs’ attorneys’ fees and costs, and any attorneys’ fees and costs incurred by any holder of a Tribal Opioid Claim or a group of such holders shall, subject to and in accordance with the Tribal Opioid Distribution Documents, be paid solely from the Tribal Opioid Consideration and shall not be an obligation of the Debtors or the Post-Emergence Entities.

Section 6.18 Canadian Provinces Trust

(a) Establishment and Purpose of the Canadian Provinces Trust

(i) On or before the Effective Date, the Debtors shall take all necessary steps to establish the Canadian Provinces Trust in accordance with this Plan and the Canadian Provinces Distribution Documents.

(ii) The Canadian Provinces Consideration represents funds that are expected to be used by the Canadian Provinces for government programs and services aimed at assisting Canadians who suffer from opioid misuse or addiction disorder and any costs and expenses arising from or related to such programs and services, to the extent permitted by applicable law. Any costs for the administration of the Canadian Provinces Consideration shall be paid solely from the Canadian Provinces Consideration and shall not be an obligation of the Debtors or the Post-Emergence Entities.

(b) Tax Matters

(i) The Canadian Provinces Trust may be treated as a QSF for tax purposes and shall be treated as such to the extent permitted by applicable law. Payments to the Canadian Provinces Trust may constitute “restitution” within the meaning of Section 162(f) of the Tax Code and shall be treated as such for U.S. federal income tax purposes to the extent allowed by applicable law.

(ii) The Canadian Provinces Trust shall be implemented with the objective of maximizing tax efficiency to the Debtors and the Post-Emergence Entities to the extent practicable, including with respect to the availability, location, and timing of tax deductions. The Debtors and the Required Consenting Global First Lien Creditors will cooperate in good faith to implement the Canadian Provinces Trust and structure the flow of the Canadian Provinces Consideration thereto in a tax-efficient manner.

(c) Support

Pursuant to the Canadian Provinces Term Sheet, the Canadian Provinces shall (i) confirm on the record at the Confirmation Hearing that they do not oppose Confirmation of this Plan and that the Canadian Provinces Objection is fully resolved; (ii) support the entry of the Confirmation Order; *provided, that*, the Confirmation Order reflects the terms of the Canadian Provinces Term Sheet or such other terms agreed by the Debtors, the Required Consenting Global First Lien Creditors, and the Canadian Provinces; (iii) support the entry of the Canadian Plan Recognition Order, including by confirming on the record at the hearing of the Canadian Court that they do not oppose the entry of the Canadian Plan Recognition Order; *provided, however, that*, the Confirmation Order shall reflect the language set forth in the Canadian Provinces Term Sheet as agreed by the Debtors, Purchaser Parent, and the Canadian Provinces.

Section 6.19 U.S. Government Resolution

(a) DOJ Civil Resolution

The DOJ Civil Claim shall be resolved pursuant to and in accordance with the U.S. Government Resolution Documents.

(b) DOJ Criminal Resolution

The DOJ Criminal Claim shall be resolved pursuant to and in accordance with the U.S. Government Resolution Documents.

(c) Agreements with DHHS Secretary

Several of the Debtors are parties to the various following agreements with the DHHS Secretary under which the Debtors owe rebates to third parties:

(i) The MCGDP Agreement is established under 42 U.S.C. §§ 1395w-114A, 1395w-153 and is required should manufacturers wish to have coverage for their products

under Medicare Part D. Under the MCGDP Agreement, manufacturers agree to reimburse Medicare Part D plan sponsors for certain coverage gap discounts the plans provide to Medicare beneficiaries in the Part D coverage gap. CMS requires that a new entity that seeks to assume a MCGDP Agreement enter into a novation agreement with CMS with respect to the transfer of such agreement. The Debtors that have entered into MCGDP Agreements with the DHHS Secretary are as follows: (1) Par Pharmaceuticals, Inc.; and (2) Endo Pharmaceuticals, Inc.;

(ii) The Medicaid Drug Rebate Program, established under section 1927 of the Social Security Act, requires manufacturers to enter into NDRAs with the DHHS Secretary for the coverage and payment of a manufacturer's covered outpatient drugs. Under the Medicaid Drug Rebate Program, if a manufacturer has entered into and has in effect an NDRA, Medicaid covers and pays for all of the drugs of that manufacturer dispensed and paid for under the State plan, and in return, manufacturers pay applicable rebates to the States. The Debtors that have NDRAs with the DHHS Secretary are as follows: (1) Par Pharmaceuticals, Inc.; and (2) Endo Pharmaceuticals, Inc.;

(iii) Certain of the Debtors also have PPAs with the DHHS Secretary. Section 340B of the Public Health Service Act, 42 U.S.C. § 256b, requires pharmaceutical manufacturers to enter into a PPA with the DHHS Secretary in exchange for having their drugs covered by Medicaid and Medicaid Part B. Under the PPAs, manufacturers agree to charge a price for covered outpatient drugs that will not exceed the average manufacturer price decreased by a rebate percentage. The Debtors that have PPAs are as follows: (1) Endo Pharmaceuticals, Inc.; (2) Par Pharmaceuticals, Inc.; (3) Anchen Pharmaceuticals, Inc.; (4) Dava Pharmaceuticals, LLC; and (5) Par Sterile Products, LLC; and

(iv) The MCGDP Agreements, the NDRAs, and the PPAs identified above provide that, in the event of a transfer of ownership, such agreements are automatically assigned to a new owner and all terms and conditions of such agreements remain in effect as to a new owner. Accordingly, notwithstanding anything contained in this Plan or the Confirmation Order which may be to the contrary, the Debtors shall assume such agreements pursuant to section 365 of the Bankruptcy Code and, should there be a change of ownership, upon the Effective Date, the MCGDP Agreements, the NDRAs, and the PPAs identified above shall be assigned to any Purchaser Entity that is taking over a Debtor's business. The applicable Purchaser Entity, as the new owner, will assume the obligations of any Debtor that is a party under any such agreements from and after the Effective Date, and will fully perform all the duties and responsibilities that exist under such agreements in accordance with their terms, including the payment of discounts owed to Part D plan sponsors or payment of rebates owed to States and wholesalers for quarters prior to the Effective Date. For the avoidance of doubt, the applicable Purchaser Entity shall be liable for any outstanding rebates or discounts owed to third parties (and any applicable interest thereon), whether arising after or up to and including the Effective Date, as well as any penalties associated with noncompliance by any Debtor associated with any MCGDP Agreements, NDRAs, and PPAs identified above for which the applicable

Purchaser Entity is accepting assignment, whether arising after or up to and including the Effective Date.

(v) Notwithstanding anything to the contrary herein, nothing in this Plan, the Confirmation Order, the U.S. Government Resolution Documents, or any other Plan Document shall bind the United States in any application of statutory, or associated regulatory, authority grounded in the Medicaid Program or in section 1115 of Title 11 of the Social Security Act. The United States is neither enjoined nor in any way prejudiced in seeking recovery of any funds owed to the United States under the Medicaid Program.

Section 6.20 Opioid School District Recovery Trust

(a) Tax Matters

The Debtors and the Public School District Creditors intend that the Opioid School District Recovery Trust Consideration will constitute “restitution . . . for damage or harm” within the meaning of Section 162(f) of the Tax Code, and will be so characterized for U.S. federal income tax purposes to the extent such payments are made to or at the direction of a Governmental Authority, and such payments are hereby, based on the origin of the liability and the nature and purpose of such payments, so identified in accordance with Section 162(f)(2)(A)(ii) of the Tax Code. For the avoidance of doubt, the foregoing sentence is intended to apply to the tax characterization of the Opioid School District Recovery Trust Consideration, and such tax characterization shall not be construed to be dispositive for any non-tax purpose.

ARTICLE VII

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Section 7.1 Assumption and Rejection of Executory Contracts and Unexpired Leases

(a) Except as otherwise provided herein, in the PSA, or in any contract, instrument, release, indenture, or other agreement or document entered into in connection with this Plan, as of and subject to the occurrence of the Effective Date, all Executory Contracts and Unexpired Leases to which any of the Debtors are parties shall be deemed assumed or assumed and assigned, as applicable, unless such contract or lease (i) was previously assumed or rejected by the Debtors pursuant to a Final Order of the Bankruptcy Court; (ii) had previously expired or terminated pursuant to its own terms or by agreement of the parties thereto; (iii) is the subject of a motion to assume filed by the Debtors on or before the Confirmation Date; or (iv) is identified for rejection on the Rejection Schedule.

(b) Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval by the Bankruptcy Court of the assumptions and/or rejections of such Executory Contracts or Unexpired Leases as set forth in this Plan, all pursuant to sections 365(a) and 1123 of the Bankruptcy Code, and the Confirmation Order shall include a finding by the Bankruptcy Court that the Purchaser Entities have provided adequate assurance of future performance with respect to any Executory Contracts and Unexpired Leases assumed or assumed and assigned, as

applicable, under this Plan. Unless otherwise indicated, all assumptions or rejections of Executory Contracts and Unexpired Leases pursuant to this Plan are effective as of the Effective Date. Each Executory Contract or Unexpired Lease assumed or assumed and assigned, as applicable, pursuant to this Plan or by Bankruptcy Court order shall revert in or be transferred to, as applicable, and be fully enforceable by the applicable Purchaser Entities in accordance with its terms, except as such terms may have been modified herein or by such order. Notwithstanding anything to the contrary in this Plan, the Debtors or the Post-Emergence Entities, as applicable, reserve the right to alter, amend, modify, or supplement the Rejection Schedule at any time before the Effective Date. After the Effective Date, the Post-Emergence Entities shall not require the approval of the Bankruptcy Court before terminating, amending, or modifying any contracts, leases, or other agreements.

(c) Except as expressly set forth herein and in the PSA, all assumed or assumed and assigned, as applicable, Executory Contracts and Unexpired Leases shall remain in full force and effect for the benefit of the Purchaser Entities, and shall be enforceable by the Purchaser Entities in accordance with their terms, notwithstanding any provision in such assumed or assumed and assigned, as applicable, Executory Contract or Unexpired Lease that prohibits, restricts, or conditions such assumption or assumption and assignment. To the maximum extent permitted by applicable law, any provision in any Executory Contract or Unexpired Lease assumed or assumed and assigned, as applicable, under this Plan or the PSA that purports to declare a breach or default based in whole or in part on commencement or continuance of these Chapter 11 Cases or any successor cases is hereby deemed unenforceable. To the extent any provision in any Executory Contract or Unexpired Lease assumed or assumed and assigned, as applicable, pursuant to this Plan or the PSA (including, without limitation, any “change of control” provision) that restricts or prevents, or purports to restrict or prevent, or is breached or deemed breached by, the Purchaser Entities’ assumption of such Executory Contract or Unexpired Lease, then such provision will be deemed modified such that the transactions contemplated by this Plan and the PSA will not entitle the non-Debtor party thereto to terminate such Executory Contract or Unexpired Lease or to exercise any default-related rights with respect thereto.

Section 7.2 Rejection Damages Claims

(a) In the event that the Debtors’ rejection of an Executory Contract or Unexpired Lease hereunder results in damages to a counterparty to such Executory Contract or Unexpired Lease, unless such counterparty files a Proof of Claim for any Rejection Damages Claims with the Bankruptcy Court and serves such Proof of Claim upon counsel for the Debtors, the Post-Emergence Entities, and the GUC Trustee, as applicable, by the date that is, as applicable, (i) 45 days after the filing and service of the notice of the occurrence of the Effective Date; or (ii) if such Executory Contract or Unexpired Lease is subject to a pending motion seeking to reject such Executory Contract or Unexpired Lease, 30 days after the date the Bankruptcy Court enters a Final Order approving such rejection, such Rejection Damages Claims shall be forever barred and shall not be enforceable against the Debtors, their respective Estates, the Post-Emergence Entities, or the GUC Trust, as applicable, or any of their respective properties or interests in property as agent, successor, or assign, in each case, without the need for any objection by the Debtors or the applicable Post-Emergence Entities or for any further notice to, or action, order, or approval of, the Bankruptcy Court.

(b) All Allowed Rejection Damages Claims shall constitute Other General Unsecured Claims and shall be treated in accordance with Section 4.5 of this Plan; *provided, however, that*, any Claim or portion thereof arising from the rejection of an Executory Contract or Unexpired Lease with a counterparty that is a Settling Co-Defendant or that otherwise satisfies the definition of a Settling Co-Defendant Claim shall be treated as a Settling Co-Defendant Claim and shall be governed by and treated in accordance with the terms of the DMP Stipulation, notwithstanding that such Claim (or portion thereof) would otherwise satisfy the definition of a Rejection Damages Claim; *provided, further, that*, any Claim or portion thereof arising from the rejection of an Executory Contract or Unexpired Lease that satisfies the definition of a Subordinated, Recharacterized, or Disallowed Claim shall be treated as a Subordinated, Recharacterized, or Disallowed Claim, notwithstanding that such Claim (or portion thereof) would otherwise satisfy the definition of a Rejection Damages Claim, and such Claim shall be treated as a Subordinated, Recharacterized, or Disallowed Claim in accordance with Section 4.26 of this Plan.

Section 7.3 Determination of Assumption and Assignment Disputes and Deemed Consent to Assumption

(a) Pursuant to the Assumption and Assignment Procedures, the Debtors served the Cure Notice to all counterparties to any Executory Contracts and Unexpired Leases, which Cure Notice (i) notified the applicable counterparties to such Executory Contracts and Unexpired Leases of the proposed assumption; (ii) provided the applicable Cure Amounts, if any; (iii) described the proposed amendment of certain Executory Contracts and releases of certain Causes of Action and other rights of recovery; (iv) described the procedures for filing objections to the proposed assumption or assumption and assignment of such Executory Contracts and Unexpired Leases; (v) described the procedures for filing objections to the proposed Cure Amounts with respect to such Executory Contracts and Unexpired Leases; and (vi) explained the process by which related disputes will be resolved by the Bankruptcy Court. If no Cure Objection was timely received by the Cure Objection Deadline, (1) the non-Debtor counterparty to the Executory Contract or Unexpired Lease assumed or assumed and assigned, as applicable, under this Plan shall be deemed to have consented to the assumption or assumption and assignment, as applicable, of the applicable Executory Contract or Unexpired Lease, including any amendments to such Executory Contracts or Unexpired Leases for the release of certain Causes of Action and other rights of recovery in accordance with the Assumption and Assignment Procedures, and shall be forever barred from asserting any objection with regard to such assumption or assumption and assignment; and (2)(A) the Cure Notice and the Assumption and Assignment Procedures shall be controlling, notwithstanding anything to the contrary in any applicable Executory Contract or Unexpired Lease or other document; and (B) the non-Debtor counterparty to an applicable Executory Contract or Unexpired Lease shall be deemed to have consented to the Cure Amount and shall be forever barred from asserting, collecting, or seeking to collect any additional amounts relating thereto against the Debtors or the Post-Emergence Entities, or any of their property. The provisions of this Article VII are subject to the DMP Stipulation and the DMP Stipulation Order.

(b) Except as otherwise provided in this Plan, the PSA, or the DMP Stipulation, any monetary amounts by which any Executory Contract or Unexpired Lease to be assumed or assumed and assigned, as applicable, under this Plan or the PSA is in default shall be satisfied,

under section 365(b)(1) of the Bankruptcy Code, by payment of the applicable Cure Amounts. Except as otherwise set forth herein or in the PSA, the Cure Amounts with respect to each of the Executory Contracts or Unexpired Leases assumed or assumed and assigned, as applicable, under this Plan and pursuant to the PSA is designated by the Debtors as (i) set forth on the Cure Notice; or (ii) with respect to any Executory Contracts or Unexpired Leases for which no Cure Amount is included in the Cure Notice or the Cure Notice otherwise indicates there is no Cure Amount therefore, \$0.00, subject to the determination of a different Cure Amount pursuant to the Assumption and Assignment Procedures, this Plan, the PSA, in any applicable Cure Notices, and, with respect to any contract to which the non-Debtor counterparty is a Settling Co-Defendant, the terms of the DMP Stipulation. Except with respect to Executory Contracts and Unexpired Leases for which the Cure Amount is \$0.00, payment of the Cure Amount shall be satisfied by the Purchaser Entities or their assignee, if any, by payment of such Cure Amount in Cash within 30 days following the occurrence of the Effective Date or as soon as reasonably practicable thereafter, or on such other terms as may be ordered by the Bankruptcy Court or agreed upon by the parties to the applicable Executory Contract or Unexpired Lease without any further notice to or action, order, or approval of the Bankruptcy Court. If there is a dispute regarding (1) the nature or amount of any Cure; (2) the ability of the Purchaser Entities to provide “adequate assurance of future performance” within the meaning of section 365 of the Bankruptcy Code under the Executory Contract or Unexpired Lease to be assumed or assumed and assigned, as applicable; or (3) any other matter pertaining to the assumption of the Executory Contract or Unexpired Lease, Cure shall occur (A) following the entry of a Final Order of the Bankruptcy Court resolving such dispute and approving such assumption; or (B) as otherwise provided pursuant to the Cure Notice or subsequent Final Orders of the Bankruptcy Court amending such procedures. Any previously timely filed but unresolved Cure Objection or a timely filed Adequate Assurance Objection shall be heard by the Bankruptcy Court at the Confirmation Hearing, or at a later hearing on a date to be scheduled by the Debtors in their discretion.

(c) The Debtors may designate, in consultation with the Required Consenting Global First Lien Creditors and in accordance with the PSA, additional Executory Contracts and Unexpired Leases for assumption or assumption and assignment, as applicable, until five Business Days prior to the Effective Date, and the Debtors shall file and serve as soon as reasonably practicable a notice of such designation on each of the affected counterparties and their counsel of record, if any, indicating (i) that the Debtors intend to assume or assume and assign to the Purchaser Entities such counterparty’s Executory Contract or Unexpired Lease; and (ii) the corresponding Cure Amount. Such affected counterparties shall have until the date that is seven days after the date of filing and service of such notice of designation to object to the assumption and/or the proposed Cure Amount.

(d) The Debtors may add, in consultation with the Required Consenting Global First Lien Creditors and in accordance with the PSA, additional Executory Contracts or Unexpired Leases to the Rejection Schedule until five Business Days prior to the Effective Date, and the Debtors shall file and serve as soon as reasonably practicable a notice on each of the affected counterparties and their counsel of record, if any, indicating that the Debtors no longer intend to assume such counterparty’s Executory Contract or Unexpired Lease, as applicable, and such

Executory Contract or Unexpired Lease shall be deemed rejected pursuant to section 365 of the Bankruptcy Code as of the Effective Date.

(e) The Debtors may designate, in consultation with the Required Consenting Global First Lien Creditors and in accordance with the PSA, any Executory Contract or Unexpired Lease which has been previously set forth in a Cure Notice for assignment until five days prior to the Effective Date, and the Debtors shall file and serve as soon as reasonably practicable a notice of such proposed assignment on each of the affected counterparties and their counsel of record, if any. Such affected counterparties shall have until the date that is seven days after the date of filing and service of such notice of designation to file an Adequate Assurance Objection.

Section 7.4 Amendment of Contract and Releases

To the extent a Cure Objection to the amendments and releases described in this Section 7.4 was not timely filed and properly served on the Debtors with respect to the applicable Executory Contract in accordance with the Assumption and Assignment Procedures as set forth in the Cure Notice and the terms of this Article VII, the Effective Date shall constitute (a) an amendment to each such Executory Contract or Unexpired Lease as necessary to render null and void any and all terms or provisions thereof solely to the extent such terms or provisions create an obligation of any Debtor (or any assignee or successor thereof) or any of the Debtor Insurance Policies, or give rise to a right in favor of any non-Debtor for the indemnification or reimbursement of any Entities for costs, losses, damages, fees, expenses or any other amounts whatsoever relating to or arising from any actual or potential opioid-related litigation or dispute, whether accrued or unaccrued, asserted or unasserted, existing or hereinafter arising, based on or relating to, or in any manner arising from, in whole or in part, the Opioid-Related Activities or other conduct prior to the Effective Date; and (b) an agreement by each counterparty to release the Debtors (and any assignee thereof or successor thereto) and all insurers under any of the Debtor Insurance Policies from any and all Indemnity or Reimbursement Causes of Action to the extent relating to any conduct occurring prior to the Effective Date. As of the Effective Date, the following arising under or related to any assumed or assumed and assigned, as applicable, Executory Contract or Unexpired Lease shall be released and discharged with no consideration on account thereof: (i) any Indemnity or Reimbursement Causes of Action that either (1) is or could be asserted against any Debtor, including, without limitation, any Indemnity or Reimbursement Cause of Action that would otherwise be a Cure Objection; or (2) seeks to recover from any property of any Debtor, the Estates, or any Debtor Insurance Policy; and (ii) any Indemnity or Reimbursement Cause of Action that seeks to recover, directly or indirectly, any costs, losses, damages, fees, expenses or any other amounts whatsoever, actually or potentially imposed upon the holder of such Indemnity or Reimbursement Cause of Action, in each case, relating to or arising from any actual or potential litigation or dispute, whether accrued or unaccrued, asserted or unasserted, existing or hereinafter arising, based on or relating to, or in any manner arising from, in whole or in part, Opioid-Related Activities or otherwise relating to Opioids or Opioid Products (including, without limitation, any such Indemnity or Reimbursement Causes of Action asserted by any manufacturer, distributor, pharmacy, pharmacy-benefit manager, group purchasing organization or physician or other counterparty). For the avoidance of doubt, unless otherwise agreed by the applicable counterparty to any assumed or assumed and assigned, as applicable, Executory Contract or Unexpired Lease,

the foregoing shall not release or otherwise modify any term or provision of such applicable Executory Contract or Unexpired Lease to the extent of any indemnification or reimbursement rights accruing after the Effective Date for conduct occurring after the Effective Date. For the avoidance of doubt, nothing in this Section 7.4 shall apply to the GUC Trust Insurance Policies or GUC Trust D&O Insurance Policies.

Section 7.5 Contracts With Settling Co-Defendant

Notwithstanding anything to the contrary in this Plan or the Confirmation Order, all contracts with any non-Debtor counterparty that is a Settling Co-Defendant shall be treated in accordance with and governed by the DMP Stipulation and, for the avoidance of doubt, Section 7.4 of this Plan shall not apply with respect to any such contracts, including any such contracts that are Executory Contracts.

Section 7.6 Pharmacy Agreements

Notwithstanding the proposed Cure Amounts set forth in any Cure Notice served on the Specified Pharmacies (including, without limitation, [Docket Nos. 1876 and 2392]), as of and following the Effective Date, the Purchaser Entities shall, in accordance with the Specified Pharmacies' contracts with the Debtors and other ordinary course trade obligations, honor and continue to pay in the ordinary course of business all defaults and actual pecuniary losses sustained by the Specified Pharmacies (whether incurred prior to or after the Petition Date) resulting from the Debtors' liabilities related to rebates, product returns, recalls, chargebacks, coupons, discounts, failure to supply Claims, post-audit charges, marketing allowances, co-ops, and similar obligations, in each case, to the extent incurred in the ordinary course of business. For the avoidance of doubt, this Section 7.6 shall not impact the treatment of the Specified Pharmacies' Defendant Claim Provisions and, in the event of any inconsistency between the provisions of this Section 7.6 and the terms of the Specified Pharmacies' Defendant Claim Provisions, the Specified Pharmacies' Defendant Claim Provisions as set forth in the DMP Stipulation and the DMP Stipulation Order shall govern.

Section 7.7 Non-GUC Trust Insurance Policies and GUC Trust D&O Insurance Policies

(a) Notwithstanding anything herein to the contrary, as of the Effective Date, (i) to the extent any GUC Trust D&O Insurance Policies and Non-GUC Trust Insurance Policies are not Executory Contracts, such GUC Trust D&O Insurance Policies and Non-GUC Trust Insurance Policies, including the Non-GUC Trust D&O Insurance Policies belonging to, owed to, or covering D&O Insured Persons, shall automatically vest in or be transferred to, as applicable, the Purchaser Entities (subject to any rights of the D&O Insured Persons in such policies); or (ii) to the extent any GUC Trust D&O Insurance Policies and Non-GUC Trust Insurance Policies are Executory Contracts, the Debtors shall assume all of the GUC Trust D&O Insurance Policies and Non-GUC Trust Insurance Policies, including the Non-GUC Trust D&O Insurance Policies, pursuant to sections 365(a) and 1123 of the Bankruptcy Code and shall assign or transfer, as applicable, such policies to the Purchaser Entities, in each case, if necessary with respect to the continuance thereof in full force. The Non-GUC Trust D&O Insurance Policies have a six-year extended reporting period that will run from the Effective Date. This Section 7.7(a) shall not apply with respect to

the GUC Trust D&O Insurance Claims or GUC Trust Insurance Rights, which shall, in each case, be transferred to and vest in the GUC Trust pursuant to section 1123 of the Bankruptcy Code in accordance with this Plan and the GUC Trust Documents.

(b) Entry of the Confirmation Order shall (i) constitute the Bankruptcy Court's approval of (1) the Debtors' foregoing assumption or assumption and assignment or transfer, as applicable, to the Purchaser Entities, of each of the Non-GUC Trust Insurance Policies (including the Non-GUC Trust D&O Insurance Policies) and the GUC Trust D&O Insurance Policies to the extent such Non-GUC Trust Insurance Policies and GUC Trust D&O Insurance Policies are Executory Contracts; and (2) the vesting of each of the Non-GUC Trust Insurance Policies (including the Non-GUC Trust D&O Insurance Policies) and GUC Trust D&O Insurance Policies in the Purchaser Entities to the extent such Non-GUC Trust Insurance Policies and GUC Trust D&O Insurance Policies are not Executory Contracts; and (ii) include findings of the Bankruptcy Court with respect to the transfer and preservation of value of the GUC Trust Insurance Rights and GUC Trust Insurance Policies, as applicable.

Section 7.8 Reservation of Rights

(a) None of the exclusion nor inclusion of any Executory Contract or Unexpired Lease on the Rejection Schedule, the assumption or assumption and assignment of any Executory Contract or Unexpired Lease, nor anything contained in this Plan shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that any Debtor or Post-Emergence Entity has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was an Executory Contract or Unexpired Lease, as applicable, at the time of assumption or rejection, the Debtors or Purchaser Entities, as applicable, shall have 45 days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

(b) Except as otherwise explicitly provided in this Plan, nothing in this Plan shall waive, excuse, limit, diminish, or otherwise alter any of the defenses, Claims, counter-claims, Causes of Action, or any other rights of the Debtors or the Post-Emergence Entities, as applicable, under any contract or lease, whether or not such contract or lease is an Executory Contract or Unexpired Lease.

(c) Except as otherwise explicitly provided in this Plan, nothing in this Plan shall increase, augment, or add to any of the duties, obligations, responsibilities, or liabilities of the Debtors or the Post-Emergence Entities under any contract or lease, whether or not such contract or lease is an Executory Contract or Unexpired Lease.

Section 7.9 Contracts and Leases Entered Into After the Petition Date

Contracts and leases entered into after the Petition Date by any Debtor, including any Executory Contracts and Unexpired Leases assumed or assumed and assigned, as applicable, by such Debtor, will be performed by such Debtor, the applicable Purchaser Entity, or an assignee of the foregoing, as applicable, in the ordinary course of business. Accordingly, such contracts

and leases (including any assumed or assumed and assigned, as applicable, Executory Contracts and Unexpired Leases) will survive and remain unaffected by entry of the Confirmation Order.

Section 7.10 Modifications, Amendments, Supplements, Restatements, or Other Agreements

Unless otherwise provided in this Plan, each Executory Contract or Unexpired Lease that is assumed or assumed and assigned, as applicable, shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease and any other documents or agreements related thereto, if any, including easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under this Plan. Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by any of the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

ARTICLE VIII

DISTRIBUTIONS

Section 8.1 Distributions Generally

(a) Except as otherwise provided in this Plan, Distributions under this Plan shall be made only to holders of Allowed Claims (*provided, that*, Trust Channeled Claims shall be Allowed in accordance with the applicable Trust Documents).

(b) Except as otherwise provided in this Plan, Distributions to holders of Allowed Claims shall be made to holders of record as of the Distribution Record Date by the applicable Disbursing Agent: (i) to the signatory set forth on any Proof of Claim filed by such holder or other representative identified therein (or at the last known address(es) of such holder if no Proof of Claim is filed or if the Debtors have not been notified in writing of a change of address); (ii) at the addresses set forth in any written notices of address changes delivered to the Debtors or the applicable Disbursing Agent after the date of any related Proof of Claim was filed; (iii) at the addresses reflected in the Schedules if no Proof of Claim has been filed and the applicable Disbursing Agent has not received a written notice of a change of address; (iv) on any counsel that has appeared in the Chapter 11 Cases on the holder's behalf; (v) at the addresses reflected in the Debtors' books and records; or (vi) as set forth in the applicable Trust Documents (*provided, that*, nothing in the Trust Documents shall impose any additional obligations on the Debtors or the Post-Emergence Entities with respect to obtaining or providing the addresses or similar information, or otherwise making or facilitating Distributions, with respect to holders of Trust Channeled Claims except, with respect to the Purchaser Entities, as set forth in Section 6.2(h) of this Plan); *provided, that*, any Allowed Administrative Expense Claims with respect to liabilities incurred by the Debtors in the ordinary course of business during the Chapter 11 Cases, or assumed by the Debtors prior to the Effective Date, shall be paid or performed in the ordinary course of business by the applicable Post-Emergence Entity.

(c) Notwithstanding any provision of this Plan to the contrary, Distributions to holders of Allowed Notes Claims shall be made to or at the direction of the applicable Indenture Trustee as Disbursing Agent (to the extent such Indenture Trustee is a Disbursing Agent) in accordance with this Plan and the applicable debt documents, except, with respect to Distributions to holders of Allowed Second Lien Deficiency Claims and Allowed Unsecured Notes Claims, as set forth in the GUC Trust Documents. The Indenture Trustees shall not incur any liability whatsoever on account of any Distributions under this Plan except for gross negligence or willful misconduct.

(i) All Distributions to be made to holders of Allowed First Lien Notes Claims shall be distributed through the facilities of DTC (whether by means of book-entry exchange, free delivery, or otherwise), and the First Lien Notes Indenture Trustee will be entitled to recognize and deal for all purposes under this Plan with the holders of First Lien Notes to the extent consistent with the customary practices of DTC to the extent the Distributions are “DTC-eligible,” and as provided for under the Indentures. Distributions to holders of Allowed First Lien Notes Claims that are not “DTC-eligible” shall be made by, or at the direction of, the First Lien Notes Indenture Trustee.

(ii) Distributions to be made to holders of Allowed Second Lien Deficiency Claims and Allowed Unsecured Notes Claims may be made through the facilities of DTC, and the Second Lien Notes Indenture Trustee and the Unsecured Notes Indenture Trustees may transfer or direct the transfer of such Distributions directly through the facilities of DTC (whether by means of book-entry exchange, free delivery, or otherwise), and will be entitled to recognize and deal for all purposes under this Plan and the GUC Trust Documents with the holders of Second Lien Notes and Unsecured Notes, as applicable, to the extent consistent with the customary practices of DTC and the terms of the GUC Trust Documents. Such Distributions shall be subject in all respects to the rights of the Second Lien Notes Indenture Trustee and the Unsecured Notes Indenture Trustees to assert the applicable Indenture Trustee Charging Lien.

(d) Notwithstanding any provision in this Plan or otherwise to the contrary, Distributions to holders of Trust Channeled Claims that are not Notes Claims shall be governed by, and made in accordance with, the applicable Trust Documents.

(e) Notwithstanding any provision in this Plan to the contrary, Distributions to holders of Allowed First Lien Credit Agreement Claims shall be made to or at the direction of the First Lien Agent. The First Lien Agent (i) shall be deemed a “Disbursing Agent” for purposes of making Distributions to holders of Allowed First Lien Credit Agreement Claims in accordance with the terms and conditions of this Plan and the applicable debt documents; (ii) may transfer or direct the transfer of such Distributions directly in accordance with customary and/or past practice (including with respect to any disbursements made during the pendency of the Chapter 11 Cases pursuant to the Cash Collateral Order); and (iii) will be entitled to recognize and deal with, for all purposes under this Plan, holders of First Lien Claims, to the extent consistent with the customary and/or past practices; *provided, that*, the First Lien Agent shall not incur any liability whatsoever on account of any Distributions under this Plan except for those acts or omissions of the First Lien Agent arising out of the First Lien Agent’s gross negligence or willful misconduct.

(f) Except with respect to any Indenture Trustee Charging Lien, Distributions under this Plan on account of Allowed Claims shall not be subject to levy, garnishment, attachment, or like legal process, so that each holder of an Allowed Claim shall have and receive the benefit of the Distributions in the manner set forth in this Plan. None of the Debtors, the Post-Emergence Entities, nor the applicable Disbursing Agent shall incur any liability whatsoever on account of any Distributions under this Plan except for gross negligence, willful misconduct, or intentional fraud.

Section 8.2 Distribution Record Date

On the applicable Distribution Record Date, the various transfer registers for each of the Classes of Claims or Interests as maintained by the Debtors or their respective agents shall be deemed closed, and there shall be no further changes made to reflect any new record holders of any Claims or Interests and the Debtors shall have no obligation to recognize any transfer of Claims or Interests occurring on or after such Distribution Record Date; *provided, however, that*, this Section 8.2 shall not apply with respect to any Trust Channeled Claims that are not Notes Claims, the holders of which shall receive Distributions in accordance with the provisions of the applicable Trust Documents. In addition, with respect to payment of any Cure Amounts or assumption disputes, the Debtors, the Post-Emergence Entities, and the Disbursing Agent shall not have any obligation to recognize or deal with any party other than the non-Debtor party to the applicable Executory Contract or Unexpired Lease as of the close of business on the applicable Distribution Record Date, even if such non-Debtor party has sold, assigned, or otherwise transferred its Claim for a Cure Amount.

Section 8.3 Date of Distributions

Except (a) with respect to Trust Channeled Claims; and (b) as otherwise provided in this Plan, on the Effective Date or as soon as reasonably practicable thereafter (or if a Claim is not an Allowed Claim on the Effective Date, on the date that such a Claim becomes an Allowed Claim, on the next Distribution Date, or as soon as reasonably practicable thereafter), each holder of an Allowed Claim shall receive the full amount of the Distributions that this Plan provides for Allowed Claims in the applicable Class and in the manner provided herein. In the event that any payment or act under this Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims, Distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Article VIII hereof. Except as otherwise provided herein, holders of Claims shall not be entitled to interest, dividends, or accruals on the Distributions provided for herein, regardless of whether such Distributions are delivered on or at any time after the Effective Date.

Section 8.4 Fractional Shares and Cash Distributions

Notwithstanding any other provision of this Plan to the contrary, the Debtors, the Post-Emergence Entities and/or any Disbursing Agent shall not be required to make Distributions of fractional shares of Purchaser Equity (and no Cash shall be distributed in lieu of such fractional

amounts) or Distributions or payments of fractions of dollars. When any Distribution that would otherwise result in the issuance of Purchaser Equity under this Plan, including pursuant to the terms of the Rights Offerings, that is not a whole number, the Purchaser Equity subject to such Distribution shall be rounded to the next higher or lower whole number as follows: (a) fractions equal to or greater than one-half shall be rounded to the next higher whole number; and (b) fractions less than one-half shall be rounded to the next lower whole number. The total number of authorized shares of Purchaser Equity to be distributed to holders of Allowed Claims shall be adjusted as necessary to account for the foregoing rounding. For Distribution purposes (including rounding), DTC will be treated as a single holder. Whenever any payment of Cash of a fraction of a dollar pursuant to this Plan would otherwise be required, the actual payment shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars or less being rounded down. For the avoidance of doubt, this Section 8.4 shall not apply with respect to Distributions on account of Trust Channeled Claims, which shall be governed by the terms of the applicable Trust Documents.

Section 8.5 Disbursing Agent

Except as otherwise provided herein, all Distributions under this Plan to be made on the Effective Date shall be made by (a) the Debtors or the applicable Post-Emergence Entities, as applicable, as Disbursing Agent; or (b) such other Person designated by the Debtors or the Post-Emergence Entities, as applicable, as Disbursing Agent; *provided, that*, notwithstanding any provision of this Plan to the contrary, Distributions to (i) holders of First Lien Credit Agreement Claims shall be made to or at the direction of the First Lien Agent; and (ii) holders of First Lien Notes Claims shall be made to or at the direction of the First Lien Notes Indenture Trustee. As set forth herein, to the extent any Indenture Trustee makes any Distribution under this Plan, including with respect to holders of Second Lien Deficiency Claims and Unsecured Notes Claims, such Indenture Trustee shall be deemed a Disbursing Agent for purposes of this Plan in accordance with the Plan and the applicable Indentures subject, in each case, to the rights of the applicable Indenture Trustees to exercise the applicable Indenture Trustee Charging Lien (if applicable).

Section 8.6 Rights and Powers of the Disbursing Agent

Each Disbursing Agent shall be empowered to (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties hereunder; (b) make all Distributions contemplated hereby; (c) employ professionals to represent it with respect to any responsibilities arising hereunder with respect to making Distributions; and (d) exercise such other powers (i) as may be vested in the applicable Disbursing Agent by order of the Bankruptcy Court (including any Final Order issued after the Effective Date), pursuant to this Plan; or (ii) as deemed by the applicable Disbursing Agent to be necessary and proper to implement the provisions hereof.

Section 8.7 Expenses of Disbursing Agent

Except as otherwise ordered by the Bankruptcy Court, and subject to the written agreement of Purchaser Parent (to the extent the Purchaser Entities are not the applicable Disbursing Agent), any reasonable and documented fees and expenses incurred by the Disbursing Agent acting in such capacity (including reasonable documented attorneys' fees and expenses) on

or after the Effective Date (including the First Lien Agent and any Indenture Trustee acting in such capacity) shall be paid in Cash by the Purchaser Entities. This Section 8.7 shall not apply to post-Effective Date expenses of any Trustee or any Person(s) retained by such Trustees, which shall be governed by the applicable Trust Documents.

Section 8.8 Distributions on Account of Claims Allowed After the Effective Date

(a) Payments and Distributions on Disputed Claims

Distributions made after the Effective Date to holders of Disputed Claims that are not Allowed Claims as of the Effective Date but which later become Allowed Claims shall be deemed to have been made on the Effective Date.

(b) Special Rules for Distributions to Holders of Disputed Claims

Notwithstanding any provision otherwise in this Plan and except as may be agreed to by the Debtors or the applicable Post-Emergence Entities (as applicable), on the one hand, and the holder of a Disputed Claim, on the other hand, no partial payments and no partial Distributions shall be made with respect to any Disputed Claim until all Disputed Claims held by the holder of such Disputed Claim have become Allowed Claims or have otherwise been resolved by settlement, stipulation, or Final Order. For the avoidance of doubt, this Section 8.8 shall not apply with respect to Trust Channeled Claims, and any disputes with respect to any Trust Channeled Claims shall be governed by the applicable Trust Documents.

Section 8.9 Undeliverable or Unclaimed Distributions

(a) In the event that any Distribution to any holder is returned as undeliverable or unclaimed and remains payable, no Distribution to such holder shall be made unless and until such holder entitled thereto accepts such Distribution, at which time such Distribution shall be made as soon as practicable after such Distribution has become deliverable to or has been claimed by such holder without interest; *provided, however, that*, such Distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and forfeited at the expiration of six months from the applicable Distribution Date. After such date, all “unclaimed property” or interests in property shall revert to the Purchaser Entities (notwithstanding any applicable federal or state escheat, abandoned or unclaimed property laws to the contrary), and the Claim of any holder to such property shall be discharged and forever barred. The Post-Emergence Entities and the Disbursing Agent (if other than the Purchaser Entities) shall have no obligation to attempt to locate any holder of an Allowed Claim other than by reviewing the Debtors’ books and records and the Bankruptcy Court’s filings.

(b) A Distribution shall be deemed unclaimed if a holder has not: (i) accepted a particular Distribution or, in the case of Distributions made by check, negotiated such check; (ii) given notice to the Purchaser Entities of an intent to accept a particular Distribution; (iii) responded to requests made by the Debtors or the Purchaser Entities, as applicable, for information necessary to facilitate a particular Distribution (including, but not limited to, the

provision of the appropriate tax form (Form W-9 or, if applicable, Form W-8)) within the time periods specified herein; or (iv) taken any other action necessary to facilitate such Distribution.

(c) For the avoidance of doubt, this Section 8.9 shall not apply with respect to any Distribution on account of a Trust Channeled Claim, and the treatment of any unclaimed Distributions on account of Trust Channeled Claims shall be governed by the applicable Trust Documents.

Section 8.10 Withholding and Reporting Requirements

In connection with this Plan and all instruments issued in connection therewith, any Person issuing any instrument or making any Distribution or payment in connection therewith shall comply with all applicable withholding and reporting requirements imposed by any federal, state, or local taxing authority, and all Distributions under this Plan shall be subject to any such withholding or reporting requirements.

Section 8.11 Setoffs

Except as set forth herein, and except with respect to Distributions to the Trusts, the Debtors and the Post-Emergence Entities may set off from the Distributions called for under this Plan on account of any Allowed Claim, an amount equal to any Claims, rights, and Causes of Action of any nature that the Debtors or the Post-Emergence Entities may hold against the holder of any such Allowed Claim. Neither the failure to effect such a setoff nor the Allowance of any Claim under this Plan shall constitute a waiver or release by the Debtors or the Post-Emergence Entities of any such Claims, rights, or Causes of Action that the Debtors or the Post-Emergence Entities may possess against any such holder, except as specifically provided herein. In no event shall any holder of Claims be entitled to set off any Claim against any Claim, right, or Cause of Action of the Debtors or the Post-Emergence Entities, as applicable, unless such holder has filed a motion with the Bankruptcy Court requesting the authority to perform such setoff on or before the Confirmation Date, and notwithstanding any indication in any Proof of Claim or otherwise that such holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise. For the avoidance of doubt, (a) this Section 8.11 shall not apply with respect to any Distribution from a Trust on account of any Trust Channeled Claim, which shall be governed by the applicable Trust Documents; and (b) nothing herein shall impact the Settling Co-Defendants' Defensive Rights pursuant to the DMP Stipulation (including section 6 thereof) and the DMP Order.

Section 8.12 Recoupment

In no event shall any holder of a Claim or Interest be entitled to recoup any Claim or Interest against any Claim, right, or Cause of Action of the Debtors or the Post-Emergence Entities (including any Claim, right, or Cause of Action assigned to the GUC Trust), as applicable, unless such holder has actually performed such recoupment and provided notice thereof in writing to the Debtors on or before the Effective Date, notwithstanding any indication in any Proof of Claim asserting such Claim or Interest or otherwise that such holder asserts, has, or intends to preserve any right of recoupment.

Section 8.13 Reimbursement or Contribution

If a Claim for reimbursement or contribution of an Entity is Disallowed by the Bankruptcy Court pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as of the Effective Date, such Claim shall be forever Disallowed, notwithstanding section 502(j) of the Bankruptcy Code, unless, prior to the Effective Date (a) such Claim has been adjudicated as noncontingent; or (b)(i) the relevant holder of such Claim has filed a noncontingent Proof of Claim on account of such Claim; and (ii) the Bankruptcy Court has entered a Final Order determining such Claim as no longer contingent.

Section 8.14 Claims Paid or Payable by Third Parties

(a) Claims Paid by Third Parties

Other than Distributions to the Trusts as otherwise set forth herein, the Debtors or the applicable Post-Emergence Entities, as applicable, shall reduce in part or in full a Claim to the extent that the holder of such Claim receives payment in part or in full on account of such Claim from a party other than the Debtors or Purchaser Entities. To the extent a holder of a Claim receives a distribution on account of such Claim from a party other than the Debtors or the Purchaser Entities, such holder shall, within two weeks of receipt thereof, repay or return the amount of such Distribution to the applicable Purchaser Entity, to the extent the holder's total recovery on account of such Claim from the third party and under this Plan exceeds the amount of such Claim as of the date of any such Distribution under this Plan. For the avoidance of doubt, this Section 8.14(a) shall not apply with respect to Distributions made to the Trusts.

(b) Insurance Claims

Solely with respect to Non-GUC Trust Insurance Policies, to the extent that one or more of the Debtors' insurers satisfies in full or in part a Claim, immediately upon such insurers' satisfaction thereof, such Claim may be expunged or reduced, as appropriate, without an objection to the Claim having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

(c) Applicability of Insurance Policies

Solely with respect to Non-GUC Trust Insurance Policies, to the extent that one or more of the Debtors' insurers agrees to satisfy in full or in part a Claim, except as otherwise provided in this Plan, Distributions to holders of such Allowed Claims shall be made in accordance with the provisions of any applicable Non-GUC Trust Insurance Policy; *provided, however, that*, no such Distribution shall affect the GUC Trust Insurance Rights or the rights provided to the GUC Trust in connection with the GUC Trust Litigation Consideration. Except as provided in Article X of this Plan, nothing contained in this Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors or any Person may hold against any other Person, including insurers under any policies of insurance, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers. For

the avoidance of doubt, this Section 8.14 shall not apply to GUC Trust Insurance Policies, GUC Trust D&O Insurance Policies, or Trust Channeled Claims.

Section 8.15 Allocations of Distributions Between Principal and Unpaid Interest

Except as otherwise required by law, distributions with respect to an Allowed Claim shall be allocated first to the principal portion of such Allowed Claim (as determined for United States federal income tax purposes) and, thereafter, to the remaining portion of such Allowed Claim, if any.

Section 8.16 No Postpetition Interest on Claims

Unless otherwise specifically provided for in this Plan, the PSA, the Cash Collateral Order, the Confirmation Order, or any other Final Order of the Bankruptcy Court, or required by applicable bankruptcy law (including, without limitation, as required pursuant to sections 506(b) and 511 of the Bankruptcy Code), (a) postpetition interest shall not accrue or be paid on any Claims; and (b) no holder of any Claim or Interest shall be entitled to interest accruing on or after the Petition Date with respect to any Claim.

Section 8.17 Means of Cash Payment

Payments of Cash made pursuant to this Plan and the PSA shall (a) be in United States dollars; and (b) be made, at the option of the Disbursing Agent, by checks drawn on or wire transfers from an account at a domestic bank selected by the applicable Disbursing Agent. Cash payments with respect to non-U.S. Persons may be made in such funds and by such means as are necessary or customary in the applicable non-U.S. jurisdiction, in each case, at the option of the applicable Disbursing Agent.

Section 8.18 No Distribution in Excess of Amount of Allowed Claim

Notwithstanding anything to the contrary in this Plan, no holder of an Allowed Claim shall receive any Distribution on account of such Allowed Claim (including amounts received by such holder from other sources) in an amount excess of the Allowed amount of such Claim.

ARTICLE IX

PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED, AND DISPUTED CLAIMS

Section 9.1 Objections to Claims

From and after the Effective Date, the Post-Emergence Entities shall have the exclusive authority to file, settle, compromise, withdraw, or litigate to judgment any objections to any Administrative Expense Claims, Non-IRS Priority Tax Claims, and Priority Non-Tax Claims as permitted under this Plan, and the applicable Post-Emergence Entities may settle or compromise any Disputed Administrative Expense Claim, Disputed Non-IRS Priority Tax Claim, or Disputed

Priority Non Tax Claim without approval of the Bankruptcy Court. The Trustees, on behalf of their respective Trusts, shall have the exclusive authority to file, settle, compromise, withdraw, or litigate to judgment any objections to any of their respective Trust Channeled Claims as permitted under this Plan and the applicable Trust Documents, and the Trustees may settle or compromise any of their respective Trust Channeled Claims that are Disputed without approval of the Bankruptcy Court and in accordance with the applicable Trust Documents. On and after the Effective Date, each of the Debtors, the Post-Emergence Entities, and the Trusts, as applicable, shall have and retain any and all rights and defenses with respect to any Claim immediately before the Effective Date, except with respect to any Claim that is Allowed. Any objection to Claims shall be served and filed on or before the Claims Objection Deadline, as such deadline may be extended from time to time.

Section 9.2 Allowance of Claims

Except as expressly provided herein or in any order entered in the Chapter 11 Cases before the Effective Date (including the Confirmation Order), no Claim shall be an Allowed Claim unless and until such Claim is deemed Allowed pursuant to this Plan, the Trust Documents (as applicable), or a Final Order, including the Confirmation Order (when it becomes a Final Order), Allowing such Claim.

Section 9.3 Distributions After Allowance

On the Distribution Date following the date that the order or judgment of the Bankruptcy Court Allowing any Disputed Claim becomes a Final Order, the applicable Disbursing Agent shall provide to the holder of such Allowed Claim the Distribution (if any) to which such holder is entitled under this Plan as of the Effective Date, without any interest to be paid on account of such Claim. For the avoidance of doubt, the foregoing shall not apply with respect to Trust Channeled Claims and any disputes with respect to any such Trust Channeled Claims, and the timing of any Distributions by any Trust on account of Allowed Trust Channeled Claims, shall be determined pursuant to the applicable Trust Documents.

Section 9.4 Estimation of Claims

The Debtors or the Post-Emergence Entities, as applicable, may (a) determine, resolve, and otherwise adjudicate all contingent, unliquidated, and Disputed Claims in the Bankruptcy Court; and (b) at any time request that the Bankruptcy Court estimate any contingent, unliquidated, or Disputed Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the Debtors previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection. The Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including, without limitation, during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any contingent, unliquidated, or Disputed Claim, the amount so estimated shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim against any party or Person, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the amount of such Claim, the Debtors or the Post-Emergence Entities, as applicable, 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 this Plan are cumulative and not necessarily exclusive of one another. Claims may be estimated and subsequently compromised, objected to, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court. Notwithstanding section 502(j) of the Bankruptcy Code, in no event shall any holder of a Claim that has been estimated pursuant to section 502(c) of the Bankruptcy Code or otherwise be entitled to seek reconsideration of such estimation unless such holder has filed a motion requesting the right to seek such reconsideration on or before 21 days after the date on which such Claim is estimated. For the avoidance of doubt, this Section 9.4 shall not apply with respect to Trust Channeled Claims, which may be estimated and Allowed in the applicable amounts pursuant to the applicable Trust Documents and shall not be subject to estimation by the Debtors or the Post-Emergence Entities.

Section 9.5 Amendments to Claims

On or after the Confirmation Date, except as provided in this Plan or the Confirmation Order, a Claim may not be filed or amended without the prior authorization of the Bankruptcy Court and the applicable Post-Emergence Entities or the Trustees, as applicable.

Section 9.6 Deadline to File Objections to Claims

Objections to Claims, if any, shall be filed no later than the Claims Objection Deadline; *provided, however, that*, Trust Channeled Claims shall be Allowed or Disallowed in accordance with the applicable Trust Documents.

Section 9.7 Dispute and Disallowance of Certain Co-Defendant Claims

All Co-Defendant Claims that are not (a) Settling Co-Defendant Claims; or (b) Other General Unsecured Claims shall be deemed Disallowed pursuant to section 502(e) of the Bankruptcy Code. To the extent that any Co-Defendant Claim that is not a Settling Co-Defendant Claim is subsequently Allowed pursuant to section 502(j) of the Bankruptcy Code, such Allowed Co-Defendant Claim shall be subordinated pursuant to section 502(c) of the Bankruptcy Code and treated hereunder as a Subordinated, Recharacterized, or Disallowed Claim notwithstanding whether or not such Allowed Co-Defendant Claim would otherwise meet the definition of another type of Claim hereunder.

ARTICLE X

SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS

Section 10.1 Compromise and Settlement of Claims, Interests, and Controversies

Pursuant to sections 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the distributions and other benefits provided pursuant to this Plan, the provisions of this Plan shall constitute a good faith compromise of (a) all Released Claims; and (b) all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a holder of a Claim or Interest may have with respect to any Allowed

Claim or Interest, or any Distribution to be made on account of such Allowed Claim or Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and holders of Claims and Interests, and is fair, equitable, and reasonable. In accordance with the provisions of this Plan, pursuant to sections 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Post-Emergence Entities may compromise and settle Claims against them and Causes of Action against other Persons.

Section 10.2 Debtor Releases

(a) Notwithstanding anything contained in this Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, on and after the Effective Date, the Debtors, their Estates, and the Post-Emergence Entities are deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged each Debtor Released Party from any and all Released Claims. Notwithstanding anything herein to the contrary, the Debtor Releases do not release any post-Effective Date obligations of any Person or Entity under this Plan, any Plan Document, the Plan Transaction, any Restructuring Transaction, or any document, instrument, or agreement executed to implement this Plan and the Plan Transaction, and shall not result in a release, waiver, or discharge of any Indemnification Obligations assumed by the Purchaser Entities as set forth in this Plan; *provided, however, that*, nothing in this Section 10.2 shall be construed to release (i) the GUC Trust Litigation Claims; or (ii) any Person or Entity from a claim for intentional fraud or willful misconduct, in each case, as determined by a Final Order.

(b) Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtor Releases and, further, shall constitute the Bankruptcy Court's finding that the Debtor Releases are: (i) in exchange for the good and valuable consideration provided by the Debtor Released Parties, including, without limitation, the Debtor Released Parties' contributions to facilitating the Debtors' restructuring and the implementation of this Plan; (ii) a good faith settlement and compromise of the Released Claims; (iii) in the best interests of the Debtors, their Estates, and all holders of Claims and Interests; (iv) fair, equitable, and reasonable; (v) given and made after due notice and opportunity for hearing; and (vi) a bar to any of the Debtors, their Estates, or the Post-Emergence Entities asserting any Released Claim.

(c) In addition to the foregoing Debtor Releases, the Debtors shall release the applicable Claims against the Settling Co-Defendants set forth in, and in accordance with the terms of, the mutual releases by the Debtors, their Estates, and the Post-Emergence Entities, on the one hand, and the Settling Co-Defendants, on the other hand, in each case, as set forth in the DMP Stipulation. For the avoidance of doubt, any Releases with respect to Settling Co-Defendants shall be subject to the terms of the DMP Stipulation.

Section 10.3 Non-GUC Releases

(a) Notwithstanding anything contained in this Plan to the contrary, as of the Effective Date, and to the fullest extent allowed by applicable law, each Non-GUC Releasing Party is deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged each Non-GUC Released Party from any and all Released Claims. For the avoidance of doubt, no Non-GUC Releasing Party shall release any Excluded Party (including, solely with respect to any Non-GUC Release granted by any Specified Opioid Claimant Releasing Party, any Additional Opioid Excluded Parties).

(b) For the avoidance of doubt and without limitation of the foregoing, each holder of a State Opioid Claim and each holder of a Tribal Opioid Claim that (i) is a governmental unit (as defined in section 101(27) of the Bankruptcy Code) or a Tribe; and (ii) grants or is deemed to grant, as applicable, the Non-GUC Releases shall, in each case, be deemed to have released all Released Claims that have been asserted or are, or have been, assertible by (1) such governmental unit (as defined in section 101(27) of the Bankruptcy Code) or Tribe in its own right, in its *parens patriae* or sovereign enforcement capacity, or on behalf, or in the name, of another Person; or (2) any other governmental official, employee, agent, or Representative acting or purporting to act in a *parens patriae*, sovereign enforcement, or quasi-sovereign enforcement capacity, or any other capacity, on behalf of such governmental unit (as defined in section 101(27) of the Bankruptcy Code) or Tribe.

(c) Notwithstanding anything contained in this Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, on and after the Effective Date, the Non-GUC Releasing Parties are deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged each Non-GUC Released Party from any and all Released Claims. Notwithstanding anything herein to the contrary, the Non-GUC Releases do not release (i) any Excluded Party; (ii) any post-Effective Date obligations of any Person or Entity under this Plan, any Plan Document, the Plan Transaction, any Restructuring Transaction, or any document, instrument, or agreement executed to implement this Plan and the Plan Transaction, and shall not result in a release, waiver, or discharge of any Indemnification Obligations assumed by the Purchaser Entities as set forth in this Plan; (iii) any GUC Trust Litigation Claim; (iv) any Person or Entity from a claim for intentional fraud or willful misconduct as determined by a Final Order; (v) with respect to the States, (1) any Regulatory Approval process required by the States (including their respective State agencies) in connection with the Plan Transaction; (2) any criminal action or criminal proceeding arising under a criminal provision of any State statute or law by a governmental entity that has authority to bring a criminal action or proceeding or to adjudicate a Person's guilt or to set a convicted Person's punishment; or (3) any Claims or Causes of Action against (x) any Excluded Party; or (y) any party identified in clauses (j) or (l) of the definition of "Non-GUC Released Parties," in their capacities as such (and, solely with respect to such parties, any party identified in clauses (m) or (n) of the definition of "Non-GUC Released Parties"); *provided, that*, for the avoidance of doubt, the States shall not release any VOI-Specific Post-Emergence Entities of any Claims or Causes of Action relating to such entities' (A) compliance with the Voluntary Opioid Operating Injunction; and (B) acts occurring after the Effective Date; and (vi) with respect to the Canadian Provinces, (1) any Regulatory Approval

process required by the Canadian Provinces (including their respective agencies) in connection with the Plan Transaction; (2) any criminal action or criminal proceeding arising under a criminal provision of any statute or law by a Governmental Authority that has authority to bring a criminal action or proceeding or to adjudicate a person's guilt or to set a convicted person's punishment; (3) any Claims or Causes of Action against any Excluded Party; or (4) the ability of each of the Canadian Provinces to legislate, regulate, or administer and enforce federal, provincial, or territorial legislation (including regulations) such as the Criminal Code, Food and Drugs Act, and the Controlled Drugs and Substances Act (*provided, that*, such activity does not seek to recover civil damages, civil restitution, or other relief of the kind that was sought or could have been sought in the Canadian Provinces Class Action or in the Canadian Provinces McKinsey Action).

(d) Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Non-GUC Releases and, further, shall constitute the Bankruptcy Court's finding that the Non-GUC Releases are: (i) essential to the Confirmation of this Plan; (ii) consensually given in exchange for the good and valuable consideration provided by the Non-GUC Released Parties, including, without limitation, the Non-GUC Released Parties' contributions to facilitating the restructuring and implementation of this Plan and the Plan Transaction; (iii) a good faith settlement and compromise of the Released Claims; (iv) in the best interests of the Debtors and their Estates; (v) fair, equitable, and reasonable; (vi) given and made after due notice and opportunity for hearing; and (vii) a bar to any of the Non-GUC Releasing Parties asserting any Released Claim.

Section 10.4 GUC Releases

(a) Notwithstanding anything contained in this Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, on and after the Effective Date, the GUC Releasing Parties are deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged each GUC Released Party from any and all Released Claims. Notwithstanding anything herein to the contrary, (i) the GUC Releases do not release any (1) post-Effective Date obligations of any Person or Entity under this Plan, any Plan Document, the Plan Transaction, any Restructuring Transaction, or any document, instrument, or agreement executed to implement this Plan and the Plan Transaction, and shall not result in a release, waiver, or discharge of any Indemnification Obligations assumed by the Purchaser Entities as set forth in this Plan; (2) GUC Trust Litigation Claim; or (3) Person or Entity from a claim for intentional fraud or willful misconduct as determined by a Final Order; (ii) none of the GUC Releasing Parties release or shall be deemed to release any GUC Trust Litigation Claim (and such Claims and Causes of Action are preserved, in each case, subject to the Covenant Not To Collect); and (iii) the Covenant Not To Collect shall be binding on any transferee, successor, or assign in connection with any transfer, pledge, sale, hypothecation, assignment, or other disposal of Claims solely against the Excluded D&O Parties, and the failure of any recipient of any Claims solely against any Excluded D&O Party to agree to such covenant shall render any such transfer, pledge, sale, hypothecation, assignment, or other disposal of Claims void *ab initio*. The Excluded D&O Parties are third-party beneficiaries with rights of enforcement with respect to the Covenant Not To Collect. For the avoidance of doubt, no GUC Releasing Party shall release or be deemed to release any GUC Trust Litigation Claims.

(b) Upon granting or being deemed to grant, as applicable, the GUC Releases, the GUC Releasing Parties shall be deemed to covenant (the “**Covenant Not To Collect**”) that (a) any recovery by the GUC Trust or any other GUC Releasing Party on account of any Claim or Cause of Action, direct or indirect, against an Excluded D&O Party including, in each case, by way of settlement or judgment, shall be satisfied solely by and to the extent of the proceeds of the GUC Trust D&O Insurance Policies; (b) any party, including any GUC Trustee or Trustee of a Distribution Sub-Trust and all other GUC Releasing Parties, seeking to execute, garnish, or otherwise attempt to collect on any settlement of or judgment on account of Claims or Causes of Action against Excluded D&O Parties shall do so solely upon available insurance coverage, if any, from the GUC Trust D&O Insurance Policies; and (c) the GUC Releasing Parties shall not otherwise attempt to collect, directly or indirectly, from the personal assets of any Excluded D&O Party. The Covenant Not To Collect shall be binding on any transferee, successor, or assign in connection with any transfer, pledge, sale, hypothecation, assignment, or other disposal of Claims or Causes of Action against the Excluded D&O Parties and, in connection with any such transfer, the failure of a transferee to agree to the Covenant Not To Collect shall render such transfer void *ab initio*. Each of the Excluded D&O Parties are express third-party beneficiaries of this Covenant Not To Collect.

(c) Entry of the Confirmation Order shall constitute the Bankruptcy Court’s approval, pursuant to Bankruptcy Rule 9019, of the GUC Releases and, further, shall constitute the Bankruptcy Court’s finding that the GUC Releases are: (i) in exchange for the good and valuable consideration provided by the GUC Released Parties, including, without limitation, the GUC Released Parties’ contributions to facilitating the Debtors’ restructuring and the implementation of this Plan; (ii) a good faith settlement and compromise of the Released Claims; (iii) in the best interests of the Debtors, their Estates, and all holders of Claims and Interests; (iv) fair, equitable, and reasonable; (v) given and made after due notice and opportunity for hearing; and (vi) a bar to any GUC Releasing Party asserting any Released Claim.

Section 10.5 Effect of Releases

(a) Holders of Trust Channeled Claims shall have the option to grant or opt out of granting, as applicable, the Non-GUC Releases or the GUC Releases, as applicable.

(b) In addition to the amount of any Distribution to be provided by a Trust to a holder of an Allowed Trust Channeled Claim (other than a (i) Canadian Provinces Claim; (ii) State Opioid Claim; or (iii) Tribal Opioid Claim) that is a Non-GUC Releasing Party or a GUC Releasing Party, as applicable, such Non-GUC Releasing Party or GUC Releasing Party, as applicable, shall receive an additional payment in exchange for granting or being deemed to grant, as applicable, the Non-GUC Releases or the GUC Releases, as applicable.

Section 10.6 Exculpation

(a) Notwithstanding anything contained in this Plan to the contrary, and to the maximum extent permitted by applicable law, no Exculpated Party shall have or incur liability for, and each Exculpated Party is released and exculpated from, any Exculpated Claim, obligation, Cause of Action or liability for any Exculpated Claim, except for gross negligence, intentional

fraud, or willful misconduct (to the extent such duty is imposed by applicable non-bankruptcy law), but in all respects such Persons shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to this Plan. For the avoidance of doubt, this exculpation shall be in addition to, and not in limitation of, the Releases and all other releases, indemnities (including the Indemnification Obligations), exculpations, and any other applicable law or rules protecting such Exculpated Parties from liability. For the avoidance of doubt, the Debtors, their Estates, and the Post-Emergence Entities are not (i) exculpating any (1) Excluded Party; (2) TPG Party; (3) Insurance Advisor Party; (4) Additional Advisor Excluded Party; or (5) Additional Third-Party Excluded Party; or (ii) releasing any GUC Trust Litigation Claims.

(b) The Exculpated Parties have, and upon Confirmation of this Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws and provisions of the Bankruptcy Code with regard to the solicitation of votes on, and Distribution of consideration (including securities) pursuant to, this Plan and, therefore, are not, and on account of such Distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of this Plan or such Distributions made pursuant to this Plan, including, in each case, any Distribution made by any Trust in accordance with this Plan and the applicable Trust Documents. Notwithstanding anything to the contrary in the foregoing, the exculpation set forth above does not release or exculpate any claim relating to any post-Effective Date obligations of any Person under this Plan, any Restructuring Transaction, the Plan Transaction, or any Plan Document or other document, instrument, or agreement executed to implement this Plan.

Section 10.7 Discharge of Claims and Termination of Interests

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in this Plan, the Distributions, rights, and treatment that are provided in this Plan shall be in full and final satisfaction, settlement, release, and discharge to the fullest extent permitted by section 1141 of the Bankruptcy Code, effective as of the Effective Date, of all Claims, Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against the Debtors or the Debtors' Estates or any of their Assets or properties, regardless of whether any property shall have been distributed or retained pursuant to this Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (a) a Proof of Claim or Interest based upon such Claim, debt, right, or Interest is filed or deemed filed pursuant to section 501 of the Bankruptcy Code; (b) a Claim or Interest based upon such Claim, debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; (c) the holder of such a Claim or Interest has voted to accept this Plan; or (d) the holder of such Claim or Interest has voted or failed to vote to accept or reject this Plan. All Claims and Interests shall be satisfied, discharged, and released in full, and the Debtors' liability with respect thereto shall be extinguished completely, including any liability of the kind specified under section 502(g) of the Bankruptcy Code. All Entities shall be precluded from asserting any Claims against the Debtors, their Estates, the Post-Emergence

Entities, their respective successors and assigns, and their respective Assets and properties, and any other Claims or Interests based upon any documents, instruments, or any act of omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date. The Confirmation Order shall be a judicial determination (i) of the discharge of all Claims and Interests, subject to the Effective Date; and (ii) that no Claims shall be excepted from discharge under section 1141(d)(6) of the Bankruptcy Code.

Section 10.8 Plan Injunction

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS PLAN, THE PLAN SUPPLEMENT, ANY OTHER PLAN DOCUMENT, OR ANY OTHER RELATED DOCUMENTS, OR FOR OBLIGATIONS ISSUED PURSUANT TO THIS PLAN, ALL PERSONS WHO HAVE HELD, HOLD, OR MAY HOLD CLAIMS OR INTERESTS THAT HAVE BEEN RELEASED PURSUANT TO Article X OF THIS PLAN, DISCHARGED PURSUANT TO SECTION 10.7 OF THIS PLAN, OR ARE SUBJECT TO EXCULPATION PURSUANT TO SECTION 10.6 OF THIS PLAN, ARE PERMANENTLY ENJOINED, FROM AND AFTER THE EFFECTIVE DATE, FROM TAKING ANY OF THE FOLLOWING ACTIONS AGAINST THE RELEASED PARTIES, INCLUDING, FOR THE AVOIDANCE OF DOUBT, IN EACH CASE, THE DEBTORS, THEIR ESTATES, THE POST-EMERGENCE ENTITIES, AND ANY OF THEIR ASSETS, AND THE EXCULPATED PARTIES, AS APPLICABLE: (A) COMMENCING OR CONTINUING IN ANY MANNER OR IN ANY PLACE ANY ACTION, EMPLOYMENT OF PROCESS, OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; (B) ENFORCING, ATTACHING, COLLECTING, OR RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE, OR ORDER AGAINST SUCH PERSONS ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; (C) CREATING, PERFECTING, OR ENFORCING ANY LIEN OR ENCUMBRANCE OF ANY KIND AGAINST SUCH PERSONS OR THE PROPERTY OR ESTATES OF SUCH PERSONS ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; AND (D) ASSERTING A SETOFF, RIGHT OF SUBROGATION, OR RECOUPMENT OF ANY KIND AGAINST ANY DEBT, LIABILITY, OR OBLIGATION DUE TO THE DEBTORS ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS, EXCEPT AS SET FORTH IN SECTION 10.9 OF THIS PLAN. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, THIS Section 10.8 SHALL NOT ENJOIN THE GUC TRUST'S PURSUIT OF ANY GUC TRUST LITIGATION CLAIMS.

Section 10.9 Channeling Injunction

(a) In order to preserve and promote the resolutions contemplated by and provided for in this Plan and to supplement, where necessary, the injunctive effect of the Plan Injunction and the releases set forth in Article X of this Plan, and pursuant to the exercise of the equitable jurisdiction and power of the Bankruptcy Court under section 105(a) of the Bankruptcy Code, upon the channeling of the Trust Channeled Claims, all Persons that have held or asserted, that hold or assert or that may in the future hold or assert any Trust Channeled Claim shall be

(x) deemed to release any Trust Channeled Claims held by such Persons against the Debtors and the Post-Emergence Entities; and (y) permanently and forever stayed, restrained and enjoined from taking any action for the purpose of directly or indirectly collecting, recovering or receiving payments, satisfaction, recovery or judgment of any form from or against any of the Debtors or Post-Emergence Entities, as applicable, with respect to any Trust Channeled Claim, including:

(i) commencing, conducting, or continuing, in any manner, whether directly or indirectly, any suit, action, or other proceeding, in each case, of any kind, character or nature, in any forum in any jurisdiction with respect to any Trust Channeled Claims, against or affecting any of the Debtors or the Post-Emergence Entities, as applicable, or any property or interests in property of any of the Debtors or the Post-Emergence Entities, as applicable, with respect to any Trust Channeled Claims;

(ii) enforcing, levying, attaching, collecting, or otherwise recovering, by any means or in any manner, either directly or indirectly, any judgment, award, decree, or other order against any of the Debtors or the Post-Emergence Entities, as applicable, with respect to any Trust Channeled Claims;

(iii) creating, perfecting, or enforcing, by any means or in any manner, whether directly or indirectly, any Lien of any kind against any of the Debtors or the Post-Emergence Entities, as applicable, or the property of any of the Debtors or the Post-Emergence Entities, as applicable, in each case, with respect to any Trust Channeled Claims;

(iv) asserting or accomplishing any setoff, right of subrogation, indemnity, contribution, or recoupment of any kind, whether directly or indirectly, in respect of any obligation due to any of the Debtors or Post-Emergence Entities, as applicable, or against the property of any of the Debtors or the Post-Emergence Entities, as applicable, in each case, with respect to Trust Channeled Claims; and

(v) taking any act, by any means or in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of this Plan or any Plan Document (including, for the avoidance of doubt, any Trust Document) with respect to any Trust Channeled Claims.

(b) Notwithstanding anything to the contrary in this Section 10.9 or the Confirmation Order, this Channeling Injunction shall not stay, restrain, bar, or enjoin:

(i) the rights of holders of Trust Channeled Claims to the treatment afforded to them under this Plan and the Plan Documents, including the rights of holders of Trust Channeled Claims to assert such Trust Channeled Claims solely in accordance with this Plan and the Trust Documents;

(ii) the rights of Persons to assert any Claim, debt, litigation, or liability for payment of Trust Operating Expenses against the applicable Trust;

(iii) the rights of any Person to assert any Claim, Cause of Action, debt, or litigation against any Excluded Party;

(iv) the rights of the GUC Trust to assert any GUC Trust Litigation Claims against any GUC Excluded Party, subject to the Covenant Not To Collect;

(v) the rights of the GUC Trust to pursue and enforce any GUC Trust Litigation Claims, including the GUC Trust Insurance Rights;

(vi) the Distribution Sub-Trusts from enforcing their respective rights against the GUC Trust under this Plan and the GUC Trust Documents;

(vii) the PPOC Trust from enforcing its rights against the Purchaser Entities under this Plan and the PPOC Trust Documents;

(viii) the PPOC Sub-Trusts from enforcing their respective rights against the PPOC Trust under this Plan and the PPOC Trust Documents; or

(ix) the Future PI Trust from enforcing its rights against the Purchaser Entities under this Plan and the Future PI Trust Documents.

(c) There can be no modification, dissolution, or termination of the Channeling Injunction, which shall be a permanent injunction, and nothing in this Plan or any Plan Document (including, for the avoidance of doubt, any Trust Document) shall be construed in any way to limit the scope, enforceability, or effectiveness of the Channeling Injunction issued in connection with this Plan. The Debtors' compliance with the requirements of Bankruptcy Rule 3016 shall not constitute an admission that this Plan provides for an injunction against conduct not otherwise enjoined under the Bankruptcy Code.

(d) In the event that any Person takes any action that a Released Party or Exculpated Party, as applicable, believes violates the releases provided herein or the Channeling Injunction as it applies to any Released Party or Exculpated Party, as applicable, such Released Party or Exculpated Party, as applicable, shall be entitled to make an emergency application to the Bankruptcy Court for relief, and may proceed by contested matter rather than by adversary proceeding. The Bankruptcy Court shall have jurisdiction and authority to enter Final Orders in connection with any dispute over whether an action violates the releases provided herein or the Channeling Injunction. Upon determining that such a violation has occurred, the Bankruptcy Court, in its discretion, may award any appropriate relief against such violating Person.

Section 10.10 [Specified Debtor Insurer Injunction]²¹

(a) [Terms]

In accordance with section 105(a) of the Bankruptcy Code, on the Effective Date, all persons that have held or asserted, that hold or assert, or that may in the future hold or assert any Claim based on, arising out of, attributable to, or in any way connected with any GUC Trust Insurance Policy or GUC Trust D&O Insurance Policy (but not, for the avoidance of doubt, any Non-GUC Trust D&O Insurance Policy) shall be permanently enjoined from taking any action for purposes of directly or indirectly collecting, recovering, or receiving payment on account of any such Claim, whether sounding in tort, contract, warranty, or any other theory of law, equity, or admiralty, including:

(i) commencing, conducting, or continuing, in any manner, any action or other proceeding of any kind (including an arbitration or other form of alternate dispute resolution) against any Specified Debtor Insurer, or against the property of any Specified Debtor Insurer, (1) on account of any Claim based on, arising under, or attributable to a GUC Trust Insurance Policy or GUC Trust D&O Insurance Policy; or (2) on account of any rights of any Person under a “direct action” statute to proceed directly against any Specified Debtor Insurer;

(ii) enforcing, attaching, levying, collecting, or otherwise recovering, by any manner or means, any judgment, award, decree, or other order against any Specified Debtor Insurer, or against the property of any Specified Debtor Insurer, on account of any Claim based on, arising under, or attributable to any GUC Trust Insurance Policy or GUC Trust D&O Insurance Policy;

(iii) creating, perfecting, or enforcing, in any manner, any Lien of any kind against any Specified Debtor Insurer, or against the property of any Specified Debtor Insurer, on account of any Claim based on, arising under, or attributable to any GUC Trust Insurance Policy or GUC Trust D&O Insurance Policy;

(iv) asserting or accomplishing any setoff, right of subrogation, indemnity, contribution, or recoupment of any kind, whether directly or indirectly, against any obligation due to any Specified Debtor Insurer, or against the property of any Specified Debtor Insurer, on account of any Claim based on, arising under, or attributable to any GUC Trust Insurance Policy or GUC Trust D&O Insurance Policy; and

(v) taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of this Plan applicable to any Claim based on, arising under, or attributable to any GUC Trust Insurance Policy or GUC Trust D&O Insurance Policy.

²¹

[Note to Draft: Under consideration.]

(b) Reservations

Notwithstanding anything to the contrary in Section 10.10(a), the provisions of this Specified Debtor Insurer Injunction:

(i) shall not (1) preclude the GUC Trust from pursuing any Claim based on, arising under, or attributable to any GUC Trust Insurance Policy or GUC Trust D&O Insurance Policy, or any other Claim that may exist under any GUC Trust Insurance Policy or GUC Trust D&O Insurance Policy against any Specified Debtor Insurer; or (2) enjoin the rights of the GUC Trust to prosecute any action based on or arising from the GUC Trust Insurance Policies or GUC Trust D&O Insurance Policies or the rights of the GUC Trust to assert any Claim, debt, obligation, Cause of Action for liability for payment against a Specified Debtor Insurer based on or arising from the GUC Trust Insurance Policies, in all cases, including GUC Trust Litigation Claims;

(ii) are not issued for the benefit of any Specified Debtor Insurer, and no such insurer is a third-party beneficiary of this Specified Debtor Insurer Injunction; *provided, that*, this Specified Debtor Insurer Injunction shall not enjoin, impair or affect any Claims between or among unsettled Specified Debtor Insurers;

(iii) shall not apply to any D&O Insured Person with respect to such D&O Insured Person's coverage under any GUC Trust D&O Insurance Policy; and

(iv) shall be subject in all respects to the terms of the DMP Stipulation.

(c) For the avoidance of doubt, this Section 10.10 shall not apply with respect to any Non-GUC Trust Insurance Policy, including any Non-GUC Trust D&O Insurance Policy, and no amendment to, or modification of, nor any proposed amendment to nor modification of, the Specified Debtor Insurer Injunction shall adversely impact (i) any Non-GUC Trust Insurance Policy; or (ii) the rights of any D&O Insured Person with respect to such D&O Insured Person's coverage under any Debtor Insurance Policy (including, for the avoidance of doubt, the GUC Trust Insurance Policies, the GUC Trust D&O Insurance Policies, and the Non-GUC Trust Insurance Policies).

(d) The GUC Trust shall have the sole and exclusive authority at any time, upon written notice to any insurer under any of the GUC Trust Insurance Policies or GUC Trust D&O Insurance Policies, to terminate, reduce or limit the scope of this Specified Debtor Insurer Injunction with respect to any Specified Debtor Insurer; *provided, however, that*, no modification shall affect the rights of any D&O Insured Person with respect to such D&O Insured Person's coverage under any Debtor Insurance Policy (including, for the avoidance of doubt, the GUC Trust Insurance Policies, the GUC Trust D&O Insurance Policies, and the Non-GUC Trust Insurance Policies).]

Section 10.11 Voluntary Opioid Operating Injunction

(a) From and after the date of entry of the Confirmation Order approving the Voluntary Opioid Operating Injunction, the business operations of the VOI-Specific Debtors and/or VOI-

Specific Post-Emergence Entities, as applicable, and the business operations of any successors of either of the foregoing, in each case, relating solely to the manufacture and sale of VOI Opioid Products in the States and Territories shall be subject to the terms of the Voluntary Opioid Operating Injunction.

(b) The VOI-Specific Debtors and VOI-Specific Post-Emergence Entities, as applicable, consent to the entry of a final judgment or consent order on the Effective Date effectuating all of the provisions of the Voluntary Opioid Operating Injunction in the state court in each of the Supporting Governmental Entities.

(c) After the Effective Date, the Voluntary Opioid Operating Injunction will be enforceable in the state court in each of the Supporting Governmental Entities. The VOI-Specific Debtors and VOI-Specific Post-Emergence Entities agree that seeking entry or enforcement of such a final judgment or consent order will not violate any other injunctions or stays that it will seek, or that may otherwise apply, in connection with the Chapter 11 Cases or Confirmation.

Section 10.12 Term of Injunctions or Stays

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

Section 10.13 Release of Liens

Except as otherwise provided herein or in any contract, instrument, release, or other agreement or document created pursuant to or in connection with this Plan or any Plan Document, on the Effective Date and concurrently with the applicable Distributions made pursuant to this Plan and, in the case of any Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, all guarantees, mortgages, deeds of trust, Liens, pledges, encumbrances, or other security interests against any property of the Estates shall be fully released and discharged, and all of the rights, titles, and interests of any holder of such guarantees, mortgages, deeds of trust, Liens, pledges, encumbrances, or other security interests shall revert to the applicable Post-Emergence Entities and their successors and assigns. For the avoidance of doubt, all guarantees, mortgages, deeds of trust, Liens, pledges, encumbrances, or other security interests against any property of the Estates shall be fully released and discharged on the Effective Date without any further action of any party, including, but not limited to, further order of the Bankruptcy Court or filing updated schedules or statements typically filed pursuant to the Uniform Commercial Code.

Section 10.14 Subordinated Claims

The allowance, classification, and treatment of all Allowed Claims and Interests and the respective Distributions and treatments thereof under this Plan take into account and

conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto (including as set forth in any of the Intercreditor Agreements), whether arising under general principles of equitable subordination, sections 510(a), 510(b), or 510(c) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors, the applicable Post-Emergence Entities, and the Trustees, as applicable, reserve the right to reclassify any Allowed Claim or Interest in accordance with any contractual, legal, or equitable subordination relating thereto. This Plan constitutes the agreement of the Consenting First Lien Creditors, which agreement shall be effective as of the Effective Date, not to enforce, and to waive, any turnover, payment over, or transfer rights under the Intercreditor Agreements against any Prepetition Second Lien Secured Notes Parties (as defined in the Cash Collateral Order) in respect of any consideration to be received by such parties hereunder.

Section 10.15 DMP Stipulation

Each of the provisions in this Article X are subject to the terms of the DMP Stipulation and the DMP Stipulation Order. The incorporation of the DMP Stipulation and the DMP Stipulation Order into this Plan shall not alter the scope of the discharge under this Plan; *provided, however, that*, any such discharge shall be consistent with all of the terms of the DMP Stipulation and the DMP Stipulation Order and, for the avoidance of doubt, the releases, discharges, and injunctions in this Plan with respect to holders of Settling Co-Defendant Claims shall not alter in any way the rights of the parties to the DMP Stipulation thereunder or under the DMP Stipulation Order. Notwithstanding anything to the contrary contained in this Plan or in any other Plan Document, Settling Co-Defendant Surviving Claims and Causes of Action shall not be considered Trust Channeled Claims and shall not be channeled to any Trust under this Plan.

ARTICLE XI

CONDITIONS PRECEDENT TO CONFIRMATION OF THIS PLAN AND THE EFFECTIVE DATE

Section 11.1 Conditions Precedent to Confirmation of This Plan

The following are conditions precedent to Confirmation of this Plan:

(a) the Confirmation Order, the Scheme, and this Plan shall be in form and substance acceptable to the Debtors and the Required Consenting Global First Lien Creditors and reasonably acceptable to the U.S. Government, the Endo EC, the Creditors' Committee, the Opioid Claimants' Committee, and the FCR; *provided, that*, with respect to any provisions (i) regarding the implementation of the OCC Resolution, the UCC Resolution, and the FCR Resolution; or (ii) materially and adversely affecting (or, solely with respect to the Confirmation Order, adversely affecting) the constituencies or members of the Opioid Claimants' Committee, the Creditors' Committee, or the FCR, such provisions shall be in form and substance acceptable to the Opioid Claimants' Committee, the Creditors' Committee, or the FCR, as applicable; *provided, further, that*, (1) the Confirmation Order shall include a finding by the Bankruptcy Court that the sale of Assets to the Purchaser Entities pursuant to the PSA shall be free and clear of all Claims, Interests,

Liens, encumbrances, or liabilities of any kind, including rights or Claims based on successor or transferee liabilities, in each case, other than to the extent provided in the PSA; and (2) the Confirmation Order shall incorporate the DMP Stipulation and the DMP Stipulation Order by reference;

(b) the RSA and the PSA shall be in full force and effect and shall not have been terminated, and the parties thereto shall be in compliance therewith;

(c) the Cash Collateral Order shall be in full force and effect and shall not have been terminated;

(d) the Disclosure Statement Order (in form and substance acceptable to the Debtors and the Required Consenting Global First Lien Creditors, and reasonably acceptable to the Committees and the FCR) shall have been entered and shall not have been reversed, stayed, amended, modified, dismissed, vacated, or reconsidered;

(e) the Rights Offering Order shall have been entered in form and substance acceptable to the Debtors and the Required Consenting Global First Lien Creditors and, with respect to any provisions (i) regarding the implementation of the GUC Rights Offering; or (ii) to the extent such provisions adversely affect the rights of the constituencies or members of the Creditors' Committee in respect of the GUC Rights Offering, the Creditors' Committee; and

(f) the Scheme Circular and the Plan Supplement, including all schedules, documents, supplements, and exhibits thereto, shall (i) have been filed in form and substance acceptable to the Debtors and the Required Consenting Global First Lien Creditors; *provided, that*, with respect to any provisions that materially and adversely affect the constituencies or members of the Opioid Claimants' Committee, the Creditors' Committee, the FCR, or the Endo EC, such provisions shall be in form and substance acceptable to the Opioid Claimants' Committee, the Creditors' Committee, the FCR, or the Endo EC, as applicable; *provided, further, that*, notwithstanding anything in this Section 11.1(f), the consent rights set forth in the definitions of the applicable Trust Documents shall govern solely with respect to such Trust Documents; (ii) be consistent in all material respects with the UCC Resolution, the OCC Resolution, the FCR Resolution, and the Public Opioid Distribution Documents; and (iii) be consistent in all material respects with the RSA.

Section 11.2 Conditions Precedent to the Effective Date

The following are conditions precedent to the Effective Date of this Plan:

(a) the Confirmation Order, which shall be in form and substance acceptable to the Debtors and the Required Consenting Global First Lien Creditors, and reasonably acceptable to the U.S. Government, the Endo EC, the Opioid Claimants' Committee, the Creditors' Committee, and the FCR, (*provided, that*, with respect to any provisions (i) regarding the implementation of the OCC Resolution, the UCC Resolution, and the FCR Resolution; or (ii) adversely affecting the constituencies or members of the Opioid Claimants' Committee, Creditors' Committee, the FCR, or the Endo EC, such provisions shall be in form and substance acceptable to the Opioid Claimants'

Committee, the Creditors' Committee, the FCR, or the Endo EC, as applicable), shall have been entered by the Bankruptcy Court and shall be a Final Order and shall not be subject to any stay or subject to an unresolved request for revocation under section 1144 of the Bankruptcy Code;

(b) the Cash Collateral Order shall be in full force and effect and shall not have been terminated;

(c) the Scheme shall have been sanctioned by the Irish High Court;

(d) solely as it relates to the occurrence of the Effective Date in respect of the Canadian Debtors, the Canadian Plan Recognition Order shall have been granted by the Canadian Court, which Canadian Plan Recognition Order shall be (i) in form and substance acceptable to the Debtors and the Required Consenting Global First Lien Creditors; and (ii) a Final Order;

(e) the Debtors and the applicable Purchaser Entities shall have obtained all authorizations under any applicable law, consents, Regulatory Approvals, rulings, or documents that are necessary to implement and effectuate this Plan, including the Plan Transaction and any transactions contemplated hereby or by the PSA, including (i) any authorizations required under applicable antitrust law; and (ii) the sale of Assets to the Purchaser Entities pursuant to the PSA free and clear of all Claims, Interests, Liens, encumbrances, or liabilities of any kind (other than to the extent provided in the PSA). With respect to the Indian Subsidiaries, such "authorization" shall include the acknowledgement of filing of notice with the Competition Commission of India to the extent the "green channel" procedure is applicable in connection with the transfer of all membership interests of certain Debtors to certain Non-Debtor Affiliates and the transfer of all issued share capital or membership interests, as applicable, of certain Non-Debtor Affiliates, in each case, pursuant to the PSA, or, in all other cases, the approval of the Competition Commission of India in connection with the transactions contemplated hereby or by the PSA;

(f) the final version of this Plan and the Plan Documents, and all of the schedules, documents, and exhibits contained therein, and all other schedules, documents, supplements, and exhibits thereto, shall be consistent with the RSA and acceptable to the Debtors and the Required Consenting Global First Lien Creditors; *provided, that*, with respect to any such documents not separately defined herein, any provisions in such documents that materially and adversely affect the constituencies or members of the Committees, the FCR, and the Endo EC, as applicable, shall be reasonably acceptable to the Committees, the FCR, or the Endo EC, as applicable; *provided, further, that*, notwithstanding anything in this Section 11.2(f), the consent rights set forth in the definitions of the applicable Trust Documents shall govern solely with respect to such Trust Documents;

(g) the Debtors shall have paid in full (i) all Fee Claims, subject to any applicable fee limitations, to the extent relating to prior periods through the Effective Date and approved by the Bankruptcy Court; and (ii) the Restructuring Expenses;

(h) no later than 10 Business Days prior to the Effective Date, the Debtors shall have deposited the Professional Fee Reserve Amounts in the Professional Fee Escrow Account;

(i) the RSA shall be in full force and effect and shall not have been previously terminated by the Debtors or the Ad Hoc First Lien Group in accordance with its terms and the Debtors and the Post-Emergence Entities, as applicable, shall have approved of or accepted any definitive documents contemplated by this Plan or any Plan Documents (including the Plan Supplement and the PSA) in accordance with their respective consent rights under the RSA;

(j) all conditions precedent to the consummation of the PSA (other than the occurrence of the Effective Date) shall have been satisfied or waived by the party or parties entitled to waive such conditions in accordance with the terms of the PSA;

(k) the PSA shall be in full force and effect and binding on all parties thereto and the execution of the Ancillary Agreements (as defined in the PSA) shall have occurred;

(l) the closing of the Plan Transaction pursuant to the PSA shall have occurred or shall be contemplated to occur simultaneously with the occurrence of the Effective Date;

(m) all actions, documents, certificates, and agreements necessary to implement this Plan, including the Plan Transaction, shall have been effected or executed and delivered to the required parties and, to the extent required, filed with the applicable Governmental Authorities in accordance with applicable laws;

(n) the Trusts shall have been created by the execution of the applicable Trust Documents;

(o) the U.S. Government Resolution Documents shall (i) have been or be deemed to be executed and delivered, and any conditions precedent to the effectiveness thereof shall have been satisfied or waived in accordance with the terms thereof; and (ii) be in full force and effect and binding upon the applicable parties as set forth therein;

(p) the Exit Financing Documents shall (i) have been (or deemed to be) executed and delivered, and any conditions precedent to effectiveness therein have been satisfied or waived in accordance therewith; and (ii) be in full force and effect and binding upon the Purchaser Obligors and any other relevant parties as set forth in the Exit Financing Documents; and

(q) unless waived or terminated in accordance with the terms thereof or of this Plan, (i) the Rights Offering Order shall have been entered and be in full force and effect; (ii) the applicable Rights Offering Documents shall have been or shall be deemed to be executed and delivered, and any conditions precedent to the effectiveness thereof as set forth therein shall have been satisfied or waived in accordance therewith; and (iii) all applicable payments, premiums, and fees due under the Rights Offering Documents (including the Backstop Premiums) shall have been paid or shall be paid contemporaneously with the occurrence of the Effective Date, in each case, in full, in Cash or in Purchaser Equity, as applicable.

Section 11.3 Waiver of Conditions Precedent

(a) Each of the conditions precedent to Confirmation of this Plan and to the Effective Date set forth in this Article XI, other than the condition precedent set specified in Section 11.2(c), may be waived without leave or order of the Bankruptcy Court if waived in writing by the Debtors with the consent of (i) the Required Consenting Global First Lien Creditors; (ii) the Opioid Claimants' Committee, solely with respect to (1) any conditions set forth in the PPOC Trust Documents; and (2) any items set forth in this Plan which are not documents, which require the consent of the Opioid Claimants' Committee; (iii) the Creditors' Committee, solely with respect to (1) any conditions set forth in the GUC Trust Documents; and (2) any items set forth in this Plan which are not documents, which require the consent of the Creditors' Committee; and (iv) the FCR, solely with respect to (1) any conditions set forth in the Future PI Trust Documents; and (2) any items set forth in this Plan which are not documents, which require the consent of the or the FCR, in each case, without leave of or order of the Bankruptcy Court; *provided, however, that*, Section 11.2(g) and (h) may not be waived. The conditions precedent specified in Section 11.2(c) may be waived in writing by the Required Consenting Global First Lien Creditors in their sole, absolute, and unfettered discretion. If any such condition precedent is waived pursuant to this Section 11.3 and the Effective Date occurs, each party agreeing to waive such condition precedent shall be estopped from withdrawing such waiver after the Effective Date or otherwise challenging the occurrence of the Effective Date on the basis that such condition was not satisfied, the waiver of such condition precedent shall benefit from the "equitable mootness" doctrine, and the occurrence of the Effective Date shall foreclose any ability to challenge this Plan in any court. If this Plan is confirmed for fewer than all of the Debtors, only the conditions applicable to the Debtors or Debtor for which this Plan is confirmed must be satisfied or waived for the Effective Date to occur.

(b) Except as otherwise provided herein, all actions required to be taken on the Effective Date shall take place and shall be deemed to have occurred simultaneously and no such action shall be deemed to have occurred prior to the taking of any other such action.

Section 11.4 Effect of Failure of a Condition

If the Effective Date does not occur, this Plan shall be null and void in all respects and nothing contained in this Plan, any Plan Document, or the Disclosure Statement shall: (a) constitute a waiver or release of any Claims against or Interests in the Debtors; (b) prejudice in any manner the rights of the Debtors, any holders of Claims, or any other Person; (c) prejudice or be used in connection with or in opposition to the Debtors' pursuit of, or the Debtors' ability to pursue, any alternative restructuring structure or transaction; or (d) constitute a factual or legal admission, acknowledgment, offer, or undertaking by the Debtors, any holders, or any other Person in any respect.

ARTICLE XII

MODIFICATION, REVOCATION, OR WITHDRAWAL OF THIS PLAN

Section 12.1 Modification and Amendments

Except as otherwise specifically provided herein, the Debtors reserve the right to modify this Plan (with the consent of the Required Consenting Global First Lien Creditors) as to material terms and seek Confirmation consistent with the Bankruptcy Code and, as appropriate, not re-solicit votes on such modified Plan. Subject to certain restrictions and requirements set forth in the RSA, section 1127 of the Bankruptcy Code, Bankruptcy Rule 3019, and any restrictions on modifications set forth in this Plan or the Plan Documents, without additional disclosure pursuant to section 1125 of the Bankruptcy Code (except as otherwise ordered by the Bankruptcy Court), the Debtors expressly reserve their rights to alter, amend, or modify materially this Plan with respect to the Debtors one or more times after Confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend, or modify this Plan or remedy any defect or omission, or reconcile any inconsistencies in this Plan, the Disclosure Statement, the Confirmation Order, or any other Plan Documents in such matters as may be necessary to carry out the purposes and intent of this Plan; *provided, that*, such modification or amendment shall be reasonably acceptable to (a) the Creditors' Committee, solely to the extent such modification or amendment materially and adversely affects (or, solely with respect to the Confirmation Order, adversely affects) (i) the Creditors' Committee; (ii) the members or constituents thereof; (iii) holders of GUC Trust Channeled Claims; or (iv) the GUC Trust Consideration; (b) the Opioid Claimants' Committee, solely to the extent such modification or amendment materially and adversely affects (or, solely with respect to the Confirmation Order, adversely affects) (i) the Opioid Claimants' Committee; (ii) the members or constituents thereof; (iii) holders of Present Private Opioid Claims; or (iv) the PPOC Trust Consideration; (c) the FCR, solely to the extent such modification or amendment materially and adversely affects (or, solely with respect to the Confirmation Order, adversely affects) (i) the FCR; (ii) the constituents thereof; (iii) holders of Future PI Claims; or (iv) the Future PI Trust Consideration; and (d) the Endo EC, solely to the extent such modification or amendment materially and adversely affects (or, solely with respect to the Confirmation Order, adversely affects) the treatment of holders of State Opioid Claims. Prior to the Effective Date, the Debtors may make appropriate technical adjustments and modifications to this Plan without further order or approval of the Bankruptcy Court. The Ad Hoc First Lien Group, the Committees, and the FCR shall be provided notice (in advance, to the extent reasonably practicable) of all modifications to this Plan.

Section 12.2 Effect of Confirmation on Modifications

Entry of a Confirmation Order shall mean that all modifications or amendments to this Plan occurring after the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure pursuant to section 1125 of the Bankruptcy Code or re-solicitation under Bankruptcy Rule 3019.

Section 12.3 Revocation or Withdrawal of This Plan

The Debtors reserve the right to revoke or withdraw this Plan prior to the Effective Date as to any or all of the Debtors. If, with respect to a Debtor, this Plan has been revoked or withdrawn prior to the Effective Date, or if Confirmation or the occurrence of the Effective Date as to such Debtor does not occur, then, with respect to such Debtor: (a) this Plan shall be null and void in all respects; (b) any settlement, resolution, or compromise embodied in this Plan (including the fixing or limiting to an amount of any Claim or Interest or Class of Claims or Interests and including with respect to Trust Channeled Claims), assumption or rejection of Executory Contracts or Unexpired Leases affected by this Plan, and any document or agreement executed pursuant to this Plan shall, in each case, be deemed null and void; and (c) nothing contained in this Plan shall (i) constitute a waiver or release of any Claim by or against, or any Interest in, such Debtor or any other Person; (ii) prejudice in any manner the rights of such Debtor, any holders of Claims, or any other Person; (iii) prejudice or be used in connection with or in opposition to such Debtor's pursuit of, or such Debtor's ability to pursue, any alternative restructuring structure or transaction; or (iv) constitute a factual or legal admission, acknowledgment, offer, or undertaking by such Debtor, any holders, or any other Person in any respect; *provided, that*, any Restructuring Expenses paid as of the applicable date of revocation or withdrawal of this Plan, as applicable, shall not be subject to disgorgement or repayment other than pursuant to an order of the Bankruptcy Court.

ARTICLE XIII

RETENTION OF JURISDICTION

Section 13.1 Retention of Jurisdiction

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, except as otherwise provided herein or as required by applicable federal law, the Bankruptcy Court shall retain jurisdiction over the Chapter 11 Cases and all matters arising out of or related to the Chapter 11 Cases and this Plan pursuant to sections 105(a) and 1124 of the Bankruptcy Code, including jurisdiction to:

(a) Allow, Disallow, determine, liquidate, classify, estimate, or establish the priority, secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Expense Claim and the resolution of any and all objections to the secured or unsecured status, priority, amount, or Allowance of Claims; *provided, that*, with respect to Trust Channeled Claims, the foregoing shall be subject, in each case, to the provisions of the applicable Trust Documents;

(b) decide and resolve all matters related to the Fee Claims;

(c) resolve any matters related to: (i) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which the Debtors are party or with respect to which a Debtor may be liable in any manner and to hear, determine, and, if necessary, liquidate any Claims arising therefrom, including Claims based on the Debtors' rejection of Executory Contracts or Unexpired Leases, Claims based on Cure Amounts pursuant to section 365

of the Bankruptcy Code, or any other matter related to such Executory Contract or Unexpired Lease; (ii) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed or assumed and assigned, as applicable, including, for the avoidance of doubt, any contract with a non-Debtor counterparty which counterparty is a Co-Defendant or a Settling Co-Defendant (in each case, subject to the terms of this Plan); and (iii) any dispute regarding whether a contract or lease is or was an Executory Contract or Unexpired Lease, as applicable;

(d) ensure that Distributions to holders of Allowed Claims and Allowed Interests are accomplished pursuant to the provisions of this Plan;

(e) adjudicate, decide, or resolve any motions, adversary proceedings, contested, or litigated matters, and any other matters, and grant or deny any applications involving a Debtor (including, without limitation, *Endo Ventures Unlimited Company v. Taiwan Liposome Company, Ltd.* (Adv. Proc. No. 23-07031 (JLG))) that may be pending on the Effective Date;

(f) adjudicate, decide, or resolve any and all matters related to any Cause of Action, including, with respect to the GUC Trust Litigation Consideration and GUC Trust Channeled Claims, to the extent set forth in the GUC Trust Documents;

(g) adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;

(h) resolve any avoidance or recovery actions under sections 105, 502(d), 542 through 551, and 553 of the Bankruptcy Code;

(i) resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with the consummation, interpretation, or enforcement of this Plan or any Person's obligations incurred in connection with this Plan;

(j) issue injunctions, enter, and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Person with consummation or enforcement of this Plan, including enforcing the Plan Injunction, the Channeling Injunction, and any other injunction issued pursuant to this Plan and the Confirmation Order;

(k) enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan, the Confirmation Order, and any agreements and documents in connection with or contemplated by this Plan, the Confirmation Order, the PSA, and the Disclosure Statement;

(l) enter and enforce any order providing for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

(m) resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the discharge, releases, injunctions, exculpations, indemnifications, and other provisions contained in this Plan and any other Plan Document and enter such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions;

- (n) resolve any cases, controversies, suits, disputes, Claims, or Causes of Action with respect to the repayment or return of any Distribution and/or the recovery of any additional amounts owed by any holder of a Claim or Interest for amounts not timely paid;
- (o) enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;
- (p) adjudicate any and all disputes arising from or relating to Distributions under this Plan; *provided, that*, any disputes arising from or relating to Distributions by a Trust shall be resolved and/or adjudicated pursuant to the applicable Trust Documents;
- (q) adjudicate, decide, or resolve any and all disputes related to the Rights Offerings, the Backstop Commitment Agreements, the Exit Financing, the Trusts (except as provided in the Trust Documents), and any of the documents governing or contemplated by each of the foregoing;
- (r) consider any modifications of this Plan to (i) remedy any defect or omission; or (ii) reconcile any inconsistency in this Plan and any order of the Bankruptcy Court (including the Confirmation Order or the Disclosure Statement);
- (s) determine requests for payment of Claims and Interests entitled to priority under section 507 of the Bankruptcy Code;
- (t) recover all Assets of the Debtors and property of the Estates, wherever located;
- (u) enter a final decree closing each of the Chapter 11 Cases;
- (v) resolve any dispute concerning whether a Person or Entity had sufficient notice of the Chapter 11 Cases, the Disclosure Statement, any solicitation conducted in connection with the Chapter 11 Cases, any applicable Bar Date, or any deadline for responding or objecting to a Cure Amount, in each case, for the purpose of determining whether a Claim or Interest is discharged hereunder or for any other purpose;
- (w) hear and determine matters concerning state, local, and federal Taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;
- (x) enforce all orders previously entered by the Bankruptcy Court;
- (y) hear and determine any other matters related to the Chapter 11 Cases and not inconsistent with the Bankruptcy Code or title 28 of the United States Code;
- (z) hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of this Plan, the Confirmation Order, and any other Plan Document, including disputes arising under agreements, documents, or instruments executed in connection with the foregoing; and
- (aa) determine any other matters that may arise in connection with or relating to the Plan, the PSA, the Disclosure Statement, the Confirmation Order, any other Plan Document, or

any other agreement or document created in connection with the foregoing or contemplated hereby or by any of the foregoing.

(bb) All of the foregoing applies following the Effective Date; *provided, that*, from the Confirmation Date through the Effective Date, in addition to the foregoing, the Bankruptcy Court shall retain jurisdiction with respect to all other matters of this Plan that were subject to its jurisdiction prior to the Confirmation Date; *provided, further, that*, following the Effective Date, (i) the Bankruptcy Court shall not retain jurisdiction over disputes concerning documents contained in the Plan Supplement or other definitive documents that include jurisdictional, forum selection, and/or dispute resolution clauses referring disputes thereunder to a court other than the Bankruptcy Court, and any disputes concerning such documents shall be governed in accordance with the applicable provisions thereof; (ii) the Bankruptcy Court shall not retain jurisdiction over matters arising out of or relating to each of the Exit Financing Documents, the Voluntary Opioid Operating Injunction, and the Corporate Governance Documents, which shall each be governed by the respective jurisdictional provisions therein or applicable thereto; (iii) in the event the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction, or is otherwise without jurisdiction over any matter arising in, arising under, or relating to the Chapter 11 Cases, including the matters set forth in this Article XIII, the provisions of this Article XIII shall have no effect on and shall not control, limit, or prohibit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

ARTICLE XIV

MISCELLANEOUS PROVISIONS

Section 14.1 Immediate Binding Effect

Subject to Article XI of this Plan, and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or any other Bankruptcy Rule, upon the occurrence of the Effective Date, the terms of this Plan, the Plan Supplement, and all other Plan Documents shall be immediately effective and enforceable and deemed binding upon the Debtors, their Estates, the Post-Emergence Entities, the Trusts, and any and all holders of Claims or Interests (irrespective of whether such Claims or Interests are Impaired under this Plan and whether holders of such Claims or Interests have accepted or are presumed to have accepted or rejected or deemed to reject this Plan), all Persons that are parties to or are subject to the settlements, compromises, releases, discharges, and injunctions described in this Plan, each Person acquiring property under this Plan, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases.

Section 14.2 Statutory Fees

All Statutory Fees due and payable prior to the Effective Date shall be paid by the Debtors or the applicable Post-Emergence Entities. On and after the Effective Date, the applicable Post-Emergence Entities shall pay any and all Statutory Fees when due and payable, and shall file with the Bankruptcy Court quarterly reports in a form reasonably acceptable to the U.S. Trustee. Each Debtor or Post-Emergence Entity, as applicable, shall remain obligated to pay quarterly fees to the U.S. Trustee until the earliest of that particular Debtor's, or Post-Emergence

Entity's, as applicable, Chapter 11 Case being closed, dismissed, or converted to a case under Chapter 7 of the Bankruptcy Code.

Section 14.3 Request for Expedited Determination of Taxes

The Debtors shall have the right to request an expedited determination under section 505(b) of the Bankruptcy Code with respect to tax returns filed, or to be filed, for any and all taxable periods ending after the Petition Date through the Effective Date.

Section 14.4 Additional Documents

On or before the Effective Date and subject to the terms of this Plan, the Debtors may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan. The Debtors or the Post-Emergence Entities, as applicable, the Trusts, all holders of Claims or Interests, and all other parties in interest in the Chapter 11 Cases shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of this Plan or the Confirmation Order.

Section 14.5 Reservation of Rights

This Plan shall have no force or effect unless and until the Bankruptcy Court enters the Confirmation Order. None of this Plan, the Plan Supplement, any other Plan Document, any statement or provision contained in this Plan, nor any action taken or not taken by any Debtor with respect to this Plan, the Disclosure Statement, the Plan Supplement, or any other Plan Document shall be or shall be deemed to be a factual or legal admission or waiver of any rights of any Debtor with respect to the holders of Claims or Interests before the Effective Date.

Section 14.6 Successors and Assigns

The rights, benefits, and obligations of any Person named or referred to in this Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign, affiliate, officer, director, manager, agent, representative, attorney, beneficiary, or guardian, if any, of each such Person.

Section 14.7 No Successor Liability

Except as otherwise expressly provided in this Plan, the PSA, or the Confirmation Order, each of the Remaining Debtors, the Purchaser Entities, and the Trusts (other than the GUC Trust solely for purposes of pursuing the GUC Trust Litigation Claims), (a) does not, and shall not be deemed to, assume, agree to perform, pay, or otherwise assume any responsibility for any liabilities or obligations of the Debtors or any other Person relating to or arising out of the Debtors' operations or Assets prior to the Effective Date; (b) is not, shall not be, and shall not be deemed to be, a successor to the Debtors by reason of any theory of law or equity, or responsible for the knowledge or conduct of any Debtor prior to the Effective Date; and (c) shall not have any successor or transferee liability of any kind or character.

Section 14.8 Service of Documents

(a) All pleadings, notices, requests, or other documents required by this Plan to be served or delivered shall be in writing (including by email transmission) and, unless otherwise provided herein, shall be deemed to have been duly given or made only when actually delivered, addressed as follows:

If to the Debtors:

Endo International plc
1400 Atwater Drive
Malvern, Pennsylvania 19355-60179
Attention: Matthew Maletta (Maletta.Matthew@endo.com)
Brian Morrissey (Morrissey.Brian@endo.com)

– and –

Skadden, Arps, Slate, Meagher & Flom LLP
One Manhattan West
New York, New York 10001
Attention: Paul D. Leake (paul.leake@skadden.com)
Lisa Laukitis (lisa.laukitis@skadden.com)
Shana A. Elberg (shana.elberg@skadden.com)
Evan A. Hill (evan.hill@skadden.com)

If to the Ad Hoc First Lien Group:

Gibson Dunn & Crutcher LLP
200 Park Avenue
New York, New York 10166
Attention: Scott Greenberg (SGreenberg@gibsondunn.com)
Michael J. Cohen (MCohen@gibsondunn.com)
Joshua K. Brody (JBrody@gibsondunn.com)
Christina M. Brown (christina.brown@gibsondunn.com)

If to the Creditors' Committee:

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, New York 10036
Attention: Kenneth H. Eckstein (keckstein@kramerlevin.com)
Rachael L. Ringer (rringer@kramerlevin.com)
David E. Blabey, Jr. (dblaby@kramerlevin.com)
Megan M. Wasson (mwasson@kramerlevin.com)

If to the Opioid Claimants' Committee:

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New York, NY 10001
Attention: Cullen D. Speckhart, Esq. (cspeckhart@cooley.com)
Summer M. McKee, Esq. (smckee@cooley.com)

– and –

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Attention: Arik Preis (apreis@akingump.com)
Mitchell P. Hurley (mhurley@akingump.com)
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Brooks Barker (bbarker@akingump.com)

2001 K Street NW
Washington, DC 20006
Attention: Kate Doorley (kdoorley@akingump.com)

If to the FCR:

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Washington, D.C., 20037
Attention: Roger Frankel, Esq. (rfrankel@frankelwyron.com)
Richard H. Wyron, Esq. (rwyron@frankelwyron.com)

– and –

Young Conaway Stargatt & Taylor, LLP
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Attention: James L. Patton, Jr., Esq. (jpatton@ycst.com)
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Edmon Morton, Esq. (emorton@ycst.com)

If to the Endo EC:

Pillsbury Winthrop Shaw Pittman LLP

31 West 52nd Street

New York, NY 10019

Attention: Andrew Troop (andrew.troop@pillsburylaw.com)

Hugh McDonald (hugh.mcdonald@pillsburylaw.com)

Andrew Alfano (andrew.alfano@pillsburylaw.com)

(b) After the Effective Date, any pleading, notice, or other document required by this Plan or any Plan Document to be served or delivered to the Debtors or the Post-Emergence Entities shall be served in accordance with the notice of the entry of the Confirmation Order and the notice of the occurrence of the Effective Date, which shall be filed by the applicable Post-Emergence Entities in the Chapter 11 Cases on or as soon as reasonably practicable following the Effective Date.

(c) After the Effective Date, the applicable Post-Emergence Entities may, in their sole discretion, notify Persons that, in order to continue receiving documents pursuant to Bankruptcy Rule 2002, such Persons must file a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the applicable Post-Emergence Entities are authorized to limit the list of Persons receiving documents pursuant to Bankruptcy Rule 2002 to those Persons who have filed such renewed requests.

Section 14.9 Entire Agreement

On the Effective Date, this Plan, the Plan Supplement, the Confirmation Order, the other Plan Documents, and all documents contemplated by each of the foregoing, 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 this Plan.

Section 14.10 Severability of Plan Provisions

If, before Confirmation of this Plan, any term or provision of this Plan is held by the Bankruptcy Court or any other court exercising jurisdiction to be invalid, void, or unenforceable, the Bankruptcy Court or such other court exercising jurisdiction shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of this Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination of, and shall provide that, each term and provision of this Plan, as it may have been altered or interpreted in accordance with this Section 14.10, is (a) valid and enforceable pursuant to its terms; (b) integral to this Plan and may not be deleted or modified without the consent of the Debtors or the applicable Post-Emergence Entities (as the case may be)

and the Required Consenting Global First Lien Creditors; and (c) nonseverable and mutually dependent.

Section 14.11 Exhibits

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in this Plan. After the exhibits and documents are filed, copies of such exhibits and documents shall be available (a) at the Bankruptcy Court's website at <https://ecf.deb.uscourts.gov>; or (b) on the Debtors' case website at <https://restructuring.ra.kroll.com/Endo>.

Section 14.12 Waiver or Estoppel

Each holder of a Claim or an Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Interest should be Allowed in a certain amount, in a certain priority, Secured or not subordinated by virtue of an agreement made with the Debtors or their counsel, or any other Entity, if such agreement was not disclosed in this Plan, the Disclosure Statement, the RSA, or papers filed with the Bankruptcy Court prior to the Confirmation Date.

Section 14.13 Votes Solicited in Good Faith

Upon entry of the Confirmation Order, the Debtors will be deemed to have solicited votes on this Plan in good faith and in compliance with the Bankruptcy Code and any applicable non-bankruptcy law, and pursuant to section 1125(e) of the Bankruptcy Code, the Debtors, and their respective Affiliates, agents, representatives, members, principals, shareholders, officers, directors (including any Persons in any analogous roles under applicable law), advisors, and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale, and purchase of Plan securities offered and sold under this Plan, and, therefore, will have no liability for the violation of any applicable law, rule, or regulation governing the solicitation of votes on this Plan.

Section 14.14 Conflicts

Except as set forth in this Plan, to the extent that any provision of the Disclosure Statement or any order (other than the Confirmation Order) referenced in this Plan (or any exhibits, schedules, appendices, supplements, or amendments to any of the foregoing) conflicts with or is in any way inconsistent with any provision of this Plan, this Plan shall govern and control; *provided, that*, in the event of any conflict or inconsistency between the terms of this Plan and any Trust Documents, the terms of the applicable Trust Document shall control. To the extent that any provision of this Plan or the Plan Supplement conflicts with or is in any way inconsistent with any provision of the Confirmation Order, the Confirmation Order shall govern and control.

Section 14.15 Dissolution of the Committees; Termination of FCR Appointment

(a) On the Effective Date, the Committees shall dissolve, and each of the members thereof and each Professional retained thereby shall be released and discharged from all rights, duties, responsibilities, and obligations arising from, or related to, the Debtors, their membership on such Committee, this Plan, or the Chapter 11 Cases; *provided, that*, following the Effective Date, the Committees shall continue in existence and have standing and a right to be heard for the following limited purposes: (i) with respect to any matters concerning any Fee Claims held or asserted by any Professional retained by the Committees; and (ii) any appeals of the Confirmation Order or other appeals to which the Committees are a party. For the avoidance of doubt, any amounts owed to any Professional retained by the Committees incurred pursuant to this Section 14.15(a) shall be paid by the Purchaser Entities; *provided, however, that*, any amounts incurred for the preparation and filing of any final fee applications shall be paid up to a maximum amount to be reasonably agreed in good faith (and which shall be based on all of the relevant facts and circumstances), between the Purchaser Entities and the applicable Committee prior to the Confirmation Hearing.

(b) On the Effective Date, the FCR's pre-Effective Date appointment pursuant to the FCR Order shall terminate, the FCR and each Professional retained by the FCR shall be released and discharged from all rights, duties, responsibilities, and obligations arising from, or related to, the Debtors, this Plan, or the Chapter 11 Cases; *provided, however, that*, following the Effective Date, the FCR shall have standing and a right to be heard for the following limited purposes: (i) with respect to any matters concerning any Fee Claims held or asserted by any Professionals retained by the FCR; and (ii) any appeals (1) of the Confirmation Order; or (2) to which the FCR is a party. For the avoidance of doubt, any amounts owed to any Professional retained by the FCR incurred pursuant to this Section 14.15(b) shall be paid by the Purchaser Entities; *provided, however, that*, any amounts incurred for the preparation and filing of any final fee applications shall be paid up to a maximum amount to be reasonably agreed in good faith (and which shall be based on all of the relevant facts and circumstances), between the Purchaser Entities and the FCR prior to the Confirmation Hearing.

Section 14.16 Committee Pre-Effective Date Budgets

Beginning November 1, 2023, (a) the Opioid Claimants' Committee's hourly professionals shall be subject to the aggregate budget as set forth in the OCC Resolution Term Sheet; and (b) the Creditors' Committee's hourly professionals shall be subject to the aggregate budget as agreed by the Creditors' Committee and the Required Consenting Global First Lien Creditors.

Dated: January 9, 2024

ENDO INTERNATIONAL PLC
on behalf of itself and its Debtor affiliates

/s/ Mark Bradley
Name: Mark Bradley
Title: Chief Financial Officer

Exhibit A

PSA

[TO COME]

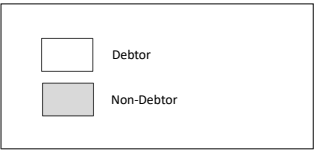
Exhibit B

Corporate Organizational Chart

* All subsidiary companies 100% owned unless otherwise indicated by the footnote.
(1) Endo DAC owns 45% of Common Shares and 100% Non-Qualified Preferred Shares and Endo Ventures Cyprus Limited owns 55% Common Shares
(2) Endo Ventures Unlimited owns 98.99%
(3) Endo Bermuda Ventures Limited owns 1.01%
(4) Unaffiliated Party (ARCA Biopharma, Inc.) owns a 35% Membership Interest
(5) Par, LLC owns 0.001%
(6) Par Pharmaceutical, Inc. owns 0.001%
(7) Par Biosciences Private Limited owns 0.001%
(8) Actient Pharmaceuticals LLC owns 95% Common Shares
(9) Slate Pharmaceuticals, LLC owns 5% Common Shares and 100% of Preferred Shares



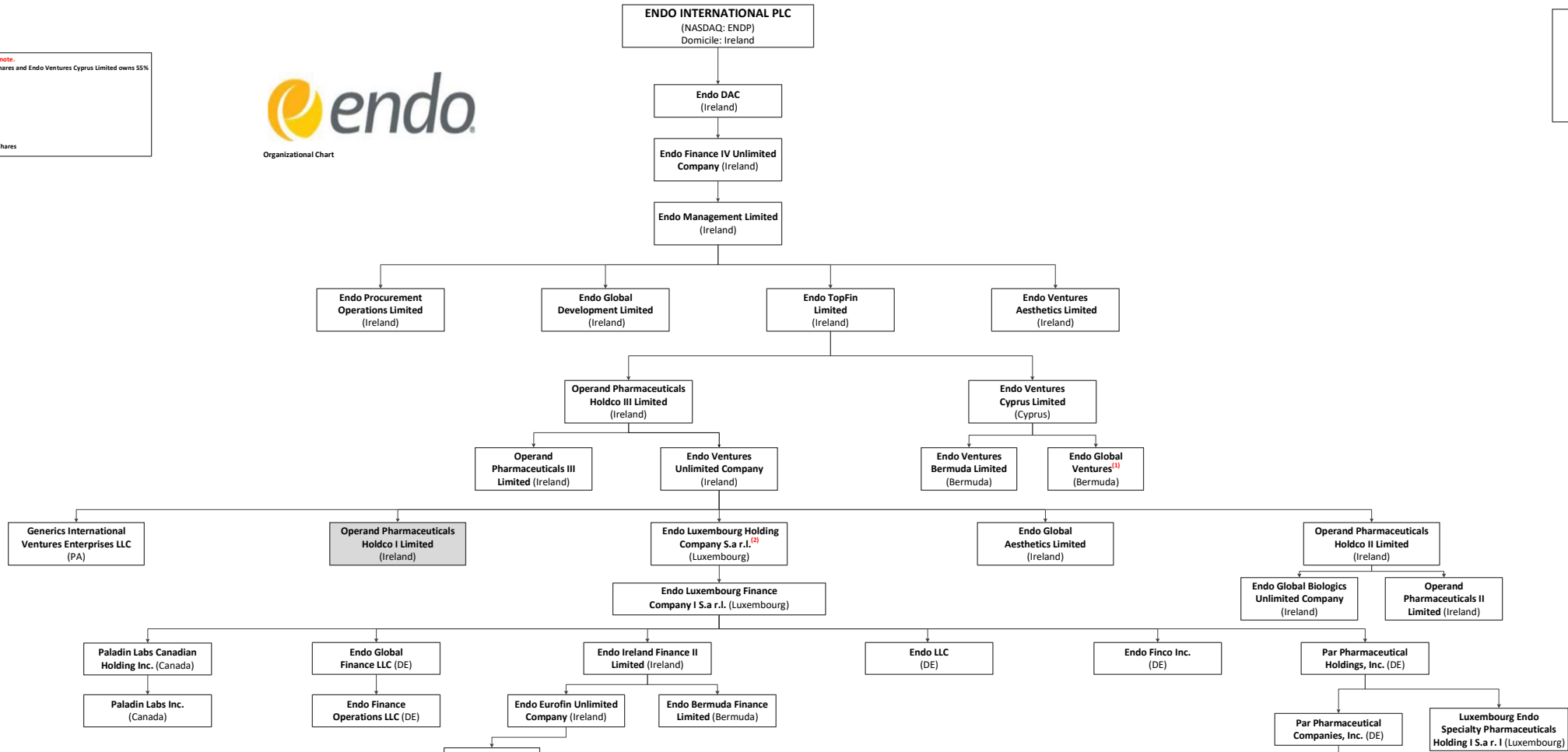
Organizational Chart



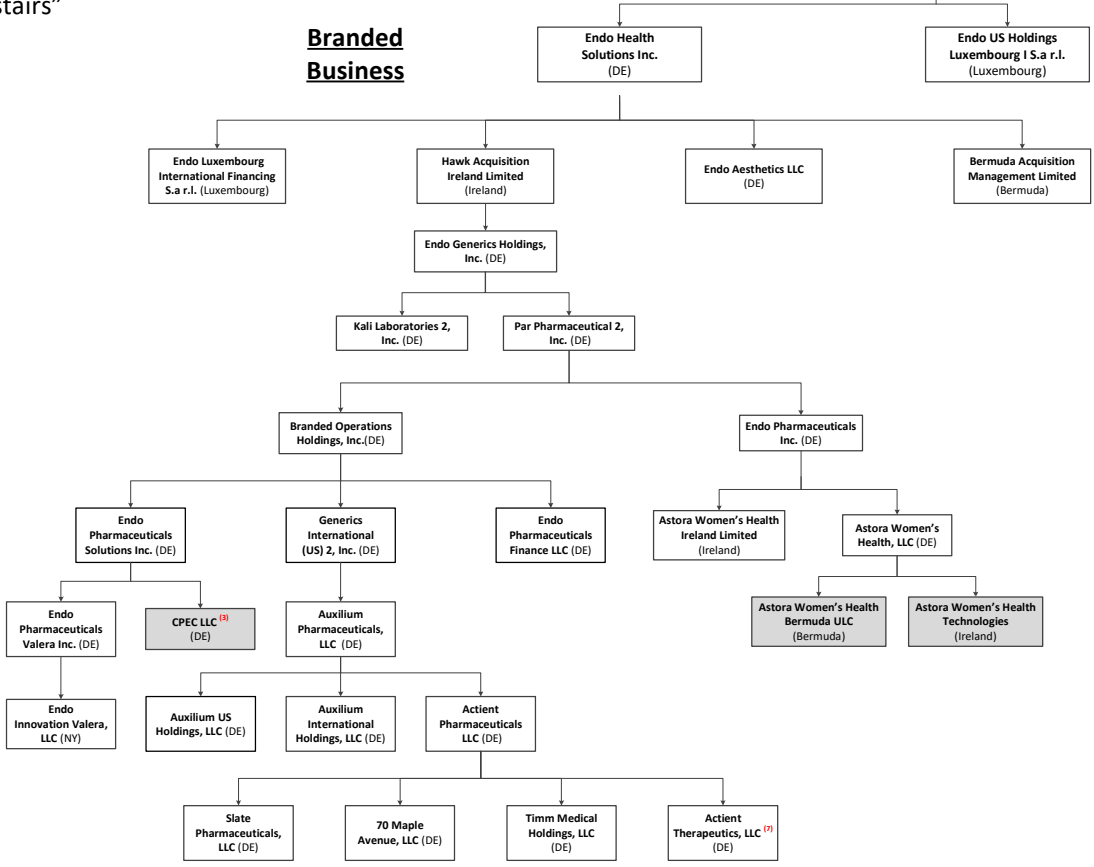
“Upstairs”

“Downstairs”

International Business



Branded Business



Generics Business

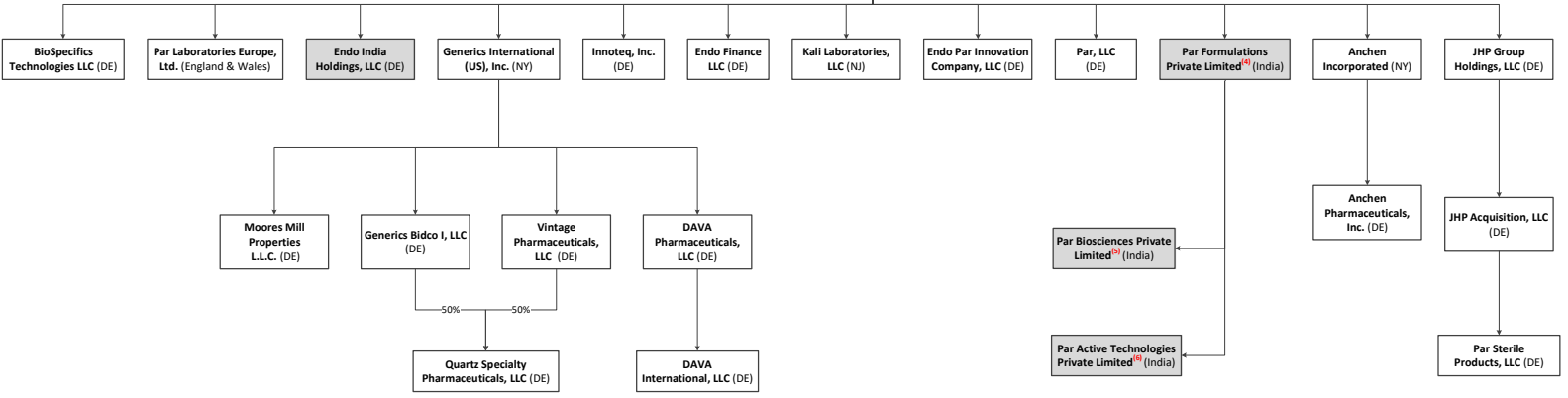


Exhibit C

U.S. Government Economic Term Sheet

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Counsel to the Ad Hoc First Lien Group

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

**ENDO INTERNATIONAL plc, et al.,

Debtors.¹**

Chapter 11

Case No. 22-22549 (JLG)

(Jointly Administered)

Related Docket No. 1257

NOTICE OF FILING OF TERM SHEET

PLEASE TAKE NOTICE that, on November 23, 2022, the Debtors filed the *Debtors' Motion for an Order (I) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving Certain Transaction Steps, (III) Approving the Sale of Substantially All of the Debtors' Assets and (IV) Granting Related Relief* [Docket No. 728] (the “**Sale Motion**”).

PLEASE TAKE FURTHER NOTICE that, on January 27, 2023, the Court entered an order [Docket No. 1257] (the “**Mediation Order**”)² referring certain matters to mediation (“**Mediation**”).

PLEASE TAKE FURTHER NOTICE that, prior to Sale Objection Deadline (as defined in the Bidding Procedures Order), the Ad Hoc First Lien Group and the United States of America

¹ The last four digits of Debtor Endo International plc's tax identification number are 3755. Due to the large number of debtors in these chapter 11 cases, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at <https://restructuring.ra.kroll.com/Endo>. The location of the Debtors' service address for purposes of these chapter 11 cases is: 1400 Atwater Dr., Malvern, PA 19355.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Mediation Order or the proposed order attached as Exhibit A to the *Notice of Filing of Revised Proposed Order (A) Approving the Purchase and Sale Agreement, (B) Authorizing the Sale of Assets, (C) Authorizing the Assumption and Assignment of Contracts and Leases, and (D) Granting Related Relief; and Revised Stalking Horse Agreement* [Docket No. 2577], as applicable.

(the “*United States*”) engaged in Mediation with respect to certain disputes related to the Sale Motion.

PLEASE TAKE FURTHER NOTICE that, on July 18, 2023, prior to the Sale Objection Deadline, the United States, on behalf of the Internal Revenue Service, the U.S. Department of Justice, the U.S. Department of Health and Human Services, and the U.S. Department of Veterans Affairs, by its attorney, Damian Williams, United States Attorney for the Southern District of New York, filed the *Objection of the United States of America to the Debtors’ Motion for an Order (I) Establishing Bidding, Noticing, and Assumption and Assignment Procedures, (II) Approving Certain Transaction Steps, (III) Approving the Sale of Substantially All of the Debtors’ Assets and (IV) Granting Related Relief – and – Memorandum of Law in Support of Motion to Appoint Chapter 11 Trustee* [Docket No. 2460] (the “*USG Objection*”).

PLEASE TAKE FURTHER NOTICE that, following the filing of the USG Objection, the United States and the Ad Hoc First Lien Group voluntarily resumed Mediation.

PLEASE TAKE FURTHER NOTICE that the Mediation Order authorizes the disclosure of Proposal Information.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Mediation, the Proposal Information attached hereto as Exhibit A (the “*Term Sheet*”) is a summary of key terms under discussion in the interest of reaching a potential resolution of the USG Objection and certain related claims and disputes and is the product of Mediation discussions among certain representatives of the United States and certain representatives of the Ad Hoc First Lien Group. Specifically, with respect to the United States, once an acceptable resolution of the civil fraud and criminal investigations is reached (as noted in paragraph 5 of the Term Sheet), and further once appropriate documents are negotiated to implement the terms embodied in the Term Sheet, then trial counsel at the United States Attorney’s Office for the Southern District of New York have agreed to recommend the terms of the Term Sheet for approval to the appropriate officials within the U.S. Department of Justice who are empowered to authorize settlements of the government claims at issue.

PLEASE TAKE FURTHER NOTICE that the Term Sheet has not yet been approved by either the United States or the Required Consenting Global First Lien Creditors, and remains subject to and conditioned upon (i) each such party obtaining any necessary approvals of the terms embodied in the Term Sheet, (ii) agreement on definitive documentation implementing the Term Sheet (including a potential chapter 11 plan that may be proposed prospectively by the Debtors), and (iii) agreement by and among the Debtors, the United States, and the Required Consenting Global First Lien Creditors on the resolution of all civil fraud and criminal investigations of the Debtors by the U.S. Department of Justice (which resolution discussions, for the avoidance of doubt, remain ongoing), as noted in paragraph 5 of the Term Sheet.

PLEASE TAKE FURTHER NOTICE that none of the Debtors, their applicable boards of directors, or any other case constituencies (to the extent applicable) have approved or agreed to support the terms set forth in the Term Sheet. In the event any such approval or support is necessary, it will be sought at the appropriate time.

PLEASE TAKE FURTHER NOTICE that (i) the Term Sheet and the negotiations related thereto are subject to Rule 408 of the Federal Rule of Evidence, all other applicable rules of evidence, and the Mediation Order, (ii) all negotiations relating to the Term Sheet shall not be admissible into evidence in any proceeding, and (iii) the rights of the United States, the Ad Hoc First Lien Group, the Debtors, the official committees, and other case constituencies with respect to all issues in the above-captioned chapter 11 cases (the “*Chapter 11 Cases*”) are fully reserved.

Dated: November 20, 2023
New York, New York

Respectfully submitted,

/s/ Michael J. Cohen

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Facsimile: (212) 351-4035

Counsel to the Ad Hoc First Lien Group

Exhibit A

Term Sheet

PLEASE TAKE NOTICE that the Term Sheet remains (i) subject to separate and ongoing approval processes to be undertaken by the United States and the Required Consenting Global First Lien Creditors and (ii) contingent on certain to be agreed contributions of other constituencies in the Chapter 11 Cases as outlined in the Term Sheet. The Debtors and applicable interested parties reserve all of their respective rights, subject to the terms and conditions set forth in the Restructuring Support Agreement, with respect to the resolution of the criminal matters raised by the United States and the definitive documents related to the Term Sheet (including a chapter 11 plan) and to any amendment, revision, modification, or supplement to any such documents at any time before the effective date of a chapter 11 plan, or any such other date as may be provided for by such plan or by order of the Bankruptcy Court.

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Key Terms of DOJ-Ad Hoc First Lien Resolution

1. \$364.9 million nominal, payable over 10 years in equal installments with the first payment payable 12 months after the closing of the sale or the effective date of a chapter 11 plan for the Debtors (the “Plan”) (such date, the “Resolution Effective Date”). The parties agree that in any sale or plan scenario, the transaction will be treated as a taxable sale of assets for federal income tax purposes. The Ad Hoc First Lien Group is not prepared to have the Resolution Obligor (defined as Newco, in the event of a sale, or the ultimate parent of the reorganized business in the event of a Plan) fund the full \$364.9 million payment (\$200 million on a net present value basis based on the discounting factors in 1a below), and is in the process of mediating with other constituencies the extent to which any constituencies will provide contributions to such payment.
 - a. The Resolution Obligor¹ can elect to pre-pay the balance in whole or in part at any time using the following discounting factors: (i) 10 year, equal installment payment stream (or such amounts remaining to be paid under the original 10-year schedule) and (ii): 12.75% annual discount rate. For the avoidance of doubt, if the Resolution Obligor elects to prepay the entire amount on the Resolution Effective Date, the payment would be \$200 million.
 - b. DOJ will have a one-time election to demand the \$200 million payment on the Resolution Effective Date.
2. \$100 million contingent note payable annually based on EBITDA outperformance during the calendar years 2024-2028, the material terms of which note are set forth on Exhibit 1 hereto.
3. If DOJ doesn’t elect to receive the upfront payment detailed in 1b above, should the Resolution Obligor file for bankruptcy prior to full satisfaction of the cash payment obligations herein, the unpaid balance would receive priority status in a subsequent bankruptcy case of the Resolution Obligor.
4. Parties agree that (a) no tax credits or other potentially beneficial tax attributes (such as net operating losses) are acquired by the Newco from the Debtors in the event of a sale or by any party (including the Reorganized Debtor) in the event of a reorganization, and (b) the Resolution Obligor’s tax basis in the acquired or post-emergence assets (as applicable) will be stipulated to be in the range of \$3.5 billion to \$4.65 billion, with such tax basis to be established by the Resolution Obligor following the Resolution Effective Date pursuant to a fair market valuation of such assets by a nationally recognized accounting firm retained by the Resolution Obligor.
5. This deal is subject to satisfactory resolution of the criminal and civil fraud claims against the Debtors related to the sale and marketing of opioid products, the financial component of which will be included within the payments described in paragraphs 1-2, and shall be acceptable to the DOJ, Debtors and the Ad Hoc First Lien Group.

¹ The obligations hereunder of the Resolution Obligor shall not be structurally junior to any of obligations outstanding under any other resolution reached with any other case constituency.

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6. These considerations would satisfy all pre-petition and administrative claims of the government against the Debtors.
7. The Debtors and Ad Hoc First Lien Group will resolve any outstanding objections from the US Trustee to the proposed transaction.

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Exhibit 1

Material Terms of Contingent Note

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- **Instrument:** a promissory note issued at Resolution Effective Date with a face amount of \$100 million that shall rank as a senior unsecured obligation of the Resolution Obligor (the “**Contingent Note**”), which the Parties agree is among the consideration given in respect of the resolution of the IRS’s tax claims.
- **Contingent payment amount:** Periodic payment amount determined by EBITDA outperformance relative to benchmark projections. For each year from 2024 through 2027, payment on the Contingent Note is triggered by the Resolution Obligor’s outperformance over the February 2023 LTP. For the year 2028 (which is not included in the February 2023 LTP), the target EBITDA (defined below) shall be \$949 million².
 - Use Earnings Before Interest, Taxes, Depreciation and Amortization (“**EBITDA**”) as a metric to measure outperformance on an annual basis. EBITDA will be calculated as disclosed in Item 2.02 of Endo’s Current Report on Form 8-K dated August 8, 2023 (“EBITDA represents Net income (loss) before Interest expense, net; Income tax expense; Depreciation; and Amortization, each prepared in accordance with GAAP.”).
 - EBITDA threshold will be adjusted upward/downward dollar for dollar based upon the EBITDA contribution of acquired/sold assets upon the closing of such acquisitions/sales; provided, that any single or series of sale transactions within a twelve-month period that represent more than 66.7% of the EBITDA of the preceding measurement period shall constitute a Liquidity Event (defined below) (such a series of sales within such a twelve-month period, a “**Qualifying Series Liquidity Event**”). Any EBITDA threshold adjustment should account for the timing of the acquisition/sale.
 - Outperformance as measured by actual annual EBITDA reported in any single year during 2024 – 2028 (the “**Contingent Note Period**”) exceeding projected EBITDA by a percentage equal or greater than the applicable incremental percentage set forth below would trigger a payment:

Year	Outperformance Percentage
2024	35%
2025	20%
2026	20%
2027	20%
2028	20%

- Outperformance in any single year would trigger a payment of \$25 million (the “**Contingent Note Payment Amount**”), subject to adjustment as set forth below. Each year’s outperformance is evaluated on a standalone basis (*i.e.*, irrespective of performance in any prior year). For the avoidance of doubt, the sum of payments shall never exceed \$100 million in the aggregate.

² Based on EBITDA growth rate equal to 2027 EBITDA growth rate in February 2023 LTP

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- No clawback is permitted if the Resolution Obligor's audited financial statements are subsequently restated.
- **Liquidity Event Accelerator:**
 - (A) Upon the occurrence of (i) a single transaction that, in form or substance, effects a sale of the Resolution Obligor that closes during the Contingent Note Period at an implied Total Enterprise Value (defined below) that exceeds the applicable Threshold Enterprise Value (defined below), then the Contingent Note will become fully due and payable upon the applicable Liquidity Event Trigger Date, or (ii) a Qualifying Series Liquidity Event, the final sale of which closes during the Contingent Note Period, whereby (1) the sum of (w) the total purchase price paid or payable for each such sale on the Liquidity Event Trigger Date, (x) the book value of the outstanding interest-bearing indebtedness of the Resolution Obligor on the Liquidity Event Trigger Date, and (y) the average daily closing market capitalization of the Resolution Obligor's publicly traded equity for the 30 consecutive trading days following the applicable Liquidity Event Trigger Date,³ minus (z) the consolidated cash of the Resolution Obligor as of the most recent calendar month-end before the Liquidity Event Trigger Date, exceeds (2) the applicable Threshold Enterprise Value, then the Contingent Note will become fully due and payable upon the applicable Liquidity Event Trigger Date.
 - (B) Upon the occurrence of (i) any single sale of, or (ii) multiple sales aggregating \$500 million or more in value of shares by two or more unaffiliated shareholders acting in concert (not the Resolution Obligor or the Voluntary GUC Trust) that (1) is organized and managed by an investment bank or broker-dealer engaged by the selling shareholders and is not an open market sale, or (2) is a secondary registered offering of such shares that is underwritten by an underwriter, which, in each case, closes during the Contingent Note Period at an implied Total Enterprise Value exceeding the Threshold Enterprise Value on the applicable Liquidity Event Trigger Date (each of the transactions described in this clause (B), a "**Stock Sale Liquidity Event**"), then the Resolution Obligor shall pay the Applicable Amount upon such Liquidity Event Trigger Date, which payment shall reduce the balance of the Contingent Note. Following the payment of any Applicable Amount, the Contingent Note Payment Amount payable in any subsequent calendar year shall be equal to the product of (i) the Contingent Note Payment Amount prior to the payment of such Applicable Amount and (ii) 1 minus the result of (a) the amount raised in the applicable Stock Sale Liquidity Event divided by (b)(x) in the case of a Stock Sale Liquidity Event described in clause (B)(i) above, the total equity value implied by the price per each share sold in such Stock Sale Liquidity Event or (y) in the case of a Stock Sale Liquidity Event described in clause (B)(ii) above, the average equity value implied by the price per each share sold in the sales comprising such Stock Sale Liquidity Event.
 - "**Liquidity Event**" means any of the transactions described in clauses (A)(i) and (ii) above and any Stock Sale Liquidity Event. For the avoidance of doubt, the listing by the Resolution Obligor of its shares on a stock exchange after the

³ In the event the equity of the Resolution Obligor is not publicly listed on such date, such equity value shall be determined by a nationally recognized investment banking or valuation firm selected by the Resolution Obligor with DOJ's approval, and retained by the Resolution Obligor.

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Resolution Effective Date or an individual shareholder’s sale of its shares (whether in a block trade or multiple trades), in each case, is not a Liquidity Event.

- **“Liquidity Event Trigger Date”** means, as applicable, (1) the closing date in the case of a Liquidity Event described in clause (A)(i) above, (2) the final closing date in the series of sales that are the subject of a Qualifying Series Liquidity Event described in clause (A)(ii) above, (3) the closing date of a sale of shares comprising a Stock Sale Liquidity Event under clause (B)(i), or (4) the final closing date in the series of sales comprising a Stock Sale Liquidity Event under clause (B)(ii).
- **“Applicable Amount”** means the amount equal to the product of (1) (A) in the case of a sale under clause (B)(i), the amount raised in the applicable Stock Sale Liquidity Event divided by the total equity value implied by the price per each share sold in such Stock Sale Liquidity Event or (B) in the case of a series of sales under clause (B)(ii), the aggregate amount raised in the applicable sales comprising such Stock Sale Liquidity Event divided by the average equity value implied by the price per each share sold in the sales comprising such Stock Sale Liquidity Event and (2) the face amount of the Contingent Note outstanding immediately before the Liquidity Event Trigger Date in respect of such Stock Sale Liquidity Event.
- **“Total Enterprise Value”** means (i) the market capitalization of the Resolution Obligor *plus* the book value of the outstanding interest-bearing indebtedness of the Resolution Obligor, in each case, on the Liquidity Event Trigger Date *minus* (ii) consolidated cash of the Resolution Obligor as of the most recent calendar month-end before the Liquidity Event Trigger Date.
- **“Threshold Enterprise Value”** means the amount set forth below with respect to the applicable calendar year in which a Liquidity Event Trigger Date occurs; *provided* that the Threshold Enterprise Value for each calendar year shall be subject to a dollar-for-dollar adjustment upward or downward equal to the purchase price of assets purchased or sold during the Contingent Note Period, as applicable:

(\$ in millions)	2024	2025	2026	2027	2028
Threshold Enterprise Value	\$6,772	\$7,085	\$7,997	\$8,534	\$9,110

Exhibit D

Liquidation Analysis

LIQUIDATION ANALYSIS

INTRODUCTION

Under the “best interests” of creditors test (“Best Interests Test”) set forth in section 1129(a)(7) of the Bankruptcy Code, the Bankruptcy Court may not confirm a plan of reorganization unless the plan provides each holder of a Claim or Interest who does not otherwise vote in favor of the plan with property of a value, as of the effective date of the plan, that is not less than the amount that such holder would receive or retain if the debtor were liquidated under chapter 7 of the Bankruptcy Code. See 11 U.S.C. § 1129(a)(7). Accordingly, to demonstrate that the Debtors’ Plan satisfies the Best Interests Test, the Debtors have prepared this hypothetical liquidation analysis (“Liquidation Analysis”) presenting recoveries that may be obtained by Holders of Claims and Interests upon a disposition of assets in a hypothetical chapter 7 liquidation as an alternative to recoveries provided under the Plan.

The Liquidation Analysis presents information based on, among other information, the Debtors’ books and records and good-faith estimates regarding asset recoveries and Claims resulting from a hypothetical liquidation under chapter 7 of the Bankruptcy Code. The determination of the proceeds from the hypothetical liquidation of assets involves the use of estimates and assumptions. Although the Debtors consider the estimates and assumptions underlying the Liquidation Analysis to be reasonable under the circumstances, such estimates and assumptions are subject to business, economic, competitive, political, and regulatory uncertainties and contingencies beyond the Debtors’ control. Accordingly, the forecasted results set forth by the Liquidation Analysis may not be realized if the Debtors were liquidated. Actual results in such a case could vary from those presented herein, which could result in distributions (if any) to members of applicable Classes of Claims that differ from those set forth in this Liquidation Analysis.

The Liquidation Analysis indicates an estimated range of recovery values which may be realized by the Classes of Claims upon disposition of the Debtors’ assets and their non-Debtor affiliates (“Non-Debtors”) pursuant to a liquidation if the Debtors’ current Chapter 11 Cases were converted to cases under chapter 7 of the Bankruptcy Code, as an alternative to the Debtors’ proposed Plan. As illustrated by the Liquidation Analysis, no holder of a Claim or Interest would receive or retain property under the Plan of a value that is less than such holder would receive in a chapter 7 liquidation scenario as illustrated by the Liquidation Analysis. Therefore, the Debtors believe that the Plan satisfies the Best Interests Test as set forth in section 1129(a)(7) of the Bankruptcy Code.

The Debtors, with the assistance of their legal and financial advisors, have prepared this Liquidation Analysis in connection with the Debtors’ Plan and Disclosure Statement pursuant to chapter 11 of the Bankruptcy Code. The Liquidation Analysis has been prepared assuming that the Debtors’ chapter 7 liquidation would commence on or around March 31, 2024 (the “Conversion Date”) and a chapter 7 trustee (the “Trustee”) would be appointed to convert all of the Debtors’ and Non-Debtors’ assets into cash. Unless stated otherwise, the Liquidation Analysis is based on net book values as of June 30, 2023, which is assumed to be representative of the Debtors’ and Non-Debtors’ assets as of the Conversion Date.

The Liquidation Analysis is a hypothetical exercise that has been prepared for the sole purpose of presenting a reasonable good-faith estimate of the proceeds that would be realized if the Debtors were liquidated in accordance with chapter 7 of the Bankruptcy Code. The Liquidation Analysis is not intended and should not be used for any other purpose. The Liquidation Analysis does not purport to be a valuation of the Debtors’ assets in the context of a holistic reorganization, and there may be a difference between the Liquidation Analysis and the values that may be realized, the going concern value, or Claims generated in an actual liquidation. The Liquidation Analysis should be read in conjunction with the assumptions, qualifications, and explanations set forth in the Disclosure Statement and the Plan in their entirety as well as the notes and assumptions set forth below.

Nothing contained in the Liquidation Analysis is intended to be, or constitutes, a concession, admission, waiver, or allowance of or related to any Claim by the Debtors. The actual amount or priority of Allowed Claims in the Chapter 11 Cases could differ from the estimated amounts set forth and used in the Liquidation Analysis. The Debtors reserve all rights to supplement, modify, or amend the analysis set forth herein.

Nothing contained in this Liquidation Analysis is intended to be, or constitutes, a concession, admission, waiver, or endorsement by the Ad Hoc First Lien Group with respect to the likely recoveries for holders of Allowed First Lien Claims in a liquidation of the Debtors. The realizable value and the application of recoveries through a debtor-by-debtor waterfall could materially differ from the estimated amounts set forth and used in the Liquidation Analysis. The Ad Hoc First Lien Group reserves all of its rights, including its right to contest the statements and calculations set forth in the Liquidation Analysis, in the event the Plan is not consummated.

Nothing contained in this Liquidation Analysis is intended to be, or constitutes, a concession, admission, waiver, or endorsement by the Committees with respect to the likely recoveries for any general unsecured creditors in a liquidation of the Debtors. The realizable value, the resolution of the myriad litigation (including the litigation contemplated by the Joint Standing Motion and litigation with respect to intercompany claims) and the application of recoveries through a debtor-by-debtor waterfall could materially differ from the estimated amounts set forth and used in the Liquidation Analysis. The Committees reserve all rights to contest the statements and calculations set forth in the Liquidation Analysis in the event the Plan is not consummated.

NEITHER THE DEBTORS NOR THEIR ADVISORS MAKE ANY REPRESENTATION OR WARRANTY THAT THE ACTUAL RESULTS OF A LIQUIDATION OF THE DEBTORS WOULD OR WOULD NOT APPROXIMATE THE ESTIMATES OR PROJECTED RESULTS SET FORTH HEREIN. THE ACTUAL LIQUIDATION VALUE OF THE DEBTORS IS SPECULATIVE AND RESULTS COULD VARY MATERIALLY FROM ESTIMATES PROVIDED HEREIN.

METHODOLOGY AND RELATED KEY ASSUMPTIONS

This Liquidation Analysis assumes that proceeds available to creditors would be distributed in accordance with sections 726 and 1129(b) of the Bankruptcy Code. Proceeds available for distribution that would be available for satisfaction of Claims would consist of the proceeds resulting from the disposition of the assets and properties of the Debtors in addition to cash held by the Debtors, as of the Conversion Date. The Debtors operate a highly complex and regulated business that includes various foreign operations. Debtors organized under foreign laws and Non-Debtor foreign affiliates are all assumed to be liquidated in a similar order of priority for distribution of value as described herein, although differing priorities may govern under applicable foreign law. Value from Non-Debtor affiliates may be available to the Debtors through the equity ownership of these entities as well as through collection of intercompany receivables to the extent available, as demonstrated under a high case scenario. The Debtors prepared this Liquidation Analysis and reviewed recoveries on a Debtor-by-Debtor basis.

This Liquidation Analysis assumes: (i) rapid, distressed sales of the Debtors' Branded Pharmaceuticals, Sterile Injectables, Generic Pharmaceuticals, and International Pharmaceuticals assets within 90 days post-conversion with certain operations being sold as operating business units; (ii) Non-Debtor affiliates will wind-down and liquidate in conjunction with the Debtors' liquidation; (iii) during the liquidation sales period, the Trustee will attempt to maintain operations related to the Branded Pharmaceuticals, Sterile Injectables, Generic Pharmaceuticals, and International Pharmaceuticals segments in an effort to maximize recoveries; (iv) an additional three (3) to nine (9) months to wind-down the estates under the supervision of the Trustee to allow for monetization of assets and assessment of Claims which could take longer; (v) the continuation and cooperation of any accounting, treasury, tax, information technology support, and other corporate services necessary to wind-down the estates; and (vi) the Trustee has unrestricted access to cash and proceeds from asset sales held by foreign Debtors, and the Trustee is able to repatriate proceeds. If there are foreign proceedings across non-U.S. jurisdictions and the Trustee is unable to access cash and sale proceeds generated at foreign entities, recoveries to creditors will be negatively impacted.

The Debtors face various litigation Claims, including Opioid-related, mesh-related, generics pricing, and other antitrust Claims. Various litigation creditors have asserted Claims against the Debtors in amounts totalling billions of dollars and such Claims are alleged to be at several or all Debtors in many instances. Allowed unliquidated or contingent Claims could meaningfully reduce recoveries to Holders of other General Unsecured Claims at the respective Debtors where these Claims are asserted. Under chapter 7, the Claims asserted by the United States government, including the IRS Priority Tax Claims and Opioid-related Claims, or any portion of such Claims, would need to be resolved through litigation and the Trustee would need to engage litigation counsel to defend and liquidate those Claims. As such, litigation in a chapter 7 liquidation is likely to be meaningfully more costly and time-consuming than resolving all such Claims through the Resolutions incorporated in the Plan and the Trusts established

under the Plan. Litigation with respect to these Claims could extend beyond the contemplated wind-down period and could result in significant costs that would further dilute recoveries in a chapter 7 liquidation. All such litigation expenses would be paid in full ahead of any recovery to general unsecured creditors in a chapter 7 liquidation.

Upon conversion to a chapter 7 liquidation, the Resolutions reached with various key stakeholders are assumed to be null and void, and the RSA terminated.

Proceeds from potential preference, fraudulent conveyance, or other Causes of Action, if any, may be available for distribution to holders of claims in accordance with the Bankruptcy Code's priority scheme. However, litigation with respect to these Causes of Action would likely be extremely contentious, involve numerous parties and issues, and could extend for many years beyond the contemplated wind-down period. This would result in significant costs that would be paid in full ahead of any recovery to general unsecured creditors in a chapter 7 liquidation. Accordingly, the Liquidation Analysis reflects limited proceeds from potential Causes of Action that might be asserted by any Debtor's estate.

Upon conversion to chapter 7, a Trustee would be appointed to manage the Debtors' affairs, conduct a sale of the Branded Pharmaceuticals, Sterile Injectables, Generic Pharmaceuticals, and International Pharmaceuticals segments and wind-down the Debtors' operations. Given the specialized nature of the Debtors' business that operates in a highly regulated environment, the Trustee would continue to rely upon existing management as well as specialized professionals to conduct the sale of the assets. Current employees and professionals will also need to be retained to assist with the wind-down of the estates. The Debtors conduct their manufacturing and distribution of pharmaceuticals drugs not only in the U.S., but also have significant operations and assets in various foreign jurisdictions. The Liquidation Analysis assumes the liquidation process is administered under the Bankruptcy Court in the U.S.; however, foreign jurisdictions may require separate foreign proceedings which could delay the liquidation process and reduce potential recoveries to creditors.

In order to maximize value from the liquidation of assets, the Debtors assume the Trustee will continue ordinary course operations of manufacturing and distributing product for certain of the Debtors' products. The Trustee will rely on continuing arrangements with Non-Debtor affiliates that manage certain manufacturing capabilities and administer key personnel.

The sale of the Debtors' business operations includes the intellectual property or product know-how, a normalized working capital, and the Debtor-owned manufacturing facilities used to manufacture products (the "Liquidated Operations"). For the remaining assets, which include Non-Debtor manufacturing facilities, a range of liquidation values has been estimated assuming distressed sales. Furthermore, the Debtors reviewed their product pipeline and included no recoverable value for certain developmental products. The Liquidation Analysis assumes that existing commercial arrangements are maintained as well as all regulatory authorizations, acknowledging the inherent challenges. If the commercial relationships are not maintained or regulatory authorizations are impeded, recoveries to creditors will be negatively impacted. The estimated net sales proceeds realized take into consideration, among other factors, the distressed nature of such a sales process, the likely negative press coverage and market reaction associated with conversion to chapter 7 liquidation, the difficulty of transferring marketing authorization or assigning contract manufacturing arrangements, and the Trustee's limited ability to provide adequate representations, warranties, and indemnities to a buyer.

Furthermore, the Debtors believe there are additional factors that could negatively impact proceeds realized and recoveries to creditors as set forth in the Liquidation Analysis, which include, but are not limited to (a) turnover of key personnel; (b) challenging economic conditions; (c) delays in the liquidation process; (d) withdrawal of marketing authorizations by regulatory bodies due to the chapter 7 proceedings; (e) termination of manufacturing contracts limiting the Debtors' ability to maintain continuity of supply; (f) termination of distribution arrangements or loss of customers; (g) negative impact from the termination of the Resolutions with various key stakeholders; (h) complications related to assets and business operations held in foreign jurisdictions; and (i) possible negative impacts from litigation related to opioid products. These factors may limit the amount of the liquidation proceeds available to the Trustee to satisfy Allowed Claims under this hypothetical liquidation as well as delay the Trustee's ability to distribute funds to the respective creditors in an orderly and timely manner.

For the avoidance of doubt and as stated above, the Liquidation Analysis does not include estimated proceeds from insurance or indemnity recoveries.

PROCEEDS FROM LIQUIDATED OPERATIONS

1. **Proceeds from Core Business Assets (Liquidated Operations)** include proceeds from the distressed sales of the Liquidated Operations. These sales include the applicable intellectual property, owned manufacturing facilities, machinery & equipment, as well as a normalized working capital. These individual assets are held by different entities and the estimated value realized is allocated to the respective Debtors or Non-Debtors. Proceeds from Liquidated Operations include proceeds from Non-Debtor operations, which are assumed to be liquidated with some residual proceeds in a high case scenario, while they do not include proceeds from Non-Debtor operations in a low case scenario. Debtors assume that the vast majority of assets are assumed by potential buyers through the sale of Liquidated Operations. Range of values assumed in the Liquidation Analysis is based on the non-binding, indicative third-party part bids received during 363 sale process conducted during the Chapter 11 Cases, with a discount of 33% to 50% applied due to the accelerated and distressed nature of a Chapter 7 liquidation.

ASSET RECOVERIES

2. **Cash & Cash Equivalents** includes cash held in the Debtors and Non-Debtors' domestic and foreign bank accounts, cash equivalents, and money market accounts. The Debtors' cash is estimated as of the Conversion Date.¹ Estimated recovery of cash and cash equivalents is 100%.

3. **Accounts Receivable, net of reserves** includes all third-party trade accounts receivable, net of chargebacks, rebates, allowances and bad debt reserves. The liquidation of accounts receivable assumes that the Trustee will retain certain personnel from the Debtors and foreign Non-Debtors to oversee collection of outstanding trade accounts receivable. Recoveries are estimated for certain accounts receivables not included in the proceeds from Liquidated Operations. The estimated recoveries used in this Liquidation Analysis take into consideration the inevitable difficulty of collections during a liquidation process, and related concessions that might be required to facilitate the collection of certain receivables. The estimated recovery range for accounts receivable is 45% to 85% of net book value. Collections of trade receivables during a liquidation could be significantly compromised as customers attempt to set off outstanding amounts owed to the Debtors and Non-Debtors against alleged damage, breach of contract, and other Claims, which could reduce recoveries.

4. **Prepaid Expenses** consist of various expenses such as prepaid rent, prepaid maintenance and prepaid insurance. The Debtors estimate that there would be no recoverable value related to prepaid expenses because any prepayment would likely be depleted.

5. **Other Current Assets** includes VAT/sales tax receivables, insurance receivables, deposits, operating leases ROU assets and other receivables. Restricted cash, also included, are controlled by third-parties and include, among others, the Professional Fee Reserve, qualified settlement funds related to mesh Claims, and insurance accounts. These funds may not be considered property of the Debtors' estates and may otherwise be difficult to recoup and recoverable value is estimated to be 0% of book value, except for recovery of certain of the qualified settlement funds to the extent approved by the Bankruptcy Court pursuant to the *Motion of the Debtors for an Order (I) Confirming that (A) the Automatic Stay Does Not Apply to Payments to Certain Claimants Under Certain Qualified Settlement Funds and (B) the Debtors are Authorized to Request the Return of Funds Subject to Reversionary Interests to Their Estates, and (II) Granting Related Relief* [Docket No. 2351]. The estimated range of recovery for all Other Current Assets, including Current Restricted Cash, is 6% to 7%. Recoveries are estimated for certain Other Current Assets not included in the proceeds from Liquidated Operations.

6. **Property, Plant, and Equipment, net** includes the Debtors' land, building & building improvements, manufacturing machinery & equipment, furniture & fixtures, leasehold improvements, and capitalized

¹ Cash at Conversion Date is assumed to be in line with cash as of March 31, 2024 as per the financial projections reflected in the Financial Projections in **Exhibit E**.

software. The owned manufacturing machinery & equipment, land, and buildings related to the Liquidated Operations are included in the Proceeds from Liquidated Operations. Given the difficulty and cost of liquidating the remaining property, plant and equipment assets in a compressed timeframe, the Debtors assume the blended recovery range of 19% to 29%.

7. **Other Non-Current Assets** includes long-term deposits, investments, insurances, restricted cash, and other non-current assets. The Debtors assume that the restricted cash relating to a reserve held for the benefit of a contract counterparty would be fully recoverable in a high case scenario only for purposes of the Liquidation Analysis. The estimated range of recovery for all Other Non-Current Assets, including Non-Current Restricted Cash, is 0% to 96%. Recoveries are estimated for certain Other Non-Current Assets not included in the proceeds from Liquidated Operations.

8. **Intercompany Receivables** include intercompany transactions both between Debtors and with Non-Debtor affiliates. Intercompany transactions relate to trade activities from the sale and purchase of goods and services amongst entities, payment for management and corporate services, cash pooling arrangements and intercompany loans. Intercompany transactions are governed by distribution and supply agreements (primarily for cross-border activities), service agreements, cash management agreements, and intercompany loan documents. Transfer pricing used for product transfers and services comply with the Debtors' debt document requirements. Any transfer pricing used is monitored and documented regularly. In a low case scenario, Debtors assume no recovery on intercompany receivables, either debt or trade related. In a high case scenario, the Debtors assume only intercompany debt transactions are settled only as between Debtors and Non-Debtors.

9. **Investment in Subsidiary** includes any potential value available for distribution to parent entities after satisfying all creditors at the respective legal entity. Any potential distribution to multiple parent entities is based on the equity percentage ownership. Debtors assume no recovery on investment in subsidiaries.

10. **Net Operating Cash Flow – Conversion Through Sale** includes the net operating cash flows generated during the 90-day liquidation sales period. Upon conversion to chapter 7, the Trustee maintains ordinary course operations for 90 days in order to maximize potential recoveries to creditors. During the 90 days after the Conversion Date, the Debtors are estimated to generate no positive free cash flow after assuming loss of sales, minimal vendor payment terms given the risks of continuing to do business with a company in a liquidation, as well as payment of adequate protection in accordance with Debtors' Cash Collateral Order.²

11. **Avoidance Actions** recoveries are given no value in the Liquidation analysis given the uncertainties around such recoveries or any potential preference, fraudulent transfer, or other litigation action.

CHAPTER 7 LIQUIDATION COSTS

The conversion of these Chapter 11 Cases to chapter 7 under the Bankruptcy Code will result in additional costs to the Debtors, including compensation of the Trustee, as well as retained counsel and other professionals, to oversee the wind-down of the Debtors' and Non-Debtors' estates in both domestic and foreign jurisdictions. The chapter 7 costs include the following:

12. **Chapter 7 Trustee Fees** include fees associated with the appointment of the Trustee in accordance with section 326 of the Bankruptcy Code. Chapter 7 Trustee Fees are assumed to be 3.0%, in accordance to Section 326 of the Bankruptcy Code which provides for statutory Trustee fees of 3.0% for liquidation proceeds in excess of \$1,000,000, excluding recoveries related to cash on hand. Chapter 7 Trustee Fees are allocated to the Debtor entities based on their pro-rata share of "Gross Proceeds Available for Distribution."

² The Debtors assume for purposes of this Liquidation Analysis that the Prepetition First Lien Secured Parties do not exercise their rights to terminate the Cash Collateral Order and that the Cash Collateral Order survives conversion pursuant to paragraph 14 of the Cash Collateral Order.

13. **Chapter 7 Commission Fees** include fees associated with the appointment of potential intermediary agents to support the sale of assets and Liquidated Operations. Chapter 7 Commission Fees are assumed to be 1.5%.

14. **Chapter 7 Trustee Professional Fees** include the cost of financial advisors, attorneys, and other professionals retained by the Trustee in connection with the wind-down of the Debtors' domestic and foreign operations. The fees represent tax, legal, accounting, claims reconciliation, regulatory and other related services to support the Trustee in this complex, expansive liquidation. The Debtors estimate the chapter 7 Trustee professionals will be retained up to a 12-month period to not only manage the liquidation of the Debtors' assets but also wind-down the corporate estates both in the U.S. and in foreign jurisdictions, including Ireland, England & Wales, Cyprus, Bermuda, Luxembourg, India, and Canada. The fees are estimated to cover the monetization of the various assets as well as up to an additional nine (9) months to wind-down the U.S. and foreign operations with fees scaling down during the period. The Debtors estimate Chapter 7 Trustee Professional Fees are estimated to be approximately \$27 million to \$54 million, excluding commission and transaction fees incurred as part of liquidating the Debtors' assets.

Absent resolutions with the Ad Hoc First Lien Group, DOJ, the public and private opioid plaintiffs, and other unsecured creditors, litigation amongst the creditor constituents could take many years and lead to a significant cost to the estates. The Liquidation Analysis assumes litigation could take up to three years or longer. The Trustee will need to retain professionals to assist with litigation related to issues that may include the validity of liens, claims allowance, estimation, and allocation of recoveries, and to the extent such litigation implicates any of the Debtors' secured creditors, the estate may also be required to bear such parties' legal expenses. Such litigation will likely delay the Trustee's ability to distribute proceeds to creditors. The chapter 7 litigation professional fee costs are estimated to be approximately \$125 million to \$150 million. Litigation-related fees could be materially higher and further reduce recoveries to creditors. Total Chapter 7 Trustee Professional Fees are allocated to the Debtor entities based on their pro-rata share of "Gross Proceeds Available for Distribution."

15. **Plan Administration Estimate** includes retention costs and expenses associated with the wind-down of the Debtors' remaining estates, including the Non-Debtors affiliates, after completing the sale of the Debtors' assets. Costs include additional retention compensation necessary to preserve the sales organization, supply chain, manufacturing, regulatory, clinical services and other functions during the liquidation sales process. The Debtors assume all sales, marketing, clinical services, manufacturing, supply chain, and other operating costs will essentially cease upon the completion of the asset sales. However, given the complex nature of the Debtors' business operations across various domestic and foreign jurisdictions, additional costs will be incurred to wind-down the corporate affairs, including legal, tax, accounting, claims reconciliation, compliance, and other necessary functions. The Trustee will retain a number of corporate employees to assist with facilitating the liquidation of the Debtors' assets, providing historical knowledge and insight to the Trustee regarding the Debtors' complex business and the Chapter 11 Cases, and concluding the administrative wind-down of the organization in the various foreign jurisdictions where the Debtors have domiciled entities.

The estimated wind-down costs are based on a reduction to the current monthly run-rate operating expenses by department with further reductions throughout the wind-down period to complete the necessary wind-down activities. Wind-down costs for the nine (9) month period after the initial asset sale period are estimated to be approximately \$140 million to \$175 million, including employee retention costs, federal U.S., Canadian, and state and local taxes. In addition, the estimated wind-down costs include and assume incremental retention programs are initiated to retain necessary key employees with institutional knowledge to assist the Trustee in facilitating an efficient wind-down process.

DISTRIBUTION OF PROCEEDS

The Liquidation Analysis assumes that net proceeds from the sale of the assets will be distributed following the absolute priority rule provided in section 1129(b)(2) and in accordance with section 726 of the Bankruptcy Code, and no distributions will be made to holders of equity Interests until all creditors are satisfied in full.

SECURED CLAIMS

The recoveries related to Secured Claims can be found in the table below:

Summary of Recoveries to Secured Claims

(\$ in 000s)

	Estimated Allowed Claims		Estimated Recovery			
	Lower	Higher	Lower		Higher	
<u>Secured Carve Out Claims</u>						
Carve Out Claims	\$ 68	\$ 55	\$ 68	100%	\$ 55	100%
<u>Secured Debt Claims</u>						
First Lien Revolving Credit Facility Claims	\$ 278	\$ 278	\$ 84	30%	\$ 125	45%
First Lien Term Loan Facility Claims	\$ 1,985	\$ 1,985	\$ 601	30%	\$ 893	45%
First Lien Senior Secured Notes Claims	\$ 3,703	\$ 3,703	\$ 1,122	30%	\$ 1,666	45%
Letters of Credit	\$ 2	\$ 2	\$ 1	30%	\$ 1	45%
	\$ 6,036	\$ 6,024	\$ 1,876		\$ 2,740	

16. **Carve Out** includes certain unpaid holdback and accrued professional fees and costs entitled to priority above Secured Claims as outlined in the Cash Collateral Order. The Cash Collateral Order provides for a “Carve Out” (as defined therein) that is senior to all liens and Claims (including any Adequate Protection Superpriority Claims (as defined in the Cash Collateral Order)) held by the Prepetition First Lien Secured Parties. For purposes of the Liquidation Analysis, the Debtors assumed that the “Carve Out Trigger Notice” (as defined in the Cash Collateral Order) is delivered on the Conversion Date, requiring the Debtors to fund a reserve from the Debtors’ cash on hand in the amount equal to the then unpaid amounts of Allowed Professional Fees (as defined in the Cash Collateral Order) plus reasonably estimated fees and expenses not yet allowed for the period through and including the Conversion Date. The Carve Out costs are estimated to be approximately \$55 million to \$68 million. This total includes accrued but unpaid fees and expenses incurred by the chapter 11 retained Professionals, in addition to fees payable to the U.S. Trustee. Carve Out Claims are assumed to be paid from encumbered asset proceeds; however, such payments can be made out of unencumbered asset proceeds which would reduce recoveries to unsecured creditors.

17. **Class 2 – Other Secured Claims** include estimated Claims of \$0.7 million of Secured Claims against the Debtors that are not First Lien Claims relating to the Debtors’ surety bonds.

18. **Class 3 - First Lien Claims** include estimated Claims of \$278 million for the First Lien Revolving Credit Facility Claims, \$1,985 million for the First Lien Term Loan Facility Claims, \$3,703 million for the First Lien Senior Secured Notes Claims, and \$2 million for the Letters of Credit. First Lien Claims amounts include accrued interest using the pre-petition interest rate. The First Lien Revolving Credit Facility Claims and First Lien Term Loan Claims are allocated amongst the obligor and issuer entities pro rata based on the respective obligor entities’ “Net Estimated Proceeds Available for Distribution”. Secured contribution claims are asserted on a joint and several liability basis at obligor and issuer entities as specified in the Credit Agreement.

ADMINISTRATIVE AND PRIORITY CLAIMS

19. **Administrative Expense and Priority Claims**³ include Administrative Expense Claims, Non-IRS Priority Tax Claims, IRS Priority Tax Claims, state and local Priority Tax Claims, and Priority Non-Tax Claims, asserted at certain Debtors based on the Debtors’ books and records. With respect to the IRS Priority Tax Claims, the Liquidation Analysis assumes that the DOJ Resolution is null and void, and that the full amount asserted by the IRS would need to be litigated, to the extent there is value available to be distributed for such amount. The Debtors assume that there will be no employment-related Claims (including under the “WARN Act”) as of the Conversion Date, and, following the Conversion Date, that potential buyers will assume related employee obligations as part of any sale. Administrative Expense Claims include certain estimated expenses that are not expected to be assumed by the potential buyers as part of the normalized working capital of the Liquidated Operations. To the extent any such Claims arise,

³ Classification of the Claims asserted by the IRS is illustrative, and the Debtors are not conceding that such Claims are entitled to priority even if the analysis herein may present them as such.

recoveries to General Unsecured Claims at certain Debtor entities would be reduced. The Liquidation Analysis also assumes that there are no Priority Non-Tax Claims.

UNSECURED CLAIMS

Unsecured Claims consist of all unsecured, non-priority Claims arising prior to the Petition Date. Estimates of such Claims are based on the Debtors' books and records and a preliminary review of the Proofs of Claim filed against the Debtors in these Chapter 11 Cases. The Liquidation Analysis includes known estimated contract rejection damage Claims. To the extent additional contract rejection damage Claims exist, the recovery to unsecured creditors at the respective Debtors where these Claims arise could be less.

Below are the various categories of Claims, described according to their Classes under the Plan, that would all be *pari passu* in chapter 7. The Liquidation Analysis reflects only liquidated Claims at the respective Debtors, as amounts associated with unliquidated claims, such as litigation Claims, are unknown. As previously described, the Debtors face various litigations Claims including Opioid-related, generics pricing, mesh-related, and antitrust Claims. Various litigation creditors have asserted Claims against the Debtors in amounts totalling billions of dollars, and such Claims are alleged to be at several or all Debtors, in many instances. In the event there are any recoveries for unsecured Claims, Allowed unliquidated or contingent Claims could meaningfully reduce recoveries to other unsecured creditors at the respective Debtors where these Claims are asserted.

20. **Class 4(A) – Second Lien Deficiency and Unsecured Notes Claims** include estimated Claims of approximately \$989 million of Second Lien Notes that are not secured and constitutes a deficiency Claim pursuant to section 506(a) of the Bankruptcy Code and approximately \$1,355 million of Unsecured Notes on the Conversion Date.

21. **Classes 4(B)-(F)** includes unsecured non-opioid-related Claims, certain of which Claims are unliquidated, contingent, and/or disputed, and the aggregate amount of such Claims is undetermined.

22. **Classes 6(A)-(C), 7(A)-(E), 8-11** – includes unsecured opioid-related Claims that are unliquidated, contingent, and/or disputed, and the aggregate amount of such Claims is undetermined. The opioid-related Claims are further discussed in Article I of the Disclosure Statement.

23. **Class 5 – U.S. Government Claims** include unsecured Claims asserted in each of the Proofs of Claim filed by the U.S. Government and any other Claims of the U.S. Government (but excluding (a) any Statutory Fees or expenses owed to the U.S. Trustee and (b) any Claim held by any State, Territory, Local Government, Tribe, or any Non-U.S. federal Governmental Authority), in each case, against any of the Debtors.

24. **Class 12 – Intercompany Claims** includes prepetition intercompany payables assertable by a Debtor against another Debtor or a Non-Debtor Affiliate.

SUBORDINATED UNSECURED & EQUITY CLASSES OF CLAIMS

25. **Class 13 - Intercompany Interests** include any value available for distribution to parent entities after satisfying all creditors at the respective legal entities.

26. **Class 14 – Subordinated, Reclassified, or Disallowed Claims** include Claims (a) subject to subordination under section 509(c) or 510 of the Bankruptcy Code; (b) recharacterized as equity by an order of the Bankruptcy Court; or (c) as of the relevant time, Disallowed under section 502(e) of the Bankruptcy Code (subject, however, to section 502(j) of the Bankruptcy Code). These Subordinated, Reclassified, or Disallowed Claims are unliquidated, contingent, and/or disputed and the aggregate amount of such Claims are unknown. No recoverable value is available for Subordinated, Reclassified, or Disallowed Claims.

27. **Class 15 – Existing Equity Interests** include any value available for distribution to the holders of the equity Interest in Endo International plc. In the Liquidation Analysis, there is no recoverable value available to holders of the Existing Equity Interests.

OTHER CONSIDERATIONS

Under chapter 7, the Claims in Classes 4 to 11, to the extent there is value available to be distributed to such Claims, would be resolved through litigation, and the Trustee would need to engage litigation counsel to defend and litigate these Claims. Claim estimates for unliquidated, contingent, or disputed Claims are unknown at the time the Disclosure Statement was filed. The Debtors do not have sufficient information to properly estimate the amount of these Claims for purposes of this analysis, and therefore, no value has been assigned to Claims in Classes 4, 6, 7, 8, 9, 10, and 11; and thus no recovery value is projected.

PLAN OF REORGANIZATION COMPARISON

28. **An Estimate of Distributable Value** under the low end Plan scenario range is based on the mid-point of the non-binding, third-party indications of interest received during the 363 sale process conducted during the Chapter 11 Cases. Such indications of interest were non-binding, conditional in nature, and not pursued following the Debtors' termination of their 363 sale process. The high end of the Plan scenario range is the Stalking Horse Bid amount, which is primarily based on the principal amount of the Debtors' Prepetition First Lien Indebtedness and was not a product of the Debtors' previously conducted Sale Process. The Debtors are not submitting the Stalking Horse Bid amount as representative of the Debtors' enterprise value. Remaining assumptions for Proceeds from Liquidated Operations are consistent with Liquidation Analysis, reference Note 1.

29. **Asset Recoveries** under Plan assumed at High estimate recovery range. Remaining assumptions for Asset Recoveries are consistent with Liquidation Analysis, reference Note 2-7.

30. **Net Operating Cash Flow - Conversion Through Sale** assumed to be \$0 as under a Plan there would not be a gap between Conversion Date and Effective Date.

31. **Avoidance Actions** under Plan are assumed to be waived, as such, no recovery is ascribed.

32. **Chapter 7 Trustee Fees and Chapter 7 Commission Fees** under Plan are not applicable and reflected as \$0.

33. **Plan Administration Estimate** under Plan is currently estimated to be about \$38 million. The estimate is based on the transaction structure as of December 28, 2023. The costs set forth in the Plan Administration Estimate are subject to various uncertainties and contingencies beyond the Debtors' control. Accordingly, the Plan Administration Estimate is subject to adjustment, and nothing in the Plan Administration Estimate is or shall be deemed to be a cap on costs to be incurred in association therewith. Any subsequent changes to the structure and anticipated, but not quantifiable, expenses will require adjustments to the Plan Administration Estimate.

34. **Carve-Out Claims and Other Fees and Implementation Costs** are shown as accrued and unpaid professional fees and transaction fees for all professionals involved in the Chapter 11 Cases. These Claims also include anticipated transaction costs related to the Rights Offerings, including under any backstop commitment agreements. Such transaction costs are greater in the high end of the Plan scenario than in the low end of the Plan scenario because certain of such costs are based upon the equity value of the post-reorganization business. In addition, the Carve-Out Claims incorporate an estimate of the Escrowed Equity agreed to as part of the UCC Resolution.

35. **Class 3 - First Lien Claims** under Plan are consistent with Liquidation Analysis assumptions in Note 18. Recoveries are reflected as distributable value remaining net of all Resolutions with the DOJ, the Committees, the FCR, the Multi-State Endo Executive Committee, the Public School District Creditors, and the Canadian Governments.

36. **Administrative Expense and IRS Priority Tax Claims** recoveries under the Plan, respectively, are (a) assumed, to the extent not already covered elsewhere, in connection with the implementation of the Plan and recoveries are therefore not reflected in the Plan scenario and (b) are comprised in the Net Present Value of negotiated U.S. Government Resolution. With respect to the IRS Priority Tax Claims, as the U.S. Government Resolution does not provide an allocation of settlement amounts between IRS and other U.S. Government Claims, for illustrative purposes, 100% of the recoveries are shown under General Unsecured Recoveries in Note 37.

37. **General Unsecured Recoveries** under Plan include the Net Present Value of all negotiated Settlements with the DOJ, the Committees, the FCR, the Mult-State Endo Executive Committee, the Public School District Creditors, and the Canadian Governments. Recovery for the general unsecured creditors does not include certain causes of action that are assignable to the GUC Trust in accordance with the UCC Resolution.

Hypothetical Liquidation Analysis
(USD in Millions, unless otherwise indicated)

	Hypothetical Liquidation Analysis						Plan of Reorganization			Plan of Reorganization Comparison		
	Note Ref	Pro Forma Value	Estimated Recovery %		Estimated Recovery \$		Note Ref	Estimated Recovery \$		Variance to		
		At Conversion	Low	High	Low	High		Low	High	High Liq. Anal. Recovery \$		
Gross Recoveries:												
Gross Recoveries from Core Business Assets:	[1]	N/A				1,758	2,477	[28]	3,615	5,383	1,138	2,906
Gross Recoveries from Remaining Assets:												
Cash	[2]	561	100%	100%	561	561	[29]	561	561	-	-	
Restricted Cash	[5]	159	6%	6%	9	10	[29]	10	10	-	-	
Restricted Cash Non Current	[7]	85	0%	100%	-	85	[29]	85	85	-	-	
Accounts and Notes Receivable	[3]	4	45%	85%	2	3	[29]	3	-	-	(3)	
Prepaid Expenses	[4]	41	0%	0%	-	-	[29]	-	-	-	-	
Other Current Assets	[5]	10	1%	21%	0	2	[29]	2	-	-	(2)	
Property, Plant and Equipment	[6]	16	19%	29%	3	5	[29]	5	-	-	(5)	
Other Non Current Assets	[7]	8	4%	58%	0	5	[29]	5	-	-	(5)	
Intercompany	[8 & 9]	276,904	0%	0%	-	90		-	-	(90)	(90)	
Eliminations	[8 & 9]	(276,944)	0%	0%	-	-		-	-	-	-	
Recoveries from Remaining Assets:		\$ 844	68%	90%	\$ 575	\$ 760	[29]	\$ 670	\$ 656	\$ (90)	\$ (104)	
Other Gross Recoveries:												
Net Operating Cash Flow - Conversion Through Sale	[10]				-	-	[30]	-	-	-	-	
Avoidance Actions	[11]				-	-	[31]	-	-	-	-	
Other Recoveries:												
Total Assets and Gross Recovery												
					\$ 2,333	\$ 3,237		\$ 4,285	\$ 6,038	\$ 1,048	\$ 2,802	
Liquidation Adjustments:												
Chapter 7 Trustee Fees	[12]				(53)	(77)	[32]	-	-	77	77	
Chapter 7 Commission Fees	[13]				(26)	(39)	[32]	-	-	39	39	
Plan Administration Estimate	[14 & 15]				(378)	(291)	[33]	(38)	(38)	252	252	
Total Chapter 7 Liquidation Costs					\$ (457)	\$ (407)		\$ (38)	\$ (38)	\$ 369	\$ 369	
Net Proceeds Available for Distribution												
					\$ 1,876	\$ 2,830		\$ 4,247	\$ 6,000	\$ 1,417	\$ 3,170	
Allocation of Net Proceeds Available for Distribution to Creditors:												
		Estimated Claim Value \$		Estimated Recovery %		Estimated Recovery \$		Estimated Recovery \$		Variance to		
		Low	High	Low	High	Low	High	Low	High	High Liq. Anal. Recovery \$		
Secured Carve-Out Claims and Other Fees and Implementation Costs												
Total Carve Out and Other Fees and Implementation Costs	[16]	\$ 68	\$ 55	100%	100%	\$ 68	\$ 55	[34]	\$ 251	\$ 604	\$ 196	\$ 549
Remaining Distributable Value												
						\$ 1,808	\$ 2,774		\$ 3,996	\$ 5,396	\$ 1,221	\$ 2,622
Class 2 & 3 Secured Claims												
1L Secured Lender Claims by Entity	[18]	5,966	5,966	30%	45%	1,807	2,684	[35]	3,301 ⁽²⁾⁽⁷⁾	4,636 ⁽²⁾⁽⁷⁾	617	1,953
Letters of Credit	[18]	2	2	30%	45%	1	1	[35]	1	2	0	1
Surety Bonds	[17]	1	1	0%	0%	0	0		0	0	0	0
Total recovery		\$ 5,969	\$ 5,969	30%	45%	\$ 1,808	\$ 2,685		\$ 3,302	\$ 4,638	\$ 617	\$ 1,953
Remaining Distributable Value												
						-	\$ 90		\$ 694	\$ 758	\$ 604	\$ 668
Admin Claims & IRS Priority Tax Claims												
Administrative Claims	[19]	50	100	0%	0%	-	-		N/A ⁽³⁾⁽⁴⁾	N/A ⁽³⁾⁽⁴⁾	N/A	N/A
IRS Priority Tax Claims ⁽⁵⁾	[19]	3,524	3,524	0%	0%	-	-	[36]	N/A	N/A	N/A	N/A
Total recovery		\$ 3,574	\$ 3,624	0%	0%	-	-		-	-	-	-
Remaining Distributable Value												
						-	\$ 90		\$ 694	\$ 758	\$ 604	\$ 668
Classes 4 to 13 General Unsecured Recoveries												
First and Second Lien Deficiency Claims and Unsecured Notes Claims	Class 4(A)	6,506	5,629	0%	0%	-	-	[37]	694 ⁽³⁾⁽⁶⁾⁽⁷⁾	758 ⁽³⁾⁽⁶⁾⁽⁷⁾	694	758
General and Other Unsecured Claims ⁽¹⁾	Class 4(B) to 11	N/A	N/A	0%	0%	-	-	[37]	-	-	(90)	(90)
Intercompany Claims & Interests	Class 12 & 13	N/A	N/A	0%	0%	-	90		-	-	(90)	(90)
Total recovery	[20 to 25]	N/A	N/A	0%	0%	-	\$ 90		\$ 694	\$ 758	\$ 604	\$ 668
Remaining Distributable Value												
						-	-		-	-	-	-
Classes 14 & 15 Subordinated Claims												
Preferred Equity Cumulative Dividends & Par	[26]	673	673	0%	0%	-	-		-	-	-	-
Existing Equity Interests	[27]			0%	0%	-	-		-	-	-	-
Total recovery		\$ 673	\$ 673	0%	0%	-	-		-	-	-	-
Remaining Distributable Value												
						-	-		-	-	-	-

- Notes:**
- (1) As set forth in the Liquidation Analysis notes, certain of the claims in these classes are unliquidated, contingent, disputed, and/or based upon novel and untested legal theories. The aggregate amount of such claims is undetermined.
- (2) Distributable value for Secured Claims is reflected net of voluntary settlement amounts with DOJ, the Committees, the FCR, the Multi-State Endo Executive Committee, the Public School District Creditors, and the Canadian Governments.
- (3) As the negotiated U.S. Resolution does not provide an allocation of settlement amounts between the IRS and U.S. Government Claims, for illustrative purposes, 100% is allocated to the U.S. Government Claims.
- (4) Estimated recoveries for tax claims assume that the implementation of the U.S. Government Resolution would result in no additional U.S. federal, state, and local taxes beyond what is agreed to in the U.S. Government Resolution.
- (5) Classification of the Claims asserted by the IRS is illustrative, and the Debtors are not conceding that such Claims are entitled to priority even if the analysis herein may present them as such.
- (6) The distributable value would be distributed pro rata to First and Second Lien Deficiency Claims, Unsecured Notes Claims, and General and Other Unsecured Claims, which are all pari passu.
- (7) Secured Claims and General Unsecured Recoveries under a Plan or Reorganization both exclude the value of the Escrowed Equity, which is included within the Total Carve-Out and Other Fees and Implementation Costs.

Exhibit E

Financial Projections

FINANCIAL PROJECTIONS

A. Introduction

The Debtors have prepared the Projections (as defined below) to assist the Bankruptcy Court in determining whether the Plan meets the “feasibility” requirements of section 1129(a)(11) of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors believe that the Plan meets such requirements. In connection with the negotiation and development of the Plan and for the purpose of determining whether the Plan meets the feasibility standard outlined in the Bankruptcy Code, the Debtors analyzed the Purchaser Entities’ (as the post-emergence owner of the Debtors’ principal business segments) ability to satisfy their financial obligations while maintaining sufficient liquidity and capital resources during the Projection Period (as defined below). With this consideration in mind, the Debtors’ management, with assistance from their financial advisors, prepared these consolidated financial projections (the “Projections”) based on the business plan as presented in the Debtors’ Form 8-K filed on November 6, 2023, for the fiscal year ending December 31, 2024 through the fiscal year ending December 31, 2028 (the “Projection Period”). The Projections have been prepared on a consolidated basis, consistent with the Company’s non-GAAP financial reporting practices, and include all Purchaser Entities (hereafter defined as the “Company”).

The Debtors do not, as a matter of course, publish their projections, strategies, or forward-looking projections of the financial position, results of operations, and cash flows. Accordingly, the Debtors do not anticipate that they will, and disclaim any obligation to, furnish updated projections to the holders of Claims or equity interests after the date of this Disclosure Statement, or to include such information in documents required to be filed with the Securities and Exchange Commission (“SEC”) or to otherwise make such information public. The assumptions disclosed herein are those that the Debtors believe to be significant to the Projections and, along with the Projections, are “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. The Company’s actual results may differ from its expectations, estimates and projections and consequently, readers should not rely on these forward-looking statements as predictions of future events. Forward-looking statements also include, but are not limited to, statements regarding the Company or expectations, hopes, beliefs, intentions or strategies regarding the future. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words “anticipate,” “believe,” “budget,” “forecast,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “could,” “strive,” “will,” “would” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. The Projections and other forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. Readers should carefully consider the risks and uncertainties described in the “Risk Factors” section of the Debtors’ annual report and other documents filed from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the Projections and other forward-looking statements. Most of these factors are outside the Debtors’ control and are difficult to predict. The Projections and other forward-looking statements are predictions about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Readers are cautioned not to put undue reliance on the Projections and other forward-looking statements, and no person assumes any obligation and no person intends to update or revise the Projections or other forward-looking statements, whether as a result of new information, future events, or otherwise.

The Projections present, to the best of the Debtors’ knowledge and belief, the Purchaser Entities’ projected balance sheet, results of operations, and cash flows for the Projection Period, all on an adjusted and non-GAAP basis, and reflect the Debtors’ assumptions and judgments of the projections based on an assumed emergence date of March 31, 2024 (the “Emergence Date”). The impact of the restructuring transaction and the recapitalization of the Debtors’ capital structure is shown on the balance sheet for the Purchaser Entities, as of March 31, 2024. However, The Projections do not reflect any adjustments that would be necessary to implement fresh-start accounting on the Emergence Date pursuant to ASC 852-10, including but not limited to detailed asset valuations and reassessment of the useful lives of depreciable and amortizable assets.

Although the Debtors believe these assumptions are reasonable under current circumstances, such assumptions are subject to inherent uncertainties, including but not limited to, material changes to the economic environment, pricing pressure on certain products due to potential legislative changes, potential legal challenges, changes in health insurers’ and governmental health administration authorities’ reimbursement practices, changes in the competitive environment, pipeline drug developments, and other factors affecting the Company’s businesses. The likelihood, and related financial impact, of a change in any of these factors cannot be predicted with certainty. Consequently, actual financial results could differ materially from the Projections. The Projections assume the Plan will be implemented in accordance with its stated terms. The Projections should be read in conjunction with the assumptions and qualifications contained herein. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in either the Disclosure Statement or the Plan, as applicable.

THE PROJECTIONS WERE NOT PREPARED WITH A VIEW TOWARD COMPLIANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (“GAAP”) IN THE UNITED STATES. FURTHERMORE, THE PROJECTIONS HAVE NOT BEEN AUDITED OR REVIEWED BY A REGISTERED INDEPENDENT PUBLIC ACCOUNTING FIRM.

THE PROJECTIONS, WHILE PRESENTED WITH NUMERICAL SPECIFICITY, ARE BASED UPON A VARIETY OF ESTIMATES AND ASSUMPTIONS WHICH MAY NOT BE REALIZED AND ARE SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES WHICH ARE BEYOND THE CONTROL OF THE DEBTORS. CONSEQUENTLY, THE PROJECTIONS SHOULD NOT BE REGARDED AS A REPRESENTATION OR WARRANTY BY THE DEBTORS, THE PURCHASER ENTITIES, OR ANY OTHER PERSON, AS TO THE ACCURACY OR PRECISION OF THE PROJECTIONS OR THAT THE PROJECTIONS WILL BE REALIZED. ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE PRESENTED IN THE PROJECTIONS. HOLDERS OF CLAIMS OR EQUITY INTERESTS MUST MAKE THEIR OWN ASSESSMENT AS TO THE REASONABLENESS OF SUCH ASSUMPTIONS AND THE RELIABILITY OF THE PROJECTIONS IN MAKING THEIR DETERMINATION OF WHETHER TO ACCEPT OR REJECT THE PLAN.

B. Summary of Significant Assumptions

The Projections were developed by the Debtors’ management using detailed assumptions for revenue and costs, which were developed using a combination of both “bottoms-up” and “top-down” estimation techniques for each of the Company’s business segments: Branded Pharmaceuticals, Sterile Injectables, Generic Pharmaceuticals and International Pharmaceuticals. In developing the Projections, the Debtors considered several factors including, but not limited to:

- Current and projected market conditions for key products within each of the Company’s respective business segments;
- Commercial, R&D and capital investments required to support current on-market and pipeline product growth assumptions;
- Working capital levels necessary to support the Projections based on historical trends and expected future on-market growth and pipeline product launch assumptions; and
- The Debtors’ emergence from chapter 11 on the Emergence Date

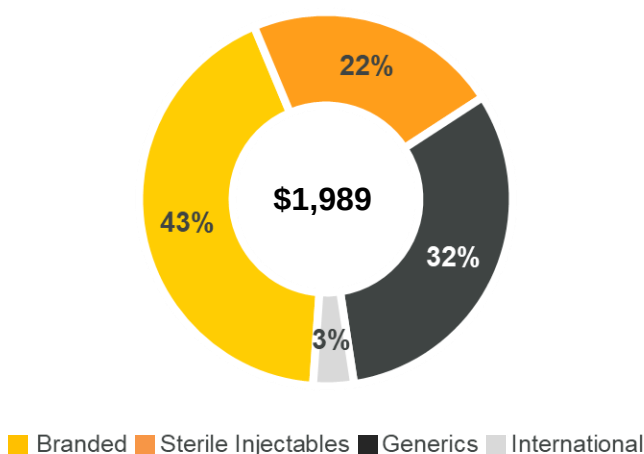
The Projections are intended to reflect the inclusion of all Purchaser Entities. Additionally, the Projections do not contemplate any new product licenses, acquisitions or divestitures.

The Projections have been presented using accounting policies and practices that are consistent with those applied in the Debtors’ historical non-GAAP financial statements. For the avoidance of doubt, the accounting policies and assumptions described below do not purport to be a comprehensive set of accounting policies that would be applied by the Company in the preparation of its consolidated financial statements in accordance with U.S. GAAP. Furthermore, the Projections do not reflect any adjustments that would be necessary to implement fresh-start accounting on the Emergence Date pursuant to ASC 852-10, including but not limited to detailed asset valuations and reassessment of the useful lives of depreciable and amortizable assets.

C. The Company's Business Operations

Post-emergence the Company will be a global business consisting of multiple wholly owned subsidiaries that develop, manufacture, market, and distribute specialty pharmaceutical products across four reportable segments: Branded Pharmaceuticals, Sterile Injectables, Generic Pharmaceuticals and International Pharmaceuticals. All products, except for those in the International Pharmaceuticals segment, will be sold in the U.S. only. The following chart depicts the estimated revenue distribution by segment for fiscal year 2023.

**2023E Revenue by Segment
(UNAUDITED)**
(\$ million)



Branded Pharmaceuticals

The Branded Pharmaceuticals segment focuses on products that have inherent scientific, regulatory, legal, and technical complexities, and markets such products under recognizable brand names that are trademarked. After the completion of required clinical trials and testing, the Company seeks approvals from regulatory bodies, such as through the submission of applications to the Food and Drug Administration. The Branded Pharmaceuticals segment includes a variety of branded products across two portfolio categories: Specialty Products and Established Products. The charts below show estimated fiscal year 2023 revenue for certain key products in the Branded Pharmaceuticals segment.

Specialty Products

The Specialty Products portfolio includes products in the areas of urology, orthopedics, endocrinology and bariatrics, among others. The Specialty Products include XIAFLEX® and SUPPRELIN® LA, among others.

Product	Description	2023E Revenue \$ million
XIAFLEX®	A non-surgical treatment for Dupuytren's contracture (for adult patients with an abnormal buildup of collagen in the fingers that limits or disables hand function) and Peyronie's disease (for adult men with a collagen plaque and a penile curvature deformity). Additional pipeline indications that are in clinical development include plantar fibromatosis and plantar fasciitis.	\$475
SUPPRELIN® LA	A soft, flexible 12-month hydrogel implant based on the Company's hydrogel polymer technology that delivers histrelin acetate, a gonadotropin-releasing hormone agonist, and is indicated for the treatment of central precocious puberty in children.	\$97

Established Products

The Established Products portfolio includes approximately ten products across diverse areas that are not actively promoted. The Established Products portfolio includes PERCOCET® and TESTOPEL®, among others. The Company's pain products, including its opioid products, are not, and have not been, actively promoted in the U.S. since 2016. In December 2016, Endo eliminated its entire U.S. pain product field sales force.

Product	Description	2023E Revenue \$ million
PERCOCET®	This product is indicated for the management of pain severe enough to require an opioid analgesic and for which alternative treatments are inadequate.	\$104
TESTOPEL®	A long-acting implantable pellet indicated for testosterone replacement therapies in conditions associated with a deficiency or absence of endogenous testosterone.	\$41

Sterile Injectables

The Sterile Injectables segment includes a portfolio of more than 30 product families. In this portfolio, there are several sterile injectable products that are protected by certain patent rights and have inherent scientific, regulatory, legal and technical complexities, as well as other generic injectable products that are difficult to formulate or manufacture or face complex legal and regulatory challenges. The Company's sterile injectables products are manufactured in sterile facilities and are administered at hospitals, clinics and long-term care facilities. The Sterile Injectables segment consists primarily of branded sterile injectable products such as VASOSTRICT® and ADRENALIN® among others, and certain generic sterile injectable products, including ertapenem for injection (the authorized generic of Merck's Invanz®), among others. The chart below shows estimated fiscal year 2023 revenue for certain key products in the Sterile Injectables segment.

Product	Description	2023E Revenue \$ million
ADRENALIN®	A non-selective alpha- and beta-adrenergic agonist indicated for emergency treatment of certain allergic reactions, including anaphylaxis.	\$105
VASOSTRICT®	This product is indicated to increase blood pressure in adults with vasodilatory shock who remain hypotensive despite fluids and catecholamines. Vasostrict was the first vasopressin injection with an NDA approved by the FDA	\$86

Generic Pharmaceuticals

The Generic Pharmaceutical segment focuses on first-to-file or first-to-market opportunities that are difficult to formulate or manufacture. Generic products are the pharmaceutical and therapeutic equivalents of branded products and are generally marketed under their generic (chemical) names rather than their brand names. The Generic Pharmaceuticals segment consists of a portfolio of solid oral extended-release products, solid oral immediate-release products, liquids, semi-solids, patches, powders, ophthalmics, and sprays and includes products that treat and manage a wide variety of medical conditions. This segment includes approximately 100 generic product families.

The Company's generic portfolio also contains certain authorized generics, which are generic versions of branded products licensed by brand drug companies under an NDA and marketed as generics. Authorized generics do not face the same regulatory barriers to introduction and are not prohibited from sale during the 180-day marketing exclusivity period granted to the first-to-file Abbreviated NDA applicant. The Company's authorized generics include, among others, lidocaine patch 5% (the authorized generic of Endo's Lidoderm®), lubiprostone capsules (the authorized generic of Mallinckrodt Pharmaceuticals' Amitiza®), and sucralfate oral suspension 1 gm/10 ml (the authorized generic of AbbVie Inc.'s Carafate®). The chart below shows estimated fiscal year 2023 revenue for certain key products in the Generic Pharmaceuticals segment.

Product	Description	2023E Revenue \$ million
Varenicline Tablets	A selective alpha4-beta2 neuronal nicotinic acetylcholine receptor partial agonist approved as an aid to smoking cessation therapy. It is the generic equivalent of the brand Chantix® that was previous sold by Pfizer.	\$160
Dexlansoprazole DR Caps	An oral capsule that is used to treat heartburn, stomach ulcers, reflux disease, or other conditions caused by too much stomach acid. It works by reducing the amount of acid in the stomach. It is the generic equivalent of the brand Dexilant® sold by Takeda Pharmaceuticals U.S.A., Inc.	\$108

International Pharmaceuticals

International Pharmaceuticals sells a variety of specialty pharmaceutical products outside the U.S., primarily in Canada through Debtor Paladin Labs Inc. The key products of this segment serve various therapeutic areas, including attention deficit hyperactivity disorder, pain, women’s health, oncology, and transplantation. Revenue from the International Pharmaceuticals segment is expected to be less than 5% of consolidated total revenue.

Income Statement Assumptions

A. Revenue

The Projections project revenue by product in each segment. Products in each of the business segments operate in competitive marketplaces with unique challenges and opportunities. To develop these portions of the Projections, the Debtors evaluated market conditions, surveyed the competitive landscape, assessed price and volume dynamics, and applied specific knowledge of trends to the products in each segment. Key factors considered in determining the revenue projections include, but are not limited to:

- Overall trends and changing dynamics in the broader markets for key products in each segment;
- Historical performance of existing on-market product and portfolio performance;
- The impact of anticipated competitive entrants and changes in the expected number of competitors and the corresponding impact on pricing and market shares; and
- An assessment of the current and projected competitive landscape, development timelines and commercial readiness for pipeline products.

As is typical for pharmaceutical products, the Company's revenues are based on its gross product revenues, less estimated amounts of various government-mandated and/or privately- negotiated rebates, sales incentives, chargebacks, distribution service agreements fees, returns, fees for services, and administration fees and discounts, among other adjustments. These "gross-to-net" adjustments differ across products and product categories.

Branded Pharmaceuticals

Branded Pharmaceutical segment revenue growth is expected to be driven by continued growth in Xiaflex on-market and pipeline indications that are expected late in the Projection Period. Xiaflex growth is expected to be partially offset by the impact of the loss of exclusivity on other Specialty products including Aveed. Additionally, the Established Brands portfolio is expected to continue to erode from competitive and pricing pressures.

Sterile Injectables

Sterile Injectables segment revenue growth is expected to be driven by a robust pipeline of ready-to-use and other differentiated product candidates that are in development and expected to launch over the Projection Period. The strong growth from new product launches is expected to be partially offset by erosion of on-market products due to the impact of continued competition on key products (e.g., Adrenalin and Vasostrict), coupled with continuing competitive and pricing pressures on other products in the portfolio.

Generic Pharmaceuticals

Generic Pharmaceutical revenue is expected to decline over the Projection Period as existing key products (i.e., Varenicline and Dexlansoprazole) lose exclusivity and face competition. Limited additional opportunities exist within the current generic pipeline to offset expected continued erosion from competitive and pricing pressures. Accordingly, the Generic Pharmaceuticals segment is primarily focused on optimizing portfolio profitability while continuing to pursue opportunistic new product launches over time.

International Pharmaceuticals

International Pharmaceuticals revenue is expected to remain relatively flat through 2024 and then grow over the Projection Period due to growth in recent product approvals and launches. The International Pharmaceuticals segment has historically relied heavily on product acquisition and licensing agreements to sustain and grow revenue and, as such, the number of planned future new product launches is limited.

B. Cost of Goods Sold

The Company's cost of goods sold ("COGS") includes costs such as raw materials and manufacturing costs associated with the processing of materials to convert them into finished goods, royalty expenses, handling costs (costs incurred to store, move, and prepare product for shipment), and other plant costs.

Manufacturing costs include wages and benefit costs, processing costs, maintenance costs, utility costs and other costs that are directly attributable to the production of products. Manufacturing costs have both fixed and variable cost components.

COGS as a percentage of revenue is expected to decrease from approximately 33% to 31% over the Projection Period driven by changes in product mix over time coupled with impact from on-going manufacturing network optimization initiatives.

C. Selling, General and Administrative

Selling, General and Administrative (“SG&A”) expenses include all direct and indirect selling, marketing, and administrative costs. Selling expense includes marketing expense, employee wages and benefits for the various commercial teams, commissions, and office expenses. General and administrative expense includes administrative employee wages and benefits, legal, travel, rents, corporate overhead, insurance, information technology costs, office-related expenses, stock compensation expense, and other expenses. SG&A excludes restructuring and reorganization expenses.

SG&A expense as a percentage of net sales is expected to decrease from approximately 28% to 24% over the Projection Period as revenue is expected to grow twice as fast as the growth in SG&A expenses.

D. Research & Development

Research & Development (“R&D”) expenses consist of internal research and development costs. These expenses include salary and benefits, allocated overhead and occupancy costs, clinical trial and related clinical manufacturing costs, contract services, and other related costs.

From time to time, the Company may enter into licensing or collaborative agreements with third parties to develop a new drug candidate or intellectual property asset. These agreements may include R&D, marketing, promotion and selling activities to be performed by one or all parties involved. These collaborations generally include upfront, milestone and royalty or profit-sharing payments contingent upon future events tied to the developmental and commercial success of the asset. In general, upfront and development milestone payments made to third parties under these agreements are expensed as incurred up to the point of regulatory approval of the product and reflected in R&D expense. However, the Projections do not contemplate any new licensing or collaborative agreements with third parties.

R&D expense is expected to remain relatively stable at approximately 7% of revenue over the Projection Period.

E. Interest Expense

Interest expense reflects interest on post-emergence funded debt and estimated refinancing fees. The Projections do not include debt-related financing fees paid at emergence. Funded debt interest expense post-emergence is based upon projected debt levels and assumed interest rates for funded debt obligations, including forecasts of SOFR (see Debt Obligations below), and is assumed to be paid in cash as incurred. For the avoidance of doubt, 2024 only reflects interest expense for the 9 months ending December 31, 2024.

F. Taxes

The Projections forecast taxes for the Company after the Effective Date that are payable in several taxing jurisdictions, most notably in the U.S. and Ireland, based upon the anticipated capital structure and the elimination of U.S. tax attributes that are expected to be utilized directly in the implementation of the Plan. Taxable income projections include deductions for certain depreciable and amortizable assets subject to limitations.

Balance Sheet Assumptions

A. Cash & Cash Equivalents

The Company classifies cash on hand and deposits in banks, including money market accounts with original maturities of three months or less when purchased and other investments it may hold from time to time, as cash and cash equivalents.

B. Restricted Cash

The Company classifies cash and cash equivalents that are restricted as to withdrawal or use under the terms of certain contractual agreements as restricted cash and cash equivalents.

C. Accounts Receivable

Trade accounts receivable are presented net of an allowance for expected credit losses. The allowance for expected credit losses reflects an estimate of losses inherent in the Company's accounts receivable portfolio and is determined based several factors, including but not limited to historical loss experience and expected potential future losses. Accounts receivable balances are generally written off when management determines they are uncollectible. Trade accounts receivable are also presented net of reserves related to certain sales deductions where we have the right of offset with the customer.

D. Inventory

Inventories are recorded at the lower of cost or net realizable value, using the first-in, first-out convention. Inventory that is in excess of the amount expected to be sold within one year is classified as long-term inventory. The Company reduces the carrying value of inventories for those items that are potentially excess, obsolete, or slow-moving based on changes in customer demand, technology developments or other economic factors.

E. Prepaids and Other Current Assets

Prepaids and other current assets primarily include prepaid expenses, miscellaneous accounts receivable, royalties receivable, insurance receivable, and deposits.

F. Property, Plant & Equipment

Property, plant, and equipment is stated at cost less accumulated depreciation. Major renewals and improvements are capitalized, while routine maintenance and repairs are expensed as incurred.

Depreciation for property, plant, and equipment, other than land and construction in process, is generally based upon the following estimated useful lives, using the straight-line method:

- Buildings: 1 - 30 years
- Machinery and Equipment: 1 - 15 years
- Computer equipment and software: 1 - 10 years
- Furniture and fixtures: 1 - 10 years

The carrying value of property, plant and equipment and related depreciation expense do not reflect the adjustments necessary to implement fresh-start accounting on the Emergence Date pursuant to ASC 852-10, including but not limited to detailed asset valuations and reassessment of the useful lives of depreciable assets.

G. Other Non-Current Assets

Other non-current assets primarily include right of use operating lease assets, long-term investments, certain inventories in excess of the amount expected to be sold in one-year, non-current insurance receivable, and certain restricted cash balances.

H. Intangible Assets

For purposes of these Projections, Intangible Assets includes Goodwill and other intangible assets. The carrying values do not reflect the adjustments necessary to implement fresh-start accounting on the Emergence Date pursuant to ASC 852-10, including but not limited to detailed asset valuations and reassessment of the useful lives of amortizable assets.

Amortization for intangible assets with a finite life are amortized according to the pattern in which the economic benefit of the asset is realized over their estimated useful lives. Amortization does not reflect any adjustments necessary to implement fresh-start accounting on the Emergence Date pursuant to ASC 852-10, including but not limited to detailed asset valuations and reassessment of the useful lives of amortizable assets.

For purposes of these Projections and consistent with the Debtors' historical adjusted non-GAAP financial statements, amortization has not been reflected in the non-GAAP income statement.

I. Accounts Payable

For purposes of these Projections, the days payable are assumed to remain relatively stable at the Emergence Date and throughout the Projection Period.

J. Accrued Expenses and Other Liabilities

Accrued Expenses and Other Liabilities primarily include accrued trade payables, accrued gross-to-net adjustments where the Company does not have the right of offset with the customer, accrued employee payroll and payroll-related costs, accrued utility expense, and accrued taxes, among others.

K. Debt Obligations

Upon consummation of the Plan and for purposes of these Projections only, the Company is assumed to have \$2,500 million of new or take-back debt in the form of a term loan at an annual interest rate of SOFR + 500 bps. For purposes of these Projections, all cash in excess of \$200 million is illustratively assumed to be used to pay down debt each year over the Projection Period.

L. Other Non-current Liabilities

Other Liabilities includes deferred tax liabilities and other non-current liabilities.

M. Shareholder Equity

Shareholder equity at the Emergence Date includes the effect of the conversion of debt into new equity. Shareholder equity does not reflect any adjustments necessary to implement fresh-start accounting on the Emergence Date pursuant to ASC 852-10, including but not limited to detailed asset valuations and reassessment of the useful lives of amortizable assets.

Cash Flow Assumptions

A. Cash Flow from Operations Activities

The Company is expected to generate stable cash from operations during the Projection Period. Net working capital is projected to be a use of cash over the course of the Projection Period driven by increasing accounts receivable due to increasing revenue and a gradual build-up in inventory, slightly offset by increased accounts payable consistent with the trend in revenue and operating expenses. Cash interest expense and cash taxes are also expected to be a use of cash over the course of the Projection Period.

B. Cash Flow from Investing Activities

Cash usage from investing activities over the Projection Period is expected to be primarily related to capital spending to support routine and customary maintenance of manufacturing operations and for information technology and other miscellaneous investments in enabling functions.

C. Cash Flow from Financing Activities

Cash usage from financing activities over the Projection Period reflects repayment of funded debt.

**Pro Forma Estimated
Non-GAAP Cash Sources and Uses
(UNAUDITED)**

The unaudited Pro Forma Estimated Non-GAAP Cash Sources and Uses at the Emergence Date set forth below presents the estimated sources and uses of funds for the consummation of the restructuring transactions contemplated in the Plan (the “Restructuring Transactions”). These amounts are subject to adjustment and may differ at the time of the consummation of the Restructuring Transactions depending on several factors, including but not limited to, differences in estimated transaction fees and expenses, differences between actual and projected operating results and any differences in the contemplated debt financing when consummated.

Sources of Cash	\$ million	Uses of Cash	\$ million
Cash From Balance Sheet	\$ 561	Trust payments [b]	\$ 381
Restricted cash release [a]	31	DOJ settlement [c]	200
Proceeds from Rights Offerings	500	UCC cash settlement [c]	60
New/take-back Debt	2,500	Professional and other fees [d]	155
		Plan administration	38
		Exit financing fees/OID [e]	[TBD]
		Cash to Balance Sheet	200
		Paydown 1L Claims	2,557
Total	\$ 3,591	Total	\$ 3,591

Notes:

- [a] Represents certain professional fee holdbacks that are expected to be released upon emergence. Up to approximately \$135 million of restricted cash is also expected to be released into unrestricted cash before or shortly after emergence.
- [b] Represents settlements with the public, private and tribal opioid claimants; FCR; public school districts and the Canadian government; assumes amounts are fully funded upon emergence.
- [c] Illustratively assumes amounts are fully funded upon emergence.
- [d] Represents estimated carried professional fees, professional fee holdbacks, and certain contingent professional and other fees expected to be paid upon emergence.
- [e] Exit financing fees, including any OID, will be subject to exit financing process.

**Projected Non-GAAP Pro Forma
Consolidated Balance Sheet
(UNAUDITED)**

The Projected Non-GAAP Pro Forma Consolidated Balance Sheet as of the Emergence Date set forth below presents (a) the projected consolidated financial position of the Company as of March 31, 2024, prior to the consummation of the transactions contemplated in the Plan; (b) the pro forma adjustments to such projected consolidated financial position required to reflect the Restructuring Transactions; and (c) the pro forma projected consolidated financial position of Company as of the assumed Emergence Date, after giving effect to the Restructuring Transactions. The Restructuring Transactions set forth in the columns captioned “Plan Effects” and “New Capital” reflect the anticipated and assumed effects of the Restructuring Transactions. The Projected Pro Forma Consolidated Balance Sheet does not reflect any adjustments that would be necessary to implement fresh-start accounting on the Emergence Date pursuant to ASC 852-10, including but not limited to detailed asset valuations and reassessment of the useful lives of depreciable and amortizable assets.

<i>\$ million</i>	3/31/2024E Pre-emerg [a]	Plan Effects [b]	New Capital [c]	3/31/2024PF Post-emerg
Cash and equivalents	\$ 561	\$ (861)	\$ 500	\$ 200
Restricted cash	168	(31)	-	137
Accounts receivable	428	-	-	428
Inventory	288	-	-	288
Prepays & other current assets	101	-	-	101
Current assets	\$ 1,546	\$ (891)	\$ 500	\$ 1,155
PP&E	\$ 463	\$ -	\$ -	\$ 463
Intangibles	2,768	-	-	2,768
Other Assets	150	-	-	150
Total assets	\$ 4,927	\$ (891)	\$ 500	\$ 4,535
Accounts payable	\$ 226	\$ -	\$ -	\$ 226
Accrued expenses and other	296	50	-	346
Current liabilities	\$ 523	\$ 50	\$ -	\$ 573
LSTC	\$ 8,859	\$ (1,762)	\$ (7,096)	\$ -
New/take-back debt	-	-	2,500	2,500
Other non-current liabilities	64	62	-	126
Total liabilities	\$ 9,445	\$ (1,650)	\$ (4,596)	\$ 3,198
Equity	\$ (4,518)	\$ 759	\$ 5,096	\$ 1,337
Total liabilities and equity	\$ 4,927	\$ (891)	\$ 500	\$ 4,535

Notes:

- [a] The pre-emergence balance sheet is an illustrative view as of March 31, 2024, and prior to the execution of the transactions contemplated in the Plan. For purposes of this analysis, LSTC reflects the gross, undiscounted obligations associated with the recently announced preliminary economic settlement agreement in principle between the Ad Hoc First Lien Group and the Department of Justice (DOJ). Such amounts are preliminary and may be subject to further adjustment as additional information becomes available and is contingent upon the final resolution of certain remaining matters related to such agreement in principle or otherwise.
- [b] Plan effects includes cash payments pursuant to the Plan, including (i) opioid trust settlements, (ii) DOJ cash settlement, (iii) UCC and OCC cash settlements, (iv) estimated contingent professional fees, (v) TBD exit financing fees and (vi) the anticipated discharge of certain general unsecured obligations of the Debtors.
- [c] Reflects settlement of funded debtholder claims with a combination of cash from the Equity Rights Offering, new debt and new equity.

**Projected Non-GAAP Pro Forma
Consolidated Income Statement
(UNAUDITED)**

The Projected Non-GAAP Pro Forma Consolidated Income Statement set forth below presents the projected consolidated results of operations of the Company on an adjusted basis for the fiscal years ending 2024, 2025, 2026, 2027 and 2028.

<i>\$ million</i>	2024E	2025E	2026E	2027E	2028E
Revenue	\$ 1,728	\$ 1,867	\$ 2,035	\$ 2,166	\$ 2,217
YoY % Δ	-13%	8%	9%	6%	2%
Gross Profit	\$ 1,154	\$ 1,285	\$ 1,399	\$ 1,484	\$ 1,524
GM%	67%	69%	69%	69%	69%
SG&A	478	487	504	515	540
R&D	120	135	137	137	140
OPEX	\$ 598	\$ 622	\$ 641	\$ 652	\$ 680
OPEX%	35%	33%	31%	30%	31%
EBITDA	\$ 630	\$ 745	\$ 845	\$ 922	\$ 946
(-) Depreciation	(52)	(58)	(60)	(62)	(73)
(-) Stock Based Compensation	(22)	(25)	(26)	(28)	(29)
(-) Interest Expense	(195)	(230)	(193)	(147)	(123)
(-) Income Taxes	(93)	(108)	(128)	(152)	(165)
Net Income	\$ 267	\$ 325	\$ 438	\$ 533	\$ 556

**Projected Non-GAAP Pro Forma
Consolidated Balance Sheet
(UNAUDITED)**

The Projected Non-GAAP Pro Forma Consolidated Balance Sheet set forth below presents the projected consolidated financial position of the Company as of March 31, 2024, after giving effect to the Restructuring Transactions, and as of each fiscal year ending 2024, 2025, 2026, 2027 and 2028.

<i>\$ million</i>	3/31/24PF	2024E	2025E	2026E	2027E	2028E
Cash and equivalents [a]	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200
Restricted cash	137	137	137	137	137	137
Accounts receivable	428	392	412	435	457	468
Inventory	288	294	306	313	315	318
Prepays and other current assets	101	105	124	137	148	159
Current assets	\$ 1,155	\$ 1,128	\$ 1,179	\$ 1,222	\$ 1,258	\$ 1,282
PP&E	\$ 463	\$ 465	\$ 455	\$ 441	\$ 426	\$ 407
Intangibles	2,768	2,583	2,351	2,141	2,007	1,894
Other assets	150	150	150	150	150	150
Total assets	\$ 4,535	\$ 4,326	\$ 4,135	\$ 3,954	\$ 3,840	\$ 3,733
Accounts payable	\$ 226	\$ 200	\$ 213	\$ 234	\$ 243	\$ 248
Accrued expenses and other	346	346	346	346	346	346
Current liabilities	\$ 573	\$ 547	\$ 559	\$ 580	\$ 590	\$ 594
New debt	\$ 2,500	\$ 2,302	\$ 1,981	\$ 1,524	\$ 974	\$ 388
Other non-current liabilities	126	126	126	126	126	126
Total liabilities	\$ 3,198	\$ 2,974	\$ 2,666	\$ 2,230	\$ 1,689	\$ 1,109
Equity	\$ 1,337	\$ 1,352	\$ 1,469	\$ 1,724	\$ 2,151	\$ 2,624
Total liabilities and equity	\$ 4,535	\$ 4,326	\$ 4,135	\$ 3,954	\$ 3,840	\$ 3,733

Notes:

[a] Assumes all cash in excess of \$200 million is used to pay down funded debt.

**Projected Non-GAAP Pro Forma
Consolidated Cash Flow Statement
(UNAUDITED)**

The Projected Non-GAAP Pro Forma Consolidated Cash Flow Statement set forth below presents the projected cash flows of the Company for the year ending December 31, 2024, after giving effect to the Restructuring Transactions, and for the fiscal years ending 2025, 2026, 2027 and 2028.

<i>\$ million</i>	2024E	2025E	2026E	2027E	2028E
Net Income	\$ 267	\$ 325	\$ 438	\$ 533	\$ 556
Depreciation	52	58	60	62	73
SBC	22	25	26	28	29
Δ NWC	(5)	(19)	(9)	(16)	(8)
Other [a]	(941)	(19)	(13)	(11)	(11)
Cash From Operations	\$ (604)	\$ 369	\$ 503	\$ 597	\$ 640
CAPEX	(52)	(48)	(46)	(47)	(54)
Other	-	-	-	-	-
Cash From Investing	\$ (52)	\$ (48)	\$ (46)	\$ (47)	\$ (54)
Debt payments	(198)	(321)	(457)	(550)	(585)
Other [b]	352	-	-	-	-
Cash From Financing	\$ 154	\$ (321)	\$ (457)	\$ (550)	\$ (585)
Net Δ Cash	\$ (501)	\$ -	\$ -	\$ -	\$ -
Beginning Cash	\$ 701	\$ 200	\$ 200	\$ 200	\$ 200
Ending Cash	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200

Notes:

- [a] Includes changes in other assets and liabilities and miscellaneous one-time and contingent payments; 2024E includes cash flows associated with the Plan Effects described above.
- [b] 2024E includes pre-emergence adequate protection payments and proceeds from the Rights Offerings.

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Counsel to Debtors and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

ENDO INTERNATIONAL plc, et al.,

Debtors.¹

Chapter 11

Case No. 22-22549 (JLG)

(Jointly Administered)

**NOTICE OF JOINT HEARING FOR (I) FINAL APPROVAL OF THE DISCLOSURE
STATEMENT AND (II) CONFIRMATION OF THE JOINT CHAPTER 11 PLAN**

PLEASE TAKE NOTICE THAT on January 12, 2024, the United States Bankruptcy Court for the Southern District of New York (the “Court”) entered an order [Docket No. 3549] (the “Disclosure Statement Order”) that (a) conditionally approved the *Disclosure Statement with Respect to the Second Amended Joint Chapter 11 Plan of Reorganization of Endo International plc and its Affiliated Debtors* [Docket No. 3554] (as modified, amended, or supplemented from time to time, the “Disclosure Statement”), for the purposes of solicitation, (b) authorized the Debtors to solicit votes with regard to the acceptance or rejection of the *Second Amended Joint Chapter 11 Plan of Reorganization of Endo International plc and its Affiliated Debtors* [Docket No. 3535] (as modified, amended, or supplemented from time to time, the “Plan”),² (c) approved

¹ The last four digits of Debtor Endo International plc’s tax identification number are 3755. Due to the large number of debtors in these chapter 11 cases, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ claims and noticing agent at <https://restructuring.ra.kroll.com/Endo>. The location of the Debtors’ service address for purposes of these chapter 11 cases is: 1400 Atwater Dr, Malvern PA 19355.

² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Plan, Disclosure Statement, Disclosure Statement Order, or the Solicitation and Voting Procedures (as defined in the Disclosure Statement Order), as applicable.

the solicitation materials and documents to be included in the solicitation packages (the “Solicitation Packages”); and (d) approved procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan.

Copies of the Disclosure Statement (including the Plan and the other exhibits thereto), Disclosure Statement Order, and all other materials in the Solicitation Packages, except Ballots, may be obtained at no charge from the Debtors’ Solicitation Agent, Kroll Restructuring Administration LLC (the “Solicitation Agent” or “Kroll”) by: (a) calling the Solicitation Agent at (877) 542-1878 (U.S. / Canada, toll-free) or +1 (929) 284-1688 (International, toll); (b) visiting the website maintained by the Solicitation Agent at <https://restructuring.ra.kroll.com/Endo> (the “Case Website”) and contacting the Solicitation Agent via the “Live Chat” feature at the “Info Center” panel of the landing page; (c) contacting the Solicitation Agent by mail at Endo Ballot Processing Center, c/o Kroll Restructuring Administration LLC, 850 Third Avenue, Suite 412, Brooklyn, NY 11232; or (d) emailing endoenquiries@ra.kroll.com with “Endo Solicitation Package request” in the subject line. You may also obtain copies of these materials or any pleadings filed in these Chapter 11 Cases for a fee via PACER at <https://www.nysb.uscourts.gov/>.

PLEASE TAKE FURTHER NOTICE THAT the hearing at which the Court will consider the adequacy of the Disclosure Statement on a final basis and Confirmation of the Plan (the “Combined Hearing”) will commence on **March 19, 2024 at 10:00 a.m. (prevailing Eastern Time)** or such other time that the Court determines, before the Honorable James L. Garrity, Jr., in the United States Bankruptcy Court for the Southern District of New York, located at One Bowling Green, Courtroom 723, New York, New York 10004.

THE COMBINED HEARING MAY BE CONTINUED FROM TIME TO TIME BY THE COURT OR THE DEBTORS **WITHOUT FURTHER NOTICE** OTHER THAN BY SUCH ADJOURNMENT BEING ANNOUNCED IN OPEN COURT OR BY A NOTICE OF ADJOURNMENT FILED WITH THE COURT AND SERVED ON ALL PARTIES ENTITLED TO NOTICE.

CRITICAL INFORMATION REGARDING VOTING ON THE PLAN

Voting Record Date. The voting record date is **January 2, 2024** (the “Voting Record Date”), which is the date for determining which holders of Claims in the Voting Classes are entitled to vote on the Plan.

Voting Deadline. The deadline for voting on the Plan is on **February 22, 2024 at 4:00 p.m. (prevailing Eastern Time)** (the “Voting Deadline”). If you received a Solicitation Package, including a Ballot, and intend to vote on the Plan, you **must**: (a) follow the instructions contained in the Ballot carefully; (b) complete **all** of the required information on the Ballot; and (c) execute and return your completed Ballot according to and as set forth in detail in the Ballot’s voting instructions so that it is **actually received** by Kroll on or before the Voting Deadline. **A failure to follow such instructions may disqualify your vote.**

CRITICAL INFORMATION REGARDING OBJECTING TO THE PLAN

Plan and Disclosure Statement Objection Deadline. The deadline for filing objections to the Plan or Disclosure Statement is **February 22, 2024 at 4:00 p.m. (prevailing Eastern Time)** (the “**Plan and Disclosure Statement Objection Deadline**”). All objections to the relief sought at the Combined Hearing **must**: (a) be in writing; (b) conform to the Bankruptcy Rules, the Local Rules, and any orders of the Court; (c) state, with particularity, the legal and factual basis for the objection and, if practicable, a proposed modification to the Plan (or related materials) that would resolve such objection; and (d) be filed with the Court and served upon the Objection Notice Parties (defined below) so as to be **actually received** on or before the Plan and Disclosure Statement Objection Deadline.

An objection to the confirmation of the Plan or to the final approval of the Disclosure Statement must be served upon the following parties (the “**Objection Notice Parties**”):

<i>Debtors</i>	
Endo International plc 1400 Atwater Drive, Malvern, PA 19355 <i>Attention:</i> Matthew Maletta, Esq. and Brian Morrissey, Esq.	
<i>Counsel for the Debtors</i>	
Skadden, Arps, Slate, Meagher & Flom LLP One Manhattan West, New York, NY 1000 <i>Attention:</i> Paul D. Leake (paul.leake@skadden.com), Lisa Laukitis (lisa.laukitis@skadden.com), Shana A. Elberg (shana.elberg@skadden.com), and Evan A. Hill (evan.hill@skadden.com)	
<i>United States Trustee</i>	
Office of the U.S. Trustee for Region 2 Alexander Hamilton Custom House One Bowling Green, Room 534, New York, NY 10004-1408 <i>Attention:</i> Paul Schwartzberg (paul.schwartzberg@usdoj.gov) and Tara Tiantian (tara.tiantian@usdoj.gov)	
<i>Counsel for the Ad Hoc First Lien Group</i>	<i>Counsel for the Ad Hoc Cross-Holder Group</i>
Gibson, Dunn & Crutcher 200 Park Avenue, New York, NY 10166 <i>Attention:</i> Scott J. Greenberg (sgreenberg@gibsondunn.com), Michael J. Cohen (mcohen@gibsondunn.com), Joshua K. Brody (jbrody@gibsondunn.com), and Christina M. Brown (christina.brown@gibsondunn.com)	Paul, Weiss, Rifkind, Wharton & Garrison LLP 1285 Avenue of the Americas New York, NY 10019 <i>Attention:</i> Andrew N. Rosenberg (aronberg@paulweiss.com), Alice B. Eaton (aeaton@paulweiss.com), and Andrew Parlen (aparlen@paulweiss.com)
<i>Counsel for the Creditors’ Committee</i>	
Kramer Levin Naftalis & Frankel LLP 1177 Avenue of the Americas, New York, NY 10036	

<i>Attention:</i> Kenneth H. Eckstein (keckstein@kramerlevin.com), Rachael L. Ringer (rringer@kramerlevin.com), David E. Blabey, Jr. (dblabe@kramerlevin.com), and Megan Wasson (mwasson@kramerlevin.com)
<i>Lead Counsel for the Opioid Claimants' Committee</i>
Cooley LLP 55 Hudson Yards, New York, NY 10001 <i>Attention:</i> Cullen D. Speckhart (cspeckhart@cooley.com), Summer McKee (smckee@cooley.com), and Evan Lazerowitz (elazerowitz@cooley.com)
<i>Special Counsel for the Opioid Claimants' Committee</i>
Akin Gump Strauss Hauer & Feld LLP One Bryant Park, New York, NY 10036 <i>Attention:</i> Arik Preis (apreis@akingump.com), Mitchell P. Hurley (mhurley@akingump.com), Kate Doorley (kdoorley@akingump.com), Theodore James Salwen (jsalwen@akingump.com), and Brooks Barker (bbarker@akingump.com)
<i>The FCR in the Chapter 11 Cases</i>
<i>Attention:</i> Roger Frankel (rfrankel@frankelwyron.com)
<i>Co-Counsel to the FCR</i>
Young Conaway Stargatt & Taylor, LLP Rodney Square, 1000 North King Street, Wilmington, DE 19801 <i>Attention:</i> James L. Patton, Jr. (jpatton@ycst.com), Robert S. Brady (rbrady@ycst.com), Edwin J. Harron (eharron@ycst.com), and Sean T. Greecher (sgreecher@ycst.com) - and - Frankel Wyron LLP 2101 L Street, NW, Suite 800, Washington, DC 20037 <i>Attention:</i> Richard H. Wyron (rwyron@frankelwyron.com)
<i>Counsel for the Multi-State Endo Executive Committee</i>
Pillsbury Winthrop Shaw Pittman LLP 31 West 52nd Street, New York, New York 10019 <i>Attention:</i> Andrew M. Troop (andrew.troop@pillsburylaw.com), Hugh M. McDonald (hugh.mcdonald@pillsburylaw.com), and Andrew V. Alfano (andrew.alfano@pillsburylaw.com)

UNLESS AN OBJECTION IS TIMELY SERVED AND FILED IN ACCORDANCE WITH THIS NOTICE, IT MAY NOT BE CONSIDERED BY THE COURT.

ADDITIONAL INFORMATION

Obtaining Solicitation Materials. The materials in the Solicitation Package are intended to be self-explanatory. If you have any questions or if you would like to obtain additional solicitation materials (or paper copies of any solicitation materials), please feel free to contact the Solicitation Agent using one of the methods provided above. Please be advised that the Solicitation Agent is authorized to answer questions about, and provide additional copies of, solicitation materials, but may **not** advise you as to whether you should vote to accept or reject the Plan.

Filing the Plan Supplement. The Debtors will file the Plan Supplement (as defined in the Plan) on or before **February 15, 2024** and will serve notice on all holders of Claims entitled to vote on the Plan, which will: (a) inform parties that the Debtors filed the Plan Supplement; (b) list the information contained in the Plan Supplement; and (c) explain how parties may obtain copies of the Plan Supplement.

EXTENSION OF GENERAL BAR DATE FOR FOREIGN CLAIMANTS ONLY

Pursuant to the Plan, the applicable Bar Date by which claimants can submit their Claims in the Chapter 11 Cases, as determined by the order entered by the Court on April 3, 2023 (and as amended by further orders entered June 23, 2023, and July 14, 2023), shall be extended to the date that is **fourteen (14) days following the Confirmation Date** (the “Extended Foreign Bar Date”) exclusively for any and all Claims against a Foreign Debtor which are (i) governed by the law of a jurisdiction other than the United States (including any of its States or Territories) or Canada (including any of its provinces or territories), and (ii) held by claimants that are (a) individuals that are not domiciled in the United States or Canada, or (b) corporate entities that are incorporated pursuant to the law of a jurisdiction other than the United States (including any of its States or Territories) or Canada (including any of its provinces or territories) (“Exclusively Foreign Claims”). For the avoidance of doubt, any Claim against a Debtor that is not a Foreign Debtor shall not be an Exclusively Foreign Claim.

The Scheme provides that, if the Effective Date of the Plan occurs, each Scheme Creditor that has submitted a Claim in the Chapter 11 Cases prior to the applicable Bar Date (including, with respect to Exclusively Foreign Claims, the Extended Foreign Bar Date) in accordance with the applicable procedures shall be entitled to receive the treatment set out in the Plan in respect of that Claim, including, to the extent applicable, being entitled to receive recovery from an applicable Trust to the extent the relevant Scheme Creditor satisfies the applicable eligibility requirements.

BINDING NATURE OF THE PLAN

IF CONFIRMED, THE PLAN SHALL BIND ALL HOLDERS OF CLAIMS AND INTERESTS TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, WHETHER OR NOT SUCH HOLDER WILL RECEIVE OR RETAIN ANY PROPERTY OR INTEREST IN PROPERTY UNDER THE PLAN, HAS FILED A PROOF OF CLAIM IN THESE CHAPTER 11 CASES, AND/OR FAILED TO VOTE TO ACCEPT OR REJECT THE PLAN OR VOTED TO REJECT THE PLAN.

HOW TO MAKE AN ELECTION WITH RESPECT TO CERTAIN THIRD-PARTY RELEASES

Any holder of a Claim or Interest who does not wish to grant the applicable third-party releases set forth in Article X of the Plan must return its Ballot with the appropriate Release Election (as defined in the Ballots) or the Opt-Out Form or Opt-In Form, as applicable, included with its Notice of Non-Voting Status, as applicable, to the Solicitation Agent, so as to be **actually received** by the Solicitation Agent by the Voting Deadline, according to the instructions set forth in the Ballot or Notice of Non-Voting Status, as applicable. **Please note, which Class a creditor is in and how such creditor votes on the Plan will impact whether and how a creditor will provide releases pursuant to Article X of the Plan. Each creditor should review the Release Election options in its Ballot carefully before making an election.**

RELEASES

Article X of the Plan provides for discharge, releases, exculpation, and injunctions against certain conduct. For your convenience, such provisions are set forth in **Exhibit A** hereto. The injunctions in the Plan include permanent injunctions by any entity against (a) the commencement of any action or other proceeding, (b) the enforcement of any judgment, award, decree, or order, or (c) the creation, perfection, or enforcement of any encumbrance in connection with or with respect to any claims or interests released, settled, or discharged pursuant to the Plan.

Dated: January 25, 2024
New York, New York

/s/ Paul D. Leake

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Counsel for the Debtors and Debtors in Possession

EXHIBIT A¹

RELEASE, EXCULPATION, AND INJUNCTION PROVISIONS CONTAINED IN THE PLAN

ARTICLE I

DEFINED TERMS

“Additional Opioid Excluded Parties” means (a) the Co-Defendants; and (b) any distributor, manufacturer, or pharmacy engaged in the distribution, manufacture, or dispensing/sale of Opioids, Opioid Products, or, solely with respect to the Canadian Provinces, Canadian First Nations, and Canadian Municipalities, Canadian Opioid Products. The Additional Opioid Excluded Parties shall be deemed Excluded Parties solely with respect to the Releases granted or deemed to be granted, as applicable, by the Specified Opioid Claimant Releasing Parties; *provided, that*, for the avoidance of doubt, the Additional Opioid Excluded Parties shall not be Excluded Parties with respect to the Releases granted or deemed to be granted by any Non-GUC Releasing Party other than the Specified Opioid Claimant Releasing Parties or any GUC Releasing Party.

“Excluded Parties” means (a) the McKinsey Parties; (b) the Arnold & Porter Parties; (c) any of the Debtors’ current or former third-party agents, partners, representatives, or consultants involved in the production, distribution, marketing, promotion, or sale of Opioids, Opioid Products, or, solely with respect to the Canadian Provinces, the Canadian First Nations, and the Canadian Municipalities, Canadian Opioid Products (in each case of clauses (a), (b), and (c), excluding the Debtors’ (i) current and former officers, directors, and employees (in each case, solely in their respective capacities as such); and (ii) Professionals retained by the Debtors in the Chapter 11 Cases (which, for the avoidance of doubt, shall (1) include any ordinary course professionals; but (2) exclude any Additional Advisor Excluded Parties)); (d) Practice Fusion, Inc.; (e) the Publicis Health Parties; (f) the ZS Associates Parties; and (g) solely with respect to the Specified Opioid Claimant Releasing Parties, the Additional Opioid Excluded Parties, solely in their respective capacities as such. Notwithstanding anything to the contrary in the Plan, none of the following shall be an “Excluded Party”: the Debtors’ (1) current and former directors (including any Persons in analogous roles under applicable law), officers, and employees, in each case, solely in their respective capacities as such; and (2) Professionals retained by the Debtors in the Chapter 11 Cases (which, for the avoidance of doubt, shall (A) include any ordinary course professionals; but (B) exclude any Additional Advisor Excluded Parties) and, for the avoidance of doubt, each Person identified in the foregoing clauses (1) and (2) shall be a Non-GUC Released Party.

“Exculpated Claim” means, in each case, solely to the extent related to an act or omission, or arising, prior to the Effective Date, any Claim, obligation, suit, judgment, damage, demand,

¹ Below is a summary of certain release, exculpation, and injunction provisions in the Plan for your convenience. For the avoidance of doubt, to the extent any provision of this **Exhibit A** conflicts with the terms of the Plan, the terms of the Plan will control. Capitalized terms used below have the meanings ascribed to such terms in the Plan.

debt, right, Cause of Action, remedy, loss, and liability for any Claim related to any act or omission in connection with, relating to, or arising out of the Debtors' in- or out-of-court restructuring efforts leading up to the Chapter 11 Cases, the Chapter 11 Cases, or the administration of the Chapter 11 Cases; any foreign recognition proceedings or the administration of such foreign recognition proceedings; the Sale Process, including the negotiation and pursuit thereof, any documents related thereto, and any transactions contemplated thereby or in connection therewith; the negotiation and pursuit of the Plan and the Plan Documents, the Disclosure Statement, the RSA, the Exit Financing, the Rights Offerings, the Scheme, and the Scheme Circular; the Plan, the Plan Transaction, the Restructuring Transactions, the Plan Settlements, and any other transactions contemplated in connection with the foregoing; the negotiation and establishment of the PPOC Trust, any of the PPOC Sub-Trusts, the GUC Trust, any of the Distribution Sub-Trusts, the Future PI Trust, the Public Opioid Trust, the Tribal Opioid Trust, the Canadian Provinces Trust, the EFBD Claims Trust, the Other Opioid Claims Trust, the Trust Documents, the Opioid School District Recovery Trust Governing Documents, the U.S. Government Resolution, and the U.S. Government Resolution Documents; the solicitation of votes for, and Confirmation of, the Plan, the Plan Transaction, and any other transactions or documents contemplated thereby or by the Plan or in connection therewith or with the Plan; the funding of the Plan; the pursuit of Confirmation; the occurrence of the Effective Date; the closing of the Plan Transaction; the implementation and administration of the Plan; or any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date; *provided, however, that*, "Exculpated Claims" shall not include (a) any Claim, obligation, suit, judgment, damage, demand, debt, right, Cause of Action, remedy, loss, or liability for any Claim for, or relating to, any act or omission, in each case, determined by a Final Order to be intentional fraud, gross negligence, or willful misconduct; or (b) any GUC Trust Litigation Claim.

"Exculpated Parties" means (a)(i) the Debtors, solely in their respective capacities as such; (ii) the Post-Emergence Entities, solely in their respective capacities as such; (iii) the Creditors' Committee and each of the members thereof, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the individual members thereof, in each case, solely in their respective capacities as such; (iv) the Opioid Claimants' Committee and each of the members thereof, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the individual members thereof, in each case, solely in their respective capacities as such; (v) the FCR, solely in his capacity as such, and each of the advisors thereto, solely in their respective capacities as such; and (vi) the Plan Administrator and any advisors thereto, in each case, solely in their respective capacities as such; (b) solely to the extent consistent with section 1125(e) of the Bankruptcy Code: (i) the Prepetition Secured Parties, solely in their respective capacities as such; (ii) the Ad Hoc First Lien Group and each of the members thereof, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the individual members thereof, in each case, solely in their respective capacities as such; (iii) the Ad Hoc Cross-Holder Group and each of the members thereof, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the individual members thereof, in each case, solely in their respective capacities as such; (iv) the PPOC Trust, each PPOC Sub-Trust, the GUC Trust, each Distribution Sub-Trust, the Future PI Trust, the Public Opioid Trust, the Tribal Opioid Trust, and the Trustees, administrators, boards or governing bodies of, any advisors to, and any other Persons with similar administrative or supervisory roles in connection with any of the foregoing, in each case, solely in their respective capacities as such; (v) the GUC Backstop Commitment Parties, solely in their respective capacities as such; (vi) the First Lien Backstop Commitment Parties, solely in their

respective capacities as such; (vii) the Unsecured Notes Indenture Trustees, solely in their respective capacities as such; (viii) the Endo EC and each of the States that are members thereof and their respective officers and Representatives, in each case, solely in their respective capacities as such; and (c)(i) with respect to the Persons listed in the foregoing clauses (a) and (b), such Persons' predecessors, successors, permitted assigns, current and former subsidiaries and Affiliates, respective heirs, executors, estates, and nominees, in each case, solely in their respective capacities as such; and (ii) current and former directors (including any Persons in analogous roles under applicable law), officers, employees, and Representatives of each of the Persons listed in the foregoing clauses (a) through (c)(i), in each case, solely in their respective capacities as such. For the avoidance of doubt, and notwithstanding anything to the contrary in the Plan, (1) no Excluded Party or GUC Excluded Party (other than the Excluded D&O Parties) shall be an Exculpated Party; and (2) with respect to the Excluded D&O Parties, no Excluded D&O Party shall be exculpated from any GUC Trust Litigation Claim.

"GUC Excluded Parties" means (a) the Excluded Parties; and (b)(i) the TPG Parties; (ii) the Insurance Advisor Parties; (iii) the Additional Advisor Excluded Parties; (iv) the Additional Third-Party Excluded Parties and (v) the Excluded D&O Parties (subject to the Covenant Not To Collect).

"GUC Released Parties" means (a) the Debtors and their Estates; (b) the Non-Debtor Affiliates; (c) the Post-Emergence Entities; (d) each Consenting First Lien Creditor and Prepetition Secured Party, in each case, solely in their respective capacities as such; (e) the Ad Hoc Cross-Holder Group, the Ad Hoc First Lien Group, and each of the members of the foregoing, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the individual members thereof, in each case, solely in their respective capacities as such; (f) the Opioid Claimants' Committee and each of the members thereof, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the individual members thereof, in each case, solely in their respective capacities as such; (g) the Creditors' Committee and each of the members thereof, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the members thereof, in each case, solely in their respective capacities as such; (h) the FCR, solely in his capacity as such, and the advisors to the FCR, solely in their respective capacities as such; (i) the Endo EC and each of the States that are members thereof and their respective officers and Representatives, in each case, solely in their respective capacities as such; (j) the Trusts and the Trustees, administrators, boards or governing bodies of, any advisors to, and any other Persons with similar administrative or supervisory roles in connection with any of the foregoing, in each case, solely in their respective capacities as such; (k) the First Lien Backstop Commitment Parties and the GUC Backstop Commitment Parties, in each case, solely in their respective capacities as such; (l) the Unsecured Notes Indenture Trustees, solely in their respective capacities as such; (m) the Debtors' current officers (as of or after the Petition Date); (n) the Debtors' directors (including any Persons in any analogous roles under applicable law) that continue serving in their capacity as directors with, or become directors of, any of the Purchaser Entities after the Effective Date or continue or begin serving in any other prior senior-level employment position² after the Effective Date and performing services commensurate with such

² For the avoidance of doubt, any individual serving in a position of Band D or higher shall be deemed to be serving in a senior-level employment position.

prior position;³ (o) current and former officers and directors (including any Persons in any analogous roles under applicable law) of subsidiaries of Endo International plc that are not UCC Specified Subsidiaries; (p) with respect to each of the foregoing Persons listed in clauses (a) through (c), such Persons' predecessors, successors, assigns, current and former subsidiaries and Affiliates, heirs, executors, estates, nominees, current and former employees, advisors, agents, and consultants (including any professional retained by the Debtors in the Chapter 11 Cases except, with respect to ordinary course professionals, as may be agreed on a case-by-case basis, and excluding the Arnold & Porter Parties, the McKinsey Parties, the Insurance Advisor Parties, the Additional Advisor Excluded Parties, and any other GUC Excluded Party), in each case, solely in their respective capacities as such; and (q) with respect to each of the foregoing Persons listed in clauses (d) through (l), such Persons' predecessors, successors, permitted assigns, current and former subsidiaries and Affiliates, respective heirs, executors, estates, nominees, current and former officers, directors (including any Persons in any analogous roles under applicable law), employees, and Representatives, in each case, solely in their respective capacities as such. For the avoidance of doubt, no GUC Excluded Party shall be a GUC Released Party.

"GUC Releasing Parties" means (a) the GUC Trust; (b) each Distribution Sub-Trust; (c) each holder of (i) an Other General Unsecured Claim; (ii) a Mesh Claim; or (iii) a Ranitidine Claim, in each case, that (1) votes to accept the Plan; (2) was solicited to vote to accept or reject the Plan but who does not vote either to accept or reject the Plan and, further, opts in to grant the GUC Releases; or (3) votes to reject the Plan and opts in to grant the GUC Releases; (d) each holder of (i) a Second Lien Deficiency Claim; (ii) an Unsecured Notes Claim; (iii) a Generics Price Fixing Claim; or (iv) a Reverse Payment Claim, in each case, that (1) votes to accept the Plan; (2) was solicited to vote to accept or reject the Plan but who does not vote either to accept or reject the Plan and, further, does not opt out of granting the GUC Releases; or (3) votes to reject the Plan and opts in to grant the GUC Releases; and (e) Representatives of each Person in the foregoing clauses (a) through (d), in each case, solely in their respective capacities as such.

"Non-GUC Released Parties" means (a) the Debtors and their Estates; (b) the Non-Debtor Affiliates; (c) the Post-Emergence Entities; (d) each Consenting First Lien Creditor and Prepetition Secured Party, solely in their respective capacities as such; (e) the Ad Hoc Cross-Holder Group, the Ad Hoc First Lien Group, and each of the members of the foregoing, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the individual members thereof, in each case, solely in their respective capacities as such; (f) the Opioid Claimants' Committee and each of the members thereof, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the individual members thereof, in each case, solely in their respective capacities as such; (g) the Creditors' Committee and each of the members thereof, in each case, solely in their respective capacities as such, and each of the advisors thereto or of the members thereof, in each case, solely in their respective capacities as such; (h) the FCR, solely in his capacity as such, and the advisors to the FCR, solely in their respective capacities as such; (i) the Endo EC and each of the States that are members thereof and their respective officers and Representatives, in each case, solely in their respective capacities as

³ For the avoidance of doubt, if a director does not continue in the same position or one or more position(s) of similar seniority post-Effective Date, such individual shall not be a GUC Released Party or a Non-GUC Released Party under this clause (n); *provided, that*, to the extent employed immediately prior to the Effective Date in a senior-level non-director position, such individual was offered employment by any of the Purchaser Entities.

such; (j) the Trusts and the Trustees, administrators, boards or governing bodies of, any advisors to, and any other Persons with similar administrative or supervisory roles in connection with, any of the foregoing, in each case, solely in their respective capacities as such; (k) the First Lien Backstop Commitment Parties and the GUC Backstop Commitment Parties, in each case, solely in their respective capacities as such; (l) the Unsecured Notes Indenture Trustees, solely in their respective capacities as such; (m) with respect to each of the foregoing Persons listed in clauses (a) through (l), such Persons' predecessors, successors, permitted assigns, current and former subsidiaries and Affiliates, respective heirs, executors, estates, and nominees, in each case, solely in their respective capacities as such; and (n) with respect to each of the foregoing Persons listed in clauses (a) through (m), such Persons' current and former officers, directors (including any Persons in any analogous roles under applicable law), employees, and Representatives, in each case, solely in their respective capacities as such. Notwithstanding the foregoing or anything to the contrary in the Plan or in any other Plan Document, "Non-GUC Released Parties" shall not include any Excluded Party and all Claims and Causes of Action against such Persons shall be preserved and not released in accordance with the Plan.

"Non-GUC Releasing Parties" means each (a) Non-GUC Released Party, other than (i) the Debtors; and (ii) the Post-Emergence Entities; (b) holder of a State Opioid Claim; (c) holder of (i) a PI Opioid Claim; (ii) a NAS PI Claim; (iii) an IERP II Claim; (iv) an Other Opioid Claim; or (v) an EFBD Claim, in each case, that (1) votes to accept the Plan; (2) was solicited to vote to accept or reject the Plan but that does not vote to either accept or reject the Plan and, further, opts in to grant the Non-GUC Releases; or (3) votes to reject the Plan and opts in to grant the Non-GUC Releases; (d) holder of (i) a Priority Non-Tax Claim; (ii) an Other Secured Claim; (iii) a First Lien Claim; (iv) a Local Government Opioid Claim; (v) a Tribal Opioid Claim; (vi) a Hospital Opioid Claim; (vii) a TPP Claim; (viii) a Public School District Claim; (ix) a Canadian Provinces Claim; (x) a Settling Co-Defendant Claim; (xi) a Subordinated, Recharacterized, or Disallowed Claim; or (xii) an Existing Equity Interest, in each case, that (1) votes to accept the Plan; (2) is presumed to accept the Plan and does not opt out of granting the Non-GUC Releases; (3) is deemed to reject the Plan and does not opt out of granting the Non-GUC Releases; (4) was solicited to vote to accept or reject the Plan but who does not vote either to accept or reject the Plan and, further, does not opt out of granting the Non-GUC Releases; or (5) votes to reject the Plan and opts in to grant the Non-GUC Releases; and (e) Representatives of each Person in the foregoing clauses (a), (b), (c), and (d), in each case, solely in their respective capacities as such.

"Released Claims" means any and all Claims and Causes of Action arising at any time prior to or on the Effective Date and relating in any way to the Debtors (whether as the Debtors existed prior to the Petition Date or as debtors-in-possession), the Estates, the Debtors' business, or the Chapter 11 Cases or related foreign recognition proceedings, including, without limitation, any and every Cause of Action, including any and every Claim and action, class action, cross-claim, counterclaim, third-party Claim, controversy, dispute, demand, right, lien, indemnity, contribution, right of subrogation, reimbursement, guaranty, suit, obligation, liability, debt, damage, judgment, loss, cost, attorneys' fees and expenses, account, defense, remedy, offset, power, privilege, license, or franchise, in each case, of any kind, character, or nature whatsoever, asserted or unasserted, accrued or unaccrued, known or unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, foreseen or unforeseen, direct or indirect, choate or inchoate, Secured or unsecured, Allowed, Disallowed, or Disputed, assertible directly or derivatively (including, without

limitation, under alter-ego theories), in rem, quasi in rem, in personam, or otherwise, whether arising before, on, or after the Petition Date, whether arising under federal statutory law, state statutory law, common law, or any other applicable international, foreign, or domestic law, rule, statute, regulation, treaty, right, duty, requirement, or otherwise, in contract or in tort, at law, in equity, or pursuant to any other theory or principle of law, including fraud, negligence, gross negligence, recklessness, reckless disregard, deliberate ignorance, public or private nuisance, breach of fiduciary duty, avoidance (other than any Specified Avoidance Action), willful misconduct, veil piercing, unjust enrichment, disgorgement, restitution, contribution, indemnification, rights of subrogation, and joint liability, regardless of where in the world accrued or arising, including, for the avoidance of doubt, (a) any Cause of Action held by a natural person who is not yet born or who has not yet attained majority as of the Petition Date or as of the Effective Date, as applicable; (b) any right of setoff, counterclaim, or recoupment, and any Cause of Action for breach of contract or for breach of duty imposed by law or in equity; (c) the right to object to or otherwise contest Claims or Interests; (d) any Cause of Action pursuant to section 362 of the Bankruptcy Code or chapter 5 of the Bankruptcy Code; (e) any claim or defense, including fraud, mistake, duress and usury, and any other defense set forth in section 558 of the Bankruptcy Code; and (f) any claim under any federal, state, or foreign law, including for the recovery of any fraudulent transfer or similar theory (other than any Specified Avoidance Action) arising at any time prior to or on the Effective Date and relating in any way to the Debtors (whether as the Debtors existed prior to the Petition Date or as debtors-in-possession), the Estates, the Debtors' business, the Chapter 11 Cases, or foreign recognition proceedings relating to the Chapter 11 Cases, including, without limitation, any and all Claims and Causes of Action based on or relating to, or in any manner arising from, in whole or in part: (i) Opioids, Opioid Products, Canadian Opioid Products, and Opioid-Related Activities; (ii) the Debtors' use of Cash in accordance with the Cash Collateral Order; (iii) any Avoidance Actions that are not Specified Avoidance Actions (for the avoidance of doubt, Specified Avoidance Actions shall not be Released Claims); (iv) the negotiation, formulation, preparation, dissemination, filing, or implementation of, prior to the Effective Date, the Sale Process, the Bidding Procedures Order, the Plan, the Plan Transaction, the Plan Documents, the Transaction Steps Order, the Plan Settlements, the Trusts, the Trust Documents, the Opioid School District Recovery Trust Governing Documents, the U.S. Government Resolution Documents, the Exit Financing Documents, the Rights Offering Documents, the RSA, the Restructuring Transactions, the India Internal Reorganization, the Scheme, the Scheme Circular, and any contract, instrument, release, or any other similar document or agreement entered into in connection with the foregoing or any transactions or other actions or omissions contemplated thereby; (v) the administration and implementation of the Plan, including the Restructuring Transactions, the Exit Financing, the Rights Offerings and the Backstop Commitment Agreements, the Plan Transaction, and the Plan Settlements, the issuance or distribution of equity and/or debt securities and/or indebtedness in connection therewith or with the Plan, and any other transactions, actions, omissions, or documents contemplated thereby or by the Plan; (vi) the establishment and funding of the Trusts, the implementation of the Plan Settlements, and any other actions taken in connection therewith or contemplated thereby; and (vii) any other act or omission, transaction, agreement, event, or other occurrence or circumstance taking place on or before the Effective Date related or relating to any of the foregoing. For the avoidance of doubt, "Released Claims" shall not include any (1) Claims or Causes of Action against any Excluded Party or, solely with respect to the GUC Releasing Parties, any GUC Excluded Party; or (2) GUC Trust Litigation Claims.

“Specified Opioid Claimant Releasing Parties” means (a) the PPOC Trust; (b) each PPOC Sub-Trust; (c) each Present Private Opioid Claimant; (d) the Future PI Trust; (e) each Future PI Claimant; (f) the Canadian Provinces Trust; (g) each Canadian Province; (h) each Canadian First Nation; (i) each Canadian Municipality; and (j) each Public School District Creditor, in each case, that grants or is deemed to grant, as applicable, the Non-GUC Releases, solely in their respective capacities as such.

ARTICLE X

RELEASE, EXCULPATION, AND INJUNCTION PROVISIONS

A. Settlements

1. **Section 10.1. Compromise and Settlement of Claims, Interests, and Controversies**

Pursuant to sections 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of (a) all Released Claims; and (b) all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a holder of a Claim or Interest may have with respect to any Allowed Claim or Interest, or any Distribution to be made on account of such Allowed Claim or Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court’s approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and holders of Claims and Interests, and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to sections 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Post-Emergence Entities may compromise and settle Claims against them and Causes of Action against other Persons.

B. Debtor, Non-GUC, and GUC Releases

1. **Section 10.2. Debtor Releases**

(a) Notwithstanding anything contained in the Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, on and after the Effective Date, the Debtors, their Estates, and the Post-Emergence Entities are deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged each Debtor Released Party from any and all Released Claims. Notwithstanding anything in the Plan to the contrary, the Debtor Releases do not release any post-Effective Date obligations of any Person or Entity under the Plan, any Plan Document, the Plan Transaction, any Restructuring Transaction, or any document, instrument, or agreement executed to implement the Plan and the Plan Transaction, and shall not result in a release, waiver, or discharge of any Indemnification Obligations assumed by the Purchaser Entities as set forth in the Plan; provided, however, that, nothing in Section 10.2 of the Plan shall be construed to release (i) the GUC Trust Litigation

Claims; or (ii) any Person or Entity from a claim for intentional fraud or willful misconduct, in each case, as determined by a Final Order.

(b) Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtor Releases and, further, shall constitute the Bankruptcy Court's finding that the Debtor Releases are: (i) in exchange for the good and valuable consideration provided by the Debtor Released Parties, including, without limitation, the Debtor Released Parties' contributions to facilitating the Debtors' restructuring and the implementation of the Plan; (ii) a good faith settlement and compromise of the Released Claims; (iii) in the best interests of the Debtors, their Estates, and all holders of Claims and Interests; (iv) fair, equitable, and reasonable; (v) given and made after due notice and opportunity for hearing; and (vi) a bar to any of the Debtors, their Estates, or the Post-Emergence Entities asserting any Released Claim.

(c) In addition to the foregoing Debtor Releases, the Debtors shall release the applicable Claims against the Settling Co-Defendants set forth in, and in accordance with the terms of, the mutual releases by the Debtors, their Estates, and the Post-Emergence Entities, on the one hand, and the Settling Co-Defendants, on the other hand, in each case, as set forth in the DMP Stipulation. For the avoidance of doubt, any Releases with respect to Settling Co-Defendants shall be subject to the terms of the DMP Stipulation.

2. Section 10.3. Non-GUC Releases

(a) Notwithstanding anything contained in the Plan to the contrary, as of the Effective Date, and to the fullest extent allowed by applicable law, each Non-GUC Releasing Party is deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged each Non-GUC Released Party from any and all Released Claims. For the avoidance of doubt, no Non-GUC Releasing Party shall release any Excluded Party (including, solely with respect to any Non-GUC Release granted by any Specified Opioid Claimant Releasing Party, any Additional Opioid Excluded Parties).

(b) For the avoidance of doubt and without limitation of the foregoing, each holder of a State Opioid Claim and each holder of a Tribal Opioid Claim that (i) is a governmental unit (as defined in section 101(27) of the Bankruptcy Code) or a Tribe; and (ii) grants or is deemed to grant, as applicable, the Non-GUC Releases shall, in each case, be deemed to have released all Released Claims that have been asserted or are, or have been, assertible by (1) such governmental unit (as defined in section 101(27) of the Bankruptcy Code) or Tribe in its own right, in its parens patriae or sovereign enforcement capacity, or on behalf, or in the name, of another Person; or (2) any other governmental official, employee, agent, or Representative acting or purporting to act in a parens patriae, sovereign enforcement, or quasi-sovereign enforcement capacity, or any other capacity, on behalf of such governmental unit (as defined in section 101(27) of the Bankruptcy Code) or Tribe.

(c) Notwithstanding anything contained in the Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, on and after the Effective Date, the Non-GUC Releasing Parties are deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged each Non-GUC Released Party from any and all Released Claims. Notwithstanding anything in the Plan to the contrary, the Non-

GUC Releases do not release (i) any Excluded Party; (ii) any post-Effective Date obligations of any Person or Entity under the Plan, any Plan Document, the Plan Transaction, any Restructuring Transaction, or any document, instrument, or agreement executed to implement the Plan and the Plan Transaction, and shall not result in a release, waiver, or discharge of any Indemnification Obligations assumed by the Purchaser Entities as set forth in the Plan; (iii) any GUC Trust Litigation Claim; (iv) any Person or Entity from a claim for intentional fraud or willful misconduct as determined by a Final Order; (v) with respect to the States, (1) any Regulatory Approval process required by the States (including their respective State agencies) in connection with the Plan Transaction; (2) any criminal action or criminal proceeding arising under a criminal provision of any State statute or law by a governmental entity that has authority to bring a criminal action or proceeding or to adjudicate a Person's guilt or to set a convicted Person's punishment; or (3) any Claims or Causes of Action against (x) any Excluded Party; or (y) any party identified in clauses (j) or (l) of the definition of "Non-GUC Released Parties," in their capacities as such (and, solely with respect to such parties, any party identified in clauses (m) or (n) of the definition of "Non-GUC Released Parties"); *provided, that*, for the avoidance of doubt, the States shall not release any VOI-Specific Post-Emergence Entities of any Claims or Causes of Action relating to such entities' (A) compliance with the Voluntary Opioid Operating Injunction; and (B) acts occurring after the Effective Date; and (vi) with respect to the Canadian Provinces, (1) any Regulatory Approval process required by the Canadian Provinces (including their respective agencies) in connection with the Plan Transaction; (2) any criminal action or criminal proceeding arising under a criminal provision of any statute or law by a Governmental Authority that has authority to bring a criminal action or proceeding or to adjudicate a person's guilt or to set a convicted person's punishment; (3) any Claims or Causes of Action against any Excluded Party; or (4) the ability of each of the Canadian Provinces to legislate, regulate, or administer and enforce federal, provincial, or territorial legislation (including regulations) such as the Criminal Code, Food and Drugs Act, and the Controlled Drugs and Substances Act (*provided, that*, such activity does not seek to recover civil damages, civil restitution, or other relief of the kind that was sought or could have been sought in the Canadian Provinces Class Action or in the Canadian Provinces McKinsey Action).

(d) Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Non-GUC Releases and, further, shall constitute the Bankruptcy Court's finding that the Non-GUC Releases are: (i) essential to the Confirmation of the Plan; (ii) consensually given in exchange for the good and valuable consideration provided by the Non-GUC Released Parties, including, without limitation, the Non-GUC Released Parties' contributions to facilitating the restructuring and implementation of the Plan and the Plan Transaction; (iii) a good faith settlement and compromise of the Released Claims; (iv) in the best interests of the Debtors and their Estates; (v) fair, equitable, and reasonable; (vi) given and made after due notice and opportunity for hearing; and (vii) a bar to any of the Non-GUC Releasing Parties asserting any Released Claim.

3. Section 10.4. GUC Releases

(a) Notwithstanding anything contained in the Plan to the contrary, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, on and after the Effective Date, the GUC Releasing Parties are deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged each GUC Released Party from any and all Released Claims. Notwithstanding anything in the Plan to the contrary, (i) the GUC

Releases do not release any (1) post-Effective Date obligations of any Person or Entity under the Plan, any Plan Document, the Plan Transaction, any Restructuring Transaction, or any document, instrument, or agreement executed to implement the Plan and the Plan Transaction, and shall not result in a release, waiver, or discharge of any Indemnification Obligations assumed by the Purchaser Entities as set forth in the Plan; (2) GUC Trust Litigation Claim; or (3) Person or Entity from a claim for intentional fraud or willful misconduct as determined by a Final Order; (ii) none of the GUC Releasing Parties release or shall be deemed to release any GUC Trust Litigation Claim (and such Claims and Causes of Action are preserved, in each case, subject to the Covenant Not To Collect); and (iii) the Covenant Not To Collect shall be binding on any transferee, successor, or assign in connection with any transfer, pledge, sale, hypothecation, assignment, or other disposal of Claims solely against the Excluded D&O Parties, and the failure of any recipient of any Claims solely against any Excluded D&O Party to agree to such covenant shall render any such transfer, pledge, sale, hypothecation, assignment, or other disposal of Claims void ab initio. The Excluded D&O Parties are third-party beneficiaries with rights of enforcement with respect to the Covenant Not To Collect. For the avoidance of doubt, no GUC Releasing Party shall release or be deemed to release any GUC Trust Litigation Claims.

(b) Upon granting or being deemed to grant, as applicable, the GUC Releases, the GUC Releasing Parties shall be deemed to covenant (the “Covenant Not To Collect”) that (a) any recovery by the GUC Trust or any other GUC Releasing Party on account of any Claim or Cause of Action, direct or indirect, against an Excluded D&O Party including, in each case, by way of settlement or judgment, shall be satisfied solely by and to the extent of the proceeds of the GUC Trust D&O Insurance Policies; (b) any party, including any GUC Trustee or Trustee of a Distribution Sub-Trust and all other GUC Releasing Parties, seeking to execute, garnish, or otherwise attempt to collect on any settlement or judgment on account of Claims or Causes of Action against Excluded D&O Parties shall do so solely upon available insurance coverage, if any, from the GUC Trust D&O Insurance Policies; and (c) the GUC Releasing Parties shall not otherwise attempt to collect, directly or indirectly, from the personal assets of any Excluded D&O Party. The Covenant Not To Collect shall be binding on any transferee, successor, or assign in connection with any transfer, pledge, sale, hypothecation, assignment, or other disposal of Claims or Causes of Action against the Excluded D&O Parties and, in connection with any such transfer, the failure of a transferee to agree to the Covenant Not To Collect shall render such transfer void ab initio. Each of the Excluded D&O Parties are express third-party beneficiaries of this Covenant Not To Collect.

(c) Entry of the Confirmation Order shall constitute the Bankruptcy Court’s approval, pursuant to Bankruptcy Rule 9019, of the GUC Releases and, further, shall constitute the Bankruptcy Court’s finding that the GUC Releases are: (i) in exchange for the good and valuable consideration provided by the GUC Released Parties, including, without limitation, the GUC Released Parties’ contributions to facilitating the Debtors’ restructuring and the implementation of the Plan; (ii) a good faith settlement and compromise of the Released Claims; (iii) in the best interests of the Debtors, their Estates, and all holders of Claims and Interests; (iv) fair, equitable,

and reasonable; (v) given and made after due notice and opportunity for hearing; and (vi) a bar to any GUC Releasing Party asserting any Released Claim.

4. Section 10.5. Effect of Releases to Holders of Trust Channeled Claims

(a) Holders of Trust Channeled Claims shall have the option to grant or opt out of granting, as applicable, the Non-GUC Releases or the GUC Releases, as applicable.

(b) In addition to the amount of any Distribution to be provided by a Trust to a holder of an Allowed Trust Channeled Claim (other than a (i) Canadian Provinces Claim; (ii) State Opioid Claim; or (iii) Tribal Opioid Claim) that is a Non-GUC Releasing Party or a GUC Releasing Party, as applicable, such Non-GUC Releasing Party or GUC Releasing Party, as applicable, shall receive an additional payment in exchange for granting or being deemed to grant, as applicable, the Non-GUC Releases or the GUC Releases, as applicable.

C. Exculpations and Injunction

1. Section 10.6. Exculpation

(a) Notwithstanding anything contained in the Plan to the contrary, and to the maximum extent permitted by applicable law, no Exculpated Party shall have or incur liability for, and each Exculpated Party is released and exculpated from, any Exculpated Claim, obligation, Cause of Action or liability for any Exculpated Claim, except for gross negligence, intentional fraud, or willful misconduct (to the extent such duty is imposed by applicable non-bankruptcy law), but in all respects such Persons shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. For the avoidance of doubt, this exculpation shall be in addition to, and not in limitation of, the Releases and all other releases, indemnities (including the Indemnification Obligations), exculpations, and any other applicable law or rules protecting such Exculpated Parties from liability. For the avoidance of doubt, the Debtors, their Estates, and the Post-Emergence Entities are not (i) exculpating any (1) Excluded Party; (2) TPG Party; (3) Insurance Advisor Party; (4) Additional Advisor Excluded Party; or (5) Additional Third-Party Excluded Party; or (ii) releasing any GUC Trust Litigation Claims.

(b) The Exculpated Parties have, and upon Confirmation of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws and provisions of the Bankruptcy Code with regard to the solicitation of votes on, and Distribution of consideration (including securities) pursuant to, the Plan and, therefore, are not, and on account of such Distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such Distributions made pursuant to the Plan, including, in each case, any Distribution made by any Trust in accordance with the Plan and the applicable Trust Documents. Notwithstanding anything to the contrary in the foregoing, the exculpation set forth above does not release or exculpate any claim relating to any post-Effective Date obligations of any Person under the Plan, any Restructuring

Transaction, the Plan Transaction, or any Plan Document or other document, instrument, or agreement executed to implement the Plan.

2. Section 10.7. Discharge of Claims and Termination of Interests

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan, the Distributions, rights, and treatment that are provided in the Plan shall be in full and final satisfaction, settlement, release, and discharge to the fullest extent permitted by section 1141 of the Bankruptcy Code, effective as of the Effective Date, of all Claims, Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against the Debtors or the Debtors' Estates or any of their Assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (a) a Proof of Claim or Interest based upon such Claim, debt, right, or Interest is filed or deemed filed pursuant to section 501 of the Bankruptcy Code; (b) a Claim or Interest based upon such Claim, debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; (c) the holder of such a Claim or Interest has voted to accept the Plan; or (d) the holder of such Claim or Interest has voted or failed to vote to accept or reject the Plan. All Claims and Interests shall be satisfied, discharged, and released in full, and the Debtors' liability with respect thereto shall be extinguished completely, including any liability of the kind specified under section 502(g) of the Bankruptcy Code. All Entities shall be precluded from asserting any Claims against the Debtors, their Estates, the Post-Emergence Entities, their respective successors and assigns, and their respective Assets and properties, and any other Claims or Interests based upon any documents, instruments, or any act of omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date. The Confirmation Order shall be a judicial determination (i) of the discharge of all Claims and Interests, subject to the Effective Date; and (ii) that no Claims shall be excepted from discharge under section 1141(d)(6) of the Bankruptcy Code.

3. Section 10.8. Plan Injunction

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THE PLAN, THE PLAN SUPPLEMENT, ANY OTHER PLAN DOCUMENT, OR ANY OTHER RELATED DOCUMENTS, OR FOR OBLIGATIONS ISSUED PURSUANT TO THE PLAN, ALL PERSONS WHO HAVE HELD, HOLD, OR MAY HOLD CLAIMS OR INTERESTS THAT HAVE BEEN RELEASED PURSUANT TO ARTICLE X OF THE PLAN, DISCHARGED PURSUANT TO SECTION 10.7 OF THE PLAN, OR ARE SUBJECT TO EXCULPATION PURSUANT TO SECTION 10.6 OF THE PLAN, ARE PERMANENTLY ENJOINED, FROM AND AFTER THE EFFECTIVE DATE, FROM TAKING ANY OF THE FOLLOWING ACTIONS AGAINST THE RELEASED PARTIES, INCLUDING, FOR THE AVOIDANCE OF DOUBT, IN EACH CASE, THE DEBTORS, THEIR ESTATES, THE POST-EMERGENCE ENTITIES, AND ANY OF THEIR ASSETS, AND THE EXCULPATED PARTIES, AS APPLICABLE: (A) COMMENCING OR CONTINUING IN ANY MANNER OR IN ANY PLACE ANY ACTION, EMPLOYMENT

OF PROCESS, OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; (B) ENFORCING, ATTACHING, COLLECTING, OR RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE, OR ORDER AGAINST SUCH PERSONS ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; (C) CREATING, PERFECTING, OR ENFORCING ANY LIEN OR ENCUMBRANCE OF ANY KIND AGAINST SUCH PERSONS OR THE PROPERTY OR ESTATES OF SUCH PERSONS ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; AND (D) ASSERTING A SETOFF, RIGHT OF SUBROGATION, OR RECOUPMENT OF ANY KIND AGAINST ANY DEBT, LIABILITY, OR OBLIGATION DUE TO THE DEBTORS ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS, EXCEPT AS SET FORTH IN SECTION 10.9 OF THE PLAN. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE PLAN, SECTION 10.8 OF THE PLAN SHALL NOT ENJOIN THE GUC TRUST'S PURSUIT OF ANY GUC TRUST LITIGATION CLAIMS.

4. Section 10.9. Channeling Injunction

(a) In order to preserve and promote the resolutions contemplated by and provided for in the Plan and to supplement, where necessary, the injunctive effect of the Plan Injunction and the releases set forth in Article X of the Plan, and pursuant to the exercise of the equitable jurisdiction and power of the Bankruptcy Court under section 105(a) of the Bankruptcy Code, upon the channeling of the Trust Channeled Claims, all Persons that have held or asserted, that hold or assert or that may in the future hold or assert any Trust Channeled Claim shall be (x) deemed to release any Trust Channeled Claims held by such Persons against the Debtors and the Post-Emergence Entities; and (y) permanently and forever stayed, restrained and enjoined from taking any action for the purpose of directly or indirectly collecting, recovering or receiving payments, satisfaction, recovery or judgment of any form from or against any of the Debtors or Post-Emergence Entities, as applicable, with respect to any Trust Channeled Claim, including:

(i) commencing, conducting, or continuing, in any manner, whether directly or indirectly, any suit, action, or other proceeding, in each case, of any kind, character or nature, in any forum in any jurisdiction with respect to any Trust Channeled Claims, against or affecting any of the Debtors or the Post-Emergence Entities, as applicable, or any property or interests in property of any of the Debtors or the Post-Emergence Entities, as applicable, with respect to any Trust Channeled Claims;

(ii) enforcing, levying, attaching, collecting, or otherwise recovering, by any means or in any manner, either directly or indirectly, any judgment, award, decree, or other order against any of the Debtors or the Post-Emergence Entities, as applicable, with respect to any Trust Channeled Claims;

(iii) creating, perfecting, or enforcing, by any means or in any manner, whether directly or indirectly, any Lien of any kind against any of the Debtors or the Post-Emergence Entities, as applicable, or the property of any of the Debtors or the Post-

Emergence Entities, as applicable, in each case, with respect to any Trust Channeled Claims;

(iv) asserting or accomplishing any setoff, right of subrogation, indemnity, contribution, or recoupment of any kind, whether directly or indirectly, in respect of any obligation due to any of the Debtors or Post-Emergence Entities, as applicable, or against the property of any of the Debtors or the Post-Emergence Entities, as applicable, in each case, with respect to Trust Channeled Claims; and

(v) taking any act, by any means or in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan or any Plan Document (including, for the avoidance of doubt, any Trust Document) with respect to any Trust Channeled Claims.

(b) Notwithstanding anything to the contrary in Section 10.9 of the Plan or the Confirmation Order, this Channeling Injunction shall not stay, restrain, bar, or enjoin:

(i) the rights of holders of Trust Channeled Claims to the treatment afforded to them under the Plan and the Plan Documents, including the rights of holders of Trust Channeled Claims to assert such Trust Channeled Claims solely in accordance with the Plan and the Trust Documents;

(ii) the rights of Persons to assert any Claim, debt, litigation, or liability for payment of Trust Operating Expenses against the applicable Trust;

(iii) the rights of any Person to assert any Claim, Cause of Action, debt, or litigation against any Excluded Party;

(iv) the rights of the GUC Trust to assert any GUC Trust Litigation Claims against any GUC Excluded Party, subject to the Covenant Not To Collect;

(v) the rights of the GUC Trust to pursue and enforce any GUC Trust Litigation Claims, including the GUC Trust Insurance Rights;

(vi) the Distribution Sub-Trusts from enforcing their respective rights against the GUC Trust under the Plan and the GUC Trust Documents;

(vii) the PPOC Trust from enforcing its rights against the Purchaser Entities under the Plan and the PPOC Trust Documents;

(viii) the PPOC Sub-Trusts from enforcing their respective rights against the PPOC Trust under the Plan and the PPOC Trust Documents; or

(ix) the Future PI Trust from enforcing its rights against the Purchaser Entities under the Plan and the Future PI Trust Documents.

(c) There can be no modification, dissolution, or termination of the Channeling Injunction, which shall be a permanent injunction, and nothing in the Plan or any Plan Document

(including, for the avoidance of doubt, any Trust Document) shall be construed in any way to limit the scope, enforceability, or effectiveness of the Channeling Injunction issued in connection with the Plan. The Debtors' compliance with the requirements of Bankruptcy Rule 3016 shall not constitute an admission that the Plan provides for an injunction against conduct not otherwise enjoined under the Bankruptcy Code.

(d) In the event that any Person takes any action that a Released Party or Exculpated Party, as applicable, believes violates the releases provided in the Plan or the Channeling Injunction as it applies to any Released Party or Exculpated Party, as applicable, such Released Party or Exculpated Party, as applicable, shall be entitled to make an emergency application to the Bankruptcy Court for relief, and may proceed by contested matter rather than by adversary proceeding. The Bankruptcy Court shall have jurisdiction and authority to enter Final Orders in connection with any dispute over whether an action violates the releases provided in the Plan or the Channeling Injunction. Upon determining that such a violation has occurred, the Bankruptcy Court, in its discretion, may award any appropriate relief against such violating Person.

5. Section 10.10. Specified Debtor Insurer Injunction

(a) Terms

In accordance with section 105(a) of the Bankruptcy Code, on the Effective Date, all persons that have held or asserted, that hold or assert, or that may in the future hold or assert any Claim based on, arising out of, attributable to, or in any way connected with any GUC Trust Insurance Policy or GUC Trust D&O Insurance Policy (but not, for the avoidance of doubt, any Non-GUC Trust D&O Insurance Policy) shall be permanently enjoined from taking any action for purposes of directly or indirectly collecting, recovering, or receiving payment on account of any such Claim, whether sounding in tort, contract, warranty, or any other theory of law, equity, or admiralty, including:

(i) commencing, conducting, or continuing, in any manner, any action or other proceeding of any kind (including an arbitration or other form of alternate dispute resolution) against any Specified Debtor Insurer, or against the property of any Specified Debtor Insurer, (1) on account of any Claim based on, arising under, or attributable to a GUC Trust Insurance Policy or GUC Trust D&O Insurance Policy; or (2) on account of any rights of any Person under a "direct action" statute to proceed directly against any Specified Debtor Insurer;

(ii) enforcing, attaching, levying, collecting, or otherwise recovering, by any manner or means, any judgment, award, decree, or other order against any Specified Debtor Insurer, or against the property of any Specified Debtor Insurer, on account of any Claim based on, arising under, or attributable to any GUC Trust Insurance Policy or GUC Trust D&O Insurance Policy;

(iii) creating, perfecting, or enforcing, in any manner, any Lien of any kind against any Specified Debtor Insurer, or against the property of any Specified Debtor Insurer, on account of any Claim based on, arising under, or attributable to any GUC Trust Insurance Policy or GUC Trust D&O Insurance Policy;

(iv) asserting or accomplishing any setoff, right of subrogation, indemnity, contribution, or recoupment of any kind, whether directly or indirectly, against any obligation due to any Specified Debtor Insurer, or against the property of any Specified Debtor Insurer, on account of any Claim based on, arising under, or attributable to any GUC Trust Insurance Policy or GUC Trust D&O Insurance Policy; and

(v) taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan applicable to any Claim based on, arising under, or attributable to any GUC Trust Insurance Policy or GUC Trust D&O Insurance Policy.

(b) Reservations

Notwithstanding anything to the contrary in Section 10.10(a) of the Plan, the provisions of the Specified Debtor Insurer Injunction:

(i) shall not (1) preclude the GUC Trust from pursuing any Claim based on, arising under, or attributable to any GUC Trust Insurance Policy or GUC Trust D&O Insurance Policy, or any other Claim that may exist under any GUC Trust Insurance Policy or GUC Trust D&O Insurance Policy against any Specified Debtor Insurer; or (2) enjoin the rights of the GUC Trust to prosecute any action based on or arising from the GUC Trust Insurance Policies or GUC Trust D&O Insurance Policies or the rights of the GUC Trust to assert any Claim, debt, obligation, Cause of Action for liability for payment against a Specified Debtor Insurer based on or arising from the GUC Trust Insurance Policies, in all cases, including GUC Trust Litigation Claims;

(ii) are not issued for the benefit of any Specified Debtor Insurer, and no such insurer is a third-party beneficiary of this Specified Debtor Insurer Injunction; provided, that, this Specified Debtor Insurer Injunction shall not enjoin, impair or affect any Claims between or among unsettled Specified Debtor Insurers;

(iii) shall not apply to any D&O Insured Person with respect to such D&O Insured Person's coverage under any GUC Trust D&O Insurance Policy; and

(iv) shall be subject in all respects to the terms of the DMP Stipulation.

(c) For the avoidance of doubt, Section 10.10 of the Plan shall not apply with respect to any Non-GUC Trust Insurance Policy, including any Non-GUC Trust D&O Insurance Policy, and no amendment to, or modification of, nor any proposed amendment to nor modification of, the Specified Debtor Insurer Injunction shall adversely impact (i) any Non-GUC Trust Insurance Policy; or (ii) the rights of any D&O Insured Person with respect to such D&O Insured Person's coverage under any Debtor Insurance Policy (including, for the avoidance of doubt, the GUC Trust Insurance Policies, the GUC Trust D&O Insurance Policies, and the Non-GUC Trust Insurance Policies).

(d) The GUC Trust shall have the sole and exclusive authority at any time, upon written notice to any insurer under any of the GUC Trust Insurance Policies or GUC Trust D&O Insurance Policies, to terminate, reduce or limit the scope of this Specified Debtor Insurer Injunction with

respect to any Specified Debtor Insurer; provided, however, that, no modification shall affect the rights of any D&O Insured Person with respect to such D&O Insured Person's coverage under any Debtor Insurance Policy (including, for the avoidance of doubt, the GUC Trust Insurance Policies, the GUC Trust D&O Insurance Policies, and the Non-GUC Trust Insurance Policies).]⁴

6. Section 10.11. Voluntary Opioid Operating Injunction.

(a) From and after the date of entry of the Confirmation Order approving the Voluntary Opioid Operating Injunction, the business operations of the VOI-Specific Debtors and/or VOI-Specific Post-Emergence Entities, as applicable, and the business operations of any successors of either of the foregoing, in each case, relating solely to the manufacture and sale of VOI Opioid Products in the States and Territories shall be subject to the terms of the Voluntary Opioid Operating Injunction.

(b) The VOI-Specific Debtors and VOI-Specific Post-Emergence Entities, as applicable, consent to the entry of a final judgment or consent order on the Effective Date effectuating all of the provisions of the Voluntary Opioid Operating Injunction in the state court in each of the Supporting Governmental Entities.

(c) After the Effective Date, the Voluntary Opioid Operating Injunction will be enforceable in the state court in each of the Supporting Governmental Entities. The VOI-Specific Debtors and VOI-Specific Post-Emergence Entities agree that seeking entry or enforcement of such a final judgment or consent order will not violate any other injunctions or stays that it will seek, or that may otherwise apply, in connection with the Chapter 11 Cases or Confirmation.

7. Section 10.12. Term of Injunctions or Stays.

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

⁴ **Note to Draft:** Under consideration.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

**ENDO INTERNATIONAL plc, et al.,

Debtors.¹**

Chapter 11

Case No. 22-22549 (JLG)

(Jointly Administered)

**Related Docket Nos. 3357, 3535, 3536, 3538
& 3548**

**ORDER (I) SCHEDULING A COMBINED HEARING
FOR APPROVAL OF THE DISCLOSURE STATEMENT
AND CONFIRMATION OF THE PLAN; (II) CONDITIONALLY
APPROVING THE ADEQUACY OF THE DISCLOSURE STATEMENT;
(III) APPROVING (A) PROCEDURES FOR SOLICITATION, (B) FORMS OF
BALLOTS AND NOTICES, (C) PROCEDURES FOR TABULATION OF VOTES, AND
(D) PROCEDURES FOR OBJECTIONS; AND (IV) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of the Debtors for entry of an order (this “Order”) pursuant to sections 105, 363, 365, 1125, 1126, and 1128 of the Bankruptcy Code, Bankruptcy Rules 2002, 3016, 3017, 3018, 3020, and 9006 and Local Rules 3017-1, 3018-1, and 3020-1 (a) conditionally approving the Second Amended *Disclosure Statement With Respect to the Second Amended Joint Chapter 11 Plan of Reorganization of Endo International plc and Its Affiliated Debtors* [Docket No.3548] (the “Disclosure Statement”)³; (b) scheduling a combined hearing (the “Combined Hearing”) for the final approval of the Disclosure Statement and confirmation of

¹ The last four digits of Debtor Endo International plc’s tax identification number are 3755. Due to the large number of debtors in these chapter 11 cases, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ Solicitation Agent at <https://restructuring.ra.kroll.com/Endo>. The location of the Debtors’ service address for purposes of these chapter 11 cases is: 1400 Atwater Dr, Malvern PA 19355.

² Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Motion, the Disclosure Statement, or the Plan, as applicable.

³ Dates related to the Scheme (as defined below) in the Disclosure Statement and exhibits attached to this Order will be updated in the versions included in the Solicitation Packages once approved by the High Court of Ireland.

the *Second Amended Joint Chapter 11 Plan of Reorganization of Endo International plc and Its Affiliated Debtors* [Docket No. 3535] (as may be amended from time to time, the “Plan”) and approving the manner and forms of notice of the Combined Hearing; (c) approving (i) the Solicitation and Voting Procedures; (ii) the forms of Ballots; (iii) the form and methods of distributing the Solicitation Packages and finding that such materials comply with Bankruptcy Rules 3017(d) and 2002(b); (iv) the forms of Notices of Non-Voting Status; (v) the form of Solicitation Cover Letter; (vi) the form and manner of notice of the Publication Notice; (vii) the Plan Assumption and Assignment Procedures; and (viii) the forms of Assumption Notice and Rejection Notice; (d) establishing the dates and deadlines provided in the Confirmation Timeline; and (e) granting related relief, all as more fully described in the Motion and set forth in this Order; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, dated January 31, 2012; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties-in-interest; and this Court having found that the Debtors’ notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the “Hearing”); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT:**

1. The Motion is granted as provided herein.

I. Conditional Approval of the Disclosure Statement.

2. The Disclosure Statement is hereby conditionally approved as providing holders of Claims entitled to vote on the Plan with adequate information to make an informed decision as to whether to vote to accept or reject the Plan in accordance with section 1125(a)(1) of the Bankruptcy Code.

3. The Disclosure Statement (including all applicable exhibits thereto) provides holders of Claims or Interests, and other parties-in-interest with sufficient notice of the injunction, exculpation, and release provisions contained in Article X of the Plan, in satisfaction of the requirements of Bankruptcy Rule 3016(c).

4. The Debtors' request for a Combined Hearing on the final approval of the Disclosure Statement and Confirmation of the Plan, and the dates and deadlines in the Confirmation Timeline provided herein, are approved.

II. Approval of the Notice of the Combined Hearing.

5. The Combined Hearing Notice, substantially in the form attached hereto as **Exhibit 11**, and the Condensed Combined Hearing Notice (in the forms included in the Solicitation Cover Letter and each of the Notices of Non-Voting Status), each of which, as filed by the Debtors and served upon all known creditors, holders of interest, and parties-in-interest in these Chapter 11 Cases, including the Combined Hearing Notice Parties, by no later than the Solicitation Deadline, constitute adequate and sufficient notice of (a) the hearing to consider final approval of the Disclosure Statement and Confirmation of the Plan, (b) the manner in which a copy of the Plan and Disclosure Statement can be obtained, (c) the time fixed for filing objections thereto, in satisfaction of the requirements of the applicable provisions of the Bankruptcy Code, the

Bankruptcy Rules, and the Local Rules, and (d) the release, exculpation, and injunction provisions contained in the Plan in satisfaction of Bankruptcy Rule 3016(c).

6. The Debtors shall submit the Publication Notice, substantially in the form attached hereto as **Exhibit 12**, for publication in each of (a) *The New York Times* (National Edition and International Edition), (b) the *Wall Street Journal*, (c) *The Times*, (d) *The Globe and Mail* (National Canadian Edition), (e) *The Financial Times* (UK Edition and International Edition), (f) *The Irish Times*, and (g) *The Irish Independent* by the Publication Deadline or as soon as reasonably practicable thereafter. The Combined Hearing Notice, Condensed Combined Hearing Notice, and the Publication Notice are hereby approved and comply with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

III. Approval of the Materials and Timeline for Soliciting Votes and Confirming the Plan.

A. Approval of Key Dates and Deadlines with Respect to Confirmation of the Plan and Final Approval of the Disclosure Statement.

7. The following dates are hereby established with respect to Confirmation of the Plan and the final approval of the Disclosure Statement:

Event	Date
Voting Record Date	January 2, 2024
Conditional Disclosure Statement Hearing	January 9, 2024 at 3:00 p.m. (prevailing Eastern Time)
Solicitation Directive Deadline	December 22, 2023 or January 3, 2024, as applicable ⁴
Solicitation Deadline	January 25, 2024, or as soon as reasonably practicable thereafter

⁴ Following the original service of the Solicitation Directive, the Solicitation Agent completed a supplemental mailing of the Solicitation Directive to additional Firms that were not included in the original service. These additional Firms were given until January 3, 2024, to complete and submit the Solicitation Directive.

Event	Date
Publication Deadline	January 25, 2024
Adequate Assurance/Contract Rejection Objection Deadline	February 9, 2024 at 4:00 p.m. (prevailing Eastern Time)
Deadline to Object to Claims for Voting Purposes	February 14, 2024 at 4:00 p.m. (prevailing Eastern Time)
Plan Supplement Filing Deadline	February 15, 2024
Rule 3018(a) Motion Filing Deadline	February 22, 2024 at 4:00 p.m. (prevailing Eastern Time)
Voting Deadline	February 22, 2024 at 4:00 p.m. (prevailing Eastern Time)
Plan and Disclosure Statement Objection Deadline	February 22, 2024 at 4:00 p.m. (prevailing Eastern Time)
Deadline to Object to Rule 3018(a) Motion	March 7, 2024 at 4:00 p.m. (prevailing Eastern Time)
Deadline to File Voting Report	March 7, 2024 at 4:00 p.m. (prevailing Eastern Time)
Deadline to File the Confirmation Brief and Omnibus Reply to Plan and Disclosure Statement Objections	March 7, 2024 at 12:00 p.m. (prevailing Eastern Time)
Combined Hearing Date	March 19, 2024, at 10:00 a.m. (prevailing Eastern Time), subject to the Court's availability

The Combined Hearing Date and deadlines related thereto may be continued from time to time by the Court or the Debtors without further notice to parties-in-interest other than the announcement of such adjournments in open Court and/or filing notice of such adjournments with the Court and serving such adjournment notices on the Master Service List.

B. Approval of the Form of, and Distribution of, Solicitation Packages.

8. The form, content, and method of distribution of each of the Solicitation Packages, the Ballots, and the Solicitation Cover Letter are approved.

9. In accordance with Bankruptcy Rule 3017(d), the Solicitation Packages shall contain:

- (a) ***Voting Classes.*** With respect to holders of Claims in the Voting Classes (but subject to exceptions to the form of service for holders of Claims pursuant to the Non-Notes Master Ballot Solicitation Procedures or the Notes Master Ballot Solicitation Procedures described below) the following materials will constitute the Solicitation Package:
 - (i) The Solicitation Cover Letter, substantially in the form attached as **Exhibit 9** to the Proposed Order, which will (1) urge the holders of Claims in each of the Voting Classes to vote to accept the Plan and, if applicable, the Scheme (as defined below), (2) provide the Condensed Combined Hearing Notice, (3) provide certain information regarding the Scheme, and (4) provide instructions for accessing the following solicitation materials (clauses (A)-(F) below, the “Voting Class Digital Package”) by either accessing <https://restructuring.ra.kroll.com/endo/> (the “Case Website”) and clicking “Solicitation Materials” located within the “Quick Links” section of the site’s left hand navigation panel (the “Solicitation Materials Webpage”) or directly accessing the Solicitation Materials Webpage using a QR code:
 - A. This Order;
 - B. The Solicitation and Voting Procedures (as a separately accessible document);
 - C. The Disclosure Statement, as conditionally approved by the Court (with the Plan and other exhibits attached thereto);
 - D. The Scheme Circular;
 - E. Copies of letters recommending acceptance of the Plan from each of the Committees (the “Letters in Support”) and the Solicitation Cover Letter; and
 - F. The Combined Hearing Notice;
 - (ii) The applicable Ballot, substantially in one of the applicable forms of Ballot attached hereto as **Exhibits 2, 3, 4, and 5**, which includes

instructions and a URL website address for direct access to the online portal at <https://restructuring.ra.kroll.com/endo/EBallot-Home> (the “Online Portal”) for purposes of submitting an E-Ballot (defined below),⁵ customized for mailing, and a pre-paid, pre-addressed return envelope;

- (iii) The Letters in Support; and
 - (iv) Any additional documents that the Court has ordered to be included in hard copy format.
- (b) ***Non-Voting Classes.*** With respect to holders of Claims in the Notice of Non-Voting Status Classes (or Claims in Voting Classes that, as of the Deadline to Object to Claims for Voting Purposes, are subject to a pending objection or otherwise deemed not entitled to vote on the Plan):
- (i) The applicable Notice of Non-Voting Status, which shall include (1) the Condensed Combined Hearing Notice, (2) certain information regarding the Scheme, if applicable, (3) a form for opting in to or opting out, as applicable, of certain third-party releases (each, an “Opt-In Form” or “Opt-Out Form,” respectively) and the disclosures related thereto, (4) a URL website address for direct access to the Online Portal for submission of opt-in or opt-out elections, as applicable, on the Case Website, and (5) instructions, including instructions for the use of a QR code, for accessing each of the following solicitation materials (clauses (A)-(D) below, the “Non-Voting Class Digital Package” and together with the Voting Class Digital Package, the “Digital Solicitation Packages”) from the Solicitation Materials Webpage:
 - A. This Order;
 - B. The Disclosure Statement, as conditionally approved by the Court (with the Plan and other exhibits attached thereto);
 - C. The Scheme Circular; and
 - D. The Combined Hearing Notice;
 - (ii) Any additional documents that the Court has ordered to be included in hard copy format.

⁵ Claimants may also access the Online Portal from the Solicitation Materials Webpage by clicking on the “Submit E-Ballot” link on the Case Navigation panel at the left margin of the landing page. Each of the Solicitation Cover Letter, Ballots, and Notices of Non-Voting Status will also provide instructions on how to access the Online Portal.

- (c) ***Incarcerated Claimants.*** With respect to holders of Claims in the Voting Classes and holders of Claims or Interests in the Notice of Non-Voting Status Classes who are currently incarcerated in a local jail, state or federal prison (or private facility under contract to federal, state, or local authorities), to the extent the holder's Proof of Claim reflects the mailing address for such facility, paper copies of all items included in the applicable Solicitation Package as described in items 9(a) or 9(b) herein, including, for the avoidance of doubt, printed copies of the applicable Digital Solicitation Package.

10. Any party who receives a Solicitation Package other than incarcerated creditors that would prefer to receive materials in the Digital Solicitation Packages in paper format may request paper copies of the corresponding materials by contacting the Solicitation Agent through one of the communication methods set forth in the Solicitation Cover Letter or Notice of Non-Voting Status, as applicable, which will be provided free of charge.

11. The Debtors are authorized to serve the relevant Solicitation Packages on Firms and Nominees via encrypted email or other secured electronic means in lieu of mailing or otherwise serving any paper copies in accordance with the Master Ballot Solicitation Procedures.

12. The Solicitation Packages provide the holders of Claims entitled to vote on the Plan with adequate information to make informed decisions with respect to voting on the Plan in accordance with Bankruptcy Rules 2002(b) and 3017(d), the Bankruptcy Code, and the Local Rules.

13. The Debtors shall distribute the Solicitation Packages on or before the Solicitation Deadline or as soon as reasonably practicable thereafter. Such service on or before the Solicitation Deadline shall satisfy the requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules. If any portion of such service occurs after the Solicitation Deadline, the Debtors shall cause to be filed a declaration describing the circumstances resulting in such occurrence and the rights of all parties shall be reserved with respect to whether such service after the Solicitation

Deadline satisfies the requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

14. The Solicitation Agent is authorized to assist the Debtors in (a) distributing the Solicitation Packages; (b) receiving, tabulating, and reporting on Ballots cast to accept or reject the Plan by holders of Claims against the Debtors; (c) responding to inquiries from holders of Claims and Interests and other parties-in-interest relating to the Disclosure Statement, the Plan, the Ballots, the Solicitation Packages, and all other related documents and matters related thereto, including the procedures and requirements for voting to accept or reject the Plan and for objecting to the Plan; (d) soliciting votes on the Plan; and (e) if necessary, contacting creditors regarding the Plan.

15. The Solicitation Agent is authorized to accept Non-Notes Master Ballots and accompanying Client Lists via encrypted email or other secured method of electronic communication. The Solicitation Agent is authorized to accept Notes Master Ballots submitted by Nominees on behalf of the noteholder claimants in the Notes Master Ballot Classes via encrypted email or other secured method of electronic communication.

16. Except as otherwise provided herein with respect to Master Ballots, the Solicitation Agent is authorized to accept Ballots via electronic online transmission solely through a customized online balloting portal (each, an “E-Ballot”) on the Debtors’ Case Website. The encrypted E-Ballot data and audit trail created by such electronic submission shall become part of the record of any Ballot submitted in this manner, and the creditor’s electronic signature will be deemed to be immediately legally valid and effective. Ballots submitted via the customized online balloting portal shall be deemed to contain an original signature.

C. Approval of the Form of Notices to Non-Voting Classes.

17. The form of Notices of Non-Voting Status and the related procedures for noticing creditors in the Non-Voting Classes are hereby approved. The Notices of Non-Voting Status include the following:

- (a) ***Unimpaired Claims—Presumed to Accept.*** Holders of Claims in Class 1 (Priority Non-Tax Claims) and Class 2 (Other Secured Claims) are unimpaired under the Plan and, therefore, are conclusively presumed to have accepted the Plan. As such, holders of such Claims will receive a Notice of Non-Voting Status, substantially in the form attached hereto as **Exhibit 6**, which will also include an Opt-Out Form providing holders of Claims in Class 1 (Priority Non-Tax Claims) and Class 2 (Other Secured Claims) the opportunity to elect not to grant the third-party Non-GUC Releases contained in Article X of the Plan.
- (b) ***Impaired Claims and Interests—Deemed to Reject.*** Holders of Claims or Interests in Class 15 (Subordinated, Recharacterized, or Disallowed Claims) and Class 16 (Existing Equity Interests), are not entitled to a distribution under the Plan and, therefore, are deemed to reject the Plan and will receive a Notice of Non-Voting Status, substantially in the form attached hereto as **Exhibit 7**, which will include an Opt-Out Form providing holders of Claims or Interests in Class 15 (Subordinated, Recharacterized, or Disallowed Claims) and Class 16 (Existing Equity Interests) the opportunity to elect not to grant the third-party Non-GUC Releases contained in Article X of the Plan. The Opt-Out Form contains appropriate instructions to opt out of the applicable releases.
- (c) ***Disputed Claims.*** Holders of Disputed Claims are not entitled to vote the disputed portion of their Claim. As such, holders of such Disputed Claims will receive a Notice of Non-Voting Status, substantially in the form attached hereto as **Exhibit 8**; which will also include an Opt-In Form providing holders of such Claims the opportunity to elect to grant the third-party Non-GUC Releases or GUC Releases, as applicable, contained in Article X of the Plan, *provided, however*, that a Notice of Non-Voting Status is not required to be distributed to any holder of Claim that timely filed a Rule 3018(a) Motion with respect to such Claim (unless the Court determines, in connection with such timely filed Rule 3018(a) Motion, that the holder of such Claim is not entitled to vote on the Plan).

18. The Debtors will not provide the holders in Class 13 (Intercompany Claims) and Class 14 (Intercompany Interests) with a Solicitation Package or any other type of notice in connection with solicitation of the Plan, and the Debtors' requirement to serve such holders of

Intercompany Claims or Intercompany Interests with any notices or the Solicitation Package is hereby waived.

19. The Debtors are not required to mail Solicitation Packages or other solicitation materials to holders of Claims that have already been paid in full during these Chapter 11 Cases; *provided, however*, that if any such holder would be entitled to receive notice for any reason other than by virtue of the fact that the Claim had been paid in full by the Debtors, such creditor will be sent notice in accordance with the Voting and Solicitation Procedures. In addition, the Debtors are not required to serve notice of any kind, including without limitation the Solicitation Packages or other solicitation materials, upon any person or entity to which the Debtors mailed any prior notice in these Chapter 11 Cases and had such notice returned marked “undeliverable as addressed,” “moved - left no forwarding address,” “forwarding order expired,” or any similar notation, and the absence of notice on any such person or entity shall not constitute inadequate notice of the Combined Hearing or the Voting Deadline, nor shall it constitute a violation of Bankruptcy Rule 3017.

D. Approval of the Non-Notes Master Ballot Solicitation Notice and Solicitation Directive.

20. The Non-Notes Master Ballot Solicitation Notice and Solicitation Directive (relating to the solicitation of votes of the holders of Claims in Non-Notes Master Ballot Classes to accept or reject the Plan), substantially in the forms attached hereto as **Exhibit 10**, which were served by the Debtors by overnight delivery or email (where available) to all known attorneys (collectively, the “**Firms**”) representing at least six (6) holders of Claims in Non-Notes Master Ballot Classes and the related procedures for the Non-Notes Master Ballot Classes set forth in the Solicitation and Voting Procedures attached hereto as **Exhibit 1** are approved. Each Firm is required to have completed and returned the Solicitation Directive and Client List to the

Solicitation Agent on or before the Solicitation Directive Deadline of **December 22, 2023 or January 3, 2024**, as applicable,⁶ as such deadline may be extended by the Debtors in consultation with the Required Consenting Global First Lien Creditors and the Committees.

E. Approval of Notices and Procedures for Executory Contract and Unexpired Lease Counterparties.

21. The Assumption Notice and the Rejection Notice, substantially in the forms attached hereto as **Exhibit 13** and **Exhibit 14**, are approved. The Plan Assumption and Assignment Procedures, as set forth in the Assumption Notice, are authorized and approved, and no additional notice beyond the service of the Assumption Notice and the Rejection Notice is required.

22. The Debtors shall serve or cause to be served the Assumption Notice to the Contract Notice Parties and the Rejection Notice to the applicable counterparties by the Solicitation Deadline or as soon as reasonably practicable thereafter.

23. Service of the Assumption Notice and Rejection Notice as set forth herein shall be deemed good and sufficient notice of, among other things, the proposed rejection, assumption, or assumption and assignment, as applicable, of Executory Contracts and Unexpired Leases (including the proposed Cure Amounts related thereto) and the procedures for objecting thereto solely in accordance with the Plan Assumption and Assignment Procedures, and no other or further notice is necessary.

24. Any objection by a counterparty to the proposed rejection of any Executory Contract or Unexpired Lease as set forth in the Plan or the Rejection Notice, and any objection by

⁶ Following the original service of the Solicitation Directive, the Solicitation Agent completed a supplemental mailing of the Solicitation Directive to additional Firms that were not included in the original service. These additional Firms were given until January 3, 2024 to complete and submit the Solicitation Directive.

a counterparty to the sufficiency of adequate assurance of the Reorganized Debtors' future performance as set forth in the Assumption Notice, must be asserted pursuant to the procedures set forth in the Rejection Notice or the Assumption Notice, as applicable, by the Adequate Assurance/Contract Rejection Objection Deadline and shall be heard by the Court at the Combined Hearing or at such other date and time as may be fixed by the Court. Any counterparty to an Executory Contract or Unexpired Lease that does not timely file and serve an objection by the Adequate Assurance/Contract Rejection Objection Deadline and solely upon the bases and pursuant to the procedures set forth in the Rejection Notice or the Assumption Notice, as applicable, shall be deemed to have assented to rejection of such Executory Contract or Unexpired Lease on the terms set forth in the Plan and Rejection Notice or the assumption (or assumption and assignment, as applicable) of such Executory Contract or Unexpired Lease on the terms set forth in the Plan and the Assumption Notice.

25. The Debtors are authorized, but not directed, to alter, amend, modify, or supplement the Rejection Schedule and to assume, assume and assign, or reject the Executory Contracts and Unexpired Leases at any time prior to the Effective Date.

IV. Approval of the Solicitation and Voting Procedures.

26. The Debtors are authorized to solicit, receive, and tabulate votes to accept or reject the Plan in accordance with the Solicitation and Voting Procedures attached hereto as **Exhibit 1**, the procedures set forth therein and in materials for soliciting votes approved hereby, including, without limitation, the proposed procedures for the temporary disallowance of Claims for the purpose of voting to accept or reject the Plan, the establishment of the Voting Record Date, and the procedures for soliciting and tabulating certain votes under the Master Ballot Solicitation Procedures. The Solicitation and Voting Procedures provide for a fair and equitable process and are consistent with all applicable provisions of the Bankruptcy Code, Bankruptcy Rules, and Local

Rules, including section 1126 of the Bankruptcy Code and Bankruptcy Rule 3018, and are hereby approved in their entirety.

27. With respect to Non-Notes Master Ballot Solicitation Method, it is the sole obligation and responsibility of the Firms to coordinate with each other to resolve the conflicting representation, and for the appropriate Firm to submit the vote and Release Election on behalf of such Eligible Client together with an email to endoballots@ra.kroll.com copying all affected Firms confirming such resolution. If the Firms are unsuccessful in reaching consensus regarding which of the Firms is voting on behalf of the Eligible Client and the Solicitation Agent receives multiple consistent votes (and Release Elections) on account of such Eligible Client (*i.e.*, multiple votes to accept the Plan or multiple votes to reject the Plan), the Solicitation Agent is authorized to treat such votes as duplicative and count them only once for both numerosity and voting amount purposes. If, however, the Firms are unsuccessful in reaching consensus regarding which Firm is voting on behalf of the Eligible Client and the Solicitation Agent receives multiple inconsistent votes (and Release Elections) on account of such Eligible Client (*i.e.*, a vote to accept the Plan and a vote to reject the Plan), the Solicitation Agent is authorized to invalidate both such inconsistent votes. If after the submission of inconsistent votes (and Release Elections), the applicable Firms timely reach a consensus regarding which vote (and Release Election) should be counted, one of the applicable Firms may email the Solicitation Agent at endoballots@ra.kroll.com, copying all other affected Firms, and direct the Solicitation Agent as to which vote (and Release Election) should be counted. The Solicitation Agent is entitled to rely upon such an email. For the further avoidance of doubt, if the Solicitation Agent timely receives a vote (and Release Election) from an Eligible Client directly that is inconsistent with a corresponding vote cast by their Firm, the vote (and Release Election) cast by the Eligible Client will control.

28. Notwithstanding paragraph 21 of the Bidding Procedures Order, the Debtors do not take the position that the votes of the creditors of Transferor Debtors (as defined in the Bidding Procedures Order) shall apply to both the Newcos (as defined in the Bidding Procedures Order) and the Transferor Debtors, and the Debtors and the Committees agree that such creditors' rights are not prejudiced or otherwise adversely affected on account of the foregoing.

V. Approval of the Procedures for Filing Objections to the Adequacy of the Disclosure Statement or Confirmation of the Plan.

29. The procedures set forth in the Motion and herein regarding the filing of objections or responses to the final approval of the Disclosure Statement or Confirmation of the Plan provide due, proper and adequate notice, comport with due process, comply with Bankruptcy Rules 2002, 3017, and 3020 and Local Rule 3020-1, and are hereby approved.

30. Objections to the final approval of the Disclosure Statement or Confirmation of the Plan that are not timely filed and properly served in accordance with this Order and the Case Management Order may not be considered by the Court and may be overruled. Specifically, all objections to final approval of the Disclosure Statement or confirmation of the Plan ***must***: (a) be in writing; (b) state the name and address of the objecting party and the nature and amount of the claim or equity interest of such party; (c) conform to the Bankruptcy Rules, the Local Rules, and any orders of the Court; (d) state, with particularity, the legal and factual basis for the objection and, if practicable, a proposed modification to the Plan (or related materials) that would resolve such objection; and (e) be filed, together with proof of service, with the Court and served so as to be ***actually received*** by or before **4:00 p.m. (prevailing Eastern Time) on February 22, 2024** to each of the following notice parties (the "Objection Notice Parties"):

- (a) the Debtors, c/o Endo International plc, 1400 Atwater Drive, Malvern, PA 19355 (Attn: Matthew Maletta, Esq. and Brian Morrissey, Esq.);

- (b) counsel for the Debtors, Skadden, Arps, Slate, Meagher & Flom LLP, One Manhattan West, New York, NY 10001 (Attn: Paul D. Leake (paul.leake@skadden.com), Lisa Laukitis (lisa.laukitis@skadden.com), Shana A. Elberg (shana.elberg@skadden.com), and Evan A. Hill (evan.hill@skadden.com));
- (c) the Office of the U.S. Trustee for Region 2, Alexander Hamilton Custom House, One Bowling Green, Room 534, New York, NY 10004 (Attn: Paul Schwartzberg (paul.schwartzberg@usdoj.gov) and Tara Tiantian (tara.tiantian@usdoj.gov));
- (d) the United States Attorney's office for the Southern District of New York, 86 Chambers Street, New York, NY 10007 (Attn: Lawrence H. Fogelman (LFogelman@usa.doj.gov), Jean-David Barnea (JDBarnea@usa.doj.gov), Peter Aronoff (peter.aronoff@usdoj.gov), and Tara Schwartz (tara.schwartz@usdoj.gov));
- (e) counsel for the Ad Hoc First Lien Group, Gibson, Dunn & Crutcher, 200 Park Avenue, New York, NY 10166 (Attn: Scott J. Greenberg (sgreenberg@gibsondunn.com), Michael J. Cohen (mcohen@gibsondunn.com), Joshua K. Brody (jbrody@gibsondunn.com), and Christina M. Brown (christina.brown@gibsondunn.com));
- (f) counsel for the Ad Hoc Cross-Holder Group, Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, NY 10019 (Attn: Andrew N. Rosenberg (arosenberg@paulweiss.com), Alice B. Eaton (aeaton@paulweiss.com), and Andrew Parlen (aparlen@paulweiss.com));
- (g) counsel for the Creditors' Committee, Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036 (Attn: Kenneth H. Eckstein (keckstein@kramerlevin.com), Amy Caton (acaton@kramerlevin.com), Rachael L. Ringer (rringer@kramerlevin.com), David E. Blabey, Jr. (dblabe@kramerlevin.com), and Megan Wasson (mwasson@kramerlevin.com));
- (h) lead counsel for the Opioid Claimant's Committee, Cooley LLP, 55 Hudson Yards, New York, NY 10001 (Attn: Cullen D. Speckhart (cspeckhart@cooley.com), Summer McKee (smckee@cooley.com), and Evan Lazerowitz (elazerowitz@cooley.com));
- (i) co-counsel for the Opioid Claimants' Committee, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036 (Attn: Arik Preis (apreis@akingump.com), Mitchell P. Hurley (mhurley@akingump.com), Theodore James Salwen (jsalwen@akingump.com), Brooks Barker (bbarker@akingump.com), and Kate Doorley (kdoorley@akingump.com));

- (j) the FCR in the Chapter 11 Cases, Roger Frankel (Attn: rfrankel@frankelwyron.com);
- (k) co-counsel for the FCR, Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, DE 19801 (Attn: James L. Patton, Jr. (jpatton@ycst.com), Robert S. Brady (rbrady@ycst.com), Edwin J. Harron (eharron@ycst.com), and Sean T. Greecher (sgreecher@ycst.com)) and Frankel Wyron LLP, 2101 L Street, NW, Suite 800 Washington, DC 20037 (Attn: Richard H. Wyron (rwyron@frankelwyron.com)), as co-counsel to the FCR in the Chapter 11 Cases; and
- (l) counsel for the Multi-State Endo Executive Committee, Pillsbury Winthrop Shaw Pittman LLP, 31 West 52nd Street, New York, NY 10019 (Attn: Andrew M. Troop (andrew.troop@pillsburylaw.com), Hugh M. McDonald (hugh.mcdonald@pillsburylaw.com), and Andrew V. Alfano (andrew.alfano@pillsburylaw.com)), as counsel to the multi-state Endo executive committee.

31. The Debtors are authorized to file and serve replies or an omnibus reply to any such objections along with their brief in support of the final approval of the adequacy of the Disclosure Statement and Confirmation of the Plan either separately or by a single, consolidated reply on or before the Combined Hearing Response Deadline. In addition, any party-in-interest may file and serve a statement in support of Confirmation of the Plan and/or reply to any objections to Confirmation of the Plan by the Combined Hearing Response Deadline.

VI. Miscellaneous.

32. The Debtors are authorized to make non-substantive or immaterial changes to the Disclosure Statement, Plan, Combined Hearing Notice, Condensed Combined Hearing Notice, Solicitation Packages, Notices of Non-Voting Status, Ballots, Publication Notice, Solicitation Cover Letter, Solicitation and Voting Procedures, Rejection Notice, and related documents without further order of the Court, including changes to correct typographical and grammatical errors, if any, and to make conforming changes to the Disclosure Statement, the Plan, and any other materials in the Solicitation Packages before distribution, provided that the Debtors will provide

notice to the Required Consenting Global First Lien Creditors, the Committees, and the FCR of any non-typographical or non-grammatical changes.

33. The Debtors reserve the right to modify the Plan in accordance with Article XII thereof, including the right to withdraw the Plan as to any or all Debtors at any time before the confirmation of the Plan.

34. Nothing in this Order shall be construed as a waiver of the right of the Debtors or any other party in interest, as applicable, to object to a proof of claim after the Voting Record Date.

35. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

36. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

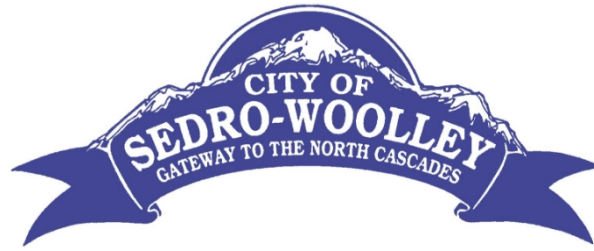
37. The Court retains jurisdiction with respect to all matters arising from or related to the interpretation or implementation of this Order.

Dated: January 12, 2024
New York, New York

/s/ *James L. Garrity, Jr.*

THE HONORABLE JAMES L. GARRITY, JR.
UNITED STATES BANKRUPTCY JUDGE

[Exhibits intentionally omitted]



City Council Agenda Item

Agenda Item No.: 1.1.

Date: February 14, 2024

From: Kelly Kohnken, Finance Director / City Clerk

Subject: Master Fee Schedule - Resolution 1141-24 - 3rd Read

RECOMMENDED ACTION:

Motion to approve Resolution 1141-24 updating the Master Fee Schedule.

ISSUE:

Should the City Council approve Resolution 1141-24, updating the Master Fee Schedule?

BACKGROUND/SUMMARY INFORMATION:

The attached schedule updates the following items:

- 2024 utility rates previously passed by the City Council
- Flat fee for facility monitoring
- Riverfront and Bingham RV Park fees
- Park impact fees
- Public records request fees
- Attachment A: 2024 Transportation Impact Fee Rate Update
- Attachment B: Building, Planning & Engineering Fee Schedule

In the 2nd read, presented to council on January 24, 2024, the Fire Code Construction Permit fee in Attachment B had not been updated to \$60.00 per hour. This item has been updated for the third read.

Two copies of the schedule have been provided. The first copy includes mark-ups. The items in red font represent the updated rate, items in green font represent the prior amount. The second copy is a clean copy that will be posted to the website.

FISCAL IMPACT, IF APPROPRIATE:

See attached.

ATTACHMENTS:

1. Resolution1141-24_MFS
2. MASTER FEE SCHEDULE with Markup
3. MasterFeeSchedule_2.14.2024

RESOLUTION 1141-24
A RESOLUTION OF THE CITY OF SEDRO-WOOLLEY, WASHINGTON,
UPDATING THE MASTER FEE SCHEDULE

WHEREAS, the City of Sedro-Woolley established the use of a Master Fee Schedule via Ordinance No. 2013-22 adopted August 24, 2022; and,

WHEREAS, the City Council adopted Resolution 1099-22 Master Fee Schedule on August 24, 2022; and,

WHEREAS, the City Council adopted Resolution 1102-22 updating the Master Fee Schedule in accordance with updates to the Development Regulations on September 28, 2022; and,

WHEREAS, the City Council adopted Resolution 1106-22 updating the Master Fee Schedule in accordance with updates to Sedro-Woolley Municipal Code Section 5.04.030 “License Fees” on October 26, 2022; and,

WHEREAS, the City Council adopted Resolution 1111-22 updated the Master Fee Schedule in accordance with updates to the Utility Fates and Transportation Impact Fees on December 14, 2022; and,

WHEREAS, the City Council adopted Resolution 1115-23 updating the Master Fee Schedule on February 8, 2023; and,

WHEREAS, the following updates are needed to bring the Master Fee Schedule up-to-date; and,

WHEREAS, Ordinance 2060-23, Ordinance 2061-23, and Ordinance 2062-23 containing updates to the sewer, solid waste, and stormwater utility rates; and,

WHEREAS, it is necessary to make a correction to Ordinance 2061-23 solid waste utility rates, residential garbage low income 95 gallon toter should be 80 percent of the regular rate, totaling \$36.40 per month; and,

WHEREAS, Master Fee Schedule, Parks Fee Section, Community Center Rental Fees, Facility Monitor, the flat fee has been updated; and,

WHEREAS, Master Fee Schedule, Parks Fee Section, Recreational Vehicle Park Fees, Riverfront RV Park and Bingham RV Park per night cost have been updated; and,

WHEREAS, Master Fee Schedule, Building and Construction Section, Attachment B – Schedule of Park Impact Fees per Unit, has been updated by the Seattle-Tacoma-Bellevue June to June CPI-U of 4.6%; and,

WHEREAS, Master Fee Schedule, Public Records Requests Section, has been updated; and,

WHEREAS, Master Fee Schedule, Attachment A: 2024 Transportation Impact Fee Rate Update, has been updated; and

WHEREAS, Master Fee Schedule, Attachment B Building, Planning & Engineering Fee Schedule, Section 3 Engineering Permit Fees and Section 4 Other Fees has been updated; and,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sedro-Woolley as follows:

1. Updating the Master Fee Schedule. The City hereby adopts by reference and incorporated herein attached Exhibit “A” entitled the “Master Fee Schedule”, including Attachment A Transportation Impact Fees and Attachment B Building, Planning, & Engineering Fee Schedule updating the fees, rates, deposits, and other charges of the City.
2. Severability. If any provision of this Resolution or its application to any person or circumstance is held invalid, the remainder of the Ordinance or the application of the provision to other persons or circumstances is not affected.
3. Effective Date. This Resolution shall be in full force and effect as of the date of adoption.

PASSED AND ADOPTED by the City Council of the City of Sedro-Woolley, State of Washington, on this 14th day of February, 2024.

Julia Johnson, Mayor

ATTEST:

Kelly Kohnken, City Clerk

APPROVED AS TO FORM:

Nikki Thompson, City Attorney

CITY of SEDRO-WOOLLEY



MASTER FEE SCHEDULE

Effective January 1, 2024



2024 SOLID WASTE RATES

RESIDENTIAL GARBAGE RATES

ITEM	RATE	ADD'T INFO	
20 Gallon Toter	\$15.20		\$13.80
32 Gallon Toter	\$25.20		\$24.20
65 Gallon Toter	\$35.35		\$34.50
95 Gallon Toter	\$45.50		\$45.00
LOW INCOME - 20 Gallon Toter	\$12.16		\$11.04
LOW INCOME - 32 Gallon Toter	\$20.16	Low Income - 80% of	\$19.36
LOW INCOME - 65 Gallon Toter	\$28.28	regular rate	\$27.60
LOW INCOME - 95 Gallon Toter	\$36.40		\$36.00
OPTIONAL: Food and Yard Waste	\$12.50 per Unit		

RESIDENTIAL RECYCLING RATES

ITEM	RATE	ADD'T INFO	
Curbside Recycling	\$9.00 per Unit	single family + multifamily	\$8.00
LOW INCOME - Curbside Recycling	\$7.20 per Unit	80% of regular rate	\$6.40

FUEL SURCHARGE

ITEM	RATE	ADD'T INFO
Diesel over \$3.00 per Gallon	\$2.03	Flat fee when diesel is over \$3.00, \$4.00, or \$5.00 per gallon.
Diesel over \$4.00 per Gallon	\$2.55	Amount is charged per month for each account. Rates include
Diesel over \$5.00 per Gallon	\$3.08	\$1.00 base rate plus garbage and recycling.

COMMERCIAL GARBAGE RATES (PERMANENT)

ITEM	RATE	ADD'T INFO	
32 Gallon Toter	\$26.50		\$26.25
65 Gallon Toter	\$35.35		
95 Gallon Toter	\$47.55		
1 Yard Dumpster	\$114.60		
2 Yard Dumpster	\$151.50		
3 Yard Dumpster	\$225.65		
4 Yard Dumpster	\$297.15		
6 Yard Dumpster	\$438.43		
8 Yard Dumpster	\$586.12		
20, 30 & 40 Yard Dumpsters	\$104.00 a Ton		

DUMPSTER RENTALS (TEMPORARY)

ITEM	DUMPING FEE	RENTAL FEE	ADD'T INFO
1 Yard Dumpsters	\$38.11	\$3.57 per Day	
2 Yard Dumpsters	\$67.40	\$3.57 per Day	
3 Yard Dumpsters	\$104.02	\$3.57 per Day	
4 Yard Dumpsters	\$118.70	\$7.14 per Day	
6 Yard Dumpsters	\$177.26	\$7.14 per Day	
8 Yard Dumpsters	\$235.91	\$7.14 per Day	
20, 30 & 40 Yard Dumpsters	\$104.00 a Ton	\$7.14 per Day	or \$71.34 per month for permanent containers
Delivery + Pick Up: 1-8 Yard Dumpster	\$24.37		
Delivery + Pick Up: 20, 30 & 40 Yard Dumpsters	\$71.34		

EXTRA CHARGE ITEMS

ITEM	RATE	ADD'T INFO
Recliner	\$15.00	

Refrigerators /freezers	\$25.00	
Other Appliances	\$15.00	
Mattress	\$15.00	
Couch	\$15.00	
Tires	\$5.00	
Wood Waste-Residential	\$12.00 per Yard	We Haul - \$12.00 per yard X 30 yards + \$235.00 haul fee
Wood Waste-Commercial	\$12.00 per Yard	We Haul - \$12.00 per yard X 30 yards + \$235.00 haul fee
Yard Waste - Commercial	\$12.00 per Yard	We Haul - \$12.00 per yard X 30 yards + \$100.00 haul fee
Construction and Demo - Recycling	varies	20-40 yard roll-off dumpster = varies based on materials recycling + \$7.14 per day (or \$71.34 per month if over 1 month) + \$235 haul fee
Cement	\$11.00 per Ton	
Chain & Lock (one-time fee) - All Dumpsters	\$15.00	
Toter Replacement	\$110.58	
Liner Replacement	\$98.94	

COMMERCIAL RECYCLING

ITEM	MIXED PAPER	CARDBOARD	MIXED RECYCLING	
95 Gallon Container	\$70	Not available	\$70	See below
2 Yard Dumpster	\$80	\$40	\$80	See below
3 Yard Dumpster	\$110	\$45	\$110	See below
4 Yard Dumpster	\$130	\$50	\$130	See below
6 Yard Dumpster	\$163	\$55	\$163	See below
8 Yard Dumpster	\$215	\$60	\$215	See below

UTILITY TAX

ITEM	RATE	ADD'T INFO
Utility Tax	10.50%	

SPECIAL PERMIT RATES

ITEM	RATE PER YEAR	PER CART, CONTAINER OR VEHICLE
Source Separated Recycling Companies and Non-Profits	\$600	\$0
Mixed Recycling Companies	\$2,400	\$20
Junk Collector Companies	\$2,400	\$20
Penalties for Non-Compliance with Above Special Permits		\$500 per Violation
Solid Waste Truck Advertising	\$1,200	\$50 per Vehicle per Side per Month
Hourly Charge for Solid Waste Department to Handle Improve Disposal	\$100 per Hour with Minimum of \$100, or cost of services	

LATE CHARGES

Sanitation service charges shall be delinquent if not paid in full within twenty-five days after the date of billing. Delinquent charges shall bear interest at the rate of eight percent per annum beginning on the first day of the month following delinquency until paid in full. A late penalty of ten dollars shall be charged for any solid waste account that is delinquent for more than sixty days.

Sedro-Woolley Municipal Code Chapter / Section References:
8.04

Prior Amounts for Commercial Recycling

RECYCLING - COMMERCIAL OR MULTI-FAMILY	Monthly	Monthly	Monthly
	Mixed Paper	Cardboard	Mixed Recycling
95-gallon container	\$35.00	Not available	\$35.00
2-yard container	\$50.00	\$30.00	\$70.00
3-yard container	\$70.00	\$35.00	\$100.00
4-yard container	\$90.00	\$50.00	\$120.00
6-yard container	\$100.00	\$60.00	\$153.00
8-yard container	\$110.00	\$75.00	\$200.00



2024 SEWER AND STORMWATER RATES

SEWER CONNECTION FEES		
ITEM	RATE	ADD'T INFO
Connection or Commencement of Use	\$9,626	per ERU
Plumbing Fixture	\$400	per Fixture Unit
Utility Plumbing Fixtures Water Consumption	\$400	per 234 Gallons of Water Per Month
Credit for Disconnecting Septic System	\$2,855	

SEWER UTILITY CONNECTION FEES		
ITEM	RESIDENTIAL - per Residential Dwelling Unity	NONRESIDENT - per EDU
North Reed Street	\$1,152	\$1,152
Cook Road-Trail Road	\$3,426	\$3,426
Fruitdale Road	\$3,450	\$3,450
North Township Street	\$725	\$725
West Bennett, West Nelson, Batey, Robinson and Borseth Streets	\$3,450	\$3,450

SEWER RATES		
ITEM	RATE	ADD'T INFO
Residential	\$73.66	
Nonresidential	\$6.81	Volume Rate (in Cubic Feet)
Low Income Citizen	\$58.93	80% of regular rate

\$70.83

\$56.66

STORM WATER AND SURFACE WATER		
ITEM	RATE	ADD'T INFO
Class 1 Single - Family / Multifamily / Condos with 1 Unit	\$13.08	per Month
LOW INCOME - Class 1 Single - Family / Multifamily / Condos with 1 Unit	\$10.47	per Month 80% of regular rate
Units	\$6.54	50% of Class 1/Per-Unit Basis
Class 3 Commercial / Industrial	\$13.08 or \$26.16	\$13.08 Per 10,000 Sq. Ft. of Land or \$26.16 Per 10,000 Sq. Ft. of Impervious Surface
Class 4 Public Use Customers (Schools, Government Buildings, etc.)	\$13.08 or \$26.16	\$13.08 Per 10,000 Sq. Ft. of Land or \$26.16 Per 10,000 Sq. Ft. of Impervious Surface
Class 5 Mixed Use Structures	\$13.08	\$13.08 Per Month per Commercial Unit for Every 10,000 Sq. Ft. of Land and \$13.08 per Month per Unit, Unless 3+ Residential, the fee Shall be 50% of the Class 1 per-Unit Basis

\$12.70

\$10.16

Sedro-Woolley Municipal Code Chapter / Section References:

2.46.080

2.46.090



ATHLETIC FIELD USER FEES		
Facility	Weekly Rate	Daily Rate
Riverfront 1 - East	\$90.00	\$25.00
Riverfront 2 - West	\$90.00	\$25.00
Riverfront - Rookie - South	\$50.00	\$15.00
Riverfront - T-Ball - North	\$50.00	\$15.00
Tesarik	\$90.00	\$25.00
Winnie Houser	\$200.00	\$60.00
Denny Engberg	\$150.00	\$45.00

COMMUNITY CENTER RENTAL FEES							
Group				Security Deposit		Facility Monitor	Audio / Visual
Day of the Week	Resident	Community Group	All Others	NO Alcohol, Live Music, or Dancing	WITH Alcohol, Live Music, or Dancing	WITH Alcohol, Live Music, or Dancing	Audio / Visual Equipment
Monday through Thursday	\$225	\$150	\$375	\$100	\$1,000	\$250 flat fee	\$50
Friday through Sunday	\$275	\$150	\$425	\$100	\$1,000	\$250 flat fee	\$50

\$150.00

Additional Cleanup Required	\$50 per Hour
Annual Users	\$175 per Use
Consecutive Days	\$100 Less, Beyond first
Storage Closet - Large	\$15 per Month
Storage Closet - Small	\$10 per Month

SENIOR CENTER RENTAL FEES				
Day of the Week	Resident	Community Group	All Others	Deposit
Monday through Thursday	\$50	\$25	\$200	\$100
Friday through Sunday	\$100	\$25	\$250	\$100

RECREATIONAL VEHICLE PARK FEES		
Location	Fee	
Riverfront RV Park (Without Full Sewer Hook-Ups)	\$40 per Night	\$35.00
Bingham RV Park (with Full Sewer Hook-Ups)	\$50 per Night	\$40.00

OTHER FACILITY RENTALS		
Group		
Location	Resident	Nonresident
Riverfront - Large Covered Eating Area	\$175	\$250
Riverfront - Small Covered Eating Area	\$125	\$150
Memorial Park - Covered Shelter	\$25	\$35
Bingham Park Shelter	\$100	\$150
Hammer Heritage Square	\$100	\$200
Riverfront - Amphitheatre - Nonprofits, City Sanctioned Festivals, Private Users and For-Profit	\$400	\$650

NEW

Special Events, Parades and Festivals - Deposit Required	Up to \$1,000
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Sedro-Woolley Municipal Code Chapter / Section References:

12.36.020 12.36.050
 12.36.030 12.36.090
 12.36.040



2024 BUILDING AND CONSTRUCTION

Building and Construction	
Description	Fee
Building Code Fees	See attached Building, Planning & Engineering Fee Schedule
Administrative Fee	\$750
Transportation Fee Schedule and Established of Service Area	Attachment A
Park Impact Fee and Establishment of Service Area	Attachment B
Fire Department Impact Fee and Establishment of Service Area	Attachment C
School Impact Fees and Administrative Fees	\$35
Independent Fee Calculations - Deposit	\$500
School Impact Fees - Single Family Units: per single-family residential unit or mobile or manufactured home (whether on a single lot, condominium unit or mobile park)	\$4,461
School Impact Fees - Multifamily Units: per residential unit in a multifamily structure	\$2,888

Attachment A – Ordinance No. 1960-20 allows for the updating of the Transportation Impact Fees; the attachment to this Master Fee Schedule of the Transportation Impact Fees contains the most recent fee schedule.

Attachment B - Schedule of Park Impact Fees per Unit

Structure	Fee	
Single-Family Resident	\$2,303	\$2,202.00
Manufactured Home	\$2,303	\$2,202.00
Units in a Duplex or Multifamily Unit	\$2,303	\$2,202.00
Dependent Relative Cottage	\$2,303	\$2,202.00
Accessory Dwelling Unity Between the Minimum Allowed Size ADU and 450 Square Feet	30% of a Stand SFR Park Impact Fee	
Accessory Dwelling Unity Greater than 450 Square Fee and Below the Maximum Size Allowed ADU	61% of a Standard SFR Park Impact Fee	
All Units Not Specifically Identified in the Aboce	\$2,303	\$2,202.00

Annual increase by Seattle-Tacoma-Bellevue June to June CPI-U

Attachment C - Schedule of Fire Department Impact Fees

Structure	Fee
Residential structures, including single-family and multifamily structures	\$0.28 per square foot of structure, including garage, outbuildings and attached porches
Nonresidential structures	\$0.28 per square foot of structure, including garage, outbuildings and attached porches; provided, that the fee for nonresidential structures shall receive an adjustment, in an amount determined by the responsible official, equal to forty percent reduction for buildings equipped with an approved sprinkler system, and ten percent reduction for buildings equipped with an alarm system
Nonresidential construction and development activity which requires fire protection but is not a traditional structure, such as a bulk fuel storage facility or a fuel pipeline	shall be assessed an impact fee in an amount determined by the responsible official pursuant to Section 15.60.100.

Sedro-Woolley Municipal Code Chapter / Section References:

15.04
15.52.1220
15.60.050
15.60.070
15.60.90
15.664.130
15.64.150

**2024 CEMETERY**

BURIAL SPACE	
Description	Amount
Burial Space (includes space at \$800.00; endowment at \$100.00)	\$900
Double Burial Single Space (1 full body and 1 cremains or 2 cremains) Requires purchase of burial space; fee for each additional burial	\$300.00 Additional
Triple Burial Single Space (1 full body and 2 cremains) Requires purchase of burial space; fee for each additional burial	\$300.00 additional
Opening/Closing (Includes tent, chairs, greens and equipment)	\$750
Standard Size Concrete Liner (Includes purchase price and handling) (Oversize liner price on request)	\$650.00 + Sales Tax
Concrete Vault (Handling fee only)	\$175
Headstone Reset Fee	\$50
Headstone Setting	\$200

URN SPACE	
Description	Amount
Urn Space (Includes space at \$400.00; endowment at \$100.00)	\$500.00
Double Burial Single Space Requires Purchase of Burial Space; Fee for Each Addition Burial	\$300.00 Additional
Opening/Closing (Includes tent, chairs and greens)	300
Opening/Closing (No tent, chairs or greens)	\$150.00
Urn Vault (Includes purchase price and handling)	\$150.00 + Sales Tax
Headstone Setting	\$200.00

BABY SPACE	
Description	Amount
Baby Space (Includes space at \$300.00; endowment at \$100.00)	\$400.00
Opening/Closing (Includes tent, chairs and greens)	\$300.00
Opening/Closing (No tent, chairs or greens)	\$150.00
Concrete Baby Liner (Includes purchase price and handling)	\$225.00 + Sales Tax
Combo (Liner/Casket) (Handling fee only)	\$75.00
Headstone Setting	\$200.00

COLUMBARIUM NICHE WALL (SINGLE INURNMENTS ONLY)	
Description	Amount
Niche Space (Includes space at variable price by location; and endowment at \$100.00)*	Niche Space (Includes space at variable price by location; and endowment at \$100.00)* Row 1 (top) \$750.00 Row 2 \$700.00 Row 3 \$650.00 Row 4 \$600.00
Opening/Closing (Includes tent, chairs and greens) \$275.00	275
Opening/Closing (No tent, chairs or greens)	175
Inscription (Single shutter inscription)	\$275.00 + Sales Tax

COLUMBARIUM NICHEL WALL "ESTATE UNITY" (SINGLE INURNMENTS ONLY)	
Description	Amount
Niche space* (11-7/8" x 11-7/8" x 15-1/2") (Includes space and endowment at \$100.00)	
Niches 1 through 4	\$1,350.00 Each
Niches 5 through 10	\$1,200.00 Each
Niches 11 and 12	\$1,100.00 Each
Niches 13 and 14	\$1,000.00 Each
2 plus cremains per niche	1-1/2 times single unit price
Opening/Closing (Includes tent, chairs and greens)	275
Opening/Closing (No tent, chairs or greens)	175

Inscription (Single shutter inscription) each cremains \$175.00 + Sales Tax	\$175.00 + Sales Tax
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ADDITIONAL LABOR CHARGES (MAXIMUM OF TWO HEADSTONES PER GRAVE SPACE)	
Description	Amount
Saturday Service (Standard Burial)	\$450
Saturday Service (Cremation)	\$250
Sunday/Holiday Service (Standard Burial)	\$550
Sunday/Holiday Service (Cremation)	\$300
Additional Headstone on Existing Grave Space	\$200
Setting of Headstone Flower Vase	\$25
Chapel Services at 3:00 p.m. or Later	\$150

DISINTERNMENT	
Description	Amount
Casket/any removal	\$1,000
Casket/Relocation within Union Cemetery	\$1,400
Urn/any removal	\$225
Urn/Relocation within Union Cemetery	\$310

Sedro-Woolley Municipal Code Chapter / Section References:
2.80.040



2024 PUBLIC RECORDS REQUESTS

PUBLIC RECORDS ACT - RELATED FEES		
Item	Rate	Description
Electronic Files	\$0.05	Five cents per each four electronic files or attachment uploaded to email, cloud-based data storage service or other means of electronic delivery.
Photocopies or Printed Copies	\$0.15	Fifteen cents per page for photocopies of public records, printed copies of electronic public records when requested by the person requesting records, or for the use of agency equipment of photocopy public records.
Printed Copies - Plotter Paper	\$0.04	Six cents per square foot for plotter paper.
Scanning	\$0.10	Ten cents per page for public records scanned into an electronic format or for the use of agency equipment to scan the records.
Storage Devices		The actual cost of any digital storage media or device provided by the agency, the actual cost of any container or envelope used to mail the copies to the requester, and the actual postage or delivery charge.
Transmission of Electronic Files	\$0.10	Ten cents per gigabyte for the transmission of public records in an electronic format or for the use of agency equipment to send the records electronically. The agency shall take reasonable steps to provide the records in the most efficient manner available to the agency in its normal operations.
Customized Electronic Access or Data		A customized service charge to recover actual costs for requests that require information technology expertise to prepare data or provide customized electronic access when such compilations and customized access services are not used by the agency for other agency purposes.
Body Work Camera Records Requests	\$47.59	\$47.59 per hour redaction fee in accordance with RCW 42.56.240(14). The hourly rate may be prorated in 15 minute intervals. Plus, any additional costs permitted and identified in this fee schedule, including the cost of video copying. Charges will not be levied if the request comes from: •A person directly involved in a recorded incident and their attorney; •A person or his or her attorney who request a body worn camera recording relevant to a criminal case involving that person; •Executive Directors from the Washington State Commission on African American Affairs, Asian-Pacific Affairs or Hispanic Affairs; •Attorneys who represent a person in a potential or existing civil cause of action involving the denial of civil rights under the federal or state constitution or a violation of a United States Department of Justice settlement agreement and explain the relevancy of the requested video.
Postage		Actual Cost

**2024 OTHER**

ANIMAL	
Fee Type	Amount
Impound Fees	\$25 + \$10 Day After 2 Days
Animal Control Infractions	\$150
Potentially Dangerous Dog - Registration Fee	\$250 + \$50 Annually
Dangerous Dog - Registration Fee	\$500 + \$100 Annually
Potentially Dangerous Dog - Fail to Register or Renew Penalty	\$250
Dangerous Dog - Fail to Register or Renew Penalty	\$500
Animal Control Civil Penalty	\$150 + \$10 Day + Care Cost
Animal Control Civil Penalty for Animal Destruction	\$250
Hearings	\$15 per Day
Animal Control Civil Penalty for Animal Destruction- Failure to Pick Up After 10 days	\$50

FEES FOR POLICE AND FIRE REPORTS OR SERVICE FEES TABLE	
Description	Amount
Record Check (includes clearing letter for visa, passport, etc.)	Per name \$10.00
Fingerprint Cards (including applicants for concealed weapons permits)	\$10 (Up to 2)+ \$3 for Additional
Traffic Accident or Fire Incident Report	Up to 2 pages \$5.00; 3-20 pages \$10.00; each additional page \$0.50
Traffic accident or fire incident witness statements	Per Statement \$4.00

Prior Amounts

FAILURE TO PAY TAX PENALTY	
1—10 days late	5% of tax due
11—20 days late	10% of tax due
21—31 days late	10% of tax due
32—60 days late	20% of tax due
(B.) Penalty Amount	Per Finance Director

BUSINESS LICENSES AND REGULATIONS		FAILURE TO PAY		
Description	Amount	11-60 days late	60-90 days late	90+ days late
Business License Fee - General Business	\$35 annually	\$3.50	\$7.00	\$10.50
Business License Fee - Serving Beer, Wine, Spirits or Authority of the Washington State Liquor and Cannabis Board	\$250 annually	\$25.00	\$50.00	\$75.00
Business License Fee- Pawnbroker	\$135 annually	\$13.50	\$27.00	\$40.50
Business License Fee- Mobile Vending	\$75 annually	\$7.50	\$15.00	\$22.50
Business License Fee - Taxicabs	\$135 annually	\$13.50	\$27.00	\$40.50
Business License Fee - Extension Vendors	\$200 annually per location	\$20.00	\$40.00	\$60.00
Business License Fee - Growing, Processing and Selling of Marijuana	\$250 annually	\$25.00	\$50.00	\$75.00

Failure to pay fees may be waived at the Finance Director's discretion on a case by case basis.

CITY RIGHTS-OF-WAY	
Description	Amount
Utility Relocation - Enforcement	\$250 Per Day
Cable Communications - Cable System Evaluation - Non-Compliance Fee	Up to \$3,500 Per Evaluation - To Adjusted from 1997 Inflation

ZONING	
Description	Amount
Enforcement of the Critical Areas Regulations - Violations Civil Penalty	\$75 Per Day
Model Homes - Application Requirements	\$300 Per Model
Temporary Homeless Encampment Permit Application	\$1,500

CODE ENFORCEMENT	
Description	Amount
Notice of Violation and Order/Administrative Proceeding - Appeal Procedure	\$300 filing fee plus actual cost of hearing examiner (if appellant is successful, hearing examiner cost is waived)
Civil Fines and Civil Penalties - Civil Penalty - Critical Areas	\$50,000

OTHER	
Description	Amount
Fireworks - Public Display - Permit Fees	50
Smoking in Public Places and Places of Employment - Penalties - Person	Up to \$100
Smoking in Public Places and Places of Employment - Penalties - Owner Obligations	Up to \$100
Violation - Penalty	Class 1 civil infraction \$250.00 Class 2 civil infraction \$125.00
Tree Standards - Inspection and Appeal - Penalty	\$250 Each Day

EMPLOYEE RECOGNITION	
Description	Amount
Employee Recognition Program Token Appreciation Award	Up to \$100
Years of Service - Value of Item	Example of Type of Item
1 year - \$15	City logo hat or mug
5 years - \$35	City logo polo shirt / sweater
10 years - \$65	City logo jacket / coat / vest
20 years - \$100	City logo article

\$50.00

Sedro-Woolley Municipal Code Chapter / Section References:

3.60.010
5.04.030
5.04.060
8.28.060
8.36.040
8.50.160
12.40.120
17.65.760
17.98.040
17.110.020
18.15.040
18.35.030
2.100.040



December 26, 2023

TO: Mark A. Freiburger, PE, Director of Public Works
City of Sedro-Woolley

FROM: Andrew L. Bratlien, PE, PTOE
Daniel B. Hodun, EIT

SUBJECT: 2024 Transportation Impact Fee Rate Update

This memorandum documents the 2024 transportation impact fee rate update for the City of Sedro-Woolley. It summarizes the methods used to update the impact fee rate and identifies the updated rate.

BACKGROUND

The City's transportation impact fee (TIF) program was adopted in 2005 (ord. 1526-050) and was most recently updated in 2023. TIF rates are based on new development's ("growth's") proportionate share of eligible project costs and are assessed per net new PM peak hour trip generated by development.

The impact fee program assesses impact fees for each of two designated impact fee zones: Central Business District (CBD) and Non-CBD. An impact fee zone map is provided in Attachment 1.

Sedro-Woolley Municipal Code (SWMC) 15.60.050(B) requires transportation impact fees to be updated annually: "The impact fee schedule of costs...shall be updated annually at a rate adjusted in accordance with the Federal Highway Administration's National Highway Construction Cost Index (NHCCI), using an annual measure to establish revised fee schedules effective January 1st of each year."

IMPACT FEE UPDATE

The Federal Highway Administration (FHWA) National Highway Construction Cost Index (NHCCI) is a quarterly price index design to measure national average changes in highway construction costs.

The NHCCI for the second quarter (Q2) of 2022, upon which the most recent TIF rate update was based, is 2.553. The NHCCI for Q2 2023, the most recent period for which data is published, is 2.939. A summary of the Q2 2023 NHCCI is provided in Attachment 1. The adjusted transportation impact fee rates were calculated using the ratio of the Q2 2023 NHCCI to the Q2 2022 NHCCI:

$$2024 \text{ Impact Fee Rate Adjustment} = 2.962 \div 2.553 = 1.160$$

The resulting 1.160 adjustment factor represents a 16 percent increase in highway construction costs relative to Q2 2022.

RESULTS

The resulting impact fee rates are shown below. The updated impact fee rate maps is provided in Attachment 2 and the updated rate schedule is provided in Attachment 3.

- CBD Zone: \$2,445 / PM peak hour trip
- Non-CBD Zone: \$4,396 / PM peak hour trip

- Attachment 1. National Highway Construction Cost Index 2023 Q2
- Attachment 2. Transportation Impact Fee Zone Map
- Attachment 3. 2023 Transportation Impact Fee Rate Schedule

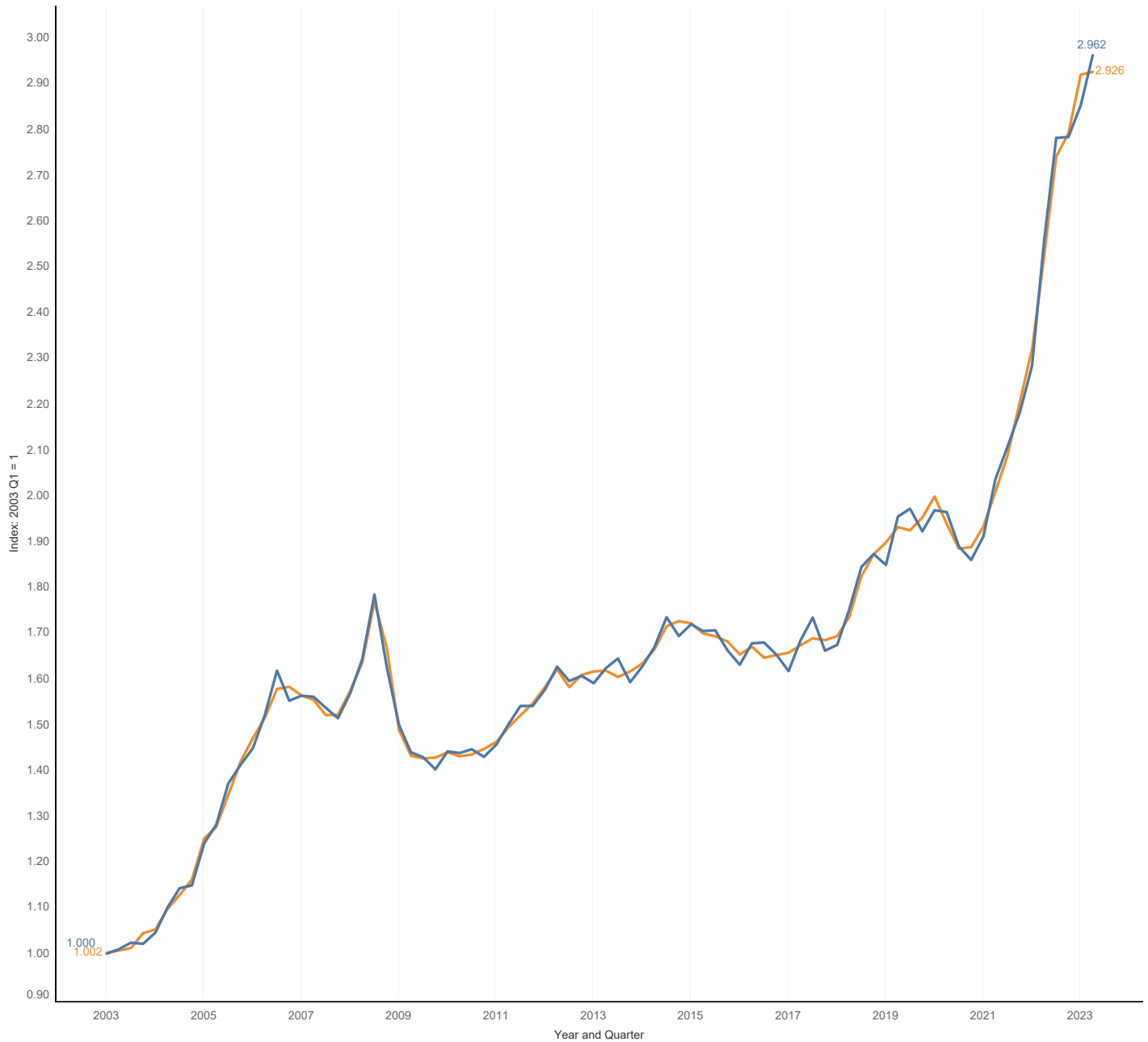


U.S. Department of Transportation
Federal Highway Administration

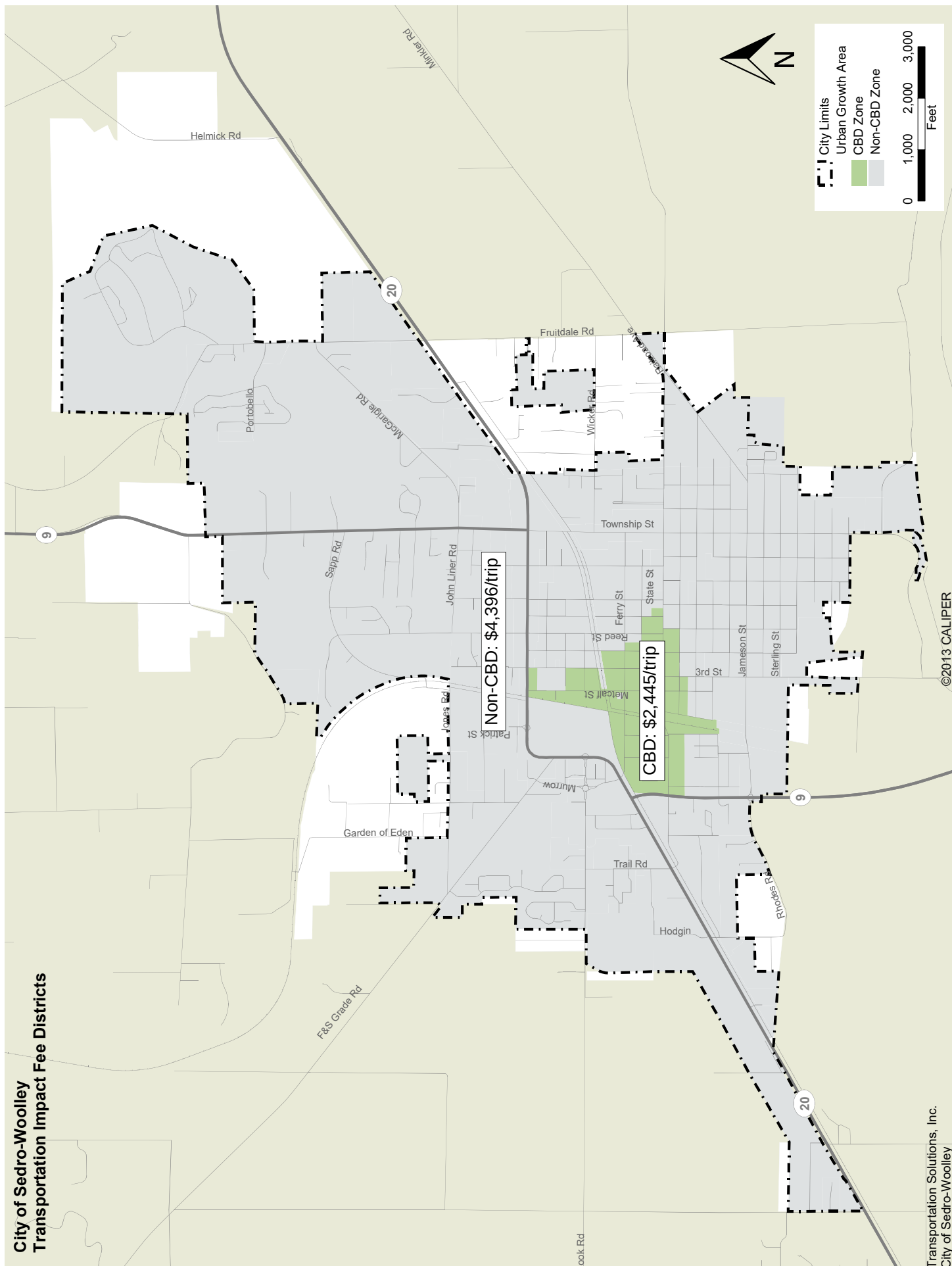
National Highway Construction Cost Index (NHCCI)

Select Year and Quarter:
2003 Q1 to 2023 Q2
and Null values

Select Series:
☒ NHCCI
☒ Seasonally Adjusted NHCCI



2023 Q2 index is preliminary.
2022 Q4 and 2023 Q1 indexes are revised.



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City of Sedro-Woolley 2024 Traffic Impact Fee Rate Schedule – Residential

ITE Code ¹	ITE Land Use Category ¹	ITE Trip Rate ²	Rate per Unit ³	Impact Fee per Unit by District	
				Non-CBD	CBD
210	Single-Family Detached Housing	0.94	DU	\$4,132	\$2,298
215	Single-Family Attached Housing (Duplex/Townhome)	0.57	DU	\$2,506	\$1,394
220	Multifamily Housing (1-3 floors)	0.51	DU	\$2,242	\$1,247
221	Multifamily Housing (4-10 floors)	0.39	DU	\$1,714	\$954
230	Low-Rise Residential w/ 1st Floor Commercial	0.36	DU	\$1,583	\$880
240	Mobile Home Park	0.58	DU	\$2,550	\$1,418
251	Senior Adult Housing - Single-Family	0.30	DU	\$1,319	\$734
252	Senior Adult Housing - Multifamily	0.25	DU	\$1,099	\$611
253	Congregate Care Facility	0.18	DU	\$791	\$440
254	Assisted Living	0.24	bed	\$1,055	\$587
255	Continuing Care Retirement Community	0.19	DU	\$835	\$465
260	Recreational Home	0.29	DU	\$1,275	\$709
-	Accessory Dwelling Unit (≥ 450 sf) ⁵	0.61	DU	\$2,682	\$1,491
-	Accessory Dwelling Unit (< 450 sf) ⁵	0.30	DU	\$1,319	\$734

¹ Institute of Transportation Engineers, Trip Generation Manual (11th Edition)

² Trip generation rate per development unit for PM peak hour of the adjacent street traffic (4-6 PM)

³ DU = Dwelling Unit

⁴ No ITE rate exists for ADUs. ADU trip rates modeled consistent with "Clackamas County Residential TSDC Analysis" (2019)

*Traffic impact fees for PRDs will be based on the type of dwellings



Transportation Solutions

INNOVATIVE | PRACTICAL | EQUITABLE

City of Sedro-Woolley 2024 Traffic Impact Fee Rate Schedule – Non-Residential LUC 1-799

ITE Code ¹	ITE Land Use Category ¹	Base Trip Rate ²	% Primary Trips	Net Trip Rate	Rate per Unit ³	Impact Fee per Unit by District	
						Non-CBD	CBD
PORT AND TERMINAL							
30	Intermodal Truck Terminal	1.87	*	1.870	ksf	\$8,221	\$4,572
90	Park and Ride with Bus Service	0.49	*	0.490	space	\$2,154	\$1,198
INDUSTRIAL							
110	General Light Industrial	0.65	*	0.650	KSF	\$2,857	\$1,589
130	Industrial Park	0.34	*	0.340	KSF	\$1,495	\$831
140	Manufacturing	0.74	*	0.740	KSF	\$3,253	\$1,809
150	Warehousing	0.18	*	0.180	KSF	\$791	\$440
151	Mini Warehouse	0.15	*	0.150	KSF	\$659	\$367
170	Utilities	2.16	*	2.160	KSF	\$9,495	\$5,281
180	Speciality Trade Contractor	1.93	*	1.930	KSF	\$8,484	\$4,719
LODGING							
310	Hotel	0.59	*	0.590	room	\$2,594	\$1,443
311	All Suites Hotel	0.36	*	0.360	room	\$1,583	\$880
312	Business Hotel	0.31	*	0.310	room	\$1,363	\$758
320	Motel	0.36	*	0.360	room	\$1,583	\$880
RECREATIONAL							
411	Public Park	0.11	*	0.110	acre	\$484	\$269
416	Campground/RV Park	0.27	*	0.270	site	\$1,187	\$660
430	Golf Course	0.28	*	0.280	acre	\$1,231	\$685
432	Golf Driving Range	1.25	*	1.250	tee	\$5,495	\$3,056
433	Batting Cages	2.22	*	2.220	cage	\$9,759	\$5,428
434	Rock Climbing Gym	1.64	*	1.640	KSF	\$7,209	\$4,010
435	Multi-Purpose Recreational Facility	3.58	*	3.580	KSF	\$15,738	\$8,753
437	Bowling Alley	1.16	*	1.160	KSF	\$5,099	\$2,836
445	Movie Theater	13.96	*	13.960	screen	\$61,368	\$34,132
488	Soccer Complex	16.43	*	16.430	field	\$72,226	\$40,171
490	Tennis Courts	4.21	*	4.210	court	\$18,507	\$10,293
491	Racquet/Tennis Club	3.82	*	3.820	court	\$16,793	\$9,340
492	Health Fitness Club	3.45	*	3.450	KSF	\$15,166	\$8,435
493	Athletic Club	6.29	*	6.290	KSF	\$27,651	\$15,379
495	Recreational Community Center	2.50	*	2.500	KSF	\$10,990	\$6,113
INSTITUTIONAL							
520	Elementary School	0.16	*	0.160	student	\$703	\$391
522	Middle/Junior High School	0.15	*	0.150	student	\$659	\$367
525	High School	0.14	*	0.140	student	\$615	\$342
528	School District Office	2.04	*	2.040	student	\$8,968	\$4,988
536	Charter Elementary School	0.16	*	0.160	student	\$703	\$391
540	Junior / Community College	0.11	*	0.110	student	\$484	\$269
560	Church	0.49	*	0.490	KSF	\$2,154	\$1,198
565	Day Care Center	11.12	44%	4.893	KSF	\$21,509	\$11,963
566	Cemetery	0.46	*	0.460	acre	\$2,022	\$1,125
571	Adult Detention Facility	0.08	*	0.080	bed	\$352	\$196
575	Fire & Rescue Station	0.48	*	0.480	KSF	\$2,110	\$1,174
590	Library	8.16	*	8.160	KSF	\$35,871	\$19,951
MEDICAL							
610	Hospital	0.86	*	0.860	KSF	\$3,781	\$2,103
620	Nursing Home	0.14	*	0.140	bed	\$615	\$342
630	Clinic	3.69	*	3.690	KSF	\$16,221	\$9,022
640	Animal Hospital / Veterinary Clinic	3.53	*	3.530	KSF	\$15,518	\$8,631
650	Freestanding Emergency Room	1.52	*	1.520	KSF	\$6,682	\$3,716
OFFICE							
710	General Office	1.44	*	1.440	KSF	\$6,330	\$3,521
712	Small Office Bldg (<10,000 sf)	2.16	*	2.160	KSF	\$9,495	\$5,281
714	Corporate Headquarters Building	1.30	*	1.300	KSF	\$5,715	\$3,179
715	Single Tenant Office (≥10,000 sf)	1.76	*	1.760	KSF	\$7,737	\$4,303
720	Medical/Dental Office (Stand-Alone)	3.93	*	3.930	KSF	\$17,276	\$9,609
730	Government Office Building	1.71	*	1.710	KSF	\$7,517	\$4,181
732	US Post Office	11.21	*	11.210	KSF	\$49,279	\$27,408
750	Office Park	1.30	*	1.300	KSF	\$5,715	\$3,179
760	Research and Development Center	0.98	*	0.980	KSF	\$4,308	\$2,396
770	Business Park	1.22	*	1.220	KSF	\$5,363	\$2,983

¹ Institute of Transportation Engineers, Trip Generation Manual (11th Edition)

² Trip generation rate per development unit, for PM Peak Hour of the adjacent street traffic (4-6 pm).

³ DU = Dwelling Unit; KSF = 1,000 square feet; VSP = Vehicle servicing position

* Pass-by and diverted trip rate data not available. Primary trip rates may be applied based on local data, development context, and engineering judgment

City of Sedro-Woolley 2024 Traffic Impact Fee Rate Schedule – Non-Residential LUC 800-999

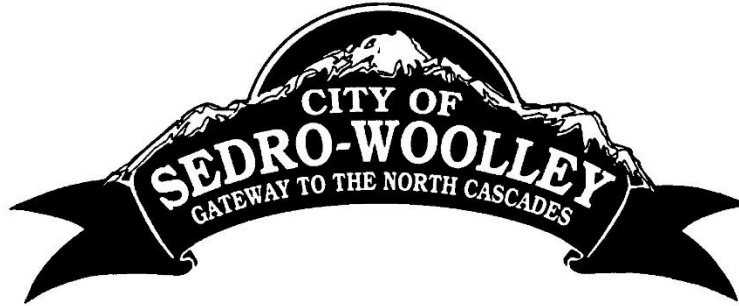
ITE Code ¹	ITE Land Use Category ¹	Base Trip Rate ²	% Primary Trips ³	Net Trip Rate	Rate per Unit ⁴	Impact Fee per Unit by District	
						Non-CBD	CBD
RETAIL							
810	Tractor Supply Store	1.40	66%	0.924	KSF	\$4,062	\$2,259
811	Construction Equipment Rental Store	0.99	74%	0.733	KSF	\$3,221	\$1,791
812	Building Materials and Lumber Store	2.25	74%	1.665	KSF	\$7,319	\$4,071
813	Free-Standing Discount Superstore (w/ Grocery)	4.33	71%	3.074	KSF	\$13,515	\$7,517
814	Variety Store	6.70	66%	4.422	KSF	\$19,439	\$10,812
815	Free Standing Discount Store (w/o Grocery)	4.86	83%	4.034	KSF	\$17,733	\$9,863
816	Hardware/Paint Store	2.98	74%	2.205	KSF	\$9,694	\$5,392
817	Nursery (Garden Center)	6.94	74%	5.136	KSF	\$22,576	\$12,557
818	Nursery (Wholesale)	5.24	74%	3.878	KSF	\$17,046	\$9,481
820	Shopping Center (>150k)	3.40	66%	2.244	KSF	\$9,865	\$5,487
821	Shopping Plaza (40-150k) w/ Supermarket	9.03	66%	5.960	KSF	\$26,199	\$14,572
821	Shopping Plaza (40-150k) w/o Supermarket	5.19	66%	3.425	KSF	\$15,058	\$8,375
822	Strip Retail Plaza (<40k)	6.59	66%	4.349	KSF	\$19,120	\$10,634
823	Factory Outlet Center	2.29	66%	1.511	KSF	\$6,644	\$3,695
840	Automobile Sales (New)	2.42	100%	2.420	KSF	\$10,638	\$5,917
841	Automobile Sales (Used)	3.75	100%	3.750	KSF	\$16,485	\$9,169
842	Recreational Vehicle Sales	0.77	100%	0.770	KSF	\$3,385	\$1,883
843	Automobile Parts Sales	4.90	44%	2.156	KSF	\$9,478	\$5,271
848	Tire Store	3.75	72%	2.700	KSF	\$11,869	\$6,602
849	Tire Superstore	2.11	72%	1.519	KSF	\$6,678	\$3,714
850	Supermarket	8.95	64%	5.728	KSF	\$25,180	\$14,005
851	Convenience Store	49.11	49%	24.064	KSF	\$105,785	\$58,836
857	Discount Club	4.19	63%	2.640	KSF	\$11,604	\$6,454
861	Sporting Goods Superstore	2.14	66%	1.412	KSF	\$6,209	\$3,453
862	Home Improvement Superstore	2.29	58%	1.328	KSF	\$5,839	\$3,247
863	Electronics Superstore	4.25	60%	2.550	KSF	\$11,210	\$6,235
866	Pet Supply Superstore	3.55	66%	2.343	KSF	\$10,300	\$5,729
867	Office Supply Superstore	2.77	66%	1.828	KSF	\$8,037	\$4,470
875	Department Store	1.95	66%	1.287	KSF	\$5,658	\$3,147
876	Apparel Store	4.12	66%	2.719	KSF	\$11,954	\$6,648
879	Arts and Crafts Store	6.21	66%	4.099	KSF	\$18,017	\$10,021
880	Pharmacy/Drug Store w/o Drive-Thru	8.51	47%	4.000	KSF	\$17,583	\$9,779
881	Pharmacy/Drug Store w/ Drive-Thru	10.25	38%	3.895	KSF	\$17,122	\$9,523
882	Marijuana Dispensary	18.92	100%	18.920	KSF	\$83,172	\$46,259
890	Furniture Store	0.52	47%	0.244	KSF	\$1,074	\$598
899	Liquor Store	16.62	64%	10.637	KSF	\$46,759	\$26,007
SERVICES							
911	Walk-in Bank	12.13	65%	7.885	KSF	\$34,660	\$19,278
912	Drive-in Bank	21.01	65%	13.657	KSF	\$60,034	\$33,390
918	Hair Salon	1.45	65%	0.943	KSF	\$4,143	\$2,304
920	Copy, Print, and Express Ship Store	7.42	66%	4.897	KSF	\$21,528	\$11,974
930	Fast Casual Restaurant	12.55	57%	7.154	KSF	\$31,447	\$17,490
931	Fine Dining Restaurant	7.80	56%	4.368	KSF	\$19,202	\$10,680
932	High Turnover (Sit-Down) Restaurant	9.05	57%	5.159	KSF	\$22,677	\$12,613
933	Fast Food w/o Drive-Thru	33.21	57%	18.930	KSF	\$83,215	\$46,283
934	Fast Food w/ Drive-Thru	33.03	50%	16.515	KSF	\$72,600	\$40,379
935	Fast Food Restaurant w/ Drive-Thru w/o Indoor Seating	59.50	50%	29.750	lane	\$130,781	\$72,739
936	Coffee/Donut Shop w/o Drive-Thru	32.29	57%	18.405	KSF	\$80,910	\$45,001
937	Coffee/Donut Shop w/ Drive-Thru	38.99	50%	19.495	KSF	\$85,700	\$47,665
938	Coffee/Donut Shop w/ Drive-Thru w/o Indoor Seating (Espresso Stand)	15.08	11%	1.659	lane	\$7,292	\$4,056
941	Quick Lubrication Vehicle Stop	8.70	72%	6.264	VSP	\$27,537	\$15,315
942	Automobile Care Center	3.11	72%	2.239	KSF	\$9,844	\$5,475
943	Automobile Parts and Service Center	2.06	72%	1.483	KSF	\$6,520	\$3,626
944	Gasoline/Service Station	13.91	58%	8.068	VFP	\$35,466	\$19,726
945	Convenience Store/Gas Station (<4,000 sf)	18.42	12%	2.210	VFP	\$9,717	\$5,404
945	Convenience Store/Gas Station (4,000 sf -- 5,500 sf)	22.76	12%	2.731	VFP	\$12,006	\$6,678
945	Convenience Store/Gas Station (>5,500 sf)	26.90	12%	3.228	VFP	\$14,190	\$7,892
947	Self-Serve Car Wash	5.54	58%	3.213	stall	\$14,125	\$7,856
948	Automated Car Wash	77.50	58%	44.950	stall	\$197,600	\$109,903
950	Truck Stop (Truck Trips Only)	15.42	58%	8.944	VFP	\$39,316	\$21,867
970	Winery	7.31	100%	7.310	KSF	\$32,135	\$17,873
971	Brewery Taproom	9.83	100%	9.830	KSF	\$43,213	\$24,034
975	Drinking Place	11.36	100%	11.360	KSF	\$49,939	\$27,775

¹ Institute of Transportation Engineers, Trip Generation Manual (11th Edition)

² Trip generation rate per development unit, for PM Peak Hour of the adjacent street traffic (4-6 pm).

³ Average primary trip rates, per Trip Generation Handbook (3rd Edition), 2017. Additional primary rates based on similar land use and engineering judgment.

Pass-by rates should be used with caution and refined using local data whenever possible. ⁴ DU = Dwelling Unit; KSF = 1,000 square feet; VSP = Vehicle servicing position



CITY OF SEDRO-WOOLLEY BUILDING, PLANNING & ENGINEERING FEE SCHEDULE

The fees described below are the minimum fees specific to the identified activities. Other fees may apply and will be added to the minimum fee. Plan Review and Application Fees are due at time of application. All fees must be paid before Permit Issuance or City Action.

SECTION 1. BUILDING PERMIT FEES

To calculate building permit fees, valuation is established by using the current building valuation data published by the International Code Council (ICC). Permit fees are then calculated from the City of Sedro-Woolley BPE Fee Schedule Table 1. Valuation information for structures/improvements not designated by ICC is as shown in this schedule. The plan check fees for projects reviewed by the City of Sedro-Woolley shall be 65 percent of the building permit fee.

TABLE 1—BUILDING PERMIT FEES

TOTAL VALUATION	FEE
\$501.00 to \$2,000.00	\$23.50 for the first \$500.00 plus \$3.05 for each additional \$100.00, or fraction thereof, to and including \$2,000.00
\$1.00 to \$500.00	\$23.50
\$2,001.00 to \$25,000.00	\$69.25 for the first \$2,000.00 plus \$14.00 for each additional \$1,000.00, or fraction thereof, to and including \$25,000.00
\$25,001.00 to \$50,000.00	\$391.75 for the first \$25,000.00 plus \$10.10 for each additional \$1,000.00, or fraction thereof, to and including \$50,000.00
\$50,001.00 to \$100,000.00	\$643.75 for the first \$50,000.00 plus \$7.00 for each additional \$1,000.00, or fraction thereof, to and including \$100,000.00
\$100,001.00 to \$500,000.00	\$993.75 for the first \$100,000.00 plus \$5.60 for each additional \$1,000.00, or fraction thereof, to and including \$500,000.00
\$500,001.00 to \$1,000,000.00	\$3,233.75 for the first \$500,000.00 plus \$4.75 for each additional \$1,000.00, or fraction thereof, to and including \$1,000,000.00
\$1,000,001.00 and up	\$5,608.75 for the first \$1,000,000.00 plus \$3.65 for each additional \$1,000.00, or fraction thereof

Structure or Improvement	Valuation
Uninsulated, Unheated Basement	50% of finished space
Open Carport	\$16.10 per Square foot
Foundations	\$35.00 per linear foot
Fences greater than 6' in height	\$12.84 per linear foot
Decks	\$12.84 per Square foot
Post Frame Building	\$16.10 per Square foot
Commercial Signs	\$25.00 Surface mounted \$25.00 Replacement of insert to existing sign cabinet \$200.00 Monument \$300.00 Pole-mounted

Other Building Related Fees	
Plans Examination Review Fee	65% of assessed building permit fee
Projects not specified in schedule	Valuation based on contractor's estimate
Inspections outside of normal business hours, if granted	\$100.00/hour plus administrative overhead 2 hour minimum ¹
Inspections for which no fee is specifically indicated	\$50.00 per hour ¹ ½ hour minimum
Re-inspection fees (due prior to second re-inspection of written correction notice)	\$50.00/hour plus administrative costs 1 hour minimum ¹
Expedited Inspection – for inspection requests received after 8:30 AM (due prior to subsequent inspection)	\$50.00
Additional plan review fee or inspection required by changes, additions, or revisions to plans	\$50.00/hour 1/2 hour minimum
Pre-review of Building Plans Fee – for review of building plans prior to the submittal of a complete building permit application.	10% of the projected Plans Examination Review Fee (based on building size and valuation). The Pre-review Fee does not count towards the Plans Examination Review Fee.
For use of outside consultants for plan checking, inspections, environmental, stormwater, landscape & other related reviews	\$50.00/hour administrative costs plus the resulting consultant fees
Demolition Permits	\$100.00 SFR Demolition Permit \$125.00 Commercial Demolition Permit
Temporary Certificate of Occupancy	\$250.00
Address Sign	\$25.00
Change of Use permit	\$100.00
Building Decision Appeal	\$300.00 Plus \$50.00/hour for staff time plus resulting consultant fees plus resulting attorney fees.
Washington State Building Code Council Fee – building permit fee	\$4.50 per building permit
Washington State Building Code Council Fee – multi-family unit fee	\$2.00 per unit for each unit after the first unit
Adult Family Home Application Review	\$50.00
Adult Family Home Inspection	\$50.00

Solar panel permit for buildings regulated by the International Residential Code (IRC)	\$50.00
Solar panel permit for buildings regulated by the International Building Code (IBC)	\$50.00 plus building plan review fee based in project valuation of the structural components and labor only
Residential re-roofing permit for roofing projects that require structural modification	\$75.00
Commercial re-roofing permit	\$75.00
Administration fee for processing deferred impact fees	\$100.00

¹ Or the total hourly cost to the jurisdiction, whichever is the greatest. This cost shall include supervision, overhead, equipment, hourly wages and fringe benefits of the employees involved.

Manufactured Homes

Manufactured Home	\$500.00
Modular Homes	\$750.00 plus foundation and/or basement permit fee

Mechanical Permits

Permit Administration

1. For the issuance of each mechanical permit	\$25.00
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Unit Fees

1. Furnaces

For the installation or relocation of each forced-air or gravity-type furnace or burner, including ducts and vents attached to such appliance up to and including 100,000 Btu/h (29.3 kW)	\$20.00
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For the installation or relocation of each forced-air or gravity-type furnace or burner, including ducts and vents attached to such appliance over 100,000 Btu/h (29.3 kW)	\$40.00
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For the installation or relocation of each suspended heater, recessed wall heater or floor-mounted unit heater	\$14.80
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2. Appliance Vents

For the installation, relocation or replacement of each appliance vent installed and not included in an appliance permit	\$ 7.25
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3. Repairs or Additions

For the repair of, alteration of, or addition to each heating appliance, refrigeration unit, cooling unit, absorption unit, or each heating, cooling, absorption or evaporative cooling system, including installation of controls regulated by the Mechanical Code	\$13.70
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4. Boilers, Compressors and Absorption Systems

For the installation or relocation of each boiler or compressor to and including 3 horsepower (10.6 kW), or each absorption system to and including 100,000 Btu/h (29.3 kW)	\$14.70
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For the installation or relocation of each boiler or compressor over three horsepower (10.6kw) to and including 15 horsepower (52.7 kW), or each absorption system over 100,000 Btu/h (29.3 kW) to and including 500,000 Btu/h (146.6kw)	\$27.15
For the installation or relocation of each boiler or compressor over 15 horsepower (52.7kW) to and including 30 horsepower (105.5 kW), or each absorption system over 500,000 Btu/h (146.6 kW) to and including 1,000,000 Btu/h (293.1 kW)	\$37.25
For the installation or relocation of each boiler or compressor over 30 horsepower (105.5 kW) to and including 50 horsepower (176 kW), or each absorption system over 1,000,000 Btu/h (293.1 kW) to and including 1,750,000 Btu/h (512.9 kW)	\$55.45
For the installation or relocation of each boiler or compressor over 50 horsepower (176kw), or each absorption system over 1,750,000 Bin/h (512.9 kW)	\$92.65
5. Air Handlers	
For each air-handling unit to and including 10,000 cubic feet per minute (cfm) (4719 L/s), including ducts attached thereto Note: This fee does not apply to an air-handling unit which is a portion of a factory-assembled appliance, cooling unit, evaporative cooler or absorption unit for which a permit is required elsewhere in the Mechanical Code.	\$10.65
For each air-handling unit over 10,000 cfm (4719 L/s)	\$18.10
6. Evaporative Coolers.	
For each evaporative cooler other than portable type	\$10.65
7. Ventilation and Exhaust	
For each ventilation fan connected to a single duct	\$ 7.25
For each ventilation system which is not a portion of any heating or air-conditioning system authorized by a permit	\$10.65
For the installation of each hood which is served by mechanical exhaust, including the ducts for such hood	\$10.65
8. Incinerators	
For the installation or relocation of each domestic-type incinerator	\$18.20
For the installation or relocation of each commercial or industrial-type incinerator	\$14.50
9. Miscellaneous	
For each appliance or piece of equipment regulated by the Mechanical Code but not classed in other appliance categories, or for which no other fee is listed in the table	\$10.65
10. Range hoods	
Residential	\$9.50
Commercial –plan review --inspection (does not include Fire Suppression)	\$50.00/hour \$50.00/hour
11. Wood/gas/pellet stove or insert	\$20.00
Dryer vent	\$7.50
Gas Range	\$7.50
Other Inspections and Fees:	
1. Inspections outside of normal business hours, per hour (minimum charge—two hours)	\$50.00*
2. Re-inspection fees assessed under provisions of Section 116.6, per inspection	\$50.00*

3. Inspections for which no fee is specifically indicated, per hour (minimum charge—one-half hour)	\$50.00*
4. Additional plan review required by changes, additions or revisions to plans or top for which an initial review has been completed (minimum charge—one-half hour)	\$50.00*
*Or the total hourly cost to the jurisdiction, whichever is the greatest. This cost shall include supervision, overhead, equipment, hourly wages and fringe benefits of the employees involved.	

Plumbing Permits	
Permit Administration – See Appendix A for Equivalent Fixture Units table	
1. For issuing each permit	\$ 25.00
Unit Fee Schedule	
1. For each plumbing fixture on one trap or a set of fixtures on one trap	\$ 10.00
2. Rainwater systems - per drain (inside building)	
3. For each water heater and/or vent	\$ 7.00
4. For each gas-piping system of one to five outlets	\$ 7.00
5. For each additional gas piping system outlet, per outlet	\$ 5.00
6. For each industrial waste pretreatment interceptor including its trap and vent, except kitchen-type grease interceptors functioning as fixture traps	\$ 2.00
7. For each installation, alteration or repair of water piping and/or water treating equipment, each	\$ 7.00
8. For each repair or alteration of drainage or vent piping, each fixture	\$ 7.00
9. For each lawn sprinkler system on any one meter including backflow protection devices	\$ 7.00
10. For atmospheric-type vacuum breakers not included in item 12: 1 to 5 over 5, each	\$ 7.00
10. For atmospheric-type vacuum breakers not included in item 12: 1 to 5 over 5, each	\$ 7.00 \$ 1.00
11. For each backflow protective device other than atmospheric type vacuum breakers: 2 inch (51 mm) diameter and smaller over 2 inch (51 mm) diameter	\$ 7.00 \$ 15.00
12. For initial installation and testing for a reclaimed water system	
13. For each annual cross-connection testing of a reclaimed water system (excluding initial test)	\$30.00*
14. For each medical gas piping system serving one to five inlet(s)/outlet(s) for a specific gas	\$30.00*
15. For each additional medical gas inlet(s)/outlet(s)	\$50.00
Other Inspections and Fees	
1. Inspections outside of normal business hours	\$50.00*

2. Re-inspection fee	\$50.00*
3. Inspections for which no fee is specifically indicated	\$50.00*
4. Additional plan review required by changes, additions or revisions to approved plans (minimum charge — one-half hour)	\$50.00*
Per hour for each hour worked or the total hourly cost to the jurisdiction, whichever is greater. This cost shall include supervision, overhead, equipment, hourly wages and fringe benefits of all the employees involved.	\$50.00

SECTION 2. PLANNING PERMIT FEES

Planning	
Pre-Application Meeting Fee	\$60.00 Planning Review \$60.00 Engineering Review
Comprehensive Plan Amendment	\$600.00 For projects that require more than 10 hours of staff time, the applicant will be billed at \$60.00/hour plus any consultant fees.
Zoning Ordinance Amendment	\$500.00
Rezone	See Comprehensive Plan Amendment
Long Plat - Preliminary	\$2,000.00 plus \$150/lot. For projects that require more than 30 hours of staff time, the applicant will be billed at \$60.00/hour.
Long Plat - Final	\$500.00
Short Plat	\$1,000.00
Planned Residential Development (in addition to Long Plat fees)	\$2000.00 plus \$15/lot
Conditional Use Permit (does not include Hearing Examiner Fees)	\$300.00 Residential \$1,000.00 Commercial
Essential Public Facility review (in addition to the Conditional Use Permit fee)	\$500.00
Zoning Waiver	\$200.00
Zoning Variance - Residential	\$400.00
Zoning Variance - Commercial	\$1,000.00
Home Occupation Permit	\$25.00
Boundary Line adjustment	\$150.00
Binding Site Plan - Preliminary	\$1,000.00 plus \$150/lot
Binding Site Plan - Final	\$300.00
Binding Site Plan - Amended	\$500.00
Design Review	\$25.00
Design Review for projects using the UVMU Overlay regulations	\$100 base plus \$0.005 per square foot of gross building area

Annexation	\$1,200.00
Temporary Permit per SWMC 17.64	\$300.00
Planned Action – review of applications for projects within the boundaries of an approved Planned Action Ordinance	\$300.00
Accessory Dwelling Unit (ADU) Permit	\$250.00
Request for letter of interpretation	\$250.00
Non-conforming use certificate	\$500.00
Zoning Compliance letter	\$150.00
Planning Decision Appeal	\$200.00 by Permit Applicant \$100.00 by non-permit applicant residing greater than 500 ft from the project. \$30.00 by non-permit applicant residing less than 500 ft from the project Plus all resultant consultant fees, hearing examiner fees and/or attorney fees
Planning Review of site & construction plans for new buildings (not additions to an existing building) - Single-family (including manufactured home) & duplex building permits - Small Commercial & Industrial building permits without SEPA - All other building permits including multi-family	\$70.00 \$110.00 10% of Building Permit fee or \$2,500.00 (whichever is less)
Planning Review Fee for Excavation & Grading permits w/SEPA	\$150.00
Planning Review for activities not listed specifically above.	\$60.00/hour
Hearing Examiner Fees	Actual cost Prepayment fees taken at time of application
Hearing Examiner - Prepayment of fees	Type I & II - \$2,200 Type III - \$2,200 Type IV - \$3,000
Public Notification - Legal Notice in newspaper	Actual cost
Public Notification - Postage	Actual cost
Public Notification - Prepayment of publication costs	\$350.00
Notice of Land Use Action sign	\$25.00

Environmental Fees	
Critical Areas Review Fee	\$10.00 Checklist review and site visit, if req. for building permits \$20.00 Checklist review and site visit, if req. for projects requiring land disturbance, plats, and boundary line adjustments \$380.00 Request and review applicant submitted reports
Shoreline Permit	\$200.00
Shoreline Conditional Use/Variance	\$250.00
Floodplain Permit	\$60.00
For use of outside consultants for specialty plan checking and inspections	\$60.00/hour administrative fee plus the resulting consultant fees
SEPA- State Environmental Policy Act Checklist Review	\$150.00 (up to 10,000 sq. ft. disturbed area) \$300.00 (10,000-50,000 sq. ft. disturbed area) \$500.00 (50,000 sq. ft. and over disturbed area)
SEPA- Site Visit	\$100.00
Environmental Impact Statement (E.I.S.) Review	\$500.00 (included 10 hours of staff time) For projects that require more than 10 hours of staff time, applicant will be billed at \$50.00/hour plus consultant fees
Appeal of SEPA determinations	\$1000 plus consultant fees and attorney fees.

SECTION 3. ENGINEERING PERMIT FEES

ENGINEERING DEPARTMENT FEES	
Permits/Review/Inspection/Misc	Fee
Street Vacation Request	\$1,000.00
Modification of Public Works Standards (PW Variance) Request (SW PWDS 1.3.9)	\$250.00 plus Additional Engineering Plan Review fee for every hour over 3 hours of staff time to process request
Access Permit (new driveways accessing city streets)	\$50.00
Oversize/Overweight Vehicles Permit (SWMC Ch. 10.20.025)	\$30.00 \$25.00
Waiver, Deferral or Modification of Frontage Improvements (SWPWDS 1.3.10 and 3.2.7.E)	\$50.00 for Single Family Residences \$250.00 for all others
Right of Way Permit (any work within city right of way including street cuts, utility extension, driveway construction, sidewalks, etc.; includes initial inspection). One work location per permit	\$70.00 \$60.00
Sewer Service Permit (includes initial inspection)	\$75.00 \$60.00
Decommissioning Septic System Inspection Fee	\$70.00 \$60.00

Clearing & Grading Permit (when not a part of an Engineering Plan Review project; includes TESC review and inspection)	\$50.00 - Up to 50 CYS \$25.00 \$100.00 plus \$25.00 per Acre – 50 CYS and over
Re-inspection for ROW Permits & Sewer Service Permits, per each	\$75.00 \$30.00
Engineering Plan Review – Simple Site Plan (up to two lots)	\$95.00 /hour; minimum ½ hour \$85.00
Engineering Plan Review (on and off site civil improvements – see SWPWDS Ch. 2.2)	0.5% approved Engineer's Project Cost Estimate; \$600.00 minimum
Additional Engineering Plan Review (see SWPWDS Ch. 2.2)	\$95.00 /hour; minimum ½ hour \$85.000
Consultant Plan Review where required (Traffic Signals, Traffic Impact Analysis, Stormwater etc.)	Consultant Cost plus 5%
Construction Inspection (on and off site civil improvements; may be reduced up to 50% if Developer provides full time independent inspection services)	\$500.00 plus 1.5% approved Engineers Estimate
Additional Construction Inspection (if required)	\$75.00 /hour; minimum ½ hour \$60.00
Consultant Specialty Inspection & Testing (SWPWDS Ch. 2.1.10)	Consultant Cost plus 5%
Pavement Repair Performance Bond (cuts 100 sf or less - refundable on satisfactory completion of work – SWPWDS Ch. 2.3 and 3.2.15.G.6)	\$750.00 (cash deposit)
Performance and Maintenance Bonds (all civil-related work)	See SWPWDS Chapters 1.4.8.B and 2.3
Address Signs (SWPWDS 1.3.2.P.1)	\$30.00 /each – installation by others \$25.00

For Impact Fees, see Master Fee Schedule Title 15.

SECTION 4. OTHER FEES

Fire Code Fees	
Administrative fee	\$60.00 \$50.00
Fire Code Operations Permit (pursuant to IFC 105.6)	\$250.00 plus \$60.00/hr plan review fee plus consultant fees. \$50.00
Fire Code Construction Permit (pursuant to IFC 105.7)	\$250.00 plus \$60.00/hr plan review fee plus consultant fees. \$50.00
Fire suppression – building sprinklers	\$300.00 plus Fire Plan Review Fees
Fire suppression – tenant space sprinklers	\$125.00 plus Fire Plan Review Fees \$100.00
Fire suppression – commercial hood sprinklers	\$77.00 plus Fire Plan Review Fees
Fire alarm system when required	\$125.00 plus Fire Plan Review Fees \$97.00
Fire alarm panel	\$50 replaced / \$75 new plus Fire Plan Review Fees NEW
Fire Code Violation Investigation Fee	\$60.00/hr minimum 1 hour \$50.00
Fire Code Violation Fine	\$60.00 - \$200.00 per violation per day \$50.00
Fire Code Compliance Review Fee and Report	\$100.00 plus consultant fees
Fire Investigation Fee	\$60.00/hr plus consultant fees. \$50.00
Above/Underground fuel tank installation	\$100

Underground fuel tank removal	\$75
Underground fuel tank decommission – fill in place	\$100
Compressed gas	\$50.00 plus Fire Plan Review Fees
Install/Remove LP fuel tank	\$35.00
Fire Plan Review Fee	\$60.00/hr – one hour minimum \$50.00
Fire inspection Fee	\$60.00/hr – one hour minimum \$50.00
Marijuana Operations Permit	\$275.00 (annual fee) \$250.00
Carbon Dioxide System Permit	\$275.00 (annual fee) \$250.00
Extraction Process Permit	\$275.00 (annual fee) \$250.00

Enforcement Fees

Work without a permit investigation fee	\$50.00/hour plus consultant fees plus attorney fees plus applicable fines.
Permit violation investigation fee	\$50.00/hour plus consultant fees plus attorney fees plus applicable fines.
Permit compliance monitoring fee (for permits that require temporary monitoring)	\$50.00/hour plus consultant fees
Building Permit Violation Fine	Add 100% of the building fee
Planning/Zoning Violation Fine	Add 100% of resulting planning fees
Legal action	\$50.00/hour administrative fee plus attorney fees and consultant fees.

Computer Mapping Services

8½ x 11	1-5 copies \$2.50 (20% discount after five copies)
11 x 17	1-5 copies \$5.00 (20% discount after five copies)
17 X 20 to 18 x 24	1-5 copies \$10.00 (20% discount after five copies)
22 X 34 to 24 x 36	1-5 copies \$15.00 (20% discount after five copies)
34 X 44 to 36 x 48	1-5 copies \$20.00 (20% discount after five copies)
A \$60/hour charge will be applied to all custom map request plus actual cost for maps produced and reproduced by outside sources.	

Administrative And Misc. Fees

Copies	\$0.15/single-page \$0.25/double-page Actual cost for multi-media materials such as computer diskettes and CD's.
Color Copies	8.5x11/\$0.50 8.5x14/\$0.75 11x17/\$1.00
Copies of recorded public hearings	Free on City website or \$15.00/disk

FEE REFUNDS: The Building Official may authorize a refund of fees in accordance with IRC R108.5 and IBC 108.6

BUILDING PERMIT EXPIRATION: Every building permit issued by the City of Sedro-Woolley under the provisions of the Building Code shall expire by limitation and become null and void if the building or work authorized by such permit is not completed per the permitted requirements within two (2) years of the date of issuance.

RENEWAL OF EXPIRED BUILDING PERMITS: To renew action on a permit after expiration, the permittee shall pay a renewal fee of one half of the amount of the building permit fee that would be required for a new permit (not plan review fee), provided no changes have been made or will be made in the original plans and specifications for such work. A new permit – including plan review fees – will be required where expiration has been more than six months. Expired non-commercial projects requiring only final inspections shall pay a minimum fee of \$100.00.

Any permittee holding an unexpired permit may apply for a six-month extension in order to complete the authorized work. The Building Official may grant one free 180 day extension of time upon a written request from the permittee showing that circumstances beyond the control of the permittee have prevented the authorized work from being completed. No permit may be extended more than once.

Appendix A - Equivalent Fixture Units

For calculation of Commercial General Facility Charge

Kinds of Fixtures	Units
Bathtubs	2
Bidets	2
Clothes washers, private	2
Clothes washers, commercial	6
Dental units or cuspidors	1
Drinking fountains	1
Floor drains	2
Interceptors for grease, oil, solids, etc.	3
Interceptors for sand, auto wash, etc.	6
Laundry tubs	2
Receptors (floor sinks), indirect waste receptors for refrigerators, coffee urns, water stations, etc.	1
Receptors, indirect waste receptors for commercial sinks, dishwashers, air-washers, etc.	3
Showers, single stalls	2
Showers, gang (per head)	1
Sinks, and/or dishwashers (residential) (2" min. waste)	2
Sinks, bar, commercial	2
Sinks, bar, private	1
Sinks, commercial or industrial, schools, etc., including dishwashers, wash up sinks and wash fountains	3
Sinks, flushing rim, clinic	6
Sinks, service	3
Sinks, service (3" trap)	6
Urinals, pedestal, trap arm only	6
Urinals, stall, separate trap	2
Urinals, wall-mounted, blowout, integral trap 2" trap arm only	3
Urinals, wall-mounted, blowout, integral trap 3" trap arm only	6
Urinals, wall-mounted, washdown or siphon jet, integral trap, trap arm only	2
Urinals, wall-mounted, washdown, separate trap (2" min. waste)	2
Wash basins, in sets	2
Wash basins (lavatories) single	1
Water closet, private installation	4
Water closet, public installation	6

CITY of SEDRO-WOOLLEY



MASTER FEE SCHEDULE

Effective January 1, 2024



2024 SOLID WASTE RATES

RESIDENTIAL GARBAGE RATES

ITEM	RATE	ADD'T INFO
20 Gallon Toter	\$15.20	
32 Gallon Toter	\$25.20	
65 Gallon Toter	\$35.35	
95 Gallon Toter	\$45.50	
LOW INCOME - 20 Gallon Toter	\$12.16	
LOW INCOME - 32 Gallon Toter	\$20.16	Low Income - 80% of regular rate
LOW INCOME - 65 Gallon Toter	\$28.28	
LOW INCOME - 95 Gallon Toter	\$36.40	
OPTIONAL: Food and Yard Waste	\$12.50 per Unit	

RESIDENTIAL RECYCLING RATES

ITEM	RATE	ADD'T INFO
Curbside Recycling	\$9.00 per Unit	single family + multifamily
LOW INCOME - Curbside Recycling	\$7.20 per Unit	80% of regular rate

FUEL SURCHARGE

ITEM	RATE	ADD'T INFO
Diesel over \$3.00 per Gallon	\$2.03	Flat fee when diesel is over \$3.00, \$4.00, or \$5.00 per gallon.
Diesel over \$4.00 per Gallon	\$2.55	Amount is charged per month for each account. Rates include
Diesel over \$5.00 per Gallon	\$3.08	\$1.00 base rate plus garbage and recycling.

COMMERCIAL GARBAGE RATES (PERMANENT)

ITEM	RATE	ADD'T INFO
32 Gallon Toter	\$26.50	
65 Gallon Toter	\$35.35	
95 Gallon Toter	\$47.55	
1 Yard Dumpster	\$114.60	
2 Yard Dumpster	\$151.50	
3 Yard Dumpster	\$225.65	
4 Yard Dumpster	\$297.15	
6 Yard Dumpster	\$438.43	
8 Yard Dumpster	\$586.12	
20, 30 & 40 Yard Dumpsters	\$104.00 a Ton	

DUMPSTER RENTALS (TEMPORARY)

ITEM	DUMPING FEE	RENTAL FEE	ADD'T INFO
1 Yard Dumpsters	\$38.11	\$3.57 per Day	
2 Yard Dumpsters	\$67.40	\$3.57 per Day	
3 Yard Dumpsters	\$104.02	\$3.57 per Day	
4 Yard Dumpsters	\$118.70	\$7.14 per Day	
6 Yard Dumpsters	\$177.26	\$7.14 per Day	
8 Yard Dumpsters	\$235.91	\$7.14 per Day	
20, 30 & 40 Yard Dumpsters	\$104.00 a Ton	\$7.14 per Day	or \$71.34 per month for permanent containers
Delivery + Pick Up: 1-8 Yard Dumpster	\$24.37		
Delivery + Pick Up: 20, 30 & 40 Yard Dumpsters	\$71.34		

EXTRA CHARGE ITEMS

ITEM	RATE	ADD'T INFO
Recliner	\$15.00	
Refrigerators /freezers	\$25.00	
Other Appliances	\$15.00	
Mattress	\$15.00	
Couch	\$15.00	
Tires	\$5.00	
Wood Waste-Residential	\$12.00 per Yard	We Haul - \$12.00 per yard X 30 yards + \$235.00 haul fee
Wood Waste-Commercial	\$12.00 per Yard	We Haul - \$12.00 per yard X 30 yards + \$235.00 haul fee
Yard Waste - Commercial	\$12.00 per Yard	We Haul - \$12.00 per yard X 30 yards + \$100.00 haul fee
		20-40 yard roll-off dumpster = varies based on materials
Construction and Demo - Recycling	varies	recycling + \$7.14 per day (or \$71.34 per month if over 1 month) + \$235 haul fee
Cement	\$11.00 per Ton	
Chain & Lock (one-time fee) - All	\$15.00	
Dumpsters		
Toter Replacement	\$110.58	
Liner Replacement	\$98.94	

COMMERCIAL RECYCLING

ITEM	MIXED PAPER	CARDBOARD	MIXED RECYCLING
95 Gallon Container	\$70	Not available	\$70
2 Yard Dumpster	\$80	\$40	\$80
3 Yard Dumpster	\$110	\$45	\$110
4 Yard Dumpster	\$130	\$50	\$130
6 Yard Dumpster	\$163	\$55	\$163
8 Yard Dumpster	\$215	\$60	\$215

UTILITY TAX

ITEM	RATE	ADD'T INFO
Utility Tax	10.50%	

SPECIAL PERMIT RATES

ITEM	RATE PER YEAR	PER CART, CONTAINER OR VEHICLE
Source Separated Recycling Companies and Non-Profits	\$600	\$0
Mixed Recycling Companies	\$2,400	\$20
Junk Collector Companies	\$2,400	\$20
Penalties for Non-Compliance with Above Special Permits		\$500 per Violation
Solid Waste Truck Advertising	\$1,200	\$50 per Vehicle per Side per Month
Hourly Charge for Solid Waste Department to Handle Improve Disposal	\$100 per Hour with Minimum of \$100, or cost of services	

LATE CHARGES

Sanitation service charges shall be delinquent if not paid in full within twenty-five days after the date of billing. Delinquent charges shall bear interest at the rate of eight percent per annum beginning on the first day of the month following delinquency until paid in full. A late penalty of ten dollars shall be charged for any solid waste account that is delinquent for more than sixty days.

Sedro-Woolley Municipal Code Chapter / Section References:
8.04



2024 SEWER AND STORMWATER RATES

SEWER CONNECTION FEES		
ITEM	RATE	ADD'T INFO
Connection or Commencement of Use	\$9,626	per ERU
Plumbing Fixture	\$400	per Fixture Unit
Utility Plumbing Fixtures Water Consumption	\$400	per 234 Gallons of Water Per Month
Credit for Disconnecting Septic System	\$2,855	

SEWER UTILITY CONNECTION FEES		
ITEM	RESIDENTIAL - per Residential Dwelling Unity	NONRESIDENT - per EDU
North Reed Street	\$1,152	\$1,152
Cook Road-Trail Road	\$3,426	\$3,426
Fruitdale Road	\$3,450	\$3,450
North Township Street	\$725	\$725
West Bennett, West Nelson, Batey, Robinson and Borseth Streets	\$3,450	\$3,450

SEWER RATES		
ITEM	RATE	ADD'T INFO
Residential	\$73.66	
Nonresidential	\$6.81	Volume Rate (in Cubic Feet)
Low Income Citizen	\$58.93	

STORM WATER AND SURFACE WATER		
ITEM	RATE	ADD'T INFO
Class 1 Single - Family / Multifamily / Condos with 1 Unit	\$13.08	per Month
LOW INCOME - Class 1 Single - Family / Multifamily / Condos with 1 Unit	\$10.47	per Month 80% of regular rate
Units	\$6.54	50% of Class 1/Per-Unit Basis
Class 3 Commercial / Industrial	\$13.08 or \$26.16	\$13.08 Per 10,000 Sq. Ft. of Land or \$26.16 Per 10,000 Sq. Ft. of Impervious Surface
Class 4 Public Use Customers (Schools, Government Buildings, etc.)	\$13.08 or \$26.16	\$13.08 Per 10,000 Sq. Ft. of Land or \$26.16 Per 10,000 Sq. Ft. of Impervious Surface
Class 5 Mixed Use Structures	\$13.08	\$13.08 Per Month per Commercial Unit for Every 10,000 Sq. Ft. of Land and \$13.08 per Month per Unit, Unless 3+ Residential, the fee Shall be 50% of the Class 1 per-Unit Basis

Sedro-Woolley Municipal Code Chapter / Section References:

2.46.080

2.46.090

**2024 PARK FEES**

ATHLETIC FIELD USER FEES		
Facility	Weekly Rate	Daily Rate
Riverfront 1 - East	\$90.00	\$25.00
Riverfront 2 - West	\$90.00	\$25.00
Riverfront - Rookie - South	\$50.00	\$15.00
Riverfront - T-Ball - North	\$50.00	\$15.00
Tesarik	\$90.00	\$25.00
Winnie Houser	\$200.00	\$60.00
Denny Engberg	\$150.00	\$45.00

COMMUNITY CENTER RENTAL FEES							
Group				Security Deposit		Facility Monitor	Audio / Visual
Day of the Week	Resident	Community Group	All Others	NO Alcohol, Live Music, or Dancing	WITH Alcohol, Live Music, or Dancing	WITH Alcohol, Live Music, or Dancing	Audio / Visual Equipment
Monday through Thursday	\$225	\$150	\$375	\$100	\$1,000	\$250 flat fee	\$50
Friday through Sunday	\$275	\$150	\$425	\$100	\$1,000	\$250 flat fee	\$50

Additional Cleanup Required	\$50 per Hour
Annual Users	\$175 per Use
Consecutive Days	\$100 Less, Beyond first
Storage Closet - Large	\$15 per Month
Storage Closet - Small	\$10 per Month

SENIOR CENTER RENTAL FEES				
Day of the Week	Resident	Community Group	All Others	Deposit
Monday through Thursday	\$50	\$25	\$200	\$100
Friday through Sunday	\$100	\$25	\$250	\$100

RECREATIONAL VEHICLE PARK FEES	
Location	Fee
Riverfront RV Park (Without Full Sewer Hook-Ups)	\$40 per Night
Bingham RV Park (with Full Sewer Hook-Ups)	\$50 per Night

OTHER FACILITY RENTALS		
Group		
Location	Resident	Nonresident
Riverfront - Large Covered Eating Area	\$175	\$250
Riverfront - Small Covered Eating Area	\$125	\$150
Memorial Park - Covered Shelter	\$25	\$35
Bingham Park Shelter	\$100	\$150
Hammer Heritage Square	\$100	\$200
Riverfront - Amphitheatre - Nonprofits, City Sanctioned Festivals, Private Users and For-Profit	\$400	\$650

Special Events, Parades and Festivals - Deposit Required	Up to \$1,000
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Sedro-Woolley Municipal Code Chapter / Section References:

12.36.020 12.36.050
 12.36.030 12.36.090
 12.36.040



2024 BUILDING AND CONSTRUCTION

Building and Construction	
Description	Fee
Building Code Fees	See attached Building, Planning & Engineering Fee Schedule
Administrative Fee	\$750
Transportation Fee Schedule and Established of Service Area	Attachment A
Park Impact Fee and Establishment of Service Area	Attachment B
Fire Department Impact Fee and Establishment of Service Area	Attachment C
School Impact Fees and Administrative Fees	\$35
Independent Fee Calculations - Deposit	\$500
School Impact Fees - Single Family Units: per single-family residential unit or mobile or manufactured home (whether on a single lot, condominium unit or mobile park)	\$4,461
School Impact Fees - Multifamily Units: per residential unit in a multifamily structure	\$2,888

Attachment A – Ordinance No. 1960-20 allows for the updating of the Transportation Impact Fees; the attachment to this Master Fee Schedule of the Transportation Impact Fees contains the most recent fee schedule.

Attachment B - Schedule of Park Impact Fees per Unit

Structure	Fee
Single-Family Resident	\$2,303
Manufactured Home	\$2,303
Units in a Duplex or Multifamily Unit	\$2,303
Dependent Relative Cottage	\$2,303
Accessory Dwelling Unity Between the Minimum Allowed Size ADU and 450 Square Feet	30% of a Stand SFR Park Impact Fee
Accessory Dwelling Unity Greater than 450 Square Fee and Below the Maximum Size Allowed ADU	61% of a Standard SFR Park Impact Fee
All Units Not Specifically Identified in the Aboce	\$2,303

Annual increase by Seattle-Tacoma-Bellevue June to June CPI-U

Attachment C - Schedule of Fire Department Impact Fees

Structure	Fee
Residential structures, including single-family and multifamily structures	\$0.28 per square foot of structure, including garage, outbuildings and attached porches
Nonresidential structures	\$0.28 per square foot of structure, including garage, outbuildings and attached porches; provided, that the fee for nonresidential structures shall receive an adjustment, in an amount determined by the responsible official, equal to forty percent reduction for buildings equipped with an approved sprinkler system, and ten percent reduction for buildings equipped with an alarm system
Nonresidential construction and development activity which requires fire protection but is not a traditional structure, such as a bulk fuel storage facility or a fuel pipeline	shall be assessed an impact fee in an amount determined by the responsible official pursuant to Section 15.60.100.

Sedro-Woolley Municipal Code Chapter / Section References:

15.04
15.52.1220
15.60.050
15.60.070
15.60.90
15.664.130
15.64.150

**2024 CEMETERY**

BURIAL SPACE	
Description	Amount
Burial Space (includes space at \$800.00; endowment at \$100.00)	\$900
Double Burial Single Space (1 full body and 1 cremains or 2 cremains) Requires purchase of burial space; fee for each additional burial	\$300.00 Additional
Triple Burial Single Space (1 full body and 2 cremains) Requires purchase of burial space; fee for each additional burial	\$300.00 additional
Opening/Closing (Includes tent, chairs, greens and equipment)	\$750
Standard Size Concrete Liner (Includes purchase price and handling) (Oversize liner price on request)	\$650.00 + Sales Tax
Concrete Vault (Handling fee only)	\$175
Headstone Reset Fee	\$50
Headstone Setting	\$200

URN SPACE	
Description	Amount
Urn Space (Includes space at \$400.00; endowment at \$100.00)	\$500.00
Double Burial Single Space Requires Purchase of Burial Space; Fee for Each Addition Burial	\$300.00 Additional
Opening/Closing (Includes tent, chairs and greens)	300
Opening/Closing (No tent, chairs or greens)	\$150.00
Urn Vault (Includes purchase price and handling)	\$150.00 + Sales Tax
Headstone Setting	\$200.00

BABY SPACE	
Description	Amount
Baby Space (Includes space at \$300.00; endowment at \$100.00)	\$400.00
Opening/Closing (Includes tent, chairs and greens)	\$300.00
Opening/Closing (No tent, chairs or greens)	\$150.00
Concrete Baby Liner (Includes purchase price and handling)	\$225.00 + Sales Tax
Combo (Liner/Casket) (Handling fee only)	\$75.00
Headstone Setting	\$200.00

COLUMBARIUM NICHE WALL (SINGLE INURNMENTS ONLY)	
Description	Amount
Niche Space (Includes space at variable price by location; and endowment at \$100.00)*	Niche Space (Includes space at variable price by location; and endowment at \$100.00)* Row 1 (top) \$750.00 Row 2 \$700.00 Row 3 \$650.00 Row 4 \$600.00
Opening/Closing (Includes tent, chairs and greens) \$275.00	275
Opening/Closing (No tent, chairs or greens)	175
Inscription (Single shutter inscription)	\$275.00 + Sales Tax

COLUMBARIUM NICHEL WALL "ESTATE UNITY" (SINGLE INURNMENTS ONLY)	
Description	Amount
Niche space* (11-7/8" x 11-7/8" x 15-1/2") (Includes space and endowment at \$100.00)	
Niches 1 through 4	\$1,350.00 Each
Niches 5 through 10	\$1,200.00 Each
Niches 11 and 12	\$1,100.00 Each
Niches 13 and 14	\$1,000.00 Each
2 plus cremains per niche	1-1/2 times single unit price
Opening/Closing (Includes tent, chairs and greens)	275
Opening/Closing (No tent, chairs or greens)	175

Inscription (Single shutter inscription) each cremains \$175.00 + Sales Tax	\$175.00 + Sales Tax
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ADDITIONAL LABOR CHARGES (MAXIMUM OF TWO HEADSTONES PER GRAVE SPACE)	
Description	Amount
Saturday Service (Standard Burial)	\$450
Saturday Service (Cremation)	\$250
Sunday/Holiday Service (Standard Burial)	\$550
Sunday/Holiday Service (Cremation)	\$300
Additional Headstone on Existing Grave Space	\$200
Setting of Headstone Flower Vase	\$25
Chapel Services at 3:00 p.m. or Later	\$150

DISINTERNMENT	
Description	Amount
Casket/any removal	\$1,000
Casket/Relocation within Union Cemetery	\$1,400
Urn/any removal	\$225
Urn/Relocation within Union Cemetery	\$310

Sedro-Woolley Municipal Code Chapter / Section References:
2.80.040



2024 PUBLIC RECORDS REQUESTS

PUBLIC RECORDS ACT - RELATED FEES		
Item	Rate	Description
Electronic Files	\$0.05	Five cents per each four electronic files or attachment uploaded to email, cloud-based data storage service or other means of electronic delivery.
Photocopies or Printed Copies	\$0.15	Fifteen cents per page for photocopies of public records, printed copies of electronic public records when requested by the person requesting records, or for the use of agency equipment of photocopy public records.
Printed Copies - Plotter Paper	\$0.04	Six cents per square foot for plotter paper.
Scanning	\$0.10	Ten cents per page for public records scanned into an electronic format or for the use of agency equipment to scan the records.
Storage Devices		The actual cost of any digital storage media or device provided by the agency, the actual cost of any container or envelope used to mail the copies to the requester, and the actual postage or delivery charge.
Transmission of Electronic Files	\$0.10	Ten cents per gigabyte for the transmission of public records in an electronic format or for the use of agency equipment to send the records electronically. The agency shall take reasonable steps to provide the records in the most efficient manner available to the agency in its normal operations.
Customized Electronic Access or Data		A customized service charge to recover actual costs for requests that require information technology expertise to prepare data or provide customized electronic access when such compilations and customized access services are not used by the agency for other agency purposes.
Body Work Camera Records Requests	\$47.59	\$47.59 per hour redaction fee in accordance with RCW 42.56.240(14). The hourly rate may be prorated in 15 minute intervals. Plus, any additional costs permitted and identified in this fee schedule, including the cost of video copying. Charges will not be levied if the request comes from: •A person directly involved in a recorded incident and their attorney; •A person or his or her attorney who request a body worn camera recording relevant to a criminal case involving that person; •Executive Directors from the Washington State Commission on African American Affairs, Asian-Pacific Affairs or Hispanic Affairs; •Attorneys who represent a person in a potential or existing civil cause of action involving the denial of civil rights under the federal or state constitution or a violation of a United States Department of Justice settlement agreement and explain the relevancy of the requested video.
Postage		Actual Cost

**2024 OTHER**

ANIMAL	
Fee Type	Amount
Impound Fees	\$25 + \$10 Day After 2 Days
Animal Control Infractions	\$150
Potentially Dangerous Dog - Registration Fee	\$250 + \$50 Annually
Dangerous Dog - Registration Fee	\$500 + \$100 Annually
Potentially Dangerous Dog - Fail to Register or Renew Penalty	\$250
Dangerous Dog - Fail to Register or Renew Penalty	\$500
Animal Control Civil Penalty	\$150 + \$10 Day + Care Cost
Animal Control Civil Penalty for Animal Destruction	\$250
Hearings	\$15 per Day
Animal Control Civil Penalty for Animal Destruction- Failure to Pick Up After 10 days	\$50

FEES FOR POLICE AND FIRE REPORTS OR SERVICE FEES TABLE	
Description	Amount
Record Check (includes clearing letter for visa, passport, etc.)	Per name \$10.00
Fingerprint Cards (including applicants for concealed weapons permits)	\$10 (Up to 2)+ \$3 for Additional
Traffic Accident or Fire Incident Report	Up to 2 pages \$5.00; 3-20 pages \$10.00; each additional page \$0.50
Traffic accident or fire incident witness statements	Per Statement \$4.00

BUSINESS LICENSES AND REGULATIONS		FAILURE TO PAY		
Description	Amount	11-60 days late	60-90 days late	90+ days late
Business License Fee - General Business	\$35 annually	\$3.50	\$7.00	\$10.50
Business License Fee - Serving Beer, Wine, Spirits or Authority of the Washington State Liquor and Cannabis Board	\$250 annually	\$25.00	\$50.00	\$75.00
Business License Fee- Pawnbroker	\$135 annually	\$13.50	\$27.00	\$40.50
Business License Fee- Mobile Vending	\$75 annually	\$7.50	\$15.00	\$22.50
Business License Fee - Taxicabs	\$135 annually	\$13.50	\$27.00	\$40.50
Business License Fee - Extension Vendors	\$200 annually per location	\$20.00	\$40.00	\$60.00
Business License Fee - Growing, Processing and Selling of Marijuana	\$250 annually	\$25.00	\$50.00	\$75.00

Failure to pay fees may be waived at the Finance Director's discretion on a case by case basis.

CITY RIGHTS-OF-WAY	
Description	Amount
Utility Relocation - Enforcement	\$250 Per Day
Cable Communications - Cable System Evaluation - Non-Compliance Fee	Up to \$3,500 Per Evaluation - To Adjusted from 1997 Inflation

ZONING	
Description	Amount
Enforcement of the Critical Areas Regulations - Violations Civil Penalty	\$75 Per Day
Model Homes - Application Requirements	\$300 Per Model
Temporary Homeless Encampment Permit Application	\$1,500

CODE ENFORCEMENT	
Description	Amount
Notice of Violation and Order/Administrative Proceeding - Appeal Procedure	\$300 filing fee plus actual cost of hearing examiner (if appellant is successful, hearing examiner cost is waived)
Civil Fines and Civil Penalties - Civil Penalty - Critical Areas	\$50,000

OTHER	
Description	Amount
Fireworks - Public Display - Permit Fees	50
Smoking in Public Places and Places of Employment - Penalties - Person	Up to \$100
Smoking in Public Places and Places of Employment - Penalties - Owner Obligations	Up to \$100
Violation - Penalty	Class 1 civil infraction \$250.00 Class 2 civil infraction \$125.00
Tree Standards - Inspection and Appeal - Penalty	\$250 Each Day

EMPLOYEE RECOGNITION	
Description	Amount
Employee Recognition Program Token Appreciation Award	Up to \$100
Years of Service - Value of Item	Example of Type of Item
1 year - \$15	City logo hat or mug
5 years - \$35	City logo polo shirt / sweater
10 years - \$65	City logo jacket / coat / vest
20 years - \$100	City logo article

Sedro-Woolley Municipal Code Chapter / Section References:

3.60.010
5.04.030
5.04.060
8.28.060
8.36.040
8.50.160
12.40.120
17.65.760
17.98.040
17.110.020
18.15.040
18.35.030
2.100.040

December 26, 2023

TO: Mark A. Freiburger, PE, Director of Public Works
City of Sedro-Woolley

FROM: Andrew L. Bratlien, PE, PTOE
Daniel B. Hodun, EIT

SUBJECT: 2024 Transportation Impact Fee Rate Update

This memorandum documents the 2024 transportation impact fee rate update for the City of Sedro-Woolley. It summarizes the methods used to update the impact fee rate and identifies the updated rate.

BACKGROUND

The City's transportation impact fee (TIF) program was adopted in 2005 (ord. 1526-050) and was most recently updated in 2023. TIF rates are based on new development's ("growth's") proportionate share of eligible project costs and are assessed per net new PM peak hour trip generated by development.

The impact fee program assesses impact fees for each of two designated impact fee zones: Central Business District (CBD) and Non-CBD. An impact fee zone map is provided in Attachment 1.

Sedro-Woolley Municipal Code (SWMC) 15.60.050(B) requires transportation impact fees to be updated annually: "The impact fee schedule of costs...shall be updated annually at a rate adjusted in accordance with the Federal Highway Administration's National Highway Construction Cost Index (NHCCI), using an annual measure to establish revised fee schedules effective January 1st of each year."

IMPACT FEE UPDATE

The Federal Highway Administration (FHWA) National Highway Construction Cost Index (NHCCI) is a quarterly price index design to measure national average changes in highway construction costs.

The NHCCI for the second quarter (Q2) of 2022, upon which the most recent TIF rate update was based, is 2.553. The NHCCI for Q2 2023, the most recent period for which data is published, is 2.939. A summary of the Q2 2023 NHCCI is provided in Attachment 1. The adjusted transportation impact fee rates were calculated using the ratio of the Q2 2023 NHCCI to the Q2 2022 NHCCI:

$$2024 \text{ Impact Fee Rate Adjustment} = 2.962 \div 2.553 = 1.160$$

The resulting 1.160 adjustment factor represents a 16 percent increase in highway construction costs relative to Q2 2022.

RESULTS

The resulting impact fee rates are shown below. The updated impact fee rate maps is provided in Attachment 2 and the updated rate schedule is provided in Attachment 3.

- CBD Zone: \$2,445 / PM peak hour trip
- Non-CBD Zone: \$4,396 / PM peak hour trip

- Attachment 1. National Highway Construction Cost Index 2023 Q2
- Attachment 2. Transportation Impact Fee Zone Map
- Attachment 3. 2023 Transportation Impact Fee Rate Schedule

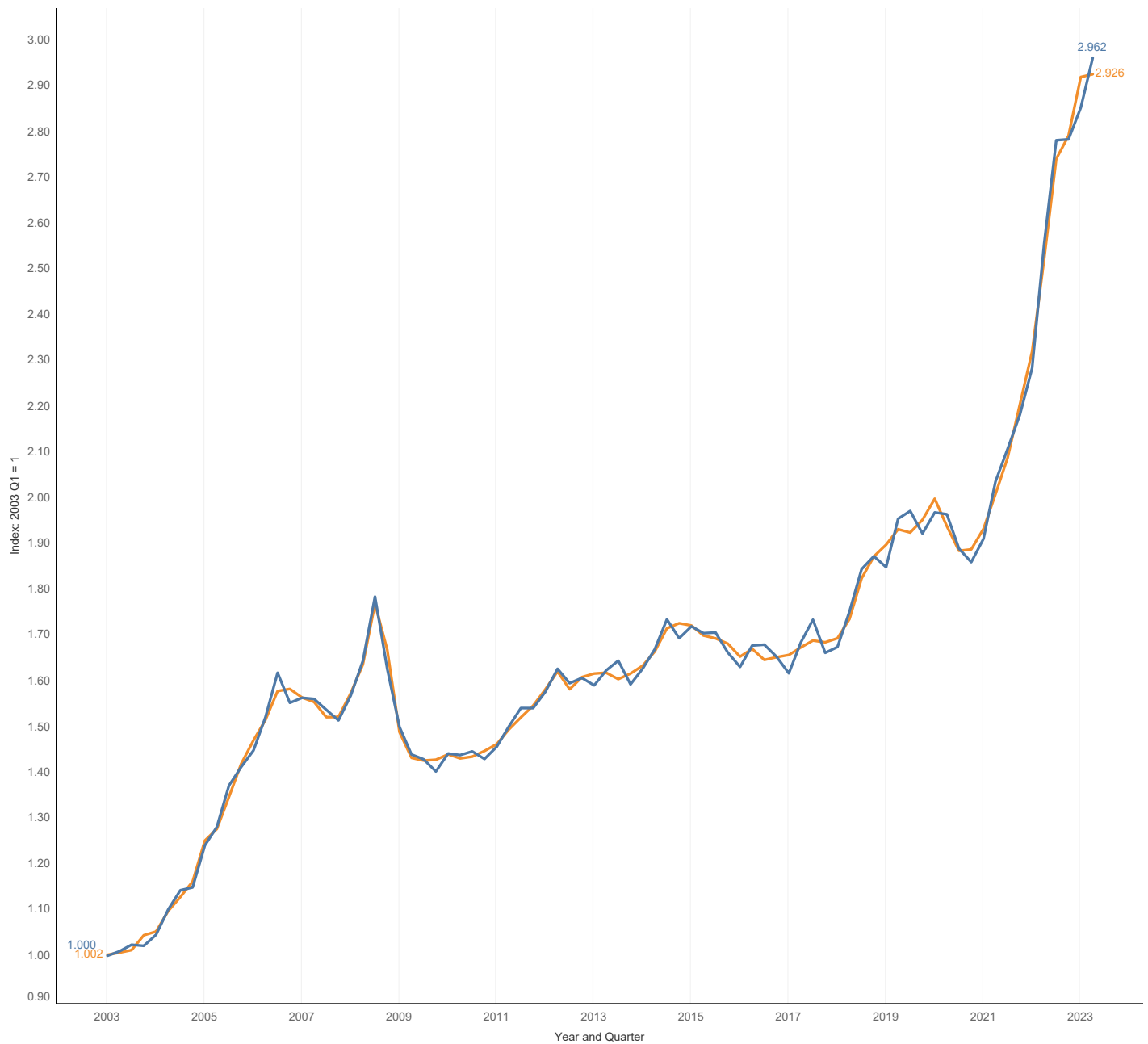


U.S. Department of Transportation
Federal Highway Administration

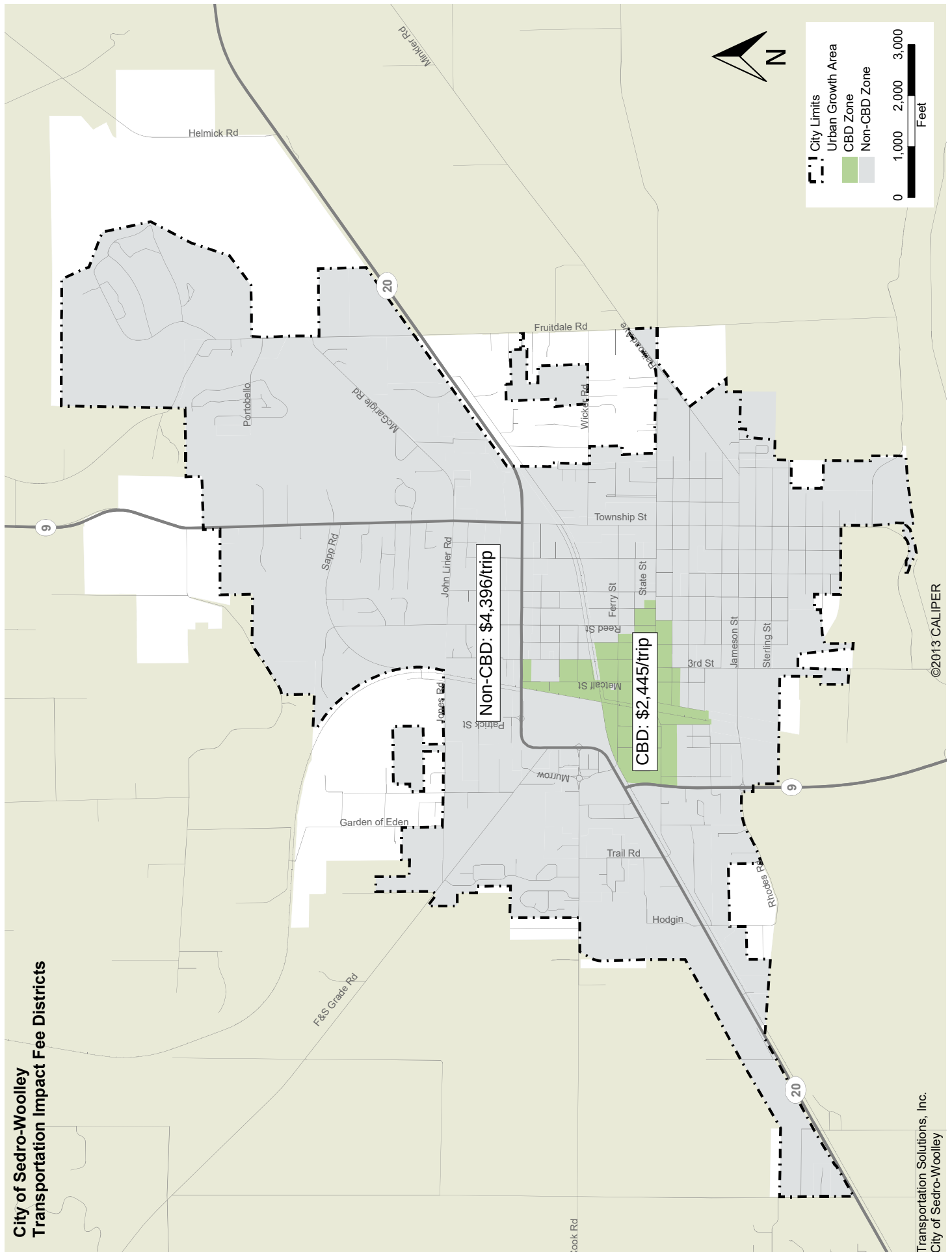
Select Year and Quarter:
2003 Q1 to 2023 Q2
and Null values

Select Series:
☒ NHCCI
☒ Seasonally Adjusted NHCCI

National Highway Construction Cost Index (NHCCI)



**City of Sedro-Woolley
Transportation Impact Fee Districts**



©2013 CALIPER

Transportation Solutions, Inc.
City of Sedro-Woolley

City of Sedro-Woolley 2024 Traffic Impact Fee Rate Schedule – Residential

ITE Code ¹	ITE Land Use Category ¹	ITE Trip Rate ²	Rate per Unit ³	Impact Fee per Unit by District	
				Non-CBD	CBD
210	Single-Family Detached Housing	0.94	DU	\$4,132	\$2,298
215	Single-Family Attached Housing (Duplex/Townhome)	0.57	DU	\$2,506	\$1,394
220	Multifamily Housing (1-3 floors)	0.51	DU	\$2,242	\$1,247
221	Multifamily Housing (4-10 floors)	0.39	DU	\$1,714	\$954
230	Low-Rise Residential w/ 1st Floor Commercial	0.36	DU	\$1,583	\$880
240	Mobile Home Park	0.58	DU	\$2,550	\$1,418
251	Senior Adult Housing - Single-Family	0.30	DU	\$1,319	\$734
252	Senior Adult Housing - Multifamily	0.25	DU	\$1,099	\$611
253	Congregate Care Facility	0.18	DU	\$791	\$440
254	Assisted Living	0.24	bed	\$1,055	\$587
255	Continuing Care Retirement Community	0.19	DU	\$835	\$465
260	Recreational Home	0.29	DU	\$1,275	\$709
-	Accessory Dwelling Unit (≥ 450 sf) ⁵	0.61	DU	\$2,682	\$1,491
-	Accessory Dwelling Unit (< 450 sf) ⁵	0.30	DU	\$1,319	\$734

¹ Institute of Transportation Engineers, Trip Generation Manual (11th Edition)

² Trip generation rate per development unit for PM peak hour of the adjacent street traffic (4-6 PM)

³ DU = Dwelling Unit

⁴ No ITE rate exists for ADUs. ADU trip rates modeled consistent with "Clackamas County Residential TSDC Analysis" (2019)

*Traffic impact fees for PRDs will be based on the type of dwellings



City of Sedro-Woolley 2024 Traffic Impact Fee Rate Schedule – Non-Residential LUC 1-799

ITE Code ¹	ITE Land Use Category ¹	Base Trip Rate ²	% Primary Trips	Net Trip Rate	Rate per Unit ³	Impact Fee per Unit by District	
						Non-CBD	CBD
PORT AND TERMINAL							
30	Intermodal Truck Terminal	1.87	*	1.870	ksf	\$8,221	\$4,572
90	Park and Ride with Bus Service	0.49	*	0.490	space	\$2,154	\$1,198
INDUSTRIAL							
110	General Light Industrial	0.65	*	0.650	KSF	\$2,857	\$1,589
130	Industrial Park	0.34	*	0.340	KSF	\$1,495	\$831
140	Manufacturing	0.74	*	0.740	KSF	\$3,253	\$1,809
150	Warehousing	0.18	*	0.180	KSF	\$791	\$440
151	Mini Warehouse	0.15	*	0.150	KSF	\$659	\$367
170	Utilities	2.16	*	2.160	KSF	\$9,495	\$5,281
180	Speciality Trade Contractor	1.93	*	1.930	KSF	\$8,484	\$4,719
LODGING							
310	Hotel	0.59	*	0.590	room	\$2,594	\$1,443
311	All Suites Hotel	0.36	*	0.360	room	\$1,583	\$880
312	Business Hotel	0.31	*	0.310	room	\$1,363	\$758
320	Motel	0.36	*	0.360	room	\$1,583	\$880
RECREATIONAL							
411	Public Park	0.11	*	0.110	acre	\$484	\$269
416	Campground/RV Park	0.27	*	0.270	site	\$1,187	\$660
430	Golf Course	0.28	*	0.280	acre	\$1,231	\$685
432	Golf Driving Range	1.25	*	1.250	tee	\$5,495	\$3,056
433	Batting Cages	2.22	*	2.220	cage	\$9,759	\$5,428
434	Rock Climbing Gym	1.64	*	1.640	KSF	\$7,209	\$4,010
435	Multi-Purpose Recreational Facility	3.58	*	3.580	KSF	\$15,738	\$8,753
437	Bowling Alley	1.16	*	1.160	KSF	\$5,099	\$2,836
445	Movie Theater	13.96	*	13.960	screen	\$61,368	\$34,132
488	Soccer Complex	16.43	*	16.430	field	\$72,226	\$40,171
490	Tennis Courts	4.21	*	4.210	court	\$18,507	\$10,293
491	Racquet/Tennis Club	3.82	*	3.820	court	\$16,793	\$9,340
492	Health Fitness Club	3.45	*	3.450	KSF	\$15,166	\$8,435
493	Athletic Club	6.29	*	6.290	KSF	\$27,651	\$15,379
495	Recreational Community Center	2.50	*	2.500	KSF	\$10,990	\$6,113
INSTITUTIONAL							
520	Elementary School	0.16	*	0.160	student	\$703	\$391
522	Middle/Junior High School	0.15	*	0.150	student	\$659	\$367
525	High School	0.14	*	0.140	student	\$615	\$342
528	School District Office	2.04	*	2.040	student	\$8,968	\$4,988
536	Charter Elementary School	0.16	*	0.160	student	\$703	\$391
540	Junior / Community College	0.11	*	0.110	student	\$484	\$269
560	Church	0.49	*	0.490	KSF	\$2,154	\$1,198
565	Day Care Center	11.12	44%	4.893	KSF	\$21,509	\$11,963
566	Cemetery	0.46	*	0.460	acre	\$2,022	\$1,125
571	Adult Detention Facility	0.08	*	0.080	bed	\$352	\$196
575	Fire & Rescue Station	0.48	*	0.480	KSF	\$2,110	\$1,174
590	Library	8.16	*	8.160	KSF	\$35,871	\$19,951
MEDICAL							
610	Hospital	0.86	*	0.860	KSF	\$3,781	\$2,103
620	Nursing Home	0.14	*	0.140	bed	\$615	\$342
630	Clinic	3.69	*	3.690	KSF	\$16,221	\$9,022
640	Animal Hospital / Veterinary Clinic	3.53	*	3.530	KSF	\$15,518	\$8,631
650	Freestanding Emergency Room	1.52	*	1.520	KSF	\$6,682	\$3,716
OFFICE							
710	General Office	1.44	*	1.440	KSF	\$6,330	\$3,521
712	Small Office Bldg (<10,000 sf)	2.16	*	2.160	KSF	\$9,495	\$5,281
714	Corporate Headquarters Building	1.30	*	1.300	KSF	\$5,715	\$3,179
715	Single Tenant Office (≥10,000 sf)	1.76	*	1.760	KSF	\$7,737	\$4,303
720	Medical/Dental Office (Stand-Alone)	3.93	*	3.930	KSF	\$17,276	\$9,609
730	Government Office Building	1.71	*	1.710	KSF	\$7,517	\$4,181
732	US Post Office	11.21	*	11.210	KSF	\$49,279	\$27,408
750	Office Park	1.30	*	1.300	KSF	\$5,715	\$3,179
760	Research and Development Center	0.98	*	0.980	KSF	\$4,308	\$2,396
770	Business Park	1.22	*	1.220	KSF	\$5,363	\$2,983

¹ Institute of Transportation Engineers, Trip Generation Manual (11th Edition)

² Trip generation rate per development unit, for PM Peak Hour of the adjacent street traffic (4-6 pm).

³ DU = Dwelling Unit; KSF = 1,000 square feet; VSP = Vehicle servicing position

* Pass-by and diverted trip rate data not available. Primary trip rates may be applied based on local data, development context, and engineering judgment

City of Sedro-Woolley 2024 Traffic Impact Fee Rate Schedule – Non-Residential LUC 800-999

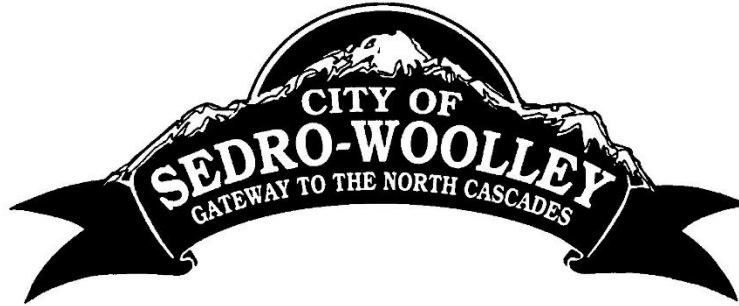
ITE Code ¹	ITE Land Use Category ¹	Base Trip Rate ²	% Primary Trips ³	Net Trip Rate	Rate per Unit ⁴	Impact Fee per Unit by District	
						Non-CBD	CBD
RETAIL							
810	Tractor Supply Store	1.40	66%	0.924	KSF	\$4,062	\$2,259
811	Construction Equipment Rental Store	0.99	74%	0.733	KSF	\$3,221	\$1,791
812	Building Materials and Lumber Store	2.25	74%	1.665	KSF	\$7,319	\$4,071
813	Free-Standing Discount Superstore (w/ Grocery)	4.33	71%	3.074	KSF	\$13,515	\$7,517
814	Variety Store	6.70	66%	4.422	KSF	\$19,439	\$10,812
815	Free Standing Discount Store (w/o Grocery)	4.86	83%	4.034	KSF	\$17,733	\$9,863
816	Hardware/Paint Store	2.98	74%	2.205	KSF	\$9,694	\$5,392
817	Nursery (Garden Center)	6.94	74%	5.136	KSF	\$22,576	\$12,557
818	Nursery (Wholesale)	5.24	74%	3.878	KSF	\$17,046	\$9,481
820	Shopping Center (>150k)	3.40	66%	2.244	KSF	\$9,865	\$5,487
821	Shopping Plaza (40-150k) w/ Supermarket	9.03	66%	5.960	KSF	\$26,199	\$14,572
821	Shopping Plaza (40-150k) w/o Supermarket	5.19	66%	3.425	KSF	\$15,058	\$8,375
822	Strip Retail Plaza (<40k)	6.59	66%	4.349	KSF	\$19,120	\$10,634
823	Factory Outlet Center	2.29	66%	1.511	KSF	\$6,644	\$3,695
840	Automobile Sales (New)	2.42	100%	2.420	KSF	\$10,638	\$5,917
841	Automobile Sales (Used)	3.75	100%	3.750	KSF	\$16,485	\$9,169
842	Recreational Vehicle Sales	0.77	100%	0.770	KSF	\$3,385	\$1,883
843	Automobile Parts Sales	4.90	44%	2.156	KSF	\$9,478	\$5,271
848	Tire Store	3.75	72%	2.700	KSF	\$11,869	\$6,602
849	Tire Superstore	2.11	72%	1.519	KSF	\$6,678	\$3,714
850	Supermarket	8.95	64%	5.728	KSF	\$25,180	\$14,005
851	Convenience Store	49.11	49%	24.064	KSF	\$105,785	\$58,836
857	Discount Club	4.19	63%	2.640	KSF	\$11,604	\$6,454
861	Sporting Goods Superstore	2.14	66%	1.412	KSF	\$6,209	\$3,453
862	Home Improvement Superstore	2.29	58%	1.328	KSF	\$5,839	\$3,247
863	Electronics Superstore	4.25	60%	2.550	KSF	\$11,210	\$6,235
866	Pet Supply Superstore	3.55	66%	2.343	KSF	\$10,300	\$5,729
867	Office Supply Superstore	2.77	66%	1.828	KSF	\$8,037	\$4,470
875	Department Store	1.95	66%	1.287	KSF	\$5,658	\$3,147
876	Apparel Store	4.12	66%	2.719	KSF	\$11,954	\$6,648
879	Arts and Crafts Store	6.21	66%	4.099	KSF	\$18,017	\$10,021
880	Pharmacy/Drug Store w/o Drive-Thru	8.51	47%	4.000	KSF	\$17,583	\$9,779
881	Pharmacy/Drug Store w/ Drive-Thru	10.25	38%	3.895	KSF	\$17,122	\$9,523
882	Marijuana Dispensary	18.92	100%	18.920	KSF	\$83,172	\$46,259
890	Furniture Store	0.52	47%	0.244	KSF	\$1,074	\$598
899	Liquor Store	16.62	64%	10.637	KSF	\$46,759	\$26,007
SERVICES							
911	Walk-in Bank	12.13	65%	7.885	KSF	\$34,660	\$19,278
912	Drive-in Bank	21.01	65%	13.657	KSF	\$60,034	\$33,390
918	Hair Salon	1.45	65%	0.943	KSF	\$4,143	\$2,304
920	Copy, Print, and Express Ship Store	7.42	66%	4.897	KSF	\$21,528	\$11,974
930	Fast Casual Restaurant	12.55	57%	7.154	KSF	\$31,447	\$17,490
931	Fine Dining Restaurant	7.80	56%	4.368	KSF	\$19,202	\$10,680
932	High Turnover (Sit-Down) Restaurant	9.05	57%	5.159	KSF	\$22,677	\$12,613
933	Fast Food w/o Drive-Thru	33.21	57%	18.930	KSF	\$83,215	\$46,283
934	Fast Food w/ Drive-Thru	33.03	50%	16.515	KSF	\$72,600	\$40,379
935	Fast Food Restaurant w/ Drive-Thru w/o Indoor Seating	59.50	50%	29.750	lane	\$130,781	\$72,739
936	Coffee/Donut Shop w/o Drive-Thru	32.29	57%	18.405	KSF	\$80,910	\$45,001
937	Coffee/Donut Shop w/ Drive-Thru	38.99	50%	19.495	KSF	\$85,700	\$47,665
938	Coffee/Donut Shop w/ Drive-Thru w/o Indoor Seating (Espresso Stand)	15.08	11%	1.659	lane	\$7,292	\$4,056
941	Quick Lubrication Vehicle Stop	8.70	72%	6.264	VSP	\$27,537	\$15,315
942	Automobile Care Center	3.11	72%	2.239	KSF	\$9,844	\$5,475
943	Automobile Parts and Service Center	2.06	72%	1.483	KSF	\$6,520	\$3,626
944	Gasoline/Service Station	13.91	58%	8.068	VFP	\$35,466	\$19,726
945	Convenience Store/Gas Station (<4,000 sf)	18.42	12%	2.210	VFP	\$9,717	\$5,404
945	Convenience Store/Gas Station (4,000 sf -- 5,500 sf)	22.76	12%	2.731	VFP	\$12,006	\$6,678
945	Convenience Store/Gas Station (>5,500 sf)	26.90	12%	3.228	VFP	\$14,190	\$7,892
947	Self-Serve Car Wash	5.54	58%	3.213	stall	\$14,125	\$7,856
948	Automated Car Wash	77.50	58%	44.950	stall	\$197,600	\$109,903
950	Truck Stop (Truck Trips Only)	15.42	58%	8.944	VFP	\$39,316	\$21,867
970	Winery	7.31	100%	7.310	KSF	\$32,135	\$17,873
971	Brewery Taproom	9.83	100%	9.830	KSF	\$43,213	\$24,034
975	Drinking Place	11.36	100%	11.360	KSF	\$49,939	\$27,775

¹ Institute of Transportation Engineers, *Trip Generation Manual* (11th Edition)

² Trip generation rate per development unit, for PM Peak Hour of the adjacent street traffic (4-6 pm).

³ Average primary trip rates, per *Trip Generation Handbook* (3rd Edition), 2017. Additional primary rates based on similar land use and engineering judgment.

Pass-by rates should be used with caution and refined using local data whenever possible. ⁴ DU = Dwelling Unit; KSF = 1,000 square feet; VSP = Vehicle servicing position



CITY OF SEDRO-WOOLLEY BUILDING, PLANNING & ENGINEERING FEE SCHEDULE

The fees described below are the minimum fees specific to the identified activities. Other fees may apply and will be added to the minimum fee. Plan Review and Application Fees are due at time of application. All fees must be paid before Permit Issuance or City Action.

SECTION 1. BUILDING PERMIT FEES

To calculate building permit fees, valuation is established by using the current building valuation data published by the International Code Council (ICC). Permit fees are then calculated from the City of Sedro-Woolley BPE Fee Schedule Table 1. Valuation information for structures/improvements not designated by ICC is as shown in this schedule. The plan check fees for projects reviewed by the City of Sedro-Woolley shall be 65 percent of the building permit fee.

TABLE 1—BUILDING PERMIT FEES

TOTAL VALUATION	FEE
\$501.00 to \$2,000.00	\$23.50 for the first \$500.00 plus \$3.05 for each additional \$100.00, or fraction thereof, to and including \$2,000.00
\$1.00 to \$500.00	\$23.50
\$2,001.00 to \$25,000.00	\$69.25 for the first \$2,000.00 plus \$14.00 for each additional \$1,000.00, or fraction thereof, to and including \$25,000.00
\$25,001.00 to \$50,000.00	\$391.75 for the first \$25,000.00 plus \$10.10 for each additional \$1,000.00, or fraction thereof, to and including \$50,000.00
\$50,001.00 to \$100,000.00	\$643.75 for the first \$50,000.00 plus \$7.00 for each additional \$1,000.00, or fraction thereof, to and including \$100,000.00
\$100,001.00 to \$500,000.00	\$993.75 for the first \$100,000.00 plus \$5.60 for each additional \$1,000.00, or fraction thereof, to and including \$500,000.00
\$500,001.00 to \$1,000,000.00	\$3,233.75 for the first \$500,000.00 plus \$4.75 for each additional \$1,000.00, or fraction thereof, to and including \$1,000,000.00
\$1,000,001.00 and up	\$5,608.75 for the first \$1,000,000.00 plus \$3.65 for each additional \$1,000.00, or fraction thereof

Structure or Improvement	Valuation
Uninsulated, Unheated Basement	50% of finished space
Open Carport	\$16.10 per Square foot
Foundations	\$35.00 per linear foot
Fences greater than 6' in height	\$12.84 per linear foot
Decks	\$12.84 per Square foot
Post Frame Building	\$16.10 per Square foot
Commercial Signs	\$25.00 Surface mounted \$25.00 Replacement of insert to existing sign cabinet \$200.00 Monument \$300.00 Pole-mounted

Other Building Related Fees	
Plans Examination Review Fee	65% of assessed building permit fee
Projects not specified in schedule	Valuation based on contractor's estimate
Inspections outside of normal business hours, if granted	\$100.00/hour plus administrative overhead 2 hour minimum ¹
Inspections for which no fee is specifically indicated	\$50.00 per hour ¹ ½ hour minimum
Re-inspection fees (due prior to second re-inspection of written correction notice)	\$50.00/hour plus administrative costs 1 hour minimum ¹
Expedited Inspection – for inspection requests received after 8:30 AM (due prior to subsequent inspection)	\$50.00
Additional plan review fee or inspection required by changes, additions, or revisions to plans	\$50.00/hour 1/2 hour minimum
Pre-review of Building Plans Fee – for review of building plans prior to the submittal of a complete building permit application.	10% of the projected Plans Examination Review Fee (based on building size and valuation). The Pre-review Fee does not count towards the Plans Examination Review Fee.
For use of outside consultants for plan checking, inspections, environmental, stormwater, landscape & other related reviews	\$50.00/hour administrative costs plus the resulting consultant fees
Demolition Permits	\$100.00 SFR Demolition Permit \$125.00 Commercial Demolition Permit
Temporary Certificate of Occupancy	\$250.00
Address Sign	\$25.00
Change of Use permit	\$100.00
Building Decision Appeal	\$300.00 Plus \$50.00/hour for staff time plus resulting consultant fees plus resulting attorney fees.
Washington State Building Code Council Fee – building permit fee	\$4.50 per building permit
Washington State Building Code Council Fee – multi-family unit fee	\$2.00 per unit for each unit after the first unit
Adult Family Home Application Review	\$50.00
Adult Family Home Inspection	\$50.00

Solar panel permit for buildings regulated by the International Residential Code (IRC)	\$50.00
Solar panel permit for buildings regulated by the International Building Code (IBC)	\$50.00 plus building plan review fee based in project valuation of the structural components and labor only
Residential re-roofing permit for roofing projects that require structural modification	\$75.00
Commercial re-roofing permit	\$75.00
Administration fee for processing deferred impact fees	\$100.00

¹ Or the total hourly cost to the jurisdiction, whichever is the greatest. This cost shall include supervision, overhead, equipment, hourly wages and fringe benefits of the employees involved.

Manufactured Homes

Manufactured Home	\$500.00
Modular Homes	\$750.00 plus foundation and/or basement permit fee

Mechanical Permits

Permit Administration

1. For the issuance of each mechanical permit	\$25.00
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Unit Fees

1. Furnaces

For the installation or relocation of each forced-air or gravity-type furnace or burner, including ducts and vents attached to such appliance up to and including 100,000 Btu/h (29.3 kW)	\$20.00
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For the installation or relocation of each forced-air or gravity-type furnace or burner, including ducts and vents attached to such appliance over 100,000 Btu/h (29.3 kW)	\$40.00
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For the installation or relocation of each suspended heater, recessed wall heater or floor-mounted unit heater	\$14.80
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2. Appliance Vents

For the installation, relocation or replacement of each appliance vent installed and not included in an appliance permit	\$ 7.25
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3. Repairs or Additions

For the repair of, alteration of, or addition to each heating appliance, refrigeration unit, cooling unit, absorption unit, or each heating, cooling, absorption or evaporative cooling system, including installation of controls regulated by the Mechanical Code	\$13.70
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4. Boilers, Compressors and Absorption Systems

For the installation or relocation of each boiler or compressor to and including 3 horsepower (10.6 kW), or each absorption system to and including 100,000 Btu/h (29.3 kW)	\$14.70
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For the installation or relocation of each boiler or compressor over three horsepower (10.6kw) to and including 15 horsepower (52.7 kW), or each absorption system over 100,000 Btu/h (29.3 kW) to and including 500,000 Btu/h (146.6kw)	\$27.15
For the installation or relocation of each boiler or compressor over 15 horsepower (52.7kW) to and including 30 horsepower (105.5 kW), or each absorption system over 500,000 Btu/h (146.6 kW) to and including 1,000,000 Btu/h (293.1 kW)	\$37.25
For the installation or relocation of each boiler or compressor over 30 horsepower (105.5 kW) to and including 50 horsepower (176 kW), or each absorption system over 1,000,000 Btu/h (293.1 kW) to and including 1,750,000 Btu/h (512.9 kW)	\$55.45
For the installation or relocation of each boiler or compressor over 50 horsepower (176kw), or each absorption system over 1,750,000 Bin/h (512.9 kW)	\$92.65
5. Air Handlers	
For each air-handling unit to and including 10,000 cubic feet per minute (cfm) (4719 L/s), including ducts attached thereto Note: This fee does not apply to an air-handling unit which is a portion of a factory-assembled appliance, cooling unit, evaporative cooler or absorption unit for which a permit is required elsewhere in the Mechanical Code.	\$10.65
For each air-handling unit over 10,000 cfm (4719 L/s)	\$18.10
6. Evaporative Coolers.	
For each evaporative cooler other than portable type	\$10.65
7. Ventilation and Exhaust	
For each ventilation fan connected to a single duct	\$ 7.25
For each ventilation system which is not a portion of any heating or air-conditioning system authorized by a permit	\$10.65
For the installation of each hood which is served by mechanical exhaust, including the ducts for such hood	\$10.65
8. Incinerators	
For the installation or relocation of each domestic-type incinerator	\$18.20
For the installation or relocation of each commercial or industrial-type incinerator	\$14.50
9. Miscellaneous	
For each appliance or piece of equipment regulated by the Mechanical Code but not classed in other appliance categories, or for which no other fee is listed in the table	\$10.65
10. Range hoods	
Residential	\$9.50
Commercial –plan review --inspection (does not include Fire Suppression)	\$50.00/hour \$50.00/hour
11. Wood/gas/pellet stove or insert	\$20.00
Dryer vent	\$7.50
Gas Range	\$7.50
Other Inspections and Fees:	
1. Inspections outside of normal business hours, per hour (minimum charge—two hours)	\$50.00*
2. Re-inspection fees assessed under provisions of Section 116.6, per inspection	\$50.00*

3. Inspections for which no fee is specifically indicated, per hour (minimum charge—one-half hour)	\$50.00*
4. Additional plan review required by changes, additions or revisions to plans or top for which an initial review has been completed (minimum charge—one-half hour)	\$50.00*
*Or the total hourly cost to the jurisdiction, whichever is the greatest. This cost shall include supervision, overhead, equipment, hourly wages and fringe benefits of the employees involved.	

Plumbing Permits	
Permit Administration – See Appendix A for Equivalent Fixture Units table	
1. For issuing each permit	\$ 25.00
Unit Fee Schedule	
1. For each plumbing fixture on one trap or a set of fixtures on one trap	\$ 10.00
2. Rainwater systems - per drain (inside building)	
3. For each water heater and/or vent	\$ 7.00
4. For each gas-piping system of one to five outlets	\$ 7.00
5. For each additional gas piping system outlet, per outlet	\$ 5.00
6. For each industrial waste pretreatment interceptor including its trap and vent, except kitchen-type grease interceptors functioning as fixture traps	\$ 2.00
7. For each installation, alteration or repair of water piping and/or water treating equipment, each	\$ 7.00
8. For each repair or alteration of drainage or vent piping, each fixture	\$ 7.00
9. For each lawn sprinkler system on any one meter including backflow protection devices	\$ 7.00
10. For atmospheric-type vacuum breakers not included in item 12: 1 to 5 over 5, each	\$ 7.00
10. For atmospheric-type vacuum breakers not included in item 12: 1 to 5 over 5, each	\$ 7.00 \$ 1.00
11. For each backflow protective device other than atmospheric type vacuum breakers: 2 inch (51 mm) diameter and smaller over 2 inch (51 mm) diameter	\$ 7.00 \$ 15.00
12. For initial installation and testing for a reclaimed water system	
13. For each annual cross-connection testing of a reclaimed water system (excluding initial test)	\$30.00*
14. For each medical gas piping system serving one to five inlet(s)/outlet(s) for a specific gas	\$30.00*
15. For each additional medical gas inlet(s)/outlet(s)	\$50.00
Other Inspections and Fees	
1. Inspections outside of normal business hours	\$50.00*

2. Re-inspection fee	\$50.00*
3. Inspections for which no fee is specifically indicated	\$50.00*
4. Additional plan review required by changes, additions or revisions to approved plans (minimum charge — one-half hour)	\$50.00*
Per hour for each hour worked or the total hourly cost to the jurisdiction, whichever is greater. This cost shall include supervision, overhead, equipment, hourly wages and fringe benefits of all the employees involved.	\$50.00

SECTION 2. PLANNING PERMIT FEES

Planning	
Pre-Application Meeting Fee	\$60.00 Planning Review \$60.00 Engineering Review
Comprehensive Plan Amendment	\$600.00 For projects that require more than 10 hours of staff time, the applicant will be billed at \$60.00/hour plus any consultant fees.
Zoning Ordinance Amendment	\$500.00
Rezone	See Comprehensive Plan Amendment
Long Plat - Preliminary	\$2,000.00 plus \$150/lot. For projects that require more than 30 hours of staff time, the applicant will be billed at \$60.00/hour.
Long Plat - Final	\$500.00
Short Plat	\$1,000.00
Planned Residential Development (in addition to Long Plat fees)	\$2000.00 plus \$15/lot
Conditional Use Permit (does not include Hearing Examiner Fees)	\$300.00 Residential \$1,000.00 Commercial
Essential Public Facility review (in addition to the Conditional Use Permit fee)	\$500.00
Zoning Waiver	\$200.00
Zoning Variance - Residential	\$400.00
Zoning Variance - Commercial	\$1,000.00
Home Occupation Permit	\$25.00
Boundary Line adjustment	\$150.00
Binding Site Plan - Preliminary	\$1,000.00 plus \$150/lot
Binding Site Plan - Final	\$300.00
Binding Site Plan - Amended	\$500.00
Design Review	\$25.00
Design Review for projects using the UVMU Overlay regulations	\$100 base plus \$0.005 per square foot of gross building area

Annexation	\$1,200.00
Temporary Permit per SWMC 17.64	\$300.00
Planned Action – review of applications for projects within the boundaries of an approved Planned Action Ordinance	\$300.00
Accessory Dwelling Unit (ADU) Permit	\$250.00
Request for letter of interpretation	\$250.00
Non-conforming use certificate	\$500.00
Zoning Compliance letter	\$150.00
Planning Decision Appeal	\$200.00 by Permit Applicant \$100.00 by non-permit applicant residing greater than 500 ft from the project. \$30.00 by non-permit applicant residing less than 500 ft from the project Plus all resultant consultant fees, hearing examiner fees and/or attorney fees
Planning Review of site & construction plans for new buildings (not additions to an existing building) - Single-family (including manufactured home) & duplex building permits - Small Commercial & Industrial building permits without SEPA - All other building permits including multi-family	\$70.00 \$110.00 10% of Building Permit fee or \$2,500.00 (whichever is less)
Planning Review Fee for Excavation & Grading permits w/SEPA	\$150.00
Planning Review for activities not listed specifically above.	\$60.00/hour
Hearing Examiner Fees	Actual cost Prepayment fees taken at time of application
Hearing Examiner - Prepayment of fees	Type I & II - \$2,200 Type III - \$2,200 Type IV - \$3,000
Public Notification - Legal Notice in newspaper	Actual cost
Public Notification - Postage	Actual cost
Public Notification - Prepayment of publication costs	\$350.00
Notice of Land Use Action sign	\$25.00

Environmental Fees	
Critical Areas Review Fee	\$10.00 Checklist review and site visit, if req. for building permits \$20.00 Checklist review and site visit, if req. for projects requiring land disturbance, plats, and boundary line adjustments \$380.00 Request and review applicant submitted reports
Shoreline Permit	\$200.00
Shoreline Conditional Use/Variance	\$250.00
Floodplain Permit	\$60.00
For use of outside consultants for specialty plan checking and inspections	\$60.00/hour administrative fee plus the resulting consultant fees
SEPA- State Environmental Policy Act Checklist Review	\$150.00 (up to 10,000 sq. ft. disturbed area) \$300.00 (10,000-50,000 sq. ft. disturbed area) \$500.00 (50,000 sq. ft. and over disturbed area)
SEPA- Site Visit	\$100.00
Environmental Impact Statement (E.I.S.) Review	\$500.00 (included 10 hours of staff time) For projects that require more than 10 hours of staff time, applicant will be billed at \$50.00/hour plus consultant fees
Appeal of SEPA determinations	\$1000 plus consultant fees and attorney fees.

SECTION 3. ENGINEERING PERMIT FEES

ENGINEERING DEPARTMENT FEES	
Permits/Review/Inspection/Misc	Fee
Street Vacation Request	\$1,000.00
Modification of Public Works Standards (PW Variance) Request (SW PWDS 1.3.9)	\$250.00 plus Additional Engineering Plan Review fee for every hour over 3 hours of staff time to process request
Access Permit (new driveways accessing city streets)	\$50.00
Oversize/Overweight Vehicles Permit (SWMC Ch. 10.20.025)	\$30.00
Waiver, Deferral or Modification of Frontage Improvements (SWPWDS 1.3.10 and 3.2.7.E)	\$50.00 for Single Family Residences \$250.00 for all others
Right of Way Permit (any work within city right of way including street cuts, utility extension, driveway construction, sidewalks, etc.; includes initial inspection). One work location per permit	\$70.00
Sewer Service Permit (includes initial inspection)	\$75.00
Decommissioning Septic System Inspection Fee	\$70.00

Clearing & Grading Permit (when not a part of an Engineering Plan Review project; includes TESC review and inspection)	\$50.00 - Up to 50 CYS \$100.00 plus \$25.00 per Acre – 50 CYS and over
Re-inspection for ROW Permits & Sewer Service Permits, per each	\$75.00
Engineering Plan Review – Simple Site Plan (up to two lots)	\$95.00/hour; minimum ½ hour
Engineering Plan Review (on and off site civil improvements – see SWPWDS Ch. 2.2)	0.5% approved Engineer's Project Cost Estimate; \$600.00 minimum
Additional Engineering Plan Review (see SWPWDS Ch. 2.2)	\$95.00/hour; minimum ½ hour
Consultant Plan Review where required (Traffic Signals, Traffic Impact Analysis, Stormwater etc.)	Consultant Cost plus 5%
Construction Inspection (on and off site civil improvements; may be reduced up to 50% if Developer provides full time independent inspection services)	\$500.00 plus 1.5% approved Engineers Estimate
Additional Construction Inspection (if required)	\$75.00/hour; minimum ½ hour
Consultant Specialty Inspection & Testing (SWPWDS Ch. 2.1.10)	Consultant Cost plus 5%
Pavement Repair Performance Bond (cuts 100 sf or less - refundable on satisfactory completion of work – SWPWDS Ch. 2.3 and 3.2.15.G.6)	\$750.00 (cash deposit)
Performance and Maintenance Bonds (all civil-related work)	See SWPWDS Chapters 1.4.8.B and 2.3
Address Signs (SWPWDS 1.3.2.P.1)	\$30.00/each – installation by others

For Impact Fees, see Master Fee Schedule Title 15.

SECTION 4. OTHER FEES

Fire Code Fees	
Administrative fee	\$60.00
Fire Code Operations Permit (pursuant to IFC 105.6)	\$250.00 plus \$60.00/hr plan review fee plus consultant fees.
Fire Code Construction Permit (pursuant to IFC 105.7)	\$250.00 plus \$60.00/hr plan review fee plus consultant fees.
Fire suppression – building sprinklers	\$300.00 plus Fire Plan Review Fees
Fire suppression – tenant space sprinklers	\$125.00 plus Fire Plan Review Fees
Fire suppression – commercial hood sprinklers	\$77.00 plus Fire Plan Review Fees
Fire alarm system when required	\$125.00 plus Fire Plan Review Fees
Fire alarm panel	\$50 replaced / \$75 new plus Fire Plan Review Fees
Fire Code Violation Investigation Fee	\$60.00/hr minimum 1 hour
Fire Code Violation Fine	\$60.00 - \$200.00 per violation per day
Fire Code Compliance Review Fee and Report	\$100.00 plus consultant fees
Fire Investigation Fee	\$60.00/hr plus consultant fees.
Above/Underground fuel tank installation	\$100

Underground fuel tank removal	\$75
Underground fuel tank decommission – fill in place	\$100
Compressed gas	\$50.00 plus Fire Plan Review Fees
Install/Remove LP fuel tank	\$35.00
Fire Plan Review Fee	\$60.00/hr – one hour minimum
Fire inspection Fee	\$60.00/hr – one hour minimum
Marijuana Operations Permit	\$275.00 (annual fee)
Carbon Dioxide System Permit	\$275.00 (annual fee)
Extraction Process Permit	\$275.00 (annual fee)

Enforcement Fees

Work without a permit investigation fee	\$50.00/hour plus consultant fees plus attorney fees plus applicable fines.
Permit violation investigation fee	\$50.00/hour plus consultant fees plus attorney fees plus applicable fines.
Permit compliance monitoring fee (for permits that require temporary monitoring)	\$50.00/hour plus consultant fees
Building Permit Violation Fine	Add 100% of the building fee
Planning/Zoning Violation Fine	Add 100% of resulting planning fees
Legal action	\$50.00/hour administrative fee plus attorney fees and consultant fees.

Computer Mapping Services

8½ x 11	1-5 copies \$2.50 (20% discount after five copies)
11 x 17	1-5 copies \$5.00 (20% discount after five copies)
17 X 20 to 18 x 24	1-5 copies \$10.00 (20% discount after five copies)
22 X 34 to 24 x 36	1-5 copies \$15.00 (20% discount after five copies)
34 X 44 to 36 x 48	1-5 copies \$20.00 (20% discount after five copies)
A \$60/hour charge will be applied to all custom map request plus actual cost for maps produced and reproduced by outside sources.	

Administrative And Misc. Fees

Copies	\$0.15/single-page \$0.25/double-page Actual cost for multi-media materials such as computer diskettes and CD's.
Color Copies	8.5x11/\$0.50 8.5x14/\$0.75 11x17/\$1.00
Copies of recorded public hearings	Free on City website or \$15.00/disk

FEE REFUNDS: The Building Official may authorize a refund of fees in accordance with IRC R108.5 and IBC 108.6

BUILDING PERMIT EXPIRATION: Every building permit issued by the City of Sedro-Woolley under the provisions of the Building Code shall expire by limitation and become null and void if the building or work authorized by such permit is not completed per the permitted requirements within two (2) years of the date of issuance.

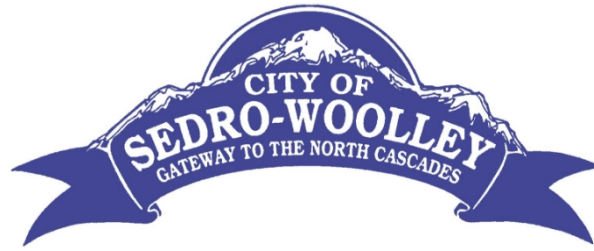
RENEWAL OF EXPIRED BUILDING PERMITS: To renew action on a permit after expiration, the permittee shall pay a renewal fee of one half of the amount of the building permit fee that would be required for a new permit (not plan review fee), provided no changes have been made or will be made in the original plans and specifications for such work. A new permit – including plan review fees – will be required where expiration has been more than six months. Expired non-commercial projects requiring only final inspections shall pay a minimum fee of \$100.00.

Any permittee holding an unexpired permit may apply for a six-month extension in order to complete the authorized work. The Building Official may grant one free 180 day extension of time upon a written request from the permittee showing that circumstances beyond the control of the permittee have prevented the authorized work from being completed. No permit may be extended more than once.

Appendix A - Equivalent Fixture Units

For calculation of Commercial General Facility Charge

Kinds of Fixtures	Units
Bathtubs	2
Bidets	2
Clothes washers, private	2
Clothes washers, commercial	6
Dental units or cuspidors	1
Drinking fountains	1
Floor drains	2
Interceptors for grease, oil, solids, etc.	3
Interceptors for sand, auto wash, etc.	6
Laundry tubs	2
Receptors (floor sinks), indirect waste receptors for refrigerators, coffee urns, water stations, etc.	1
Receptors, indirect waste receptors for commercial sinks, dishwashers, air-washers, etc.	3
Showers, single stalls	2
Showers, gang (per head)	1
Sinks, and/or dishwashers (residential) (2" min. waste)	2
Sinks, bar, commercial	2
Sinks, bar, private	1
Sinks, commercial or industrial, schools, etc., including dishwashers, wash up sinks and wash fountains	3
Sinks, flushing rim, clinic	6
Sinks, service	3
Sinks, service (3" trap)	6
Urinals, pedestal, trap arm only	6
Urinals, stall, separate trap	2
Urinals, wall-mounted, blowout, integral trap 2" trap arm only	3
Urinals, wall-mounted, blowout, integral trap 3" trap arm only	6
Urinals, wall-mounted, washdown or siphon jet, integral trap, trap arm only	2
Urinals, wall-mounted, washdown, separate trap (2" min. waste)	2
Wash basins, in sets	2
Wash basins (lavatories) single	1
Water closet, private installation	4
Water closet, public installation	6



City Council Agenda Item

Agenda Item No.: 1.2.

Date: February 14, 2024

From: Kelly Kohnken, Finance Director / City Clerk

Subject: 2024 Budget Amendment No. 1 - Ordinance 2066-24 - 2nd Read

RECOMMENDED ACTION:

Motion to approve Ordinance 2066-24 to amend the fiscal year 2024 budget.

ISSUE:

Whether the City should amend the 2024 budget as proposed.

BACKGROUND/SUMMARY INFORMATION:

The 2023-2024 biennial budget was adopted by City Council on November 22, 2022 by Ordinance 2025-22.

Budget information is presented by fund in four formats:

1. Ordinance 2066-24, Appendix A: Budgeted revenues, budgeted expenditures, and projected excess/deficit.
2. Memo - Additional Information: Estimated beginning cash and investments, budgeted revenues, budgeted expenditures, and projected ending cash and investments.
3. 2024 Proposed Budget Changes: Detailed version of budget showing the original budget, the proposed budget, the difference, and remarks.
4. Fund Totals: The last two pages of the 2024 Proposed Budget Changes document include a summary by fund of the original budget, proposed budget, difference, and the totals for all funds.

The estimated beginning cash and investments in the memo, is an estimate as the City has yet to close out fiscal year 2023.

Adjustment from 1st Read

A public hearing for the first 2024 budget amendment was held on January 24, 2024, and first read of the ordinance. Adjustments from the first read are highlighted in the 2024 Proposed Budget Changes document attached.

Highlight of Significant Changes

- Increase in property tax due to the levy lid lift.
- Increase in Fire/EMS expenditures for eight firefighter/EMTs and related expenditures.
- Adjustments for the comprehensive plan update and climate action plan.
- ~~New Position: Human Resource Manager (Removed)~~
- New Position: School Resource Officer
- Updated project revenue and expenditures in Fund 104 Arterial Streets.
- Wage updates based on labor negotiations and wage table updates.

FTE Count - City staff have also included an FTE count by function/department.

Other Notes

There are several funds in 2024 with expenditures that exceed revenues.

- Fund 189 American Rescue Plan - The City received \$3,387,985 in one-time federal funding in 2021 and 2022. The City will receive no further revenue in this fund, but instead spend down the remaining fund balance.
- Fund 301 and 302 REET 1 + 2 - The City builds up these funds then spends it down on specific projects. These funds have sufficient beginning cash balances to cover 2024 deficits.
- Fund 311 Parks Impact Fees and Fund 313 Transportation Impact Fees - The City builds up these funds then spends it down on specific projects. These funds have sufficient beginning cash balances to cover 2024 deficits.
- Fund 401 Sewer Operations - This fund has sufficient beginning cash balance to cover 2024 deficit.
- Fund 410 Sewer Capital Projects - The City builds up these funds and spends it on specific sewer projects. This fund has a sufficient beginning cash balance to cover 2024 deficit.
- Fund 501 Equipment Replacement Fund - The City builds up these funds and spends it on equipment and vehicles included in the ER&R schedule.

FISCAL IMPACT, IF APPROPRIATE:

See attached documents.

ATTACHMENTS:

1. 24Budget_Amendment#1_Ordinance2066-24
2. 2024_BudgetAmendment_AltView
3. 2024_ProposedBudget_2.8.2024(highlighted)
4. 2024_FTECount_2.08.2024

ORDINANCE NO. 2066-24

AN ORDINANCE AMENDING ORDINANCE 2025-22 ADOPTING THE BIENNIAL BUDGET FOR THE CITY OF SEDRO-WOOLLEY, WASHINGTON, FOR THE FISCAL YEARS 2023 AND 2024.

WHEREAS, the Sedro-Woolley City Council has determined that it is in the best interest of the City to amend the 2024 budget.

NOW, THEREFORE, the City Council of the City of Sedro-Woolley do ordain as follows:

Section 1. Year 2024 of the 2023-2024 Biennial Budget, adopted by Ordinance 2025-22, and passed by the City Council on November 22, 2022, is hereby amended as set forth in this Ordinance.

Section 2. Estimated revenues and expenditures, including fund balance for each separate fund of the City of Sedro-Woolley, and aggregated totals for all such funds combined, for the 2024 are set forth in summary form below, and are hereby appropriated at the fund level as set forth in Appendix A.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR THIS 14th DAY OF, FEBRUARY 2024.

ATTEST:

Julia Johnson, Mayor

Kelly Kohnken, Finance Director

APPROVED AS TO FORM:

Nikki Thompson, City Attorney

APPENDIX A

Fund	Description	2024		
		Budgeted Revenues	Budgeted Expenditures	Excess (Deficit)
001	Current Expense Fund	13,307,531	13,163,625	143,906
101	Parks & Facilities Fund	3,333,580	3,333,188	392
102	Cemetery Fund	180,580	180,771	(191)
103	Street Fund	1,180,349	1,135,442	44,907
104	Arterial Street Fund	6,722,763	6,726,408	(3,645)
105	Library Fund	457,387	456,887	500
106	Cemetery Endowment Fund	3,250	-	3,250
108	Lodging Tax Fund	45,620	50,650	(5,030)
109	Special Investigation Fund	7,650	1,000	6,650
112	Code Enforcement Fund	1,200	2,500	(1,300)
114	Law Enforcement Sales Tax	658,600	658,600	-
115	City Council Strategic Reserve	350	101,000	(100,650)
116	Affordable Housing	14,500	35,389	(20,889)
117	Housing and Related Services	268,995	109,100	159,895
118	National Opioid Settlement	5,428	-	5,428
189	American Rescue Plan Act	-	776,802	(776,802)
205	2008 G/O Bond Fund	180,649	150,555	30,094
206	G/O Bond 2008 Reserve Fund	-	-	-
301	1st 1/4% Real Estate Excise Tax Fund	352,000	950,888	(598,888)
302	2nd 1/4% Real Estate Excise Tax Fund	352,000	950,888	(598,888)
303	Building Maintenance Reserve	3,050	5,000	(1,950)
304	Transportation Benefit District	211,000	214,000	(3,000)
310	Police Mitigation Reserve Fund	8,300	-	8,300
311	Parks Impact Fee Reserve Fund	201,200	486,000	(284,800)
312	Fire Impact Fee Reserve Fund	40,550	-	40,550
314	Transportation Impact Fee Reserve Fund	62,000	393,328	(331,328)
401	Sewer Operations Fund	6,305,900	6,603,334	(297,434)
410	Sewer Capital Projects Fund	683,900	2,005,130	(1,321,230)
412	Solid Waste Operations Fund	3,811,200	3,802,615	8,585
413	Solid Waste Reserve Fund	127,000	100,000	27,000
425	Stormwater Operations Fund	1,214,957	1,168,429	46,528
426	Stormwater Reserve Fund	250	60,000	(59,750)
501	Equipment Replacement Fund	1,895,956	2,810,000	(914,044)
505	Public Works Facility Fund	289,998	253,500	36,498
635	Municipal Court Trust	53,150.00	53,150.00	-
	Total	41,980,842.95	46,738,179.57	(4,757,337)



CITY OF SEDRO-WOOLLEY
Sedro-Woolley Municipal Building
325 Metcalf Street
Sedro-Woolley, WA 98284
Phone (360) 855-1661
Fax (360) 855-0707

Kelly Kohnken
Finance Director / City Clerk

2024 Budget Amendment No. 1 Additional Information

Ordinance 2066-24, Appendix A presents the 2024 proposed budget showing budgeted revenues, budgeted expenditures, and projected excess/(deficit). It does not include cash and investment balances.

The below table is another way to look at the 2024 budget. This table shows the estimated beginning cash and investment by fund, budgeted revenues, budgeted expenditures, and projected ending cash and investments.

		2024			
Fund	Description	Estimated Beginning Cash and Investments	Budgeted Revenues	Budgeted Expenditures	Projected Ending Cash and Investments
001	Current Expense Fund	3,732,366	13,307,531	13,163,625	3,876,272
101	Parks & Facilities Fund	68,193	3,333,580	3,333,188	68,585
102	Cemetery Fund	99,268	180,580	180,771	99,077
103	Street Fund	277,551	1,180,349	1,135,442	322,458
104	Arterial Street Fund	608,189	6,722,763	6,726,408	604,544
105	Library Fund	418,164	457,387	456,887	418,663
106	Cemetery Endowment Fund	52,339	3,250	-	55,589
108	Lodging Tax Fund	72,222	45,620	50,650	67,192
109	Special Investigation Fund	36,233	7,650	1,000	42,883
112	Code Enforcement Fund	123,287	1,200	2,500	121,987
114	Law Enforcement Sales Tax	-	658,600	658,600	-
115	City Council Strategic Reserve	261,768	350	101,000	161,118
116	Affordable Housing	50,935	14,500	35,389	30,046
117	Housing and Related Services	478,916	268,995	109,100	638,811
118	National Opioid	16,020	5,428	-	21,448

	Settlement				
189	American Rescue Plan Act	1,440,248	-	776,802	663,446
205	2008 G/O Bond Fund	86,648	180,649	150,555	116,742
206	G/O Bond 2008 Reserve Fund	150,000	-	-	150,000
301	1st 1/4% Real Estate Excise Tax Fund	951,409	352,000	950,888	352,521
302	2nd 1/4% Real Estate Excise Tax Fund	978,684	352,000	950,888	379,796
303	Building Maintenance Reserve	71,201	3,050	5,000	69,251
304	Transportation Benefit District	271,248	211,000	214,000	268,248
310	Police Mitigation Reserve Fund	236,325	8,300	-	244,625
311	Parks Impact Fee Reserve Fund	705,404	201,200	486,000	420,604
312	Fire Impact Fee Reserve Fund	326,184	40,550	-	366,734
314	Transportation Impact Fee Reserve Fund	542,414	62,000	393,328	211,086
401	Sewer Operations Fund	5,446,732	6,305,900	6,603,334	5,149,298
410	Sewer Capital Projects Fund	3,805,208	683,900	2,005,130	2,483,978
412	Solid Waste Operations Fund	630,197	3,811,200	3,802,615	638,782
413	Solid Waste Reserve Fund	758,948	127,000	100,000	785,948
425	Stormwater Operations Fund	1,056,126	1,214,957	1,168,429	1,102,654
426	Stormwater Reserve Fund	70,483	250	60,000	10,733
501	Equipment Replacement Fund	2,564,965	1,895,956	2,810,000	1,650,921
505	Public Works Facility Fund	74,202	289,998	253,500	110,700
635	Municipal Court Trust	1,906	53,150	53,150	1,906
	Total	26,463,981.67	41,980,843	46,738,180	21,706,645

2024 PROPOSED BUDGET CHANGES

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001 Current Expense Fund

Revenues	Original	Proposed	Difference		Remarks
310 Taxes					
311 10 00 001 General Property Taxes	1,651,972.00	1,758,966.00	106,994.00	106.5%	Updated 2.05.2024 to \$1,758,966
311 10 00 005 General Property Taxes - Proposit	0.00	1,149,748.00	1,149,748.00	0.0%	Updated 11.27.2023, estimated cost for 8 ff/EMTs for 2024.
313 11 00 000 Retail Sales & Use Tax	1,860,680.00	1,896,000.00	35,320.00	101.9%	YTD 11.2023 \$1,696,260, 2023 projected \$1,841,074, +3% in 2024 = \$1,896,310.
313 15 00 006 Sales Tax - Public Safety - City's P	218,240.00	222,000.00	3,760.00	101.7%	
313 27 00 000 Affordable Housing Sales And Use	0.00	0.00	0.00	0.0%	
313 71 00 000 Criminal Justice Funding	339,220.00	400,000.00	60,780.00	117.9%	9.2023 YTD \$289,698, projected 2023 \$386,264. 2024: \$400,000
316 40 00 001 Utility Tax on Potable Water	81,000.00	204,000.00	123,000.00	251.9%	
316 41 00 000 Utility Tax On Electricity	783,100.00	625,000.00	(158,100.00)	79.8%	August 2023 YTD \$466,940, 2023 projected \$608,615. 2024: \$625,000.
316 43 00 000 Utility Tax On Natural Gas	275,000.00	355,700.00	80,700.00	129.3%	August 2023 YTD \$267,076, 2023 projected \$338,694. 2024: \$355,700.
316 46 00 000 Utility Tax On Cable	138,630.00	138,630.00	0.00	100.0%	
316 47 00 000 Utility Tax On Telephone	48,400.00	48,400.00	0.00	100.0%	
316 49 31 000 Utility Tax On Stormwater	102,135.00	102,135.00	0.00	100.0%	10.5% of Stormwater. Should tie to 343.10.00.010 and 531.50.44.020.
316 49 35 000 Utility Tax On Sewer	467,200.00	481,000.00	13,800.00	103.0%	Should tie to 316.49.35.000, 343.50.00.010, and 535.80.44.020. 2024: \$481,000.
316 49 37 000 Utility Tax On Solid Waste	306,000.00	345,000.00	39,000.00	112.7%	10.5% of Solid Waste. Should tie to 343.70.00.010 and 537.80.44.020. August 2023 YTD \$226,118, 2023 projected \$338,626. 2024: \$345,000.
316 81 00 000 Gambling Tax	52,000.00	52,000.00	0.00	100.0%	
317 20 00 000 Leasehold Excise Tax	14,000.00	20,000.00	6,000.00	142.9%	August 2023 YTD \$37,479. This is outside historical averages.
318 11 00 000 Admissions Tax	6,600.00	8,200.00	1,600.00	124.2%	Based on YTD 8.8.2023 actuals. Fourth of July Carnival.
310 Taxes	6,344,177.00	7,806,779.00	1,462,602.00	123.1%	
320 Licenses & Permits					
321 10 00 000 Speciality Business Licenses	1,580.00	1,580.00	0.00	100.0%	
321 91 00 000 Franchise Fees	156,070.00	156,070.00	0.00	100.0%	
321 99 00 000 General Business Licenses	54,330.00	54,330.00	0.00	100.0%	
322 10 01 000 Planning Permits	7,430.00	11,000.00	3,570.00	148.0%	Based on YTD actuals 8.8.2023.
322 10 02 000 Engineering Permits	10,530.00	10,530.00	0.00	100.0%	
322 10 03 000 Building Permits	100,000.00	200,000.00	100,000.00	200.0%	11.2023 YTD \$176,891.50. 2024 estimate \$200,000. As of 11.30.2023, have not received confirmation from Building and Planning.
322 10 04 000 Fire Permits	2,470.00	2,470.00	0.00	100.0%	

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001 Current Expense Fund

Revenues	Original	Proposed	Difference		Remarks
320 Licenses & Permits					
322 90 00 000 Gun Permits	9,850.00	9,850.00	0.00	100.0%	
322 90 10 000 Garage Sale Permits	0.00	0.00	0.00	0.0%	
320 Licenses & Permits	342,260.00	445,830.00	103,570.00	130.3%	
330 Intergovernmental Revenues					
331 16 60 000 DOJ Grant - Bulletproof Vest Prog	0.00	0.00	0.00	0.0%	
331 97 00 000 DHS - FEMA Assistance To Firefigl	0.00	0.00	0.00	0.0%	
332 90 00 000 Medicaid - GEMT Program	0.00	0.00	0.00	0.0%	
332 92 10 000 COVID-19 Non-Grant Assistance	0.00	0.00	0.00	0.0%	
332 93 40 000 GEMT Payment Program - Medica	406,000.00	415,000.00	9,000.00	102.2%	Per Frank 10.2023 \$415,000.
333 11 00 001 Federal Indirect Grant From Depa	0.00	50,000.00	50,000.00	0.0%	Planning Department grant for comprehensive plan and climate planning grant. This is only the portion of the grant that is estimated will be reimbursement for city staff time. Adjust coding if this is a direct federal grant.
333 16 58 800 STOP Grant	0.00	0.00	0.00	0.0%	
333 20 60 000 Traffic Safety Grant - WASPC	3,500.00	3,500.00	0.00	100.0%	
333 20 61 600 Traffic Safety - Misc	0.00	0.00	0.00	0.0%	
333 66 00 000 Ecology Grant - Planning	0.00	0.00	0.00	0.0%	
333 97 00 522 Federal Indirect Grant From Depa	0.00	0.00	0.00	0.0%	
334 00 10 000 Legislature & Its Committees	0.00	0.00	0.00	0.0%	
334 00 30 000 Secretary Of State - Technology C	0.00	0.00	0.00	0.0%	
334 00 80 001 State Direct/Indirect Grant From E	0.00	0.00	0.00	0.0%	
334 01 10 001 State Direct/Indirect Grant From C	0.00	0.00	0.00	0.0%	
334 01 20 000 State Grant From Other Judicial A	0.00	0.00	0.00	0.0%	
334 03 10 001 Grant From Department Of Ecolog	0.00	0.00	0.00	0.0%	
334 04 20 001 State Direct/Indirect Grant From E	0.00	322,000.00	322,000.00	0.0%	2024 = \$72,000 + \$250,000 = \$322,000 Comprehensive plan: Total Dept of Commerce Grant \$125,000 split between 2024 and 2025. 2024 Expenditures include hiring a new Assistant Planner for 16 pay period (8 months of 2024) totaling \$72,000 split between Protective Inspections and Planning and Community Development payroll codes. Revenue coded to 334.04.20.001. Climate Planning Grant: Total grant \$500,000 split between 2024 and 2025 (will re-evaluate the split later in 2024). Expenditures coded to professional service \$250,000 558.60.41.000; revenues coded to 334.04.20.001.
334 04 60 000 DSHS CSEC Grant	0.00	0.00	0.00	0.0%	
334 04 90 000 Health Dept - Trauma Grant	1,400.00	1,400.00	0.00	100.0%	

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001 Current Expense Fund

Revenues	Original	Proposed	Difference	Remarks
330 Intergovernmental Revenues				
334 05 10 001 State Direct/Indirect Grant From C	0.00	0.00	0.00	0.0%
334 06 90 000 L&I Stay At Work Grant	0.00	0.00	0.00	0.0%
336 00 98 001 City Assistance	132,000.00	72,000.00	(60,000.00)	54.5% Based on YTD 8.08.2023 actuals.
336 00 99 000 Streamlined Mitigation Pmts	0.00	0.00	0.00	0.0%
336 06 20 000 MVET Criminal Justice-Hi Crime	16,653.00	16,653.00	0.00	100.0%
336 06 21 000 MVET Criminal Justice-Pop	4,720.00	4,720.00	0.00	100.0%
336 06 26 000 Criminal Justice Special Pro	14,850.00	14,850.00	0.00	100.0%
336 06 26 001 LE & CJ Legislative One Time Cost	0.00	0.00	0.00	0.0%
336 06 41 001 Marijuana Enforcement	0.00	0.00	0.00	0.0%
336 06 42 001 Marijuana Excise Tax	47,880.00	47,880.00	0.00	100.0%
336 06 51 000 MVET Criminal - DUI	2,190.00	2,190.00	0.00	100.0%
336 06 94 000 Liquor Excise Tax	89,958.00	93,267.00	3,309.00	103.7% 2024 MRSC State Shared Revenue Estimator: \$93,267
336 06 95 000 Liquor Board Profits	100,318.00	97,395.00	(2,923.00)	97.1% 2024 MRSC State Shared Revenue Estimator: \$97,395
337 20 00 000 Skagit Co Economic Development	0.00	0.00	0.00	0.0%
337 26 00 000 EMS Levy Fees - Skagit County	1,318,100.00	1,318,100.00	0.00	100.0%
337 26 00 522 Local Grant - EMS Discretionay	0.00	0.00	0.00	0.0%
337 30 00 000 Administrative Office Of The Cour	0.00	0.00	0.00	0.0%
330 Intergovernmental Revenues	2,137,569.00	2,458,955.00	321,386.00	115.0%
340 Charges For Goods & Services				
341 22 00 000 District/Municipal Court Civil Filin	0.00	0.00	0.00	0.0%
341 32 02 000 District/Municipal Court Records	0.00	0.00	0.00	0.0%
341 33 02 000 Reimbursement Of Warrant Costs	1,000.00	1,000.00	0.00	100.0%
341 33 03 000 Administration Fee Collected	2,250.00	2,250.00	0.00	100.0%
341 43 01 000 NSF/Garnishment Fees	0.00	0.00	0.00	0.0%
341 70 00 000 Address Signs	2,000.00	2,000.00	0.00	100.0%
341 70 00 001 Land Use Signs	250.00	250.00	0.00	100.0%
341 81 00 000 Copying, Postage, Envelopes	3,500.00	3,500.00	0.00	100.0%
341 91 00 000 Election Candidate Filing	0.00	0.00	0.00	0.0%
341 94 00 000 Purchasing Services	2,000.00	2,000.00	0.00	100.0%
342 10 00 000 Law Enforcement Services	5,000.00	43,000.00	38,000.00	860.0% Temporary budget placeholder for School Resource Officer. Full cost including step E wages, longevity, SRO pay, other specialities, 120 hour overtime/year, holiday cashouts, medical and benefits \$168,338.22. September to December \$56,112.74. School District pays 75% \$42,084.56.
342 10 00 001 Dog Fees	1,500.00	1,500.00	0.00	100.0%
342 10 00 002 Breathalyzer Fees	300.00	300.00	0.00	100.0%
342 21 00 000 Fire Control Services	500.00	500.00	0.00	100.0%

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Revenues	Original	Proposed	Difference		Remarks
340 Charges For Goods & Services					
342 21 00 001 Fire Training Center Fees	3,000.00	3,000.00	0.00	100.0%	
342 21 00 002 Fire Protection FD#8	350,000.00	361,865.00	11,865.00	103.4%	Per Frank 10.2023, \$361,865. Per Charlie Jan 2024, no additional increase in 2024.
342 21 00 003 Fire Protection Payment	0.00	0.00	0.00	0.0%	
342 21 00 004 Fire Protection EMS	0.00	0.00	0.00	0.0%	
342 21 00 005 Fire Training Hub Reimb-Skagit C	16,350.00	16,350.00	0.00	100.0%	
342 21 00 006 EMS Ambulance Equalization	0.00	0.00	0.00	0.0%	
342 30 00 000 Criminal Conviction Fees	750.00	750.00	0.00	100.0%	
342 33 00 000 Adult Probation Charges	3,000.00	3,000.00	0.00	100.0%	
342 40 02 000 Engineering Inspections	24,000.00	24,000.00	0.00	100.0%	
342 40 03 000 Building Inspections	13,000.00	30,000.00	17,000.00	230.8%	Based on YTD 8.8.2023 actuals.
342 40 04 000 Fire Inspections	0.00	0.00	0.00	0.0%	
342 50 00 000 Disaster Preparation Services	250.00	250.00	0.00	100.0%	
342 60 00 000 Fire Transport Fees	761,250.00	825,000.00	63,750.00	108.4%	2023 actuals \$825,690.
342 60 00 001 Transport Billing Fees - City Of Bu	42,000.00	42,000.00	0.00	100.0%	
345 83 00 001 Planning Review Fees	9,000.00	9,000.00	0.00	100.0%	
345 83 00 002 Engineering Review Fees	9,000.00	9,000.00	0.00	100.0%	
345 83 00 003 Building Review Fees	75,000.00	100,000.00	25,000.00	133.3%	Based on YTD 8.08.2023 actuals.
345 83 00 004 Fire Review Fees	0.00	0.00	0.00	0.0%	
345 83 00 005 Hearing Examiner Fees	7,500.00	7,500.00	0.00	100.0%	
345 85 00 001 GMA Impact Fees (School)	40,000.00	100,000.00	60,000.00	250.0%	Pass through to school district, see 518.65.40.001.
340 Charges For Goods & Services	1,372,400.00	1,588,015.00	215,615.00	115.7%	
350 Fines & Penalties					
352 30 00 000 Proof Of Motor Veh Insurance	600.00	600.00	0.00	100.0%	
353 10 00 000 Traffic Infraction Penalties	40,000.00	40,000.00	0.00	100.0%	
353 70 00 000 Non-traf Infr Penalties	0.00	0.00	0.00	0.0%	
353 70 00 003 Code Enforcement - Bldg	0.00	0.00	0.00	0.0%	
354 00 00 000 Civil Parking Infr Penalties	0.00	0.00	0.00	0.0%	
354 00 01 000 Parking In Handicapped Space	0.00	0.00	0.00	0.0%	
355 20 00 000 Driving Under Infl Fines	6,000.00	6,000.00	0.00	100.0%	
355 80 00 000 Other Criminal Traffic Fines	8,000.00	8,000.00	0.00	100.0%	
356 90 00 000 Other Crim Non-traffic Fines	3,000.00	3,000.00	0.00	100.0%	
357 33 00 000 Public Defense Cost	500.00	500.00	0.00	100.0%	
357 37 00 000 Sheriffs Services	0.00	0.00	0.00	0.0%	
350 Fines & Penalties	58,100.00	58,100.00	0.00	100.0%	

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001 Current Expense Fund

Revenues	Original	Proposed	Difference		Remarks
360 Interest & Other Earnings					
361 11 00 001 Investment Interest	18,000.00	450,000.00	432,000.00	*****%	9.2023 YTD actuals \$503,903. 2021 uncertain if interest rates will increase, remain constant, or decrease. 2024 estimate \$450,000.
361 30 00 001 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%	
361 40 00 001 Sales Interest	3,000.00	8,800.00	5,800.00	293.3%	Based on YTD 8.08.2023 actuals.
361 40 01 001 Court/Collections Interest	1,500.00	1,500.00	0.00	100.0%	
362 00 00 000 Short Term Rental-Other	0.00	0.00	0.00	0.0%	
362 50 00 000 Food Bank Lease	1,500.00	1,500.00	0.00	100.0%	
367 00 00 000 Contrib/Donation-Private	1,500.00	1,500.00	0.00	100.0%	
367 00 00 001 Wellness	2,000.00	2,000.00	0.00	100.0%	
367 15 00 000 AWC Wellness Grant	0.00	0.00	0.00	0.0%	
367 20 00 000 Contribution-Board Of Volunteers	0.00	0.00	0.00	0.0%	
369 10 00 001 Sale Of Surplus	3,000.00	3,000.00	0.00	100.0%	
369 30 00 001 Confiscated And Forfeited Proper	0.00	0.00	0.00	0.0%	
369 40 00 000 Other Judgments & Settlement	0.00	0.00	0.00	0.0%	
369 81 00 000 Cash Adjustment-Cashier	0.00	0.00	0.00	0.0%	
369 82 00 000 Court Overpayments	0.00	0.00	0.00	0.0%	
369 91 00 000 Miscellaneous Income	0.00	0.00	0.00	0.0%	
360 Interest & Other Earnings	30,500.00	468,300.00	437,800.00	*****%	
380 Non Revenues					
381 10 41 000 Loan From Sewer Reserve	0.00	0.00	0.00	0.0%	
388 10 00 001 Prior Period Adjustment	0.00	0.00	0.00	0.0%	
388 80 00 000 Prior Year Correction	0.00	0.00	0.00	0.0%	
389 30 00 001 DO NOT USE - Sign Deposit	0.00	0.00	0.00	0.0%	
389 30 12 001 DO NOT USE - State Court Receip	0.00	0.00	0.00	0.0%	
389 30 15 001 DO NOT USE - County Crime Vic \	0.00	0.00	0.00	0.0%	
389 30 24 001 DO NOT USE - State Surcharge/Bi	0.00	0.00	0.00	0.0%	
380 Non Revenues	0.00	0.00	0.00	0.0%	
390 Other Financing Sources					
395 10 00 000 Sale Of Fixed Assets	0.00	0.00	0.00	0.0%	
395 20 00 000 Insurance Recoveries	0.00	0.00	0.00	0.0%	
390 Other Financing Sources	0.00	0.00	0.00	0.0%	

397 Interfund Transfers

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001 Current Expense Fund

Revenues	Original	Proposed	Difference	Remarks
397 Interfund Transfers				
397 00 00 104 Arterial Streets Transfer	0.00	0.00	0.00	0.0%
397 00 00 230 1996 Go Bond Redempt Fund-clo	0.00	0.00	0.00	0.0%
397 00 00 310 Police SEPA Transfer	0.00	0.00	0.00	0.0%
397 00 00 312 Fire Impact Fee Transfer	0.00	0.00	0.00	0.0%
397 00 00 401 Sewer Transfer - IDCA	0.00	0.00	0.00	0.0%
397 00 00 412 Solid Waste Transfer - IDCA	0.00	0.00	0.00	0.0%
397 00 00 425 Stormwater Transfer - IDCA	0.00	0.00	0.00	0.0%
397 00 01 108 Hotel Motel - Wayfinder Signs	0.00	0.00	0.00	0.0%
397 00 01 115 Transfer-in City Council Strategic I	0.00	0.00	0.00	0.0%
397 00 01 303 Building Maintenance Transfer	0.00	0.00	0.00	0.0%
397 00 01 305 Transfer In from Library Construct	0.00	0.00	0.00	0.0%
397 00 01 313 Public Safety Sales Tax Transfer - I	0.00	0.00	0.00	0.0%
397 00 02 189 Transfer In from ARPA	0.00	481,552.00	481,552.00	0.0%
				\$143,784 economic & tourism development (558.70.00.513); \$140,000 Community Development Grant Program (558.70.00.513); \$60,000 fire tuition reimbursement (522.45.49.010); \$55,000 recruit academy (522.45.49.010); \$15,768 Fire Station 2 hot water heater (522.50.48.030); \$50,000 fire hydrant repair (522.20.48.001); \$6,000 IT Upgrades; \$10,500 organizational development (517.95.41.001); \$500 learning library (517.95.41.001)
397 00 02 302 2nd 1/4% REET Transfer	0.00	0.00	0.00	0.0%
397 00 03 301 1st 1/4% REET Transfer	0.00	0.00	0.00	0.0%
397 00 06 103 Transfers In from 103	0.00	0.00	0.00	0.0%
397 Interfund Transfers	0.00	481,552.00	481,552.00	0.0%
398 Insurance Recoveries				
398 10 00 001 Insurance Recoveries	0.00	0.00	0.00	0.0%
398 Insurance Recoveries	0.00	0.00	0.00	0.0%
Fund Revenues:	10,285,006.00	13,307,531.00	3,022,525.00	129.4%
Expenditures	Original	Proposed	Difference	Remarks
511 Legislative				
511 60 11 000 Salaries-City Council	49,700.00	42,000.00	(7,700.00)	84.5%
511 60 21 001 Industrial Insurance	170.00	200.00	30.00	117.6%

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001 Current Expense Fund

Expenditures	Original	Proposed	Difference		Remarks
511 Legislative					
511 60 22 001 Social Security	3,810.00	4,000.00	190.00	105.0%	
511 60 24 001 Unemployment	0.00	100.00	100.00	0.0%	
511 60 26 050 Washington Sick Leave	60.00	100.00	40.00	166.7%	
060 Legislative Services	53,740.00	46,400.00	(7,340.00)	86.3%	
511 30 34 000 Code Book	3,500.00	3,500.00	0.00	100.0%	
511 60 31 000 Supplies	620.00	620.00	0.00	100.0%	
511 60 31 001 Legal Publications	2,500.00	11,000.00	8,500.00	440.0%	Based on July 2023 actuals and estimate.
511 60 42 000 Communications	250.00	250.00	0.00	100.0%	
511 60 43 000 Travel	500.00	500.00	0.00	100.0%	
511 60 43 010 Annual Retreat	750.00	750.00	0.00	100.0%	
511 60 49 000 Training	800.00	800.00	0.00	100.0%	
511 60 49 090 ICA-Support Allocation	(29,417.00)	(19,347.92)	10,069.08	65.8%	Updated IDCA - 2022 actuals for 2024 budget
070 Services & Charges	(20,497.00)	(1,927.92)	18,569.08	9.4%	
514 40 41 000 Election Costs	0.00	0.00	0.00	0.0%	
514 90 41 000 Voter Registration Costs	8,000.00	8,000.00	0.00	100.0%	
080 Election Services	8,000.00	8,000.00	0.00	100.0%	
594 11 64 000 Equipment (AV Upgrade)	0.00	0.00	0.00	0.0%	
090 Capital Expenditures	0.00	0.00	0.00	0.0%	
511 Legislative	41,243.00	52,472.08	11,229.08	127.2%	
512 Judicial					
512 50 11 000 Salaries	78,070.00	77,000.00	(1,070.00)	98.6%	
512 50 13 000 Overtime	0.00	0.00	0.00	0.0%	
512 50 21 001 Industrial Insurance	210.00	400.00	190.00	190.5%	
512 50 22 001 Social Security	5,800.00	6,000.00	200.00	103.4%	
512 50 23 001 Pers Retirement	8,050.00	8,000.00	(50.00)	99.4%	
512 50 24 001 Unemployment	160.00	200.00	40.00	125.0%	
512 50 25 001 Medical/Dental/Vision	21,000.00	12,000.00	(9,000.00)	57.1%	
512 50 26 050 Washington Sick Leave	125.00	200.00	75.00	160.0%	
512 50 28 000 Employee Wellness	0.00	0.00	0.00	0.0%	
050 Court Services	113,415.00	103,800.00	(9,615.00)	91.5%	
512 50 31 000 Supplies	3,000.00	3,000.00	0.00	100.0%	

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001 Current Expense Fund

Expenditures	Original	Proposed	Difference		Remarks
512 Judicial					
512 50 31 001 Publications	0.00	0.00	0.00	0.0%	
512 50 41 000 Professional Services	15,000.00	21,300.00	6,300.00	142.0%	Original budget \$15,000 Court Clerk contract for vacations \$47.27/hour for 3.25 weeks a year in 2023 and 2024. = \$6,145.10
512 50 41 001 District Court Surcharge	20,000.00	18,100.00	(1,900.00)	90.5%	City share of district court judicial services for 2024 is \$18,037.
512 50 41 010 Municipal Court Judge	50,000.00	50,000.00	0.00	100.0%	
512 50 41 020 Municipal Court Prob.	18,000.00	18,000.00	0.00	100.0%	
512 50 41 030 Community Court Agreement	4,200.00	4,200.00	0.00	100.0%	
512 50 41 031 Blake Decision Expenditures	0.00	0.00	0.00	0.0%	
512 50 41 040 Language Interpreter	4,500.00	4,500.00	0.00	100.0%	
512 50 42 010 Postage	1,300.00	1,300.00	0.00	100.0%	
512 50 42 020 Telephone	700.00	700.00	0.00	100.0%	
512 50 43 000 Meals/Travel	100.00	100.00	0.00	100.0%	
512 50 46 000 Insurance & Bonds	1,000.00	1,000.00	0.00	100.0%	
512 50 48 000 Repair/Maintenance	500.00	500.00	0.00	100.0%	
512 50 49 000 Tuition/Registration	300.00	300.00	0.00	100.0%	
512 50 49 010 Dues/Subscriptions	0.00	0.00	0.00	0.0%	
512 50 49 020 Jury/Witness Fees	0.00	0.00	0.00	0.0%	
080 Services & Charges	118,600.00	123,000.00	4,400.00	103.7%	
594 12 64 000 Office Equipment	500.00	500.00	0.00	100.0%	
912 Capital Expenditures	500.00	500.00	0.00	100.0%	
512 Judicial	232,515.00	227,300.00	(5,215.00)	97.8%	
513 Executive					
513 10 11 000 Salaries	206,800.00	202,000.00	(4,800.00)	97.7%	
513 10 13 000 Overtime	0.00	0.00	0.00	0.0%	
513 10 21 001 Industrial Insurance	400.00	600.00	200.00	150.0%	
513 10 22 001 Social Security	15,700.00	16,000.00	300.00	101.9%	
513 10 23 001 Pers Retirement	17,700.00	21,000.00	3,300.00	118.6%	
513 10 24 001 Unemployment	500.00	500.00	0.00	100.0%	
513 10 25 001 Medical/Dental/Vision	20,900.00	20,000.00	(900.00)	95.7%	
513 10 26 050 Washington Sick Leave	300.00	400.00	100.00	133.3%	
513 10 28 000 Employee Wellness	180.00	180.00	0.00	100.0%	
010 Executive Office	262,480.00	260,680.00	(1,800.00)	99.3%	

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Expenditures	Original	Proposed	Difference		Remarks
513 Executive					
513 10 31 000 Supplies	500.00	500.00	0.00	100.0%	
513 10 41 000 Professional Services-Other	12,000.00	13,900.00	1,900.00	115.8%	Fire and Police negotiations, based upon prior actuals \$12,000. Polco Community Engagement Services - 2024: \$1,900, 2025: \$1,900.
513 10 41 001 Professional Services-HR	5,000.00	2,500.00	(2,500.00)	50.0%	Base \$2,5000.
513 10 41 005 Professional Services-Lobbyist	0.00	0.00	0.00	0.0%	
513 10 42 000 Communication	15,000.00	15,000.00	0.00	100.0%	
513 10 42 020 Telephone	3,000.00	3,000.00	0.00	100.0%	
513 10 43 000 Meals/Travel	2,175.00	2,175.00	0.00	100.0%	
513 10 44 009 Senior Crime Watch	0.00	0.00	0.00	0.0%	
513 10 49 000 Tuition/Registration	1,500.00	1,500.00	0.00	100.0%	
513 10 49 010 Dues & Subscriptions	2,020.00	2,020.00	0.00	100.0%	
513 10 49 090 ICA-Support Allocation	(165,987.00)	(146,042.03)	19,944.97	88.0%	Updated IDCA - 2022 actuals for 2024 budget
558 70 00 513 Economic Development	150,000.00	283,784.00	133,784.00	189.2%	ARPA - \$143,784 - Economic Development
					ARPA - \$140,000 - Community Development Grant Program
558 70 41 001 EDASC - Economic Development	7,500.00	0.00	(7,500.00)	0.0%	Per Charlie and Mayor 10.2023, 2024 \$0.
030 Services & Charges	32,708.00	178,336.97	145,628.97	545.2%	
517 90 43 001 Employee Recognition	3,500.00	3,500.00	0.00	100.0%	
517 90 43 002 Employee Wellness (lunch & Learning)	2,000.00	2,000.00	0.00	100.0%	
517 90 49 001 Employee Wellness (educ)	1,000.00	1,000.00	0.00	100.0%	
517 90 49 003 Employee Wellness (supplies)	1,000.00	1,000.00	0.00	100.0%	
517 95 41 001 Employee Training Programs	10,500.00	11,000.00	500.00	104.8%	ARPA - \$10,500 - organizational development
					ARPA - \$500 - learning library
517 95 41 002 Wellness Coordinator Stipend	2,400.00	2,400.00	0.00	100.0%	
090 Employee Programs	20,400.00	20,900.00	500.00	102.5%	
513 Executive	315,588.00	459,916.97	144,328.97	145.7%	
514 Financial, Recording & Elections					
514 23 49 041 SEEK Subawards	0.00	0.00	0.00	0.0%	
518 63 40 000 Coronavirus Relief Funds Grants	0.00	0.00	0.00	0.0%	
514 23 11 000 Salaries	485,600.00	496,000.00	10,400.00	102.1%	
514 23 12 000 Extra Help	0.00	0.00	0.00	0.0%	
514 23 13 000 Overtime	2,000.00	4,000.00	2,000.00	200.0%	
514 23 20 001 Finance Director HSA Contribution	0.00	0.00	0.00	0.0%	
514 23 21 001 Industrial Insurance	1,700.00	2,000.00	300.00	117.6%	

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001 Current Expense Fund

Expenditures	Original	Proposed	Difference		Remarks
514 Financial, Recording & Elections					
514 23 22 001 Social Security	36,600.00	39,000.00	2,400.00	106.6%	
514 23 23 001 PERS Retirement	49,800.00	52,000.00	2,200.00	104.4%	
514 23 24 001 Unemployment	900.00	1,000.00	100.00	111.1%	
514 23 25 001 Medical//Dental/Vision	92,300.00	82,000.00	(10,300.00)	88.8%	
514 23 26 050 Washington Sick Leave	500.00	800.00	300.00	160.0%	
514 23 28 000 Employee Wellness	0.00	0.00	0.00	0.0%	
020 Financial Services	669,400.00	676,800.00	7,400.00	101.1%	
514 23 31 000 Supplies	11,600.00	11,600.00	0.00	100.0%	
514 23 41 000 State Auditing	54,000.00	54,000.00	0.00	100.0%	
514 23 41 010 Bank Fees	12,000.00	12,000.00	0.00	100.0%	
514 23 41 011 Professional Services	32,000.00	32,000.00	0.00	100.0%	
514 23 41 013 Licensing Fees	3,700.00	5,100.00	1,400.00	137.8%	Agenda Software: CivicPlus \$5,035.80
514 23 42 010 Postage	2,000.00	2,000.00	0.00	100.0%	
514 23 42 020 Telephone	2,100.00	2,100.00	0.00	100.0%	
514 23 43 000 Meals/Travel	5,000.00	5,000.00	0.00	100.0%	
514 23 45 000 Operating Rentals/Leases	1,900.00	1,900.00	0.00	100.0%	
514 23 46 000 Insurance & Bonds	8,500.00	8,500.00	0.00	100.0%	
514 23 49 000 Miscellaneous	600.00	600.00	0.00	100.0%	
514 23 49 010 Misc-Dues/Subscriptions	530.00	530.00	0.00	100.0%	
514 23 49 030 Misc-Tuition/Registration	5,600.00	5,600.00	0.00	100.0%	
514 23 49 040 AWC Dues	9,700.00	12,200.00	2,500.00	125.8%	City membership \$10,203 Drug and Alcohol Consortium membership \$1,944
514 23 49 080 Leasehold Excise Tax	0.00	0.00	0.00	0.0%	
514 23 49 090 ICA-Support Allocation	(349,809.00)	(469,082.04)	(119,273.04)	134.1%	Updated IDCA - 2022 actuals for 2024 budget
030 Records Services	(200,579.00)	(315,952.04)	(115,373.04)	157.5%	
514 23 31 001 Supplies - EMS Billing	600.00	600.00	0.00	100.0%	
514 23 41 014 Licensing - EMS Billing	500.00	500.00	0.00	100.0%	
514 23 43 001 Meals/Travel - EMS Billing	1,100.00	1,100.00	0.00	100.0%	
514 23 49 001 Miscellaneous - EMS Billing	2,500.00	2,500.00	0.00	100.0%	
514 23 49 031 Misc-Tuition/Registration EMS Bil	1,400.00	1,400.00	0.00	100.0%	
031 Services & Charges - EMS Billing	6,100.00	6,100.00	0.00	100.0%	
594 14 64 000 Machinery & Equipment	0.00	0.00	0.00	0.0%	
914 Capital Expenditure	0.00	0.00	0.00	0.0%	

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Expenditures	Original	Proposed	Difference	Remarks
514 Financial, Recording & Elections				
514 Financial, Recording & Elections	474,921.00	366,947.96	(107,973.04)	77.3%
515 Legal Services				
515 30 26 050 Washington Sick Leave	0.00	0.00	0.00	0.0%
515 31 11 000 Salaries	0.00	0.00	0.00	0.0%
515 31 21 001 Industrial Insurance	0.00	0.00	0.00	0.0%
515 31 22 001 Social Security	0.00	0.00	0.00	0.0%
515 31 23 001 Pers Retirement	0.00	0.00	0.00	0.0%
515 31 24 001 Unemployment	0.00	0.00	0.00	0.0%
515 31 25 001 Medical/Dental/Vision	0.00	0.00	0.00	0.0%
515 31 26 050 Washington Sick Leave	0.00	0.00	0.00	0.0%
030 Legal Services-Internal	0.00	0.00	0.00	0.0%
514 14 64 000 ICA-Support Allocation	0.00	0.00	0.00	0.0%
515 31 31 000 Office Supplies	0.00	0.00	0.00	0.0%
515 31 41 000 Legal - Professional Services	0.00	0.00	0.00	0.0%
515 31 41 001 Prosecuting Attorney	0.00	0.00	0.00	0.0%
515 31 41 002 Westlaw Services	0.00	0.00	0.00	0.0%
515 31 41 003 Prof Services-Internal/Advisory	0.00	0.00	0.00	0.0%
515 31 41 004 Legal - City Attorney	0.00	0.00	0.00	0.0%
515 31 42 000 Postage	0.00	0.00	0.00	0.0%
515 31 42 001 Telephone	500.00	500.00	0.00	100.0%
515 31 43 000 Travel/Meals	0.00	0.00	0.00	0.0%
515 31 46 000 Insurance	1,500.00	1,500.00	0.00	100.0%
515 31 49 000 Dues & Subscriptions	0.00	0.00	0.00	0.0%
515 31 49 001 Tuition/Registration	0.00	0.00	0.00	0.0%
515 31 49 090 ICA-Support Allocation	(59,727.00)	(93,836.10)	(34,109.10)	157.1% Updated IDCA - 2022 actuals for 2024 budget
040 Services & Charges-Internal	(57,727.00)	(91,836.10)	(34,109.10)	159.1%
515 41 41 000 Ext Legal-City Attorney	125,000.00	125,000.00	0.00	100.0%
515 41 41 001 Ext Legal-Prosecutor	95,000.00	106,080.00	11,080.00	111.7% New prosecutor estimated costs per contract.
515 45 41 000 Legal - Litigation	12,000.00	15,000.00	3,000.00	125.0% Charlie's estimate.
041 Legal Services-External	232,000.00	246,080.00	14,080.00	106.1%
515 93 41 000 Indigent Defender	95,000.00	95,000.00	0.00	100.0%
515 93 41 001 Indigent Defense Conflict Council	2,000.00	2,000.00	0.00	100.0%
515 93 41 002 Indigent Defense Investigator	0.00	0.00	0.00	0.0%

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Expenditures	Original	Proposed	Difference	Remarks
515 Legal Services				
515 93 41 003 Indigent Defense Translator	0.00	0.00	0.00	0.0%
515 93 41 004 Indigent Defense Expenses	0.00	0.00	0.00	0.0%
045 Indigent Defense Program	97,000.00	97,000.00	0.00	100.0%
523 20 11 000 Salaries & Wages	0.00	0.00	0.00	0.0%
523 20 21 001 Industrial Insurance	0.00	0.00	0.00	0.0%
523 20 22 001 Social Security	0.00	0.00	0.00	0.0%
523 20 23 001 PERS Retirement	0.00	0.00	0.00	0.0%
523 20 24 001 Unemployment	0.00	0.00	0.00	0.0%
523 20 25 001 Medical/Dental/Vision	0.00	0.00	0.00	0.0%
523 20 26 050 Washington Sick Leave	0.00	0.00	0.00	0.0%
050 City Work Program	0.00	0.00	0.00	0.0%
523 20 31 000 Office/Operating Supplies	0.00	0.00	0.00	0.0%
523 20 32 000 Auto Fuel	0.00	0.00	0.00	0.0%
055 Work Program Supplies	0.00	0.00	0.00	0.0%
589 30 00 001 DO NOT USE - Crime Victim & Wi	0.00	0.00	0.00	0.0%
070 Crime Victim And Witness Program (	0.00	0.00	0.00	0.0%
515 Legal Services	271,273.00	251,243.90	(20,029.10)	92.6%
516 Civil Service				
521 10 31 000 Supplies	0.00	0.00	0.00	0.0%
521 10 41 000 Professional Services	0.00	0.00	0.00	0.0%
521 10 41 010 Advertising	0.00	0.00	0.00	0.0%
010 Services & Charges	0.00	0.00	0.00	0.0%
516 Civil Service	0.00	0.00	0.00	0.0%
517 Information Technology Services				
518 80 11 000 Salaries	205,140.00	236,000.00	30,860.00	115.0%
518 80 21 001 Industrial Insurance	570.00	600.00	30.00	105.3%
518 80 22 001 Social Security	15,380.00	19,000.00	3,620.00	123.5%
518 80 23 001 Pers Retirement	21,030.00	25,000.00	3,970.00	118.9%
518 80 24 001 Unemployment	410.00	500.00	90.00	122.0%

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001 Current Expense Fund

Expenditures	Original	Proposed	Difference		Remarks
517 Information Technology Services					
518 80 25 001 Medical/Dental/Vision	32,600.00	21,000.00	(11,600.00)	64.4%	
518 80 26 050 Washington Sick Leave	270.00	400.00	130.00	148.1%	
518 80 28 001 Employee Wellness	1,100.00	1,100.00	0.00	100.0%	
010 IT Services	276,500.00	303,600.00	27,100.00	109.8%	
518 80 31 000 Office/Operating Supplies	1,000.00	1,000.00	0.00	100.0%	
518 80 31 001 Repair & Maintenance Sup	1,000.00	1,000.00	0.00	100.0%	
518 80 35 000 Small Tools/Minor Equip	6,000.00	6,000.00	0.00	100.0%	
518 80 41 000 Professional Services	38,000.00	38,000.00	0.00	100.0%	
518 80 42 010 Postage	100.00	100.00	0.00	100.0%	
518 80 42 020 Telephone	3,000.00	3,000.00	0.00	100.0%	
518 80 42 021 Internet Services	9,000.00	9,000.00	0.00	100.0%	
518 80 43 000 Travel/Meals	1,200.00	1,200.00	0.00	100.0%	
518 80 49 000 Software Maint & Support	37,300.00	37,300.00	0.00	100.0%	
518 80 49 010 Tuition/Registration	2,000.00	2,000.00	0.00	100.0%	
518 80 49 090 ICA-Support Allocation	(70,902.00)	(79,419.51)	(8,517.51)	112.0%	Updated IDCA - 2022 actuals for 2024 budget
020 Services & Charges	27,698.00	19,180.49	(8,517.51)	69.2%	
594 18 64 001 Network Hardware	15,000.00	15,000.00	0.00	100.0%	
900 Capital Expenditures	15,000.00	15,000.00	0.00	100.0%	
517 Information Technology Services	319,198.00	337,780.49	18,582.49	105.8%	
518 Centralized Services					
518 80 13 000 Overtime	0.00	0.00	0.00	0.0%	
010 Personnel Services	0.00	0.00	0.00	0.0%	
518 80 46 000 Insurance	0.00	0.00	0.00	0.0%	
020 Property Management Services	0.00	0.00	0.00	0.0%	
518 20 31 000 Operating Supplies	180.00	180.00	0.00	100.0%	
518 20 32 000 Auto Fuel	2,560.00	2,560.00	0.00	100.0%	
518 20 48 000 Repair & Maintenance	2,805.00	2,805.00	0.00	100.0%	
518 20 49 010 Misc - Judgement & Damages	500.00	500.00	0.00	100.0%	
518 20 49 090 ICA-Support Services	(12,160.00)	(12,440.11)	(280.11)	102.3%	Updated IDCA - 2022 actuals for 2024 budget
518 30 48 001 M&O Fund 501	2,168.00	4,300.00	2,132.00	198.3%	M&O Funding with Lead Mechanic.

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Expenditures	Original	Proposed	Difference		Remarks
518 Centralized Services					
090 Centralized Services	(3,947.00)	(2,095.11)	1,851.89	53.1%	
597 00 11 001 Equipment Replacement Fund 50:	14,300.00	29,556.29	15,256.29	206.7%	Updated ER&R 8.8.2023.
950 Transfers	14,300.00	29,556.29	15,256.29	206.7%	
518 Centralized Services	10,353.00	27,461.18	17,108.18	265.2%	
519 Planning & Community Development Serv					
558 60 11 000 Salaries	178,400.00	234,000.00	55,600.00	131.2%	\$234,000 includes regular payroll + below. Comprehensive plan: Total Dept of Commerce Grant \$125,000 split between 2024 and 2025. 2024 Expenditures include hiring a new Assistant Planner for 16 pay period (8 months of 2024) totaling \$72,000 split between Protective Inspections and Planning and Community Development payroll codes. Revenue coded to 334.04.20.001.
558 60 13 000 Overtime	0.00	1,000.00	1,000.00	0.0%	
558 60 21 001 Industrial Insurance	500.00	600.00	100.00	120.0%	
558 60 22 001 Social Security	13,500.00	18,000.00	4,500.00	133.3%	\$18,000 includes regular payroll + below. Comprehensive plan: Total Dept of Commerce Grant \$125,000 split between 2024 and 2025. 2024 Expenditures include hiring a new Assistant Planner for 16 pay period (8 months of 2024) totaling \$72,000 split between Protective Inspections and Planning and Community Development payroll codes. Revenue coded to 334.04.20.001.
558 60 23 001 PERS Retirement	18,300.00	25,000.00	6,700.00	136.6%	\$25,000 includes regular payroll + below. Comprehensive plan: Total Dept of Commerce Grant \$125,000 split between 2024 and 2025. 2024 Expenditures include hiring a new Assistant Planner for 16 pay period (8 months of 2024) totaling \$72,000 split between Protective Inspections and Planning and Community Development payroll codes. Revenue coded to 334.04.20.001.
558 60 24 001 Unemployment	400.00	400.00	0.00	100.0%	
558 60 25 001 Medical/Dental/Vision	17,700.00	31,000.00	13,300.00	175.1%	
558 60 26 050 Washington Sick Leave	200.00	500.00	300.00	250.0%	

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001 Current Expense Fund

Expenditures	Original	Proposed	Difference		Remarks
519 Planning & Community Development Serv					
558 60 28 000 Employee Wellness	360.00	360.00	0.00	100.0%	
010 Planning Services	229,360.00	310,860.00	81,500.00	135.5%	
558 60 31 000 Supplies/Books	3,900.00	3,900.00	0.00	100.0%	
558 60 41 000 Professional Services	75,000.00	325,000.00	250,000.00	433.3%	2024 = \$50,000 + \$250,000 + \$25,000 = \$325,000
					Consultant contracts for Housing Element update (\$25,000) and Buildable Lands Analysis (\$25,000). Both are necessary for the 2025 Comprehensive Plan Update. = \$50,000
					Climate Planning Grant: Total grant \$500,000 split between 2024 and 2025 (will re-evaluate the split later in 2024). Expenditures coded to professional service \$250,000 558.60.41.000; revenues coded to 334.04.20.001.
					Other: \$25,000 other professional service
558 60 41 001 Professional Svcs-Reimb	7,500.00	7,500.00	0.00	100.0%	
558 60 41 010 Advertising	1,700.00	1,700.00	0.00	100.0%	
558 60 41 011 Advertising Reimbuseable	4,000.00	4,000.00	0.00	100.0%	
558 60 41 050 SCOG	5,800.00	11,400.00	5,600.00	196.6%	2023 GMA Steering Committee Work Program and Budget. Quarterly payments. Letter from SCOG, 2024 dues will be \$11,337.22
558 60 42 010 Postage	1,100.00	1,100.00	0.00	100.0%	
558 60 42 020 Telephone	1,400.00	1,400.00	0.00	100.0%	
558 60 43 000 Travel	5,000.00	5,000.00	0.00	100.0%	
558 60 46 000 Insurance	1,700.00	1,700.00	0.00	100.0%	
558 60 48 000 Repairs & Maintenance	500.00	500.00	0.00	100.0%	
558 60 49 000 Printing	500.00	500.00	0.00	100.0%	
558 60 49 010 Dues/Subscript/Membership	1,400.00	1,400.00	0.00	100.0%	
558 60 49 020 Filing/Recording Fees	500.00	500.00	0.00	100.0%	
558 60 49 030 Tuition/Registration	2,500.00	2,500.00	0.00	100.0%	
030 Services & Charges	112,500.00	368,100.00	255,600.00	327.2%	
594 58 64 000 Office Equipment	2,000.00	2,000.00	0.00	100.0%	
900 Capital Expenditures	2,000.00	2,000.00	0.00	100.0%	
519 Planning & Community Development Sc	343,860.00	680,960.00	337,100.00	198.0%	

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001 Current Expense Fund

Expenditures	Original	Proposed	Difference	Remarks
520 Engineering				
595 10 11 000 Salaries	268,100.00	328,000.00	59,900.00	122.3%
595 10 13 000 Overtime	0.00	0.00	0.00	0.0%
595 10 21 001 Industrial Insurance	3,400.00	4,000.00	600.00	117.6%
595 10 22 001 Social Security	20,200.00	26,000.00	5,800.00	128.7%
595 10 23 001 PERS Retirement	27,500.00	34,000.00	6,500.00	123.6%
595 10 24 001 Unemployment	500.00	700.00	200.00	140.0%
595 10 25 001 Medical/Dental/Vision	55,900.00	53,000.00	(2,900.00)	94.8%
595 10 26 000 Employee Wellness	500.00	500.00	0.00	100.0%
595 10 26 050 Washington Sick Leave	300.00	600.00	300.00	200.0%
020 Engineering Services	376,400.00	446,800.00	70,400.00	118.7%
595 10 31 000 Supplies	1,000.00	1,000.00	0.00	100.0%
595 10 31 001 Address & Street Signs-Reimb	1,000.00	1,000.00	0.00	100.0%
595 10 41 000 Professional Services	15,000.00	30,000.00	15,000.00	200.0%
				Original budget \$15,000 + Outsource recruitment for Public Work Director, estimated \$15,000.
595 10 41 010 Advertising	500.00	500.00	0.00	100.0%
595 10 42 000 Postage	1,000.00	1,000.00	0.00	100.0%
595 10 42 020 Telephone	700.00	700.00	0.00	100.0%
595 10 42 025 Cell Phones	2,000.00	2,000.00	0.00	100.0%
595 10 43 000 Travel	1,500.00	1,500.00	0.00	100.0%
595 10 46 000 Insurance	4,000.00	4,000.00	0.00	100.0%
595 10 48 000 Repair & Maintenance	3,000.00	3,000.00	0.00	100.0%
595 10 48 520 M&O Fund 501	0.00	1,200.00	1,200.00	0.0%
595 10 49 000 Dues/Memberships	2,000.00	2,000.00	0.00	100.0%
595 10 49 010 Tuition/Registration	500.00	500.00	0.00	100.0%
595 10 49 011 Safety Meetings	250.00	250.00	0.00	100.0%
595 10 49 020 Software Licenses/Support	7,500.00	7,500.00	0.00	100.0%
595 10 49 090 ICA-Support Allocation	(194,456.00)	(213,597.57)	(19,141.57)	109.8%
				Updated IDCA - 2022 actuals for 2024 budget
040 Services & Charges	(154,506.00)	(157,447.57)	(2,941.57)	101.9%
594 32 64 000 Office Equipment	500.00	500.00	0.00	100.0%
900 Capital Expenditures	500.00	500.00	0.00	100.0%
520 Engineering	222,394.00	289,852.43	67,458.43	130.3%
521 Law Enforcement				
521 00 00 000 Law Enforcement - Other Costs Al	0.00	0.00	0.00	0.0%

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001 Current Expense Fund

Expenditures	Original	Proposed	Difference	Remarks
521 Law Enforcement				
521 20 20 001 Law Enforcement - Personnel Ben	0.00	0.00	0.00	0.0%
521 10 11 000 Salaries	343,150.00	345,000.00	1,850.00	100.5%
521 10 13 000 Overtime	3,700.00	4,000.00	300.00	108.1%
521 10 21 001 Industrial Insurance	4,320.00	5,000.00	680.00	115.7%
521 10 22 001 Social Security	25,860.00	27,000.00	1,140.00	104.4%
521 10 23 001 Pers Retirement	33,970.00	36,000.00	2,030.00	106.0%
521 10 24 001 Unemployment	780.00	700.00	(80.00)	89.7%
521 10 25 001 Medical/Dental/Vision	67,300.00	84,000.00	16,700.00	124.8%
521 10 26 050 Washington Sick Leave	400.00	600.00	200.00	150.0%
010 Administration	479,480.00	502,300.00	22,820.00	104.8%
521 10 41 040 Access Fees	0.00	0.00	0.00	0.0%
521 10 48 000 Repair/Maintenance-Equip	1,200.00	0.00	(1,200.00)	0.0% Per Dan 10.2023 \$0 in 2024. Will come back in 2025.
521 10 48 001 Code Enforcement Misc	0.00	0.00	0.00	0.0%
521 10 49 000 Tuition/Registration	0.00	0.00	0.00	0.0%
015 Admin Services & Charges	1,200.00	0.00	(1,200.00)	0.0%
521 20 11 000 Salaries	2,033,600.00	2,334,000.00	300,400.00	114.8% Calculation includes filling vacant officer position and two officer position becoming sergeant positions. 4.8% increase to grid.
521 20 12 000 Reserves/Extra Help	0.00	57,000.00	57,000.00	0.0% Temporary budget placeholder for School Resource Officer. Full cost including step E wages, longevity, SRO pay, other specialties, 120 hour overtime/year, holiday cashouts, medical and benefits \$168,338.22. September to December \$56,112.74. School District pays 75% \$42,084.56.
521 20 13 000 Overtime	80,000.00	70,000.00	(10,000.00)	87.5% Per Dan 10.2023 \$70,000.
521 20 21 001 Industrial Insurance	57,700.00	63,000.00	5,300.00	109.2%
521 20 22 001 Social Security	155,700.00	184,000.00	28,300.00	118.2%
521 20 23 001 PERS Retirement	0.00	0.00	0.00	0.0%
521 20 23 005 LEOFF Retirement	107,400.00	128,000.00	20,600.00	119.2%
521 20 24 001 Unemployment	4,200.00	5,000.00	800.00	119.0%
521 20 25 001 Medical/Dental/Vision	275,800.00	311,000.00	35,200.00	112.8%
521 20 26 000 Uniforms/Accessories	22,000.00	22,000.00	0.00	100.0%
521 20 26 010 Uniform Cleaning	1,000.00	1,000.00	0.00	100.0%
521 20 26 020 Balistic Vests	5,000.00	5,000.00	0.00	100.0%
521 20 26 050 Washington Sick Leave	1,500.00	4,000.00	2,500.00	266.7%
521 20 27 000 Retired Medical	60,000.00	45,000.00	(15,000.00)	75.0% Per Chief 11.2023 and historical data reduced to \$45,000.
521 20 27 010 Long Term Disability Ins	1,000.00	1,000.00	0.00	100.0%
521 20 28 000 Employee Wellness	19,000.00	14,000.00	(5,000.00)	73.7% Per Chief 11.2023, reduce to \$14,000.

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Expenditures	Original	Proposed	Difference		Remarks
521 Law Enforcement					
020 Police Operations	2,823,900.00	3,244,000.00	420,100.00	114.9%	
521 20 31 002 Office/Operating Supplies	24,000.00	18,000.00	(6,000.00)	75.0%	Per Dan 10.2023 \$18,000.
521 20 31 010 Printing/Publications	1,500.00	1,500.00	0.00	100.0%	
521 20 31 015 Ammunition	13,000.00	13,000.00	0.00	100.0%	
521 20 32 000 Auto Fuel	80,000.00	80,000.00	0.00	100.0%	
521 20 41 001 Professional Services	56,000.00	42,000.00	(14,000.00)	75.0%	Per Dan 10.2023 \$42,000
521 20 41 020 Veterinary Services	2,500.00	2,500.00	0.00	100.0%	
521 20 41 021 Humane Society	5,500.00	5,500.00	0.00	100.0%	
521 20 41 022 WA Federation Animal Care	0.00	0.00	0.00	0.0%	
521 20 41 040 Intergov Svc-Gun Permits	9,850.00	9,850.00	0.00	100.0%	
521 20 41 045 Skagit Cty Drug Task Force	0.00	21,000.00	21,000.00	0.0%	Roughly \$21K per Chief on 5.31.2023. Placeholder, determin if opioid settlement funds can cover.
521 20 41 050 Spillman System	47,000.00	47,000.00	0.00	100.0%	
521 20 41 055 911 Contracted Services	243,600.00	245,300.00	1,700.00	100.7%	Based on increase provided by Skagit 911 at Finance Committee meeting in August 2023. Law Enforcement: \$245,261 (521.20.41.055) Fire: \$12,863 (522.20.41.020)
521 20 42 010 Postage	2,000.00	2,000.00	0.00	100.0%	
521 20 42 020 Telephone	31,000.00	31,000.00	0.00	100.0%	
521 20 43 000 Meals/Travel-non Training	0.00	0.00	0.00	0.0%	
521 20 43 010 Meals/Travel-Extradition	0.00	0.00	0.00	0.0%	
521 20 46 000 Insurance	35,000.00	35,000.00	0.00	100.0%	
521 20 47 000 Public Utilities	3,500.00	3,500.00	0.00	100.0%	
521 20 48 000 Repairs & Maintenance	3,500.00	3,500.00	0.00	100.0%	
521 20 48 010 Repair & Maint - Auto	25,000.00	45,000.00	20,000.00	180.0%	
521 20 48 521 M&O Fund 501	0.00	0.00	0.00	0.0%	
521 20 49 000 Professional Development	1,000.00	1,000.00	0.00	100.0%	
521 20 49 010 Dues/Subscriptions	750.00	750.00	0.00	100.0%	
521 20 49 020 Special Investigations	500.00	500.00	0.00	100.0%	
521 20 49 030 Judgments & Damages	0.00	0.00	0.00	0.0%	
025 Operations Services & Charges	585,200.00	607,900.00	22,700.00	103.9%	
521 30 31 010 Public Education Supplies	2,000.00	2,000.00	0.00	100.0%	
030 Crime Prevention (3X)	2,000.00	2,000.00	0.00	100.0%	
521 40 43 000 Travel	14,000.00	14,000.00	0.00	100.0%	
521 40 49 000 Tuition/Registration	20,000.00	20,000.00	0.00	100.0%	

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Expenditures	Original	Proposed	Difference		Remarks
521 Law Enforcement					
521 40 49 020 Range Fees	10,000.00	10,000.00	0.00	100.0%	
040 Training (4X)	44,000.00	44,000.00	0.00	100.0%	
523 60 41 000 Prisoners	0.00	0.00	0.00	0.0%	
523 60 41 001 Prisoner Medical	40,000.00	45,000.00	5,000.00	112.5%	Per Dan 10.2023 \$45,000
523 60 41 010 Prisoner Transport	11,000.00	11,000.00	0.00	100.0%	
523 60 41 021 Jail Annual Payment In Lieu Of 1/1	87,000.00	87,000.00	0.00	100.0%	
060 Prisoners & Jail Costs	138,000.00	143,000.00	5,000.00	103.6%	
591 28 70 001 Lease - SBA	3,300.00	3,300.00	0.00	100.0%	
591 28 70 002 Lease - Police Tasers	0.00	16,200.00	16,200.00	0.0%	Five year lease with Axon Enterprise for 20 tasers. November 2023 \$7,187.63. July 2024 - 2027 \$16,172.18/year.
594 21 64 000 Machinery & Equipment	50,000.00	50,000.00	0.00	100.0%	
595 21 62 000 Building	0.00	0.00	0.00	0.0%	
921 Capital Expenditures	53,300.00	69,500.00	16,200.00	130.4%	
597 00 13 001 Equipment Replacement Fund 50:	187,800.00	272,000.00	84,200.00	144.8%	Replace three vehicles per year. 10.2023 estimated cost per vehicle \$88,740 projected to 2025 purchases \$90,514.80x3=\$271,544.40
950 Transfers	187,800.00	272,000.00	84,200.00	144.8%	
521 Law Enforcement	4,314,880.00	4,884,700.00	569,820.00	113.2%	
522 Fire Control					
522 31 00 522 EMS Discretionary - Local Grant E:	0.00	0.00	0.00	0.0%	
522 20 11 000 Salaries	764,900.00	228,000.00	(536,900.00)	29.8%	
522 20 11 010 Salaries-Volunteers	275,000.00	0.00	(275,000.00)	0.0%	\$0
522 20 11 015 Salaries - Training Hub	15,000.00	15,000.00	0.00	100.0%	
522 20 21 001 Industrial Insurance	40,700.00	28,000.00	(12,700.00)	68.8%	
522 20 22 001 SS + Medicare	51,900.00	18,000.00	(33,900.00)	34.7%	
522 20 23 001 PERS Retirement	29,600.00	24,000.00	(5,600.00)	81.1%	
522 20 23 002 Pension-Volunteer Firefighter	6,500.00	3,500.00	(3,000.00)	53.8%	Per Frank 10.2023 \$3,500.
522 20 23 005 LEOFF Retirement	22,900.00	0.00	(22,900.00)	0.0%	\$0
522 20 24 001 Unemployment	1,500.00	500.00	(1,000.00)	33.3%	
522 20 25 001 Medical/Dental/Vision	58,000.00	0.00	(58,000.00)	0.0%	\$0
522 20 26 000 Uniforms	28,000.00	28,000.00	0.00	100.0%	
522 20 26 050 Washington Sick Leave	800.00	400.00	(400.00)	50.0%	

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Expenditures	Original	Proposed	Difference	Remarks
522 Fire Control				
522 20 28 000 Employee Wellness	0.00	0.00	0.00	0.0%
020 Fire Services	1,294,800.00	345,400.00	(949,400.00)	26.7%
522 21 11 000 Salaries	816,400.00	898,000.00	81,600.00	110.0%
522 21 13 000 Overtime	85,000.00	85,000.00	0.00	100.0%
522 21 13 001 Other	0.00	0.00	0.00	0.0%
522 21 20 001 HSA Contribution	12,500.00	0.00	(12,500.00)	0.0% \$0
522 21 21 001 Industrial Insurance	38,700.00	38,000.00	(700.00)	98.2%
522 21 22 001 Medicare (+ formerly SS)	55,900.00	17,000.00	(38,900.00)	30.4%
522 21 23 001 PERS Retirement	0.00	67,000.00	67,000.00	0.0%
522 21 23 005 LEOFF Retirement	45,100.00	51,000.00	5,900.00	113.1%
522 21 23 007 MRP Retirement	4,800.00	5,000.00	200.00	104.2%
522 21 24 001 Unemployment	1,600.00	2,000.00	400.00	125.0%
522 21 25 001 Medical/Dental/Vision	145,900.00	150,000.00	4,100.00	102.8%
522 21 26 000 Uniforms	0.00	0.00	0.00	0.0%
522 21 26 050 Washington Sick Leave	900.00	2,000.00	1,100.00	222.2%
522 21 28 000 Employee Wellness	0.00	0.00	0.00	0.0%
021 EMS Services	1,206,800.00	1,315,000.00	108,200.00	109.0%
522 22 11 001 Salaries	0.00	399,000.00	399,000.00	0.0%
522 22 13 000 Overtime	0.00	0.00	0.00	0.0%
522 22 21 001 Industrical Insurance	0.00	6,000.00	6,000.00	0.0%
522 22 22 001 Medicare (+ formerly SS)	0.00	6,000.00	6,000.00	0.0%
522 22 23 001 DCP	0.00	25,000.00	25,000.00	0.0%
522 22 23 005 LEOFF	0.00	22,000.00	22,000.00	0.0%
522 22 24 001 Unemployment	0.00	800.00	800.00	0.0%
522 22 25 001 Medical/Dental/Vision	0.00	39,000.00	39,000.00	0.0%
522 22 26 001 Uniforms	0.00	0.00	0.00	0.0%
522 22 26 050 Washington Sick Leave	0.00	700.00	700.00	0.0%
022 Chief + Assistant Chiefs	0.00	498,500.00	498,500.00	0.0%
522 23 11 010 Salaries-Volunteers	0.00	325,000.00	325,000.00	0.0% Per Chief 11.2023 reduce to \$325,000.
522 23 21 001 Industrial Insurance	0.00	0.00	0.00	0.0%
522 23 22 001 SS + Medicare	0.00	25,000.00	25,000.00	0.0%
522 23 23 001 PERS Retirement	0.00	0.00	0.00	0.0%
522 23 23 002 Pension-Volunteer Firefighter	0.00	0.00	0.00	0.0%
522 23 24 001 Unemployment	0.00	600.00	600.00	0.0%
522 23 26 000 Uniforms	0.00	0.00	0.00	0.0%
522 23 26 050 Washington Sick Leave	0.00	600.00	600.00	0.0%

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Expenditures	Original	Proposed	Difference		Remarks
522 Fire Control					
023 Volunteers	0.00	351,200.00	351,200.00	0.0%	
522 24 11 000 Salaries - EMTs	0.00	664,747.00	664,747.00	0.0%	8 firefighter/EMTs for all of 2024.
522 24 13 000 Overtime - EMTs	0.00	56,667.00	56,667.00	0.0%	8 firefighter/EMTs for all of 2024.
522 24 13 001 Other - EMTs	0.00	134,952.00	134,952.00	0.0%	8 firefighter/EMTs for all of 2024. Training \$88,000, Uniforms \$6,656, overhead \$20,296, bunker gear \$20,000
522 24 21 001 Industrial Insurance	0.00	31,021.00	31,021.00	0.0%	8 firefighter/EMTs for all of 2024.
522 24 22 001 Medicare	0.00	54,106.00	54,106.00	0.0%	8 firefighter/EMTs for all of 2024.
522 24 23 005 LEOFF	0.00	38,235.00	38,235.00	0.0%	8 firefighter/EMTs for all of 2024.
522 24 23 007 MRP Retirement	0.00	0.00	0.00	0.0%	
522 24 24 001 Unemployment	0.00	1,299.00	1,299.00	0.0%	8 firefighter/EMTs for all of 2024.
522 24 25 001 Medical/Dental/Vision	0.00	168,000.00	168,000.00	0.0%	8 firefighter/EMTs for all of 2024.
522 24 26 000 Uniforms	0.00	0.00	0.00	0.0%	
522 24 26 050 Wa Sick Leave	0.00	721.00	721.00	0.0%	8 firefighter/EMTs for all of 2024.
522 24 28 000 Employee Wellness	0.00	0.00	0.00	0.0%	
024 EMTs	0.00	1,149,748.00	1,149,748.00	0.0%	
522 20 31 000 Operating Supplies	38,000.00	38,000.00	0.00	100.0%	
522 20 31 001 Flags	750.00	750.00	0.00	100.0%	
522 20 31 010 Office Supplies	3,000.00	3,000.00	0.00	100.0%	
522 20 31 011 EMS Supplies	0.00	0.00	0.00	0.0%	
522 20 32 000 Auto Fuel/Diesel	53,000.00	48,000.00	(5,000.00)	90.6%	Per Frank 10.2023 \$48,000.
522 20 35 000 Small Tools & Minor Equip	17,000.00	15,000.00	(2,000.00)	88.2%	Per Frank 10.2023 \$15,000.
522 20 35 011 EMS Minor Equipment	7,500.00	7,500.00	0.00	100.0%	
522 20 41 000 Professional Services	25,000.00	25,000.00	0.00	100.0%	
522 20 41 010 Prof Service-Medical Exams	3,200.00	3,200.00	0.00	100.0%	
522 20 41 020 Central Dispatch	36,400.00	31,500.00	(4,900.00)	86.5%	Based on increase provided by Skagit 911 at Finance Committee meeting in August 2023. Law Enforcement: \$245,261 (521.20.41.055) Fire: \$12,863 (522.20.41.020) Skagit 911 also bills for County IS, GIS, and Spillman. Per Frank 10.2023 \$31,500.
522 20 41 030 Investigation	250.00	250.00	0.00	100.0%	
522 20 41 040 Advertising	250.00	250.00	0.00	100.0%	
522 20 42 010 Postage	2,100.00	2,100.00	0.00	100.0%	
522 20 42 020 Telephone	12,000.00	12,000.00	0.00	100.0%	
522 20 45 000 Equipment Lease	3,500.00	3,500.00	0.00	100.0%	
522 20 48 000 Repairs/Maint-Equip	58,000.00	58,000.00	0.00	100.0%	

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Expenditures	Original	Proposed	Difference		Remarks
522 Fire Control					
522 20 48 001 Repairs/Maint-Hydrants	0.00	50,000.00	50,000.00	0.0%	ARPA - \$50,000 - fire hydrant repair - Agreement with Skagit, originally in 2023 budget, move to 2024.
522 20 48 522 M&O Fund 501	0.00	0.00	0.00	0.0%	
522 20 49 010 Misc-Dues	2,500.00	2,500.00	0.00	100.0%	
522 20 49 030 Misc-Laundry	300.00	300.00	0.00	100.0%	
522 20 49 050 Misc-Transport Refunds	0.00	0.00	0.00	0.0%	
522 20 49 090 ICA-Support Allocation	0.00	0.00	0.00	0.0%	
030 Services & Charges	262,750.00	300,850.00	38,100.00	114.5%	
522 21 31 000 Operating Supplies - Medical	67,000.00	67,000.00	0.00	100.0%	
522 21 31 010 Office Supplies	10,000.00	10,000.00	0.00	100.0%	
522 21 31 011 EMS Supplies	0.00	0.00	0.00	0.0%	
522 21 32 000 Auto Fuel/Diesel	0.00	0.00	0.00	0.0%	
522 21 35 000 Small Tools & Minor Equipment	8,500.00	8,500.00	0.00	100.0%	
522 21 35 011 EMS Minor Equipment	7,500.00	7,500.00	0.00	100.0%	
522 21 41 000 EMS Professional Services-Sys De	41,600.00	41,600.00	0.00	100.0%	
522 21 42 020 Telephone	0.00	0.00	0.00	0.0%	
522 21 45 000 Equipment Lease	0.00	0.00	0.00	0.0%	
522 21 48 000 Repairs/Maint-Equip	0.00	0.00	0.00	0.0%	
522 21 49 000 Miscellaneous	8,000.00	8,000.00	0.00	100.0%	
522 21 49 005 Fire Levy Communication	0.00	0.00	0.00	0.0%	
522 21 49 010 Misc - GEMT IGT	0.00	0.00	0.00	0.0%	
031 Services & Charges - EMS	142,600.00	142,600.00	0.00	100.0%	
522 45 31 000 Supplies & Books	3,500.00	3,500.00	0.00	100.0%	
522 45 41 000 Advertising-Fire Prevent	1,000.00	1,000.00	0.00	100.0%	
522 45 43 000 Travel & Meals	3,000.00	3,000.00	0.00	100.0%	
522 45 49 000 Training Facilities	10,000.00	10,000.00	0.00	100.0%	
522 45 49 010 Tuition/Registration	55,000.00	115,000.00	60,000.00	209.1%	ARPA - \$60,000 - fire tuition reimbursement ARPA - \$55,000 - fire recruit academy
040 Training	72,500.00	132,500.00	60,000.00	182.8%	
522 21 49 020 Tuition & Registration	5,750.00	5,750.00	0.00	100.0%	
522 46 31 000 Supplies & Books	0.00	0.00	0.00	0.0%	
522 46 43 000 Travel & Meals	0.00	0.00	0.00	0.0%	
041 Training - EMS	5,750.00	5,750.00	0.00	100.0%	
522 50 46 000 Insurance	95,000.00	95,000.00	0.00	100.0%	

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Expenditures	Original	Proposed	Difference		Remarks
522 Fire Control					
522 50 47 000 Public Utilities	7,000.00	7,000.00	0.00	100.0%	
522 50 48 010 Repairs/Maint-Dorm	16,500.00	16,500.00	0.00	100.0%	
522 50 48 020 Repair/Maint-Garage	10,000.00	10,000.00	0.00	100.0%	
522 50 48 030 Repair/Maint-Station	3,500.00	15,768.00	12,268.00	450.5%	ARPA - \$15,768 (\$14,479 plus tax) - Fire Station 2 hot water heater replacement
522 50 49 050 Fire/Theft Protection	1,700.00	1,700.00	0.00	100.0%	
522 70 31 001 Land Use Signs	150.00	150.00	0.00	100.0%	
522 95 41 000 Legal Services	0.00	0.00	0.00	0.0%	
524 20 48 020 Repair/Maint-Garage	0.00	0.00	0.00	0.0%	
524 50 47 000 Public Utilities	0.00	0.00	0.00	0.0%	
050 Facilities	133,850.00	146,118.00	12,268.00	109.2%	
522 22 62 000 Buildings	0.00	0.00	0.00	0.0%	
594 22 61 000 Fire Station 2.75	0.00	0.00	0.00	0.0%	
594 22 61 002 Fire Station 1 EMS Addition	0.00	0.00	0.00	0.0%	
594 22 64 000 Machinery & Equipment	0.00	0.00	0.00	0.0%	
594 32 64 001 Fire Truck Exhaust - FEMA Grant	0.00	0.00	0.00	0.0%	
922 Capital Expenditures	0.00	0.00	0.00	0.0%	
597 00 12 001 Equipment Replacement Fund 50:	371,000.00	421,000.00	50,000.00	113.5%	Updated ER&R 10.3.2023. Ideal model would be funding at \$710,845. Budget model, allowing city to still purchase required vehicles while maintaining positive fund balance is \$420,771.
597 00 12 002 Equipment Replacement Fund 50:	194,700.00	180,000.00	(14,700.00)	92.4%	Updated ER&R 10.3.2023. Ideal model would be funding at \$302,787. Budget model, allowing city to still purchase required vehicles while maintaining positive fund balance is \$179,229.
950 Transfers	565,700.00	601,000.00	35,300.00	106.2%	
522 Fire Control	3,684,750.00	4,988,666.00	1,303,916.00	135.4%	
524 Protective Inspections					
524 20 20 001 HRA- Veba	0.00	0.00	0.00	0.0%	

2024 PROPOSED BUDGET CHANGES

City Of Sedro-Woolley

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001 Current Expense Fund

Expenditures	Original	Proposed	Difference		Remarks
524 Protective Inspections					
524 20 11 000 Salaries	148,900.00	183,000.00	34,100.00	122.9%	\$183,000 includes regular payroll + below. Comprehensive plan: Total Dept of Commerce Grant \$125,000 split between 2024 and 2025. 2024 Expenditures include hiring a new Assistant Planner for 16 pay period (8 months of 2024) totaling \$72,000 split between Protective Inspections and Planning and Community Development payroll codes. Revenue coded to 334.04.20.001.
524 20 12 000 Extra Help	0.00	0.00	0.00	0.0%	
524 20 13 000 Overtime	0.00	1,000.00	1,000.00	0.0%	
524 20 21 001 Industrial Insurance	1,600.00	2,000.00	400.00	125.0%	
524 20 22 001 Social Security	11,300.00	15,000.00	3,700.00	132.7%	\$15,000 includes regular payroll + below. Comprehensive plan: Total Dept of Commerce Grant \$125,000 split between 2024 and 2025. 2024 Expenditures include hiring a new Assistant Planner for 16 pay period (8 months of 2024) totaling \$72,000 split between Protective Inspections and Planning and Community Development payroll codes. Revenue coded to 334.04.20.001.
524 20 23 001 PERS Retirement	15,300.00	20,000.00	4,700.00	130.7%	\$20,000 includes regular payroll + below. Comprehensive plan: Total Dept of Commerce Grant \$125,000 split between 2024 and 2025. 2024 Expenditures include hiring a new Assistant Planner for 16 pay period (8 months of 2024) totaling \$72,000 split between Protective Inspections and Planning and Community Development payroll codes. Revenue coded to 334.04.20.001.
524 20 24 001 Unemployment	300.00	400.00	100.00	133.3%	
524 20 25 001 Medical/Dent/Vision	16,500.00	41,000.00	24,500.00	248.5%	
524 20 26 050 Washington Sick Leave	150.00	300.00	150.00	200.0%	
524 20 28 000 Employee Wellness	180.00	180.00	0.00	100.0%	
020 Building Services	194,230.00	262,880.00	68,650.00	135.3%	
524 20 31 000 Off/Oper Supps & Books	3,000.00	3,000.00	0.00	100.0%	
524 20 41 000 Professional Services	0.00	0.00	0.00	0.0%	
524 20 42 000 Postage	700.00	700.00	0.00	100.0%	
524 20 42 020 Telephone	1,600.00	1,600.00	0.00	100.0%	
524 20 43 000 Travel/Meals	2,500.00	2,500.00	0.00	100.0%	

2024 PROPOSED BUDGET CHANGES

City Of Sedro-Woolley

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001 Current Expense Fund

Expenditures	Original	Proposed	Difference		Remarks
524 Protective Inspections					
524 20 46 000 Insurance	1,400.00	1,400.00	0.00	100.0%	
524 20 49 010 Misc-Dues	1,400.00	1,400.00	0.00	100.0%	
524 20 49 030 Misc-Tuition/Registration	1,200.00	1,200.00	0.00	100.0%	
030 Services & Charges	11,800.00	11,800.00	0.00	100.0%	
594 24 64 000 Office Equipment	1,900.00	1,900.00	0.00	100.0%	
924 Capital Expenditures	1,900.00	1,900.00	0.00	100.0%	
524 Protective Inspections	207,930.00	276,580.00	68,650.00	133.0%	
525 Disaster Services					
525 10 41 000 Dept Of Emerg Management	23,000.00	5,750.00	(17,250.00)	25.0%	Estimated Skagit County Department of Emergency Management (DEM) \$23,000 annual. Per Charlie, plans to cancel in Feb 2024, will need to include one quarter, estimated
525 10 41 001 Professional Services	2,500.00	2,500.00	0.00	100.0%	
525 Disaster Services	25,500.00	8,250.00	(17,250.00)	32.4%	
553 Conservation					
553 70 41 000 NW Air Pollution	6,473.00	6,295.00	(178.00)	97.3%	Letter from Northwest Clean Air Agency: "Assessment for the City of Sedro-Woolley shall be \$6,295. This amount is payable in equal semi-annual installments during 2024. the first semi-annual payment will be due January 31, 2024."
553 Conservation	6,473.00	6,295.00	(178.00)	97.3%	
557 Community Services					
557 30 41 020 Skagit PUD Customer Assistance	0.00	0.00	0.00	0.0%	
557 65 00 000 Skagit PUD Customer Assistance	500.00	500.00	0.00	100.0%	
100 Community Assistance Programs	500.00	500.00	0.00	100.0%	
557 Community Services	500.00	500.00	0.00	100.0%	
558 Planning & Community Devel					
518 65 40 001 Impact Fee Distribution (schools)	40,000.00	100,000.00	60,000.00	250.0%	Based on YTD 8.08.2023 actuals. See revenue at 345.85.00.001.

2024 PROPOSED BUDGET CHANGES

City Of Sedro-Woolley

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001 Current Expense Fund

Expenditures	Original	Proposed	Difference	Remarks
558 Planning & Community Devel				
558 60 20 001 HRA- Veba	0.00	0.00	0.00	0.0%
558 70 30 001 ARPA - Supplies	0.00	0.00	0.00	0.0%
558 70 35 000 ARPA - Small Tools And Minor Eq	0.00	0.00	0.00	0.0%
558 70 41 000 EDASC	0.00	0.00	0.00	0.0%
558 70 41 010 Professional Services	500.00	500.00	0.00	100.0%
558 60 49 001 Miscellaneous	0.00	0.00	0.00	0.0%
558 60 49 040 Misc - Dept. Split	0.00	0.00	0.00	0.0%
030 Services & Charges	0.00	0.00	0.00	0.0%
558 Planning & Community Devel	40,500.00	100,500.00	60,000.00	248.1%
562 Public Health				
562 00 41 000 Helping Hands Food Bank	2,100.00	2,100.00	0.00	100.0%
562 00 41 001 Insurance - Wicker & Fruitdale	0.00	0.00	0.00	0.0%
562 00 41 030 Community Action Of Skagit Cou	0.00	0.00	0.00	0.0%
562 00 41 050 Volunteers Of America	0.00	0.00	0.00	0.0%
592 11 82 410 Interfund Loan Interest	0.00	0.00	0.00	0.0%
562 Public Health	2,100.00	2,100.00	0.00	100.0%
565 Welfare				
565 50 41 000 Sk Domestic Violence	0.00	0.00	0.00	0.0%
565 50 41 010 City of Burlington-Public Housing	7,000.00	7,000.00	0.00	100.0%
565 Welfare	7,000.00	7,000.00	0.00	100.0%
566 Substance Abuse				
566 00 41 000 Skagit Co Public Health-2% Liquo	3,200.00	3,200.00	0.00	100.0%
566 Substance Abuse	3,200.00	3,200.00	0.00	100.0%
569 Aging & Adult Services				
569 00 41 000 Skagit Senior Services	22,000.00	24,300.00	2,300.00	110.5%
August 2023 letter from Skagit County Public Health requesting 10% increase for 2024. Estimated \$24,215.40.				
569 Aging & Adult Services	22,000.00	24,300.00	2,300.00	110.5%

2024 PROPOSED BUDGET CHANGES

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001 Current Expense Fund

Expenditures	Original	Proposed	Difference		Remarks
580 Non Expenditures					
581 10 41 001 Interfund Loan Disbursement	0.00	0.00	0.00	0.0%	
581 20 00 001 Loan Repayment-Sewer Cap Proj	0.00	0.00	0.00	0.0%	
581 22 70 410 Interfund Loan Principal	0.00	0.00	0.00	0.0%	
586 00 00 000 DO NOT USE - State Court Fees R	0.00	0.00	0.00	0.0%	
589 99 09 999 Payroll Clearing	0.00	0.00	0.00	0.0%	
580 Non Expenditures	0.00	0.00	0.00	0.0%	
594 Capital Expenditures					
595 10 20 001 VEBA	0.00	0.00	0.00	0.0%	
595 10 63 013 Eng - TIB Compl Streets 2023-25	0.00	20,000.00	20,000.00	0.0%	Revenues \$396,305 to 334.80.084.104. Expenditures \$20,000 to 595.10.63.013, \$376,305 to 595.30.63.013.
594 13 64 000 Office Equipment	0.00	0.00	0.00	0.0%	
913 Office Equipment	0.00	0.00	0.00	0.0%	
594 22 61 003 Fire Training Facility Improvement	0.00	0.00	0.00	0.0%	
922 Capital Expenditures	0.00	0.00	0.00	0.0%	
594 Capital Expenditures	0.00	20,000.00	20,000.00	0.0%	
595 Capital Expenditures- Streets					
595 20 63 001 DO NOT USE - RW Trail Road Ext	0.00	0.00	0.00	0.0%	
020 Construction - Right of Way	0.00	0.00	0.00	0.0%	
595 Capital Expenditures- Streets	0.00	0.00	0.00	0.0%	
597 Interfund Transfers					
597 00 00 116 Transfer Out to 116 Affordable Hc	0.00	0.00	0.00	0.0%	
597 00 00 118 Transfers-Out - National Opioid S	0.00	0.00	0.00	0.0%	
597 00 00 189 Transfer Out to ARPA	0.00	0.00	0.00	0.0%	
597 00 00 305 Transfer To Library Construction F	0.00	0.00	0.00	0.0%	
597 00 00 505 Transfers-Out - PW Facility Fund	66,000.00	66,000.00	0.00	100.0%	Estimate 10.2023. NEEDS TO BE UPDATED, along with contributions from other funds.
597 00 10 205 Transfers-Out To 2008 GO Bond F	58,544.00	81,599.00	23,055.00	139.4%	Increase to cover payments.

2024 PROPOSED BUDGET CHANGES

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001 Current Expense Fund					
Expenditures	Original	Proposed	Difference		Remarks
597 Interfund Transfers					
597 00 11 101 Transfer To Parks Operations	90,000.00	0.00	(90,000.00)	0.0%	Originally, \$90,000, adjust to \$0 and adjust property tax amount to Parks.
597 Interfund Transfers	214,544.00	147,599.00	(66,945.00)	68.8%	
Fund Expenditures:	10,760,722.00	13,163,625.01	2,402,903.01	122.3%	
Fund Excess/(Deficit):	(475,716.00)	143,905.99			

2024 PROPOSED BUDGET CHANGES

City Of Sedro-Woolley

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101 Parks & Facilities Fund

Revenues	Original	Proposed	Difference		Remarks
310 Taxes					
311 10 00 101 Real & Psnl Property Taxes	608,505.00	766,505.00	158,000.00	126.0%	Updated 2.05.2024 to \$766,505. Originally there was a transfer of \$90,000 from GF to Parks, adjust to \$0 and adjust property tax amount to Parks.
313 11 00 101 Sales & Use Tax	152,430.00	152,430.00	0.00	100.0%	
310 Taxes	760,935.00	918,935.00	158,000.00	120.8%	

330 Intergovernmental Revenues

331 14 00 101 USHUD Grant Olmsted P2000	500,000.00	500,000.00	0.00	100.0%	
332 92 10 101 COVID-19 Non-grant Assistance	0.00	0.00	0.00	0.0%	
333 97 00 101 Federal Indirect Grant From Depa	0.00	0.00	0.00	0.0%	
334 01 80 101 State Direct/Indirect Grant From M	0.00	0.00	0.00	0.0%	
334 02 70 000 Grant From Recreation And Conse	0.00	0.00	0.00	0.0%	
334 02 70 101 RCO LCF Grant Olmed Phase 1	0.00	500,000.00	500,000.00	0.0%	Per Mark 10.2023 \$500,000 carryover from 2023. May increase to \$600,000, as of 2.8.2024 only verbal confirmation from RCO, nothing in writing. Will update after contract is complete.
337 00 00 101 Port of Skagit Grant Olmstead Pha	0.00	400,000.00	400,000.00	0.0%	
337 31 00 101 Port Of Skagit County Contributio	0.00	0.00	0.00	0.0%	
337 31 01 101 Sedro-Woolley School Dist Contri	0.00	0.00	0.00	0.0%	
337 31 02 101 Local Grants, Entitlements, & Othe	0.00	0.00	0.00	0.0%	
330 Intergovernmental Revenues	500,000.00	1,400,000.00	900,000.00	280.0%	

340 Charges For Goods & Services

344 10 00 101 Road/Street Maintenance & Repa	0.00	0.00	0.00	0.0%	
345 16 00 101 Weed Control Services	0.00	0.00	0.00	0.0%	
347 20 00 002 Library Pass Through Revenue	5,560.00	5,560.00	0.00	100.0%	
347 30 01 101 Athletic Field User Fees	7,180.00	7,180.00	0.00	100.0%	
340 Charges For Goods & Services	12,740.00	12,740.00	0.00	100.0%	

360 Interest & Other Earnings

321 80 00 000 Concessions	0.00	0.00	0.00	0.0%	
361 11 00 101 Investment Interest	500.00	500.00	0.00	100.0%	
361 30 00 101 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%	
361 91 00 000 Misc.	0.00	0.00	0.00	0.0%	
361 91 00 101 Misc.	0.00	0.00	0.00	0.0%	

2024 PROPOSED BUDGET CHANGES

City Of Sedro-Woolley

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101 Parks & Facilities Fund

Revenues	Original	Proposed	Difference	Remarks
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360 Interest & Other Earnings

362 40 00 000 Community Center Rental	15,000.00	15,000.00	0.00	100.0%
362 40 02 000 Community Center Cleaning	4,155.00	4,155.00	0.00	100.0%
362 40 05 000 Facility Monitor Revenue	2,000.00	2,000.00	0.00	100.0%
362 40 10 000 Space Rent-RV Park - Riverfront	30,000.00	30,000.00	0.00	100.0%
362 40 10 001 Space Rent-RV Park - Bingham	13,000.00	13,000.00	0.00	100.0%
362 40 20 000 Space/Facility Rent-Riverfront	10,000.00	10,000.00	0.00	100.0%
362 40 30 000 Space/Facility Rent-Bingham	500.00	500.00	0.00	100.0%
362 40 40 000 Facility Rent - HHS	0.00	0.00	0.00	0.0%
367 00 00 101 Private Donation	0.00	0.00	0.00	0.0%
367 10 00 101 Private Donation-Flower Baskets	6,000.00	6,000.00	0.00	100.0%
367 20 00 101 Private Donation - Bsktball	0.00	0.00	0.00	0.0%
369 10 00 101 Sale Of Scrap And Junk	0.00	0.00	0.00	0.0%
360 Interest & Other Earnings	81,155.00	81,155.00	0.00	100.0%

380 Non Revenues

381 10 30 020 Loan Received-Fund 302 CE Reser	0.00	0.00	0.00	0.0%
382 10 01 101 Community Center Deposits	20,000.00	20,000.00	0.00	100.0%
382 10 02 101 Senior Center Deposits	500.00	500.00	0.00	100.0%
388 10 00 101 Prior Period Adjustment	0.00	0.00	0.00	0.0%
380 Non Revenues	20,500.00	20,500.00	0.00	100.0%

390 Other Financing Sources

395 10 00 101 Sale Of Fixed Assets	0.00	0.00	0.00	0.0%
395 20 00 101 Insurance Recoveries	0.00	0.00	0.00	0.0%
390 Other Financing Sources	0.00	0.00	0.00	0.0%

397 Interfund Transfers

397 00 00 107 Parks Reserve Transfer	0.00	0.00	0.00	0.0%
397 00 00 108 Hotel Motel Transfer	0.00	0.00	0.00	0.0%
397 00 00 301 1st 1/4% REET Transfer	25,000.00	42,500.00	17,500.00	170.0%
City Hall Exterior Paint - 576.80.48.016 -\$35,000 (\$17,500 per REET I and II); misc TBD \$15,000 (\$7,500 REET 1 and II). Building and Structure - 594.76.31.000 - \$35,000 Total \$85,000 / 2 = \$42,500.				

2024 PROPOSED BUDGET CHANGES

City Of Sedro-Woolley

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101 Parks & Facilities Fund

Revenues	Original	Proposed	Difference		Remarks
397 Interfund Transfers					
397 00 00 302 2nd 1/4% REET Transfer	25,000.00	42,500.00	17,500.00	170.0%	City Hall Exterior Paint - 576.80.48.016 -\$35,000 (\$17,500 per REET I and II); misc TBD \$15,000 (\$7,500 REET 1 and II). Building and Structure - 594.76.31.000 - \$35,000 Total \$85,000 / 2 = \$42,500.
397 00 00 303 Building Maintenance Transfer	0.00	0.00	0.00	0.0%	
397 00 00 311 Parks Impact Fee Transfer	178,000.00	486,000.00	308,000.00	273.0%	Per Mark 10.2023, 2024 CN Olmsted \$481,000; Misc Park Upgrades \$5,000.
397 00 01 001 General Fund Transfer	90,000.00	0.00	(90,000.00)	0.0%	Originally, \$90,000, adjust to \$0 and adjust property tax amount to Parks.
397 00 01 104 Arterial Streets Transfer	0.00	0.00	0.00	0.0%	
397 00 01 189 Transfer from ARPA	0.00	269,750.00	269,750.00	0.0%	\$30,749 Memorial Park (594.76.63.014); \$239,000 Olmsted Park (594.76.63.025)
397 00 10 115 Council Strategic Reserve Transfer	51,000.00	51,000.00	0.00	100.0%	
397 00 10 401 Transfer From Sewer (Restrooms)	8,500.00	8,500.00	0.00	100.0%	
397 Interfund Transfers	377,500.00	900,250.00	522,750.00	238.5%	
Fund Revenues:	1,752,830.00	3,333,580.00	1,580,750.00	190.2%	

Expenditures	Original	Proposed	Difference		Remarks
576 Park Facilities					
576 80 41 002 Public Auction Charges	0.00	0.00	0.00	0.0%	
576 80 47 025 Olmsted Park	5,000.00	0.00	(5,000.00)	0.0%	Per Mark 10.2023 \$0 for 2024
576 80 11 000 Salaries	314,400.00	351,000.00	36,600.00	111.6%	
576 80 11 001 Caretaker - Riverfront	1,323.00	1,323.00	0.00	100.0%	
576 80 11 002 Caretaker - Bingham	1,323.00	1,323.00	0.00	100.0%	
576 80 11 003 Caretaker - Memorial	1,323.00	1,323.00	0.00	100.0%	
576 80 11 004 Caretaker - Olmsted	1,323.00	0.00	(1,323.00)	0.0%	Per Mark 10.2023, 2024 \$0, like no a 2024 exp due to CN.
576 80 12 001 Extra Help-Parks	42,000.00	21,000.00	(21,000.00)	50.0%	Per Nathan, 11.21.2023. Original budget \$42,000, revised to \$21,000, saves of \$21,000 to offset custodian.
576 80 12 002 Extra Help-Facilities	0.00	0.00	0.00	0.0%	Per Nathan 11.21.2023. Savings of \$5,000 to offset custodian
576 80 12 003 Extra Help - Flowers	8,000.00	8,000.00	0.00	100.0%	
576 80 13 000 Overtime	6,297.00	5,000.00	(1,297.00)	79.4%	
576 80 13 010 Overtime-cleaning Com Ctr	4,155.00	5,000.00	845.00	120.3%	

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101 Parks & Facilities Fund

Expenditures	Original	Proposed	Difference	Remarks
576 Park Facilities				
576 80 21 001 Industrial Insurance	7,600.00	9,000.00	1,400.00	118.4%
576 80 22 001 Social Security	27,500.00	31,000.00	3,500.00	112.7%
576 80 23 001 Pers Retirement	37,500.00	37,000.00	(500.00)	98.7%
576 80 24 001 Unemployment	700.00	800.00	100.00	114.3%
576 80 25 001 Medical/dental/vision	116,800.00	124,000.00	7,200.00	106.2%
576 80 26 050 Washington Sick Leave	400.00	700.00	300.00	175.0%
576 80 28 000 Employee Wellness	300.00	300.00	0.00	100.0%
010 Park Services	570,944.00	596,769.00	25,825.00	104.5%
576 80 31 000 Operating Sup - Tesarik Park	1,535.00	1,535.00	0.00	100.0%
576 80 31 001 Operating Sup - Riverfront	4,991.00	4,991.00	0.00	100.0%
576 80 31 002 Operating Sup - RV Park	738.00	738.00	0.00	100.0%
576 80 31 003 Operating Sup - Parks Shop	3,060.00	3,060.00	0.00	100.0%
576 80 31 004 Operating Sup - Comm Center	3,146.00	3,146.00	0.00	100.0%
576 80 31 005 Operating Sup - Senior Ctr	3,146.00	3,146.00	0.00	100.0%
576 80 31 006 Operating Sup - City Hall	12,078.00	12,078.00	0.00	100.0%
576 80 31 007 Operating Sup - Library	0.00	0.00	0.00	0.0%
576 80 31 008 Operating Sup - Memorial	1,539.00	1,539.00	0.00	100.0%
576 80 31 009 Operating Sup - Bingham Park	1,872.00	1,872.00	0.00	100.0%
576 80 31 012 Operating Sup - Hammer	2,710.00	2,710.00	0.00	100.0%
576 80 31 013 Operating Sup - Flowers-Holiday	10,098.00	10,098.00	0.00	100.0%
576 80 31 025 Operating Sup - Olmsted Park	2,000.00	0.00	(2,000.00)	0.0% Per Mark 10.2023, 2024 \$0, likely not a 2024 expense.
576 80 31 030 Supplies Reimbursement - Fund 4	0.00	0.00	0.00	0.0%
576 80 31 100 Fertilizer/Herbicide	7,610.00	7,610.00	0.00	100.0%
576 80 32 000 Auto Fuel/Diesel	12,704.00	12,704.00	0.00	100.0%
576 80 35 000 Small Tools & Minor Equip	5,627.00	5,627.00	0.00	100.0%
576 80 35 010 Safety Equipment	3,214.00	3,214.00	0.00	100.0%
030 Supplies	76,068.00	74,068.00	(2,000.00)	97.4%
576 80 41 000 Professional Services	6,150.00	6,150.00	0.00	100.0%
576 80 41 001 Advertising	3,357.00	3,357.00	0.00	100.0%
576 80 41 010 Alarm Monitoring	4,957.00	4,957.00	0.00	100.0%
576 80 42 010 Postage	0.00	0.00	0.00	0.0%
576 80 42 020 Telephone	4,200.00	4,200.00	0.00	100.0%
576 80 44 010 Taxes And Assessments	1,250.00	1,250.00	0.00	100.0%
576 80 45 001 Equipment Rental	2,800.00	2,800.00	0.00	100.0%
576 80 46 000 Insurance	28,978.00	55,000.00	26,022.00	189.8% Updated from \$28,978 to \$55,000. 2023 actuals \$53,773.
576 80 49 000 Misc-Tuition/Registration	1,530.00	1,530.00	0.00	100.0%
576 80 49 020 Misc-Dues/CDL/Background	1,224.00	1,224.00	0.00	100.0%

2024 PROPOSED BUDGET CHANGES

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101 Parks & Facilities Fund

Expenditures	Original	Proposed	Difference	Remarks
576 Park Facilities				
576 80 49 030 Misc-Permits & Licenses	4,597.00	4,597.00	0.00	100.0%
040 Services & Charges	59,043.00	85,065.00	26,022.00	144.1%
576 80 47 000 Riverfront	16,000.00	16,000.00	0.00	100.0%
576 80 47 010 Community Center	7,427.00	7,427.00	0.00	100.0%
576 80 47 020 Senior Center	13,000.00	13,000.00	0.00	100.0%
576 80 47 030 Museum Apartments	1,499.00	1,499.00	0.00	100.0%
576 80 47 040 Train	1,341.00	1,341.00	0.00	100.0%
576 80 47 050 Hammer Square	7,821.00	7,821.00	0.00	100.0%
576 80 47 051 Bingham / Memorial	10,965.00	10,965.00	0.00	100.0%
576 80 47 052 Bingham Caretaker	5,212.00	5,212.00	0.00	100.0%
576 80 47 053 Other Utilities	14,848.00	14,848.00	0.00	100.0%
576 80 47 070 City Hall	64,000.00	64,000.00	0.00	100.0%
576 80 47 090 Portable Toilets	1,000.00	1,000.00	0.00	100.0%
050 Utilities	143,113.00	143,113.00	0.00	100.0%
576 00 80 101 M&O Fund 501	2,789.00	2,789.00	0.00	100.0%
576 80 48 000 Repairs/Maintenance	7,650.00	7,650.00	0.00	100.0%
576 80 48 001 Riverfront	13,500.00	13,500.00	0.00	100.0%
576 80 48 002 RV Park	1,985.00	1,985.00	0.00	100.0%
576 80 48 003 Bingham Caretaker	1,283.00	1,283.00	0.00	100.0%
576 80 48 004 Community Center	5,954.00	5,954.00	0.00	100.0%
576 80 48 005 Senior Center	6,305.00	6,305.00	0.00	100.0%
576 80 48 006 Memorial Park	6,421.00	6,421.00	0.00	100.0%
576 80 48 007 Bingham Park	5,954.00	5,954.00	0.00	100.0%
576 80 48 008 North Township	0.00	0.00	0.00	0.0%
576 80 48 009 Hammer Square	7,005.00	7,005.00	0.00	100.0%
576 80 48 010 Office Equip	600.00	600.00	0.00	100.0%
576 80 48 011 Lions Roadside	475.00	475.00	0.00	100.0%
576 80 48 012 Harry Osborne	3,502.00	3,502.00	0.00	100.0%
576 80 48 013 Tesarik Park	5,151.00	5,151.00	0.00	100.0%
576 80 48 014 Winnie Houser Park	4,578.00	4,578.00	0.00	100.0%
576 80 48 015 Library	2,081.00	2,081.00	0.00	100.0%
576 80 48 016 City Hall	31,000.00	66,000.00	35,000.00	212.9% Maintenance contracts, life safety certs, other misc needs - \$31,000 City Hall Exterior Paint - 397.00.00.301 + 397.00.00.302 -\$35,000 (\$17,500 per REET I and II)
576 80 48 017 Museum	500.00	500.00	0.00	100.0%
576 80 48 018 Off Leash Dog	561.00	561.00	0.00	100.0%

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101 Parks & Facilities Fund

Expenditures	Original	Proposed	Difference		Remarks
576 Park Facilities					
576 80 48 019 Skatepark	1,122.00	1,122.00	0.00	100.0%	
576 80 48 020 Resource Conservation	1,000.00	1,000.00	0.00	100.0%	
576 80 48 021 Equipment	11,220.00	11,220.00	0.00	100.0%	
576 80 48 022 Evidence Garage	2,288.00	2,288.00	0.00	100.0%	
576 80 48 023 205 North Reed	0.00	0.00	0.00	0.0%	
576 80 48 025 Olmsted Park	1,000.00	1,000.00	0.00	100.0%	
576 80 48 026 CS Library	5,100.00	5,100.00	0.00	100.0%	
576 80 48 101 M&O Fund 501	2,759.00	5,500.00	2,741.00	199.3%	M&O Funding with Lead Mechanic.
576 80 48 500 Contracted Heavy Duty Cleaning	14,280.00	5,000.00	(9,280.00)	35.0%	Original Revised Budget: Includes \$9,200 for PW Facility Janitorial, shared by other funds. Removed \$5,000 for private contractor as employee is now performing (576.80.12.002). Revised: Per Nathan, 11.21.2023. \$5,000. Savings of \$4,200 to offset custodian salary.
060 Repairs & Maintenance	146,063.00	174,524.00	28,461.00	119.5%	
581 20 00 101 Loan Repayment-Capital Res	0.00	0.00	0.00	0.0%	
591 76 75 000 Note Payable - Houser	0.00	0.00	0.00	0.0%	
592 76 80 000 Loan Interest	0.00	0.00	0.00	0.0%	
800 Debt Service	0.00	0.00	0.00	0.0%	
594 76 31 000 Buildings & Structures	35,000.00	60,000.00	25,000.00	171.4%	City hall exterior paint wood surfaces per capital maintenance plan & other unidentified building maintenance project likely to be some flooring replacement in PD/Fire areas. Funding from REET I/II. = \$35,000 Additional \$25,000 for HR Manager Officer. Move funds from General Fund.
594 76 31 100 Museum Apartment	0.00	0.00	0.00	0.0%	
594 76 61 000 Riverfront Park	0.00	0.00	0.00	0.0%	
594 76 61 001 Bingham Park	0.00	0.00	0.00	0.0%	
594 76 61 002 Houser Park	0.00	0.00	0.00	0.0%	
594 76 61 003 Miscellaneous Park Upgrades	5,000.00	5,000.00	0.00	100.0%	
594 76 61 004 Metcalf Park	0.00	0.00	0.00	0.0%	
594 76 61 005 Northern State Pond Park	0.00	0.00	0.00	0.0%	
594 76 63 014 Memorial Park	0.00	30,749.00	30,749.00	0.0%	ARPA - \$30,749 - Memorial Park (retainage release)
594 76 63 015 Janicki Field Construction	0.00	0.00	0.00	0.0%	

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101 Parks & Facilities Fund

Expenditures	Original	Proposed	Difference		Remarks
576 Park Facilities					
594 76 63 025 Olmsted Park	673,000.00	2,125,000.00	1,452,000.00	315.8%	331.14.00.101 - USHUD - \$500,000 334.0270.101 - RCO - \$500,000 337.00.00.101 - Port - \$400,000 397.00.00.311 - Park Impact - \$486,000 397.00.01.189 - ARPA - \$239,000 Total = \$2,125,000
594 76 63 030 Reed Street Park	0.00	0.00	0.00	0.0%	
594 76 64 001 Holiday Display	0.00	0.00	0.00	0.0%	
900 Capital Expenditures	713,000.00	2,220,749.00	1,507,749.00	311.5%	
597 00 00 101 Equipment Replacement Fund 50:	18,400.00	18,400.00	0.00	100.0%	
950 Transfers	18,400.00	18,400.00	0.00	100.0%	
576 Park Facilities	1,731,631.00	3,312,688.00	1,581,057.00	191.3%	
580 Non Expenditures					
582 10 01 101 Community Center Deposit Refun	20,000.00	20,000.00	0.00	100.0%	
582 10 02 101 Senior Center Deposit Refund	500.00	500.00	0.00	100.0%	
580 Non Expenditures	20,500.00	20,500.00	0.00	100.0%	
Fund Expenditures:	1,752,131.00	3,333,188.00	1,581,057.00	190.2%	
Fund Excess/(Deficit):	699.00	392.00			

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102 Cemetery Fund

Revenues	Original	Proposed	Difference	Remarks
310 Taxes				
311 10 00 102 Real & Psnl Property Taxes	72,000.00	79,000.00	7,000.00	109.7%
310 Taxes	72,000.00	79,000.00	7,000.00	109.7%
330 Intergovernmental Revenues				
334 06 90 102 State Grant From Other State Age	0.00	0.00	0.00	0.0%
330 Intergovernmental Revenues	0.00	0.00	0.00	0.0%
340 Charges For Goods & Services				
343 60 00 000 DO NOT USE - Cemetery Fees	0.00	0.00	0.00	0.0%
343 60 01 102 Cemetery Fees Non-Taxable	85,280.00	85,280.00	0.00	100.0%
343 60 02 102 Cemetery Fees Taxable	16,000.00	16,000.00	0.00	100.0%
340 Charges For Goods & Services	101,280.00	101,280.00	0.00	100.0%
360 Interest & Other Earnings				
361 11 00 102 Investment Interest	300.00	300.00	0.00	100.0%
361 30 00 102 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%
360 Interest & Other Earnings	300.00	300.00	0.00	100.0%
380 Non Revenues				
381 10 02 410 Sewer Reserve Loan	0.00	0.00	0.00	0.0%
388 10 00 102 Prior Period Adjustment	0.00	0.00	0.00	0.0%
389 30 11 102 DO NOT USE - Sales Tax Collector	0.00	0.00	0.00	0.0%
380 Non Revenues	0.00	0.00	0.00	0.0%
397 Interfund Transfers				
397 00 00 106 Endowment Transfer	50,000.00	0.00	(50,000.00)	0.0% Per Mark 10.2023 \$0 for 2024.
397 Interfund Transfers	50,000.00	0.00	(50,000.00)	0.0%
Fund Revenues:	223,580.00	180,580.00	(43,000.00)	80.8%

Expenditures	Original	Proposed	Difference	Remarks
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2024 PROPOSED BUDGET CHANGES

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102 Cemetery Fund

Expenditures	Original	Proposed	Difference	Remarks
536 Cemetery				
536 20 11 000 Salaries	63,200.00	67,000.00	3,800.00	106.0%
536 20 12 000 Extra Help	13,260.00	13,000.00	(260.00)	98.0%
536 20 13 000 Overtime	4,300.00	2,000.00	(2,300.00)	46.5%
536 20 21 001 Industrial Insurance	1,900.00	2,000.00	100.00	105.3%
536 20 22 001 Social Security	5,400.00	7,000.00	1,600.00	129.6%
536 20 23 001 PERS Retirement	7,300.00	8,000.00	700.00	109.6%
536 20 24 001 Unemployment	150.00	200.00	50.00	133.3%
536 20 25 001 Medical/Dental/Vision	14,400.00	15,000.00	600.00	104.2%
536 20 26 050 Washington Sick Leave	100.00	200.00	100.00	200.0%
010 Cemetery Services	110,010.00	114,400.00	4,390.00	104.0%
536 20 31 000 Office Supplies	561.00	561.00	0.00	100.0%
536 20 31 010 Operating Supplies	2,165.00	2,165.00	0.00	100.0%
536 20 32 000 Auto Fuel/Diesel	3,714.00	3,714.00	0.00	100.0%
536 20 32 001 Propane	1,201.00	1,201.00	0.00	100.0%
536 20 34 000 Liners	8,240.00	8,240.00	0.00	100.0%
536 20 35 000 Small Tools/Minor Equip	906.00	906.00	0.00	100.0%
536 20 35 010 Safety Equipment	953.00	953.00	0.00	100.0%
020 Supplies	17,740.00	17,740.00	0.00	100.0%
536 20 41 000 Professional Services	0.00	0.00	0.00	0.0%
536 20 42 010 Postage	0.00	0.00	0.00	0.0%
536 20 42 020 Telephone	2,002.00	2,002.00	0.00	100.0%
536 20 43 000 Meals/Travel	170.00	170.00	0.00	100.0%
536 20 44 010 Taxes And Assessments	2,800.00	2,800.00	0.00	100.0%
536 20 46 000 Insurance	6,972.00	14,000.00	7,028.00	200.8% Updated from \$6,672 to \$14,000. 2023 actuals \$13,574.79.
536 20 47 000 Public Utilities	3,188.00	3,188.00	0.00	100.0%
536 20 48 010 Repair/maint-Office Equip	80.00	80.00	0.00	100.0%
536 20 48 020 Repair/Maint-Headstones	561.00	561.00	0.00	100.0%
536 20 48 030 Repair/Maintenance-Land	1,530.00	1,530.00	0.00	100.0%
536 20 48 040 Repair/Maint-Equip & Bldg	3,750.00	3,750.00	0.00	100.0%
536 20 48 050 Repair/Maint-Northern State Cem	500.00	500.00	0.00	100.0%
536 20 48 102 M&O Fund 501	1,849.00	3,700.00	1,851.00	200.1% M&O Funding with Lead Mechanic .
536 20 49 000 Misc-Dues/Subscriptions	2,650.00	2,650.00	0.00	100.0%
536 20 49 010 Misc-Tuition/Registration	280.00	280.00	0.00	100.0%
536 20 49 020 Miscellaneous	660.00	660.00	0.00	100.0%
536 20 49 030 Misc-laundry	560.00	560.00	0.00	100.0%
030 Services & Charges	27,552.00	36,431.00	8,879.00	132.2%

2024 PROPOSED BUDGET CHANGES

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102 Cemetery Fund

Expenditures	Original	Proposed	Difference	Remarks
536 Cemetery				
594 36 61 000 Land Acquisition	0.00	0.00	0.00	0.0%
595 30 63 000 Roadway Repairs	0.00	0.00	0.00	0.0% Per Mark 10.2023 \$0 for 2024.
900 Capital Expenditures	0.00	0.00	0.00	0.0%
597 00 00 102 Equipment Replacement Fund 50:	12,200.00	12,200.00	0.00	100.0%
950 Transfers	12,200.00	12,200.00	0.00	100.0%
536 Cemetery	167,502.00	180,771.00	13,269.00	107.9%
580 Non Expenditures				
589 30 11 102 DO NOT USE - Sales Tax Remittan	0.00	0.00	0.00	0.0%
580 Non Expenditures	0.00	0.00	0.00	0.0%
594 Capital Expenditures				
594 36 61 050 Northern State Cemetery Capital I	50,000.00	0.00	(50,000.00)	0.0% Per Mark 10.2023 \$0 in 2024.
594 36 61 010 Capital Outlay - Cemetery Softwai	0.00	0.00	0.00	0.0%
594 36 63 000 Cemetery	0.00	0.00	0.00	0.0%
900 Capital Expenditures	0.00	0.00	0.00	0.0%
594 Capital Expenditures	50,000.00	0.00	(50,000.00)	0.0%
Fund Expenditures:	217,502.00	180,771.00	(36,731.00)	83.1%
Fund Excess/(Deficit):	6,078.00	(191.00)		

2024 PROPOSED BUDGET CHANGES

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103 Street Fund

Revenues	Original	Proposed	Difference	Remarks
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310 Taxes

311 10 00 103 Real & Psnl Property Taxes	384,061.00	402,061.00	18,000.00	104.7%
313 11 00 103 Sales & Use Tax	225,180.00	225,180.00	0.00	100.0%
310 Taxes	609,241.00	627,241.00	18,000.00	103.0%

330 Intergovernmental Revenues

334 06 90 103 L&I Stay At Work Grant	0.00	0.00	0.00	0.0%
336 00 71 000 Multimodal Tax	17,047.00	16,512.00	(535.00)	96.9% 2024 MRSC State Shared REvenue Estimator: \$16,512
336 00 87 000 Motor Vehicle Fuel Tax-City	253,615.00	235,296.00	(18,319.00)	92.8% 2024 State Shared Revenue Estimator: \$220,848 + \$14,448.
337 00 00 103 Interlocal Grants, Entitlements And	0.00	0.00	0.00	0.0%
330 Intergovernmental Revenues	270,662.00	251,808.00	(18,854.00)	93.0%

340 Charges For Goods & Services

344 10 00 103 Fees & Charges	100.00	100.00	0.00	100.0%
340 Charges For Goods & Services	100.00	100.00	0.00	100.0%

360 Interest & Other Earnings

361 11 00 103 Investment Interest	1,200.00	1,200.00	0.00	100.0%
361 30 00 103 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%
369 10 00 103 Sale Of Scrap And Junk	0.00	0.00	0.00	0.0%
360 Interest & Other Earnings	1,200.00	1,200.00	0.00	100.0%

380 Non Revenues

381 10 00 410 Loan From Sewer Reserve	0.00	0.00	0.00	0.0%
381 10 30 103 Loan From CE Reserve	0.00	0.00	0.00	0.0%
388 10 00 103 Prior Period Adjustment	0.00	0.00	0.00	0.0%
389 30 00 103 DO NOT USE - Collection of Sales	0.00	0.00	0.00	0.0%
380 Non Revenues	0.00	0.00	0.00	0.0%

390 Other Financing Sources

395 10 00 103 Sale Of Fixed Assets	0.00	0.00	0.00	0.0%
395 20 00 103 Insurance Recoveries	0.00	0.00	0.00	0.0%

2024 PROPOSED BUDGET CHANGES

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103 Street Fund

Revenues	Original	Proposed	Difference	Remarks
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390 Other Financing Sources

390 Other Financing Sources	0.00	0.00	0.00	0.0%
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397 Interfund Transfers

397 00 00 103 Operating Transfer In - REET II	87,500.00	150,000.00	62,500.00	171.4%	Per Mark 10.2023, 2024 \$150,000, moved unused 2023 balance to 2024.
397 00 03 189 Transfer-In from ARPA	0.00	0.00	0.00	0.0%	
397 00 03 302 Transfer-in 1st 1/4% REET Fund 30	0.00	0.00	0.00	0.0%	
397 00 05 103 Operating Transfer In-REET I	87,500.00	150,000.00	62,500.00	171.4%	Per Mark 10.2023, 2024 \$150,000, moved unused 2023 balance to 2024.
397 00 05 115 Transfer-In From Council Reserve	0.00	0.00	0.00	0.0%	
397 Interfund Transfers	175,000.00	300,000.00	125,000.00	171.4%	

Fund Revenues:	1,056,203.00	1,180,349.00	124,146.00	111.8%
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Expenditures	Original	Proposed	Difference	Remarks
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542 Streets - Maintenance

542 30 11 000 Salaries	244,200.00	236,000.00	(8,200.00)	96.6%	\$236,000 includes one Parks - Equipment Operator 2 working only 16 pay periods of 2024.
542 30 12 000 Extra Help	14,250.00	14,000.00	(250.00)	98.2%	
542 30 13 000 Overtime	11,725.00	5,000.00	(6,725.00)	42.6%	
542 30 21 001 Industrial Insurance	5,400.00	6,000.00	600.00	111.1%	
542 30 22 001 Social Security	19,100.00	20,000.00	900.00	104.7%	\$20,000 includes one Parks - Equipment Operator 2 working only 16 pay periods of 2024.
542 30 23 001 PERS Retirement	26,000.00	25,000.00	(1,000.00)	96.2%	\$25,000 includes one Parks - Equipment Operator 2 working only 16 pay periods of 2024.
542 30 24 001 Unemployment	500.00	600.00	100.00	120.0%	
542 30 25 001 Medical/Dental/Vision	65,100.00	62,000.00	(3,100.00)	95.2%	\$62,000 includes one Parks - Equipment Operator 2 working only 16 pay periods of 2024.
542 30 26 050 Washington Sick Leave	300.00	500.00	200.00	166.7%	
542 30 28 000 Employee Wellness	0.00	0.00	0.00	0.0%	
010 Street Services	386,575.00	369,100.00	(17,475.00)	95.5%	
542 30 31 000 Operating Supplies	12,851.00	12,851.00	0.00	100.0%	
542 30 31 010 Operating Supplies-Propane	1,122.00	1,122.00	0.00	100.0%	
542 30 31 020 Operating Supplies - Herbicide	6,000.00	6,000.00	0.00	100.0%	

2024 PROPOSED BUDGET CHANGES

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103 Street Fund

Expenditures	Original	Proposed	Difference	Remarks
542 Streets - Maintenance				
542 30 32 000 Auto Fuel/Diesel	19,380.00	19,380.00	0.00	100.0%
542 30 35 000 Small Tools/Minor Equip	6,868.00	6,868.00	0.00	100.0%
542 30 35 010 Safety Equipment	2,652.00	2,652.00	0.00	100.0%
030 Supplies	48,873.00	48,873.00	0.00	100.0%
542 30 41 000 Professional Services	3,000.00	3,000.00	0.00	100.0%
542 30 42 020 Telephone	1,500.00	1,500.00	0.00	100.0%
542 30 43 000 Travel	560.00	560.00	0.00	100.0%
542 30 45 000 Rental-Equipment	3,450.00	3,450.00	0.00	100.0%
542 30 47 000 Public Utilities	0.00	0.00	0.00	0.0%
542 30 48 000 Repair/Maint-Streets	0.00	0.00	0.00	0.0%
542 30 48 001 Crack/Slurry Seals	5,600.00	5,600.00	0.00	100.0%
542 30 48 002 Crushed Aggregate	23,500.00	23,500.00	0.00	100.0%
542 30 48 003 Asphalt Materials	7,461.00	7,461.00	0.00	100.0%
542 30 48 005 Street Tree Maintenance	5,050.00	5,050.00	0.00	100.0%
542 30 48 010 Repair/Maintenance-Equip	30,807.00	30,807.00	0.00	100.0%
542 30 49 000 Misc-Laundry	1,020.00	1,020.00	0.00	100.0%
542 30 49 010 Misc-Dues/Subscriptions	2,754.00	2,754.00	0.00	100.0%
542 30 49 020 Misc-Judgment & Damages	1,325.00	1,325.00	0.00	100.0%
542 30 49 030 Misc-Tuition/Registration	1,530.00	1,530.00	0.00	100.0%
542 30 49 040 CDL Endorcement Fees	1,326.00	1,326.00	0.00	100.0%
040 Services & Charges	88,883.00	88,883.00	0.00	100.0%
542 61 31 000 Operating Supplies	2,600.00	2,600.00	0.00	100.0%
542 61 48 000 Repair/Maint Sidewalk (REET)	25,000.00	50,000.00	25,000.00	200.0%
				Per Mark 10.2023, 2024 \$50,000. Increase to \$50,000 to use funds surplus from 2023 and to allow for increase sidewalk replacement.
				Funding to support sidewalk and ada projects. Funded from REET
542 61 48 001 Sidewalk Replacement Partnership	3,150.00	3,150.00	0.00	100.0%
050 Sidewalks	30,750.00	55,750.00	25,000.00	181.3%
542 63 47 000 Public Utilities	150,000.00	150,000.00	0.00	100.0%
542 63 48 000 Repairs/Maintenance	3,500.00	3,500.00	0.00	100.0%
060 Street Lighting	153,500.00	153,500.00	0.00	100.0%
542 64 31 000 Operating Supplies	0.00	0.00	0.00	0.0%
542 64 31 001 Painting & Striping Supplies	20,000.00	20,000.00	0.00	100.0%
542 64 31 002 Traffic Control Devices	4,087.00	4,087.00	0.00	100.0%

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103 Street Fund

Expenditures	Original	Proposed	Difference		Remarks
542 Streets - Maintenance					
542 64 31 003 Temporary Devises TCCD	3,162.00	3,162.00	0.00	100.0%	
542 64 31 004 Street Sign Materials	13,000.00	13,000.00	0.00	100.0%	
070 Traffic Control	40,249.00	40,249.00	0.00	100.0%	
542 65 44 000 Taxes & Assessments	65.00	65.00	0.00	100.0%	
542 65 48 000 Repair Parking	3,000.00	3,000.00	0.00	100.0%	
080 Parking Facilities	3,065.00	3,065.00	0.00	100.0%	
542 66 31 000 Operating Supplies	8,500.00	8,500.00	0.00	100.0%	
090 Snow & Ice Control	8,500.00	8,500.00	0.00	100.0%	
542 67 31 000 Operating Supplies	0.00	0.00	0.00	0.0%	
542 67 48 000 Repairs/Maint-Equip	0.00	0.00	0.00	0.0%	
100 Street Cleaning	0.00	0.00	0.00	0.0%	
543 30 11 000 Salaries	0.00	0.00	0.00	0.0%	
543 30 12 000 Overtime	0.00	0.00	0.00	0.0%	
543 30 21 001 Industrial Insurance	0.00	0.00	0.00	0.0%	
543 30 22 001 Social Security	0.00	0.00	0.00	0.0%	
543 30 23 001 PERS Retirement	0.00	0.00	0.00	0.0%	
543 30 24 001 Unemployment	0.00	0.00	0.00	0.0%	
543 30 25 001 Medical/Dental/Vision	0.00	0.00	0.00	0.0%	
543 30 26 050 Washington Sick Leave	0.00	0.00	0.00	0.0%	
110 General Services	0.00	0.00	0.00	0.0%	
542 30 48 103 M&O Fund 501	13,612.00	26,600.00	12,988.00	195.4%	M&O Funding with Lead Mechanic.
543 30 41 000 Advertising	1,122.00	1,122.00	0.00	100.0%	
543 30 46 000 Insurance	30,101.00	0.00	(30,101.00)	0.0%	Updated from \$30,101 to \$70,000. 2023 actuals \$68,399.
120 General Services & Charges	44,835.00	27,722.00	(17,113.00)	61.8%	
594 42 62 000 Buildings & Structures	0.00	0.00	0.00	0.0%	
594 42 64 103 Equipment	0.00	0.00	0.00	0.0%	
595 30 63 020 Resurfacing Projects	150,000.00	250,000.00	100,000.00	166.7%	Per Mark 10.2023, 2024 \$250,000. Moved \$100,000 from 2023 to 2024. 2023 projects deferred to 2024.
900 Capital Expenditures	150,000.00	250,000.00	100,000.00	166.7%	
597 00 00 103 Equipment Replacement Fund 50:	89,800.00	89,800.00	0.00	100.0%	
597 00 04 104 Transfers-Out -Fund 104	0.00	0.00	0.00	0.0%	

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103 Street Fund

Expenditures	Original	Proposed	Difference	Remarks
542 Streets - Maintenance				
950 Transfers	89,800.00	89,800.00	0.00	100.0%
542 Streets - Maintenance	1,045,030.00	1,135,442.00	90,412.00	108.7%
580 Non Expenditures				
581 20 00 410 Loan Repayment Sewer Reserve	0.00	0.00	0.00	0.0%
580 Non Expenditures	0.00	0.00	0.00	0.0%
591 Debt Service - Principal Repayment				
592 95 80 000 Loan Interest	0.00	0.00	0.00	0.0%
591 Debt Service - Principal Repayment	0.00	0.00	0.00	0.0%
597 Interfund Transfers				
597 00 06 103 Transfers Out to General Fund	0.00	0.00	0.00	0.0%
597 Interfund Transfers	0.00	0.00	0.00	0.0%
Fund Expenditures:	1,045,030.00	1,135,442.00	90,412.00	108.7%
Fund Excess/(Deficit):	11,173.00	44,907.00		

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104 Arterial Street Fund

Revenues	Original	Proposed	Difference	Remarks
308 Beginning Balances				
306 30 85 000 Cont - Sch A Cook Rd Overlay	0.00	0.00	0.00	0.0%
308 Beginning Balances	0.00	0.00	0.00	0.0%
330 Intergovernmental Revenues				
333 20 20 060 STPUS - Jameson/SR9	0.00	0.00	0.00	0.0%
333 20 20 070 STPUS - SR20 Cascade Trail Phase	0.00	0.00	0.00	0.0%
333 20 20 072 STPUS-Jones/John Liner Trail LA-9	0.00	0.00	0.00	0.0%
333 20 20 075 TAP - SR20 Cascade Trail Phase 1f	0.00	0.00	0.00	0.0%
333 20 20 076 STPUS - SR20/SR9-Township Int li	0.00	0.00	0.00	0.0%
333 20 20 077 STPUS - SR20 Cascade Trail Phase	0.00	41,174.00	41,174.00	0.0% Per Mark 10.2023, 2024 \$41,174. Move 70% from 2023.
333 20 20 078 STPUS - John Liner Rd, Reed To Tr	0.00	0.00	0.00	0.0%
333 20 20 079 STBGUM - John Liner Rd Bike-Pec	0.00	144,081.00	144,081.00	0.0% Per Mark 12.13.2024: Bike PE
333 20 20 080 Unused	0.00	0.00	0.00	0.0%
334 03 60 001 WSDOT - Jones/JLR BNSF	0.00	0.00	0.00	0.0%
334 03 60 081 WSDOT - Jones/JLR BNSF	0.00	0.00	0.00	0.0%
334 03 61 000 WA DOT Grant	0.00	0.00	0.00	0.0%
334 03 80 010 TIB UAP Fruitdale	0.00	0.00	0.00	0.0%
334 03 80 025 TIB APP State Street	0.00	0.00	0.00	0.0%
334 03 80 030 TIB Sidewalk & Ramp Projects	0.00	0.00	0.00	0.0%
334 03 80 040 TIB APP - SR20 Lane Widening	0.00	0.00	0.00	0.0%
334 03 80 042 TIB Jameson Art Overlay	0.00	0.00	0.00	0.0%
334 03 80 044 TIB Wicker Rd Overlay	0.00	0.00	0.00	0.0%
334 03 80 045 TIB - Trail Rd Overlay	0.00	0.00	0.00	0.0%
334 03 80 050 TIB USP SR20 Sidewalks Township	0.00	0.00	0.00	0.0%
334 03 80 060 TIB Jameson/SR9	0.00	0.00	0.00	0.0%
334 03 80 083 TIB UAP - SR9-John Liner-McGariq	0.00	3,767,099.00	3,767,099.00	0.0% Per Mark 10.2023, 2024 \$3,767,099. From 2023
334 03 80 084 TIB Complete Streets 2023-2025	0.00	396,305.00	396,305.00	0.0% Per Mark 12.13.2024 \$396,305. Revenues \$396,305 to 334.80.084.104. Expenditures \$20,000 to 595.10.63.013, \$376,305 to 595.30.63.013.
334 03 80 085 TIB APP Sch A Cook Rd	0.00	0.00	0.00	0.0%
334 03 80 104 TIB APP Sch A Cook Rd	0.00	0.00	0.00	0.0%
337 00 00 010 Skagit Co Fruitdale Econ Dev Gar	0.00	0.00	0.00	0.0%
337 00 00 011 Port Of Skagit-Fruitdale Road Pro	0.00	0.00	0.00	0.0%
337 00 00 020 SWSD-ADA Curb Contribution	0.00	0.00	0.00	0.0%
337 00 00 051 ILA Funding - SR20 Lane Widenin	0.00	0.00	0.00	0.0%
337 00 00 052 Skagit Co-Econ Dev-SR20/W Lane	0.00	0.00	0.00	0.0%
337 00 00 083 Skagit Co-Econ Dev-SR9-John Lin	0.00	250,000.00	250,000.00	0.0% Per Mark 10.2023, 2024 \$250,000. From 2023.
337 00 00 084 Port of Skagit- Patrick St Extn	0.00	0.00	0.00	0.0%

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104 Arterial Street Fund

Revenues	Original	Proposed	Difference	Remarks
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330 Intergovernmental Revenues

337 00 00 085 Skagit Co ILA - Cook Rd Overlay	0.00	0.00	0.00	0.0%
330 Intergovernmental Revenues	0.00	4,598,659.00	4,598,659.00	0.0%

340 Charges For Goods & Services

341 81 00 104 Plan Sets, Copies	0.00	0.00	0.00	0.0%
341 82 00 000 Engineering Services	0.00	0.00	0.00	0.0%
344 10 00 000 Construction/Maint Charges	0.00	0.00	0.00	0.0%
345 84 00 000 Local Transportaion Act (LTA) Imp	0.00	0.00	0.00	0.0%
345 85 00 000 GMA Impact Fees DO NOT USE!	0.00	0.00	0.00	0.0%
340 Charges For Goods & Services	0.00	0.00	0.00	0.0%

360 Interest & Other Earnings

361 11 00 104 Investment Interest	0.00	0.00	0.00	0.0%
361 30 00 104 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%
362 00 00 001 SWSD Lease - 632 Cook Road	0.00	0.00	0.00	0.0%
362 00 00 104 Tuttle Lease - 603 F&S Grade Roa	0.00	0.00	0.00	0.0%
367 00 00 104 PSE Lighting Grants	0.00	0.00	0.00	0.0%
369 91 00 104 Miscellaneous Income	0.00	0.00	0.00	0.0%
360 Interest & Other Earnings	0.00	0.00	0.00	0.0%

380 Non Revenues

381 10 02 000 Loan Received From Sewer Res	0.00	0.00	0.00	0.0%
380 Non Revenues	0.00	0.00	0.00	0.0%

390 Other Financing Sources

395 10 00 104 Sale Of Assets	0.00	0.00	0.00	0.0%
390 Other Financing Sources	0.00	0.00	0.00	0.0%

397 Interfund Transfers

397 00 13 104 Transfer From Streets 103	0.00	0.00	0.00	0.0%
397 00 14 113 Transfer From 113	0.00	0.00	0.00	0.0%

2024 PROPOSED BUDGET CHANGES

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104 Arterial Street Fund

Revenues	Original	Proposed	Difference	Remarks
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397 Interfund Transfers

397 00 14 301 Capital Projects Transfer-REET I	0.00	758,388.00	758,388.00	0.0%	Per Mark, 10.5.2023. Jones/JLR BNSF PE \$600,000 SR9/JLR MCG \$691,775 Sidewalk 103 \$25,000 Local All Str 103 \$150,000 Parks 101 \$50,000 Total = \$1,516,775 50/50 REET 1 and REET 2 = \$758,387.50
397 00 14 302 Capital Projects Transfer-REET II	0.00	758,388.00	758,388.00	0.0%	Per Mark, 10.5.2023. Jones/JLR BNSF PE \$600,000 SR9/JLR MCG \$691,775 Sidewalk 103 \$25,000 Local All Str 103 \$150,000 Parks 101 \$50,000 Total = \$1,516,775 50/50 REET 1 and REET 2 = \$758,387.50
397 00 14 304 Transfer From 304 TBD	100,000.00	214,000.00	114,000.00	214.0%	N Trail Rd / Bucko \$54,000 N Reed Overlay \$60,000 2024 Art(?) Maint \$100,000 Total = \$214,000
397 00 14 314 Transfer From 314 Transportation	0.00	393,328.00	393,328.00	0.0%	Per Mark, 10.5.2023: SR20 / CT PN 2A \$16,335 N Trail Bucko \$272,000 Cook / Trail Int \$48,567 N Reed St Int \$50,000 JLR Bike/PED \$6,426 Total = \$393,328
397 00 14 426 Transfer From 426 Stormwater Re	0.00	0.00	0.00	0.0%	
397 Interfund Transfers	100,000.00	2,124,104.00	2,024,104.00	*****%	
Fund Revenues:	100,000.00	6,722,763.00	6,622,763.00	*****%	

Expenditures	Original	Proposed	Difference	Remarks
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308 Beginning Balances

595 30 63 085 Cont - Sch A Cook Rd Overlay	0.00	0.00	0.00	0.0%
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Expenditures	Original	Proposed	Difference	Remarks
308 Beginning Balances				
308 Beginning Balances	0.00	0.00	0.00	0.0%
544 Road & Street Operations				
544 40 41 000 Transportation Plan Update	0.00	0.00	0.00	0.0%
544 40 41 010 MPO RTPO Match	0.00	10,404.00	10,404.00	0.0% 2023 dues \$9,908 * 1.05 = \$10,404 estimate for 2024
544 Road & Street Operations	0.00	10,404.00	10,404.00	0.0%
580 Non Expenditures				
581 20 00 000 Loan Repayment Sewer Res	0.00	0.00	0.00	0.0%
580 Non Expenditures	0.00	0.00	0.00	0.0%
591 Debt Service - Principal Repayment				
592 95 82 000 Interest Paid On Interfund Loan	0.00	0.00	0.00	0.0%
591 Debt Service - Principal Repayment	0.00	0.00	0.00	0.0%
594 Capital Expenditures				
595 10 63 045 Eng - Trail Rd Overlay	0.00	0.00	0.00	0.0%
595 10 63 084 Eng-Patrick St Extn	0.00	0.00	0.00	0.0%
595 10 63 085 Eng - Sch A Cook Rd Overlay	0.00	0.00	0.00	0.0%
595 10 63 086 Eng - Sch B Jameson Rd Overlay	0.00	0.00	0.00	0.0%
595 30 63 012 Const - Cook Rd Pedestian Crossi	0.00	0.00	0.00	0.0%
595 30 63 013 Const - TIB Compl Streets 2023-24	0.00	376,305.00	376,305.00	0.0% Revenues \$396,305 to 334.80.084.104. Expenditures \$20,000 to 595.10.63.013, \$376,305 to 595.30.63.013
595 30 63 042 Const - Jameson Art Overlay	0.00	0.00	0.00	0.0%
595 30 63 045 Const - Trail Rd Overlay	0.00	0.00	0.00	0.0%
595 30 63 076 Const-SR20/SR9-Township Int Im	0.00	0.00	0.00	0.0%
595 30 63 083 Const-SR 9-John Liner-McGarigle	0.00	2,172,145.00	2,172,145.00	0.0% Per Mark, 10.5.2023. From 2023 - CN 2,172,145.
595 30 63 086 Const - Sch B Jameson Overlay	0.00	0.00	0.00	0.0%
595 30 63 087 Const - Sch C Cook Overlay	0.00	0.00	0.00	0.0%
594 Capital Expenditures	0.00	2,548,450.00	2,548,450.00	0.0%

595 Capital Expenditures- Streets

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104 Arterial Street Fund

Expenditures	Original	Proposed	Difference	Remarks
595 Capital Expenditures- Streets				
595 10 11 104 Salaries	0.00	0.00	0.00	0.0%
595 10 11 904 Car Allowance	0.00	0.00	0.00	0.0%
595 10 21 104 Industrial Insurance	0.00	0.00	0.00	0.0%
595 10 22 104 Social Security	0.00	0.00	0.00	0.0%
595 10 23 104 PERS Retirement	0.00	0.00	0.00	0.0%
595 10 24 104 Unemployment	0.00	0.00	0.00	0.0%
595 10 25 104 Medical/Dental/ Vision	0.00	0.00	0.00	0.0%
595 10 63 104 Industrial Insurance	0.00	0.00	0.00	0.0%
595 10 63 010 Eng Fruitdale	0.00	0.00	0.00	0.0%
595 10 63 025 Eng-State Overlay	0.00	0.00	0.00	0.0%
595 10 63 033 Eng-Ferry/Township Overlay	0.00	0.00	0.00	0.0%
595 10 63 034 Eng - N Trail Rd - Bucko	0.00	54,000.00	54,000.00	0.0% Per Mark, 10.5.2023. Moved from 2023 TBD & GMA.
595 10 63 040 Eng-SR9 Jameson	0.00	0.00	0.00	0.0%
595 10 63 041 Eng - John Line Rd Bike-Ped	0.00	47,600.00	47,600.00	0.0% Perk Mark, 10.5.2023. Allowed 30 to 2023 and 70% to 2024 STPU S& 314.
595 10 63 042 Eng - Jameson Art Overlay	0.00	0.00	0.00	0.0%
595 10 63 044 Eng-Wicker Rd Overlay	0.00	0.00	0.00	0.0%
595 10 63 050 Eng-SR20 Side/E Lane Township/F	0.00	0.00	0.00	0.0%
595 10 63 052 Eng-SR20 W Lane Widening	0.00	0.00	0.00	0.0%
595 10 63 070 Eng SR20 Cascade Trail Phase 1A	0.00	0.00	0.00	0.0%
595 10 63 075 Eng SR20 Cascade Trail Phase 1B	0.00	0.00	0.00	0.0%
595 10 63 076 Eng-SR20/SR9-Township Int Impr	0.00	0.00	0.00	0.0%
595 10 63 077 Eng-SR20 Cascade Trail Phase 2A	0.00	0.00	0.00	0.0%
595 10 63 078 Eng - Jones/John Liner BNSF Unde	0.00	600,000.00	600,000.00	0.0% Per Mark, 10.5.2023. Moved from 2023 REET I/II.
595 10 63 080 Eng-Jones/John Liner/Trail	0.00	0.00	0.00	0.0%
595 10 63 081 Eng - John Line Rd. Bike/Ped	0.00	0.00	0.00	0.0%
595 10 63 083 Eng-SR 9-John Liner-McGarigle In	0.00	45,256.00	45,256.00	0.0% Per Mark, 10.5.2023. Bal PE - TIB & REET I/II
595 30 63 044 Const-Wicker Rd Overlay	0.00	0.00	0.00	0.0%
010 Engineering	0.00	746,856.00	746,856.00	0.0%
595 20 63 082 RW Trail Road Extension	0.00	0.00	0.00	0.0%
595 20 63 083 RW-SR 9-John Liner-McGarigle In	0.00	1,549,698.00	1,549,698.00	0.0% Per Mark, 10.5.2023. Bal RW - TIB & REET I/II
595 20 63 084 RW - SR20 Cascade Trail - Phase 2	0.00	0.00	0.00	0.0%
595 20 63 085 RW Jones/John Liner/Trail Rd Acq	0.00	0.00	0.00	0.0%
595 20 63 086 RW - Jones/John Liner BNSF Unde	0.00	0.00	0.00	0.0%
020 Construction - Right of Way	0.00	1,549,698.00	1,549,698.00	0.0%

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104 Arterial Street Fund

Expenditures	Original	Proposed	Difference	Remarks
595 Capital Expenditures- Streets				
595 30 48 001 Arterial Maintenance	100,000.00	100,000.00	0.00	100.0%
595 30 48 010 Emergency Pavement Repair	0.00	0.00	0.00	0.0%
595 30 63 010 Const-Fruitdale	0.00	0.00	0.00	0.0%
595 30 63 011 Const-Fruitdale-Port Of Skagit	0.00	0.00	0.00	0.0%
595 30 63 025 Const-State St Overlay	0.00	0.00	0.00	0.0%
595 30 63 033 Const-Ferry/Township Overlay	0.00	0.00	0.00	0.0%
595 30 63 040 Const-Jameson/SR9	0.00	0.00	0.00	0.0%
595 30 63 046 Const - N Trail Rd - Bucko	0.00	376,000.00	376,000.00	0.0% Per Mark, 10.5.2023. Moved from 2023 - 314 TIF.
595 30 63 052 Const-SR20 W Lane Widening	0.00	0.00	0.00	0.0%
595 30 63 081 Const-Jones/John Liner BNSF Unc	0.00	600,000.00	600,000.00	0.0% Per Mar, 10.5.2023. Moved from 2023 - REET I/II
595 30 63 084 Const - John Liner Rd Bike/Ped	0.00	0.00	0.00	0.0%
595 30 63 090 Const Fruit/McGar Mitigate	0.00	0.00	0.00	0.0%
595 30 63 900 Const-Roundabout Enhancement	0.00	0.00	0.00	0.0%
595 62 63 076 Const - SR 20 Cascade Trail - Phase	0.00	795,000.00	795,000.00	0.0% Per Mark, 10.5.2023. CN Phase - STPUS & 314 TIF.
030 Construction - Roadways	100,000.00	1,871,000.00	1,771,000.00	*****0%
595 61 63 030 Const-Sidewalk & Ramp Projects	0.00	0.00	0.00	0.0%
595 61 63 050 Const-SR20 Sidewalks/E Lane Wic	0.00	0.00	0.00	0.0%
061 Construction - Sidewalks	0.00	0.00	0.00	0.0%
595 62 63 070 Const SR20 Cascade Trail Phase 1	0.00	0.00	0.00	0.0%
595 62 63 075 Const SR20 Cascade Trail Phase 1	0.00	0.00	0.00	0.0%
062 Construction - Pathways	0.00	0.00	0.00	0.0%
595 64 63 050 SR20 Ferry Street Signalization	0.00	0.00	0.00	0.0%
064 Construction - Traffic Control Device	0.00	0.00	0.00	0.0%
597 00 00 104 Transfer To General Fund	0.00	0.00	0.00	0.0%
597 00 11 104 Transfer To Parks	0.00	0.00	0.00	0.0%
597 00 28 104 Transfer To Stormwater	0.00	0.00	0.00	0.0%
950 Transfer	0.00	0.00	0.00	0.0%
595 Capital Expenditures- Streets	100,000.00	4,167,554.00	4,067,554.00	*****0%

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104 Arterial Street Fund					
Expenditures	Original	Proposed	Difference	Remarks	
597 Interfund Transfers					
597 00 10 104 Transfer-out Traffic Impact Fee Fu	0.00	0.00	0.00	0.0%	
597 00 15 104 Operating Transfer Out - Traffic In	0.00	0.00	0.00	0.0%	
597 Interfund Transfers	0.00	0.00	0.00	0.0%	
Fund Expenditures:	100,000.00	6,726,408.00	6,626,408.00	*****%	
Fund Excess/(Deficit):	0.00	(3,645.00)			

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105 Library Fund

Revenues	Original	Proposed	Difference	Remarks
310 Taxes				
311 10 00 105 Real & Psnl Property Taxes	456,887.00	456,887.00	0.00	100.0%
310 Taxes	456,887.00	456,887.00	0.00	100.0%
330 Intergovernmental Revenues				
333 84 00 000 LSTA Grant	0.00	0.00	0.00	0.0%
334 05 70 000 State Direct/Indirect Grant From S	0.00	0.00	0.00	0.0%
330 Intergovernmental Revenues	0.00	0.00	0.00	0.0%
340 Charges For Goods & Services				
341 81 00 105 Photocopying	0.00	0.00	0.00	0.0%
347 20 00 000 Library Use Fees	0.00	0.00	0.00	0.0%
347 20 10 000 Local Government Use Fees	0.00	0.00	0.00	0.0%
340 Charges For Goods & Services	0.00	0.00	0.00	0.0%
350 Fines & Penalties				
359 70 00 000 Library Fines	0.00	0.00	0.00	0.0%
350 Fines & Penalties	0.00	0.00	0.00	0.0%
360 Interest & Other Earnings				
361 11 00 105 Investment Interest	500.00	500.00	0.00	100.0%
361 30 00 105 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%
367 00 00 105 Contribution/Donation-Private	0.00	0.00	0.00	0.0%
360 Interest & Other Earnings	500.00	500.00	0.00	100.0%
380 Non Revenues				
381 10 30 105 Loan Received-Fund 302 CWE Res	0.00	0.00	0.00	0.0%
388 10 00 105 Prior Period Adjustment	0.00	0.00	0.00	0.0%
380 Non Revenues	0.00	0.00	0.00	0.0%
Fund Revenues:	457,387.00	457,387.00	0.00	100.0%

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105 Library Fund

Expenditures	Original	Proposed	Difference	Remarks
572 Libraries				
572 20 11 000 Salaries	0.00	0.00	0.00	0.0%
572 20 21 001 Industrial Insurance	0.00	0.00	0.00	0.0%
572 20 22 001 Social Security	0.00	0.00	0.00	0.0%
572 20 23 001 PERS Retirement	0.00	0.00	0.00	0.0%
572 20 24 001 Unemployment	0.00	0.00	0.00	0.0%
572 20 25 001 Medical/Dental/Vision	0.00	0.00	0.00	0.0%
572 20 26 050 Washington Sick Leave	0.00	0.00	0.00	0.0%
010 Library Services	0.00	0.00	0.00	0.0%
572 20 31 000 Operating Supplies	0.00	0.00	0.00	0.0%
572 20 31 010 Supplies	0.00	0.00	0.00	0.0%
572 20 34 000 Summer Reading Program	0.00	0.00	0.00	0.0%
572 20 34 001 Early Literacy Program	0.00	0.00	0.00	0.0%
030 Supplies	0.00	0.00	0.00	0.0%
572 20 41 000 Professional Services	0.00	0.00	0.00	0.0%
572 20 41 001 Computerized Circulation System	0.00	0.00	0.00	0.0%
572 20 41 002 E-book & Audio Book Access	0.00	0.00	0.00	0.0%
572 20 41 003 Programming Grants	0.00	0.00	0.00	0.0%
572 20 41 004 Secretary Of State Advertising Gra	0.00	0.00	0.00	0.0%
572 20 41 010 WA Library System	0.00	0.00	0.00	0.0%
572 20 41 015 Library Info Databases	0.00	0.00	0.00	0.0%
572 20 41 105 Library Joint Operation Services	103,970.00	103,970.00	0.00	100.0%
572 20 42 010 Postage	0.00	0.00	0.00	0.0%
572 20 42 020 Telephone	0.00	0.00	0.00	0.0%
572 20 42 025 Internet	0.00	0.00	0.00	0.0%
572 20 43 000 Travel	0.00	0.00	0.00	0.0%
572 20 44 010 Taxes & Assessments	0.00	0.00	0.00	0.0%
572 20 46 000 Insurance	0.00	0.00	0.00	0.0%
572 20 47 000 Public Utilities	0.00	0.00	0.00	0.0%
572 20 48 010 Repair/Maint-Computer	0.00	0.00	0.00	0.0%
572 20 48 020 Repair/Maintenance-Equip	0.00	0.00	0.00	0.0%
572 20 49 000 Subscriptions	0.00	0.00	0.00	0.0%
572 20 49 010 Tuition/registration	0.00	0.00	0.00	0.0%
040 Services & Charges	103,970.00	103,970.00	0.00	100.0%
581 20 00 105 Loan Repayment Fund 302	0.00	0.00	0.00	0.0%
592 72 80 105 Interest On Interfund Loan	0.00	0.00	0.00	0.0%

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105 Library Fund

Expenditures	Original	Proposed	Difference	Remarks
572 Libraries				
800 Debt Service	0.00	0.00	0.00	0.0%
594 72 64 000 Books & Materials	0.00	0.00	0.00	0.0%
594 72 64 001 Books - Skagit County	0.00	0.00	0.00	0.0%
594 72 64 010 Land Improvements - Fencing	0.00	0.00	0.00	0.0%
900 Capital Expenditures	0.00	0.00	0.00	0.0%
572 Libraries	103,970.00	103,970.00	0.00	100.0%
591 Debt Service - Principal Repayment				
591 72 71 105 Principal On 2019 LTGO Bond	212,875.00	212,875.00	0.00	100.0%
591 Debt Service - Principal Repayment	212,875.00	212,875.00	0.00	100.0%
592 Debt Service - Interest Costs				
592 72 81 105 Interest On 2019 LTGO Bond	140,042.06	140,042.06	0.00	100.0%
592 Debt Service - Interest Costs	140,042.06	140,042.06	0.00	100.0%
597 Interfund Transfers				
597 00 05 305 Trans To Library Construction Fun	0.00	0.00	0.00	0.0%
597 Interfund Transfers	0.00	0.00	0.00	0.0%
Fund Expenditures:	456,887.06	456,887.06	0.00	100.0%
Fund Excess/(Deficit):	499.94	499.94		

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106 Cemetery Endowment Fund					
Revenues	Original	Proposed	Difference		Remarks
340 Charges For Goods & Services					
343 60 00 106 Cemetery Fees for Reserve	3,250.00	3,250.00	0.00	100.0%	
340 Charges For Goods & Services	3,250.00	3,250.00	0.00	100.0%	
Fund Revenues:	3,250.00	3,250.00	0.00	100.0%	
Expenditures	Original	Proposed	Difference		Remarks
536 Cemetery					
536 30 44 010 Taxes and Assessments	0.00	0.00	0.00	0.0%	
030 Services & Charges	0.00	0.00	0.00	0.0%	
536 Cemetery	0.00	0.00	0.00	0.0%	
597 Interfund Transfers					
597 00 00 106 Transfers-Out - Cemetery Op	50,000.00	0.00	(50,000.00)	0.0%	\$0
597 Interfund Transfers	50,000.00	0.00	(50,000.00)	0.0%	
Fund Expenditures:	50,000.00	0.00	(50,000.00)	0.0%	
Fund Excess/(Deficit):	(46,750.00)	3,250.00			

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107 Parks Reserve Fund

Revenues	Original	Proposed	Difference	Remarks
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360 Interest & Other Earnings

361 11 00 107 Investment Interest	0.00	0.00	0.00	0.0%
361 30 00 107 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%
367 00 00 107 Private Donation	0.00	0.00	0.00	0.0%
360 Interest & Other Earnings	0.00	0.00	0.00	0.0%

Fund Revenues:	0.00	0.00	0.00	0.0%
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Expenditures	Original	Proposed	Difference	Remarks
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576 Park Facilities

576 80 48 107 Repairs & Maintenance	0.00	0.00	0.00	0.0%
576 Park Facilities	0.00	0.00	0.00	0.0%

597 Interfund Transfers

597 00 10 101 Parks Operations Transfer	0.00	0.00	0.00	0.0%
597 Interfund Transfers	0.00	0.00	0.00	0.0%

Fund Expenditures:	0.00	0.00	0.00	0.0%
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Fund Excess/(Deficit):	0.00	0.00		
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108 Lodging Tax Fund

Revenues	Original	Proposed	Difference		Remarks
310 Taxes					
313 31 00 000 Hotel Motel Lodging	24,460.00	45,500.00	21,040.00	186.0%	August 2023 YTD \$35,157, projected to \$45,453. 2024: \$45,500.
310 Taxes	24,460.00	45,500.00	21,040.00	186.0%	
360 Interest & Other Earnings					
361 11 00 108 Investment Interest	120.00	120.00	0.00	100.0%	
361 30 00 108 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%	
360 Interest & Other Earnings	120.00	120.00	0.00	100.0%	
380 Non Revenues					
381 10 30 302 Loan From Fund 302	0.00	0.00	0.00	0.0%	
380 Non Revenues	0.00	0.00	0.00	0.0%	
Fund Revenues:	24,580.00	45,620.00	21,040.00	185.6%	

Expenditures	Original	Proposed	Difference		Remarks
557 Community Services					
557 30 41 021 Public Works Department	0.00	9,000.00	9,000.00	0.0%	2024 Lodging Tax Grant \$9,000
557 30 41 022 Lincoln Theatre	0.00	500.00	500.00	0.0%	2024 Lodging Tax Grant \$500
557 30 41 000 Advertising	0.00	0.00	0.00	0.0%	
557 30 41 010 Loggerodeo	0.00	10,000.00	10,000.00	0.0%	2024 Lodging Tax Grant \$10,000.
557 30 41 011 Chamber Of Commerce	0.00	15,000.00	15,000.00	0.0%	2024 Lodging Tax Grant \$15,000.
557 30 41 012 Tulip Festival	0.00	0.00	0.00	0.0%	
557 30 41 013 S-W Riding Club	0.00	6,150.00	6,150.00	0.0%	2023 Lodging Tax Grant not reimbursed in 2023 \$6,150.
557 30 41 014 S-W Farmers Market	0.00	2,500.00	2,500.00	0.0%	2024 Lodging Tax Grant \$2,500.
557 30 41 015 S-W Museum	0.00	2,500.00	2,500.00	0.0%	2024 Lodging Tax Grant \$2,500.
557 30 41 016 S-W Rotary Summer Concert	0.00	5,000.00	5,000.00	0.0%	2024 Lodging Tax Grant \$5,000.
557 30 41 017 S-W Skateboard Challenge	0.00	0.00	0.00	0.0%	
557 30 41 018 Arts Council Of Sedro-Woolley	0.00	0.00	0.00	0.0%	
557 30 41 019 Skagit Racing Association	0.00	0.00	0.00	0.0%	
050 Services & Charges	0.00	41,150.00	41,150.00	0.0%	
597 00 00 001 General Fund - Wayfinder Signs	0.00	0.00	0.00	0.0%	
597 00 00 108 Restrooms Fund 101	0.00	0.00	0.00	0.0%	

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108 Lodging Tax Fund				
Expenditures	Original	Proposed	Difference	Remarks
557 Community Services				
950 Transfers	0.00	0.00	0.00	0.0%
557 Community Services	0.00	50,650.00	50,650.00	0.0%
Fund Expenditures:	0.00	50,650.00	50,650.00	0.0%
Fund Excess/(Deficit):	24,580.00	(5,030.00)		

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109 Special Investigation Fund

Revenues	Original	Proposed	Difference	Remarks
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360 Interest & Other Earnings

361 11 00 109 Investment Interest	150.00	150.00	0.00	100.0%
361 30 00 109 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%
369 30 00 000 Evidence Confiscations	7,500.00	7,500.00	0.00	100.0%
369 40 00 109 Judgments & Settlements	0.00	0.00	0.00	0.0%
360 Interest & Other Earnings	7,650.00	7,650.00	0.00	100.0%

390 Other Financing Sources

395 10 00 109 Sale Of Assets	0.00	0.00	0.00	0.0%
390 Other Financing Sources	0.00	0.00	0.00	0.0%

Fund Revenues:	7,650.00	7,650.00	0.00	100.0%
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Expenditures	Original	Proposed	Difference	Remarks
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521 Law Enforcement

521 20 31 109 Supplies	0.00	0.00	0.00	0.0%
521 21 41 000 State Fees	1,000.00	1,000.00	0.00	100.0%
521 21 49 010 Informant Information	0.00	0.00	0.00	0.0%
594 21 62 000 Seizure - Real Property	0.00	0.00	0.00	0.0%
594 21 64 100 Seizure - Personal Property	0.00	0.00	0.00	0.0%

025 Operations Services & Charges	1,000.00	1,000.00	0.00	100.0%
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594 21 64 109 Equipment	0.00	0.00	0.00	0.0%
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921 Capital Expenditures	0.00	0.00	0.00	0.0%
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521 Law Enforcement	1,000.00	1,000.00	0.00	100.0%
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Fund Expenditures:	1,000.00	1,000.00	0.00	100.0%
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Fund Excess/(Deficit):	6,650.00	6,650.00		
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112 Code Enforcement Fund

Revenues	Original	Proposed	Difference	Remarks
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340 Charges For Goods & Services

342 10 00 112 Law Enforcement Services	0.00	0.00	0.00	0.0%
340 Charges For Goods & Services	0.00	0.00	0.00	0.0%

350 Fines & Penalties

352 20 00 112 Cruelty To Animals Penalties	0.00	0.00	0.00	0.0%
353 70 00 112 Code Enforcement Fines & Penalt	1,000.00	1,000.00	0.00	100.0%
359 00 00 112 Appeal Fees	0.00	0.00	0.00	0.0%
350 Fines & Penalties	1,000.00	1,000.00	0.00	100.0%

360 Interest & Other Earnings

361 11 00 112 Investment Interest	200.00	200.00	0.00	100.0%
361 30 00 112 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%
360 Interest & Other Earnings	200.00	200.00	0.00	100.0%

Fund Revenues:	1,200.00	1,200.00	0.00	100.0%
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Expenditures	Original	Proposed	Difference	Remarks
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515 Legal Services

515 31 42 112 Public Education	0.00	0.00	0.00	0.0%
515 31 47 000 Disposal Costs	2,500.00	2,500.00	0.00	100.0%
515 41 41 112 Legal Services	0.00	0.00	0.00	0.0%
524 60 30 112 Code Enforcement Supplies	0.00	0.00	0.00	0.0%
594 15 00 000 Equipment	0.00	0.00	0.00	0.0%
515 Legal Services	2,500.00	2,500.00	0.00	100.0%

597 Interfund Transfers

597 01 12 501 Transfer To ERR	0.00	0.00	0.00	0.0%
597 Interfund Transfers	0.00	0.00	0.00	0.0%

Fund Expenditures:	2,500.00	2,500.00	0.00	100.0%
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112 Code Enforcement Fund

Fund Excess/(Deficit):	(1,300.00)	(1,300.00)
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113 Paths And Trails Fund				
Revenues	Original	Proposed	Difference	Remarks
330 Intergovernmental Revenues				
336 00 87 113 Motor Vehicle Fuel Tax-City	0.00	0.00	0.00	0.0%
330 Intergovernmental Revenues	0.00	0.00	0.00	0.0%
360 Interest & Other Earnings				
361 11 00 113 Investment Interest	0.00	0.00	0.00	0.0%
361 30 00 113 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%
360 Interest & Other Earnings	0.00	0.00	0.00	0.0%
Fund Revenues:	0.00	0.00	0.00	0.0%
Expenditures	Original	Proposed	Difference	Remarks
594 Capital Expenditures				
595 62 63 000 Trail Construction	0.00	0.00	0.00	0.0%
594 Capital Expenditures	0.00	0.00	0.00	0.0%
597 Interfund Transfers				
597 95 00 104 Transfer To Arterial Streets	0.00	0.00	0.00	0.0%
597 Interfund Transfers	0.00	0.00	0.00	0.0%
Fund Expenditures:	0.00	0.00	0.00	0.0%
Fund Excess/(Deficit):	0.00	0.00		

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114 Law Enforcement Sales Tax				
Revenues	Original	Proposed	Difference	Remarks
310 Taxes				
313 15 00 001 Sales Tax - Jail (2/10)	658,600.00	658,600.00	0.00	100.0%
310 Taxes	658,600.00	658,600.00	0.00	100.0%
Fund Revenues:	658,600.00	658,600.00	0.00	100.0%
Expenditures				
523 Detention/Correction				
523 60 41 022 Jail Sales Tax Pass Through 2/10	658,600.00	658,600.00	0.00	100.0%
523 Detention/Correction	658,600.00	658,600.00	0.00	100.0%
Fund Expenditures:	658,600.00	658,600.00	0.00	100.0%
Fund Excess/(Deficit):	0.00	0.00		

2024 PROPOSED BUDGET CHANGES

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115 City Council Strategic Reserve

Revenues	Original	Proposed	Difference	Remarks
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310 Taxes

316 40 00 000 Utility Tax On Potable Water	75,000.00	0.00	(75,000.00)	0.0%	Moved entire portion to GF.
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310 Taxes	75,000.00	0.00	(75,000.00)	0.0%
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360 Interest & Other Earnings

361 11 00 115 Investment Interest	350.00	350.00	0.00	100.0%
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361 30 00 115 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%
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361 30 11 115 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%
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360 Interest & Other Earnings	350.00	350.00	0.00	100.0%
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Fund Revenues:	75,350.00	350.00	(75,000.00)	0.5%
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Expenditures	Original	Proposed	Difference	Remarks
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558 Planning & Community Devel

558 70 41 020 Downtown Association Support (I	0.00	0.00	0.00	0.0%
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558 Planning & Community Devel	0.00	0.00	0.00	0.0%
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562 Public Health

562 00 41 115 Skagit Community Action Agency	0.00	0.00	0.00	0.0%
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562 Public Health	0.00	0.00	0.00	0.0%
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575 Cultural & Recreational Facilities

575 50 41 000 Skagit Valley YMCA	0.00	0.00	0.00	0.0%
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575 50 42 000 SW Rotary Support	0.00	0.00	0.00	0.0%
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575 Cultural & Recreational Facilities	0.00	0.00	0.00	0.0%
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594 Capital Expenditures

594 76 61 115 Capital Expenditures/Expenses - L	0.00	0.00	0.00	0.0%
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594 Capital Expenditures	0.00	0.00	0.00	0.0%
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597 Interfund Transfers

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115 City Council Strategic Reserve				
Expenditures	Original	Proposed	Difference	Remarks
597 Interfund Transfers				
597 00 01 205 Transfer To 2008 G.O. Bond Fund	50,000.00	50,000.00	0.00	100.0%
597 00 04 001 Transfers-Out To General Fund 00	0.00	0.00	0.00	0.0%
597 00 05 101 Transfers-Out -To Parks Facility #1	51,000.00	51,000.00	0.00	100.0% To cover deficit in Parks Fund, transfer if needed.
597 00 05 103 Transfers-Out To Streets Fund 103	0.00	0.00	0.00	0.0%
597 Interfund Transfers	101,000.00	101,000.00	0.00	100.0%
Fund Expenditures:	101,000.00	101,000.00	0.00	100.0%
Fund Excess/(Deficit):	(25,650.00)	(100,650.00)		

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116 Affordable Housing - HB 1406

Revenues	Original	Proposed	Difference	Remarks
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310 Taxes

313 27 00 116 Affordable Housing Sales and Use	14,500.00	14,500.00	0.00	100.0%
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310 Taxes	14,500.00	14,500.00	0.00	100.0%
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397 Interfund Transfers

397 00 00 116 Transfer-In from General Fund	0.00	0.00	0.00	0.0%
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397 Interfund Transfers	0.00	0.00	0.00	0.0%
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Fund Revenues:	14,500.00	14,500.00	0.00	100.0%
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Expenditures	Original	Proposed	Difference	Remarks
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551 00 00 116 Public Housing Services	0.00	25,000.00	25,000.00	0.0%	Family Promise contract extended into 2024, estimated expenditures of \$25,000.
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000	0.00	25,000.00	25,000.00	0.0%
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597 Interfund Transfers

597 00 00 117 Transfers-Out to Fund 117	0.00	10,389.00	10,389.00	0.0%	Family Promise was originally coded to Fund 117, should have been coded to Fund 116. Transfer to correct.
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597 Interfund Transfers	0.00	10,389.00	10,389.00	0.0%
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Fund Expenditures:	0.00	35,389.00	35,389.00	0.0%
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Fund Excess/(Deficit):	14,500.00	(20,889.00)		
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117 Housing and Related Services

Revenues	Original	Proposed	Difference	Remarks
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310 Taxes

313 25 00 000 Housing And Related Services Sal 224,920.00 258,606.00 33,686.00 115.0% 9.2023 YTD \$193,955 / 9 x 12 = \$258,606

310 Taxes	224,920.00	258,606.00	33,686.00	115.0%
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397 Interfund Transfers

397 00 01 116 Transfer-In from Fund 116 0.00 10,389.00 10,389.00 0.0% Family Promise was originally coded to Fund 117, should have been coded to Fund 116. Transfer to correct.

397 Interfund Transfers	0.00	10,389.00	10,389.00	0.0%
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Fund Revenues:	224,920.00	268,995.00	44,075.00	119.6%
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Expenditures	Original	Proposed	Difference	Remarks
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000

551 00 00 117 Affordable Housing 0.00 0.00 0.00 0.0%

551 00 01 117 Affordable Housing - NOFA 0.00 109,100.00 109,100.00 0.0% Interlocal agreement with Skagit County for 40% of revenues from July 1, 2023 through June 30, 2024. July - Dec 2023 = \$55,097.60. January - June 2024 estimated at \$54,000. Total estimate as of Jan 2024 is \$109,097.60

000	0.00	109,100.00	109,100.00	0.0%
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Fund Expenditures:	0.00	109,100.00	109,100.00	0.0%
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Fund Excess/(Deficit):	224,920.00	159,895.00
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118 National Opioid Settlement Fund					
Revenues	Original	Proposed	Difference	Remarks	
360 Interest & Other Earnings					
369 40 00 118 Opioid Settlement	0.00	5,427.66	5,427.66	0.0%	Distributor Payment 3: Date to be determined.
369 91 00 118 Misc Rev - Opioid Settlement	0.00	0.00	0.00	0.0%	
360 Interest & Other Earnings	0.00	5,427.66	5,427.66	0.0%	
397 Interfund Transfers					
397 00 00 118 Transfer In from General Fund	0.00	0.00	0.00	0.0%	
397 Interfund Transfers	0.00	0.00	0.00	0.0%	
Fund Revenues:	0.00	5,427.66	5,427.66	0.0%	
Fund Excess/(Deficit):	0.00	5,427.66			

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189 American Rescue Plan Act Fund

Revenues	Original	Proposed	Difference	Remarks
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330 Intergovernmental Revenues

332 92 10 189 Federal - ARPA grant	0.00	0.00	0.00	0.0%
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330 Intergovernmental Revenues	0.00	0.00	0.00	0.0%
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397 Interfund Transfers

397 00 00 189 Transfer in from the General Fund	0.00	0.00	0.00	0.0%
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397 Interfund Transfers	0.00	0.00	0.00	0.0%
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Fund Revenues:	0.00	0.00	0.00	0.0%
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Expenditures	Original	Proposed	Difference	Remarks
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558 Planning & Community Devel

579 03 00 189 Miscellaneous	0.00	25,500.00	25,500.00	0.0%	ARPA - \$25,500 - police retention bonuses
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558 Planning & Community Devel	0.00	25,500.00	25,500.00	0.0%
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597 Interfund Transfers

597 00 02 002 Transfers-Out to General Fund	291,500.00	481,552.00	190,052.00	165.2%	\$143,784 economic & tourism development (558.70.00.513); \$140,000 Community Development Grant Program (558.70.00.513); \$60,000 fire tuition reimbursement (522.45.49.010); \$55,000 recruit academy (522.45.49.010); \$15,768 Fire Station 2 hot water heater (522.50.48.030); \$50,000 fire hydrant repair (522.20.48.001); \$6,000 IT Upgrades; \$10,500 organizational development (517.95.41.001); \$500 learning library (517.95.41.001)
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597 00 02 103 Transfers-Out to Street Fund	0.00	0.00	0.00	0.0%
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597 00 89 101 Transfer out to 101 Parks & Facilit	0.00	269,750.00	269,750.00	0.0%	\$30,749 Memorial Park (594.76.63.014); \$239,000 Olmsted Park (594.76.63.025)
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597 Interfund Transfers	291,500.00	751,302.00	459,802.00	257.7%
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Fund Expenditures:	291,500.00	776,802.00	485,302.00	266.5%
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Fund Excess/(Deficit):	(291,500.00)	(776,802.00)
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205 2008 G/O Bond Fund

Revenues	Original	Proposed	Difference		Remarks
310 Taxes					
316 47 00 205 B & O Tax On Cell Phone	49,000.00	49,000.00	0.00	100.0%	
310 Taxes	49,000.00	49,000.00	0.00	100.0%	
360 Interest & Other Earnings					
361 11 00 205 Investment Interest	50.00	50.00	0.00	100.0%	
361 30 00 205 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%	
360 Interest & Other Earnings	50.00	50.00	0.00	100.0%	
397 Interfund Transfers					
397 00 00 115 Transfer Council Strategic Fund	50,000.00	50,000.00	0.00	100.0%	
397 00 10 001 Transfer General Fund Subsidy	58,544.00	81,599.00	23,055.00	139.4%	Increase to cover payments.
397 Interfund Transfers	108,544.00	131,599.00	23,055.00	121.2%	
Fund Revenues:	157,594.00	180,649.00	23,055.00	114.6%	
Expenditures	Original	Proposed	Difference		Remarks
594 Capital Expenditures					
591 18 71 000 Bond Principal USDA	114,950.00	64,950.00	(50,000.00)	56.5%	USDA - City Hall, expected payments August \$64,950 (Removed for 2024: additional \$50,000 from council strategic reserve in September)
592 18 83 000 Bond Interest USDA	85,605.20	85,605.20	0.00	100.0%	
590 Debt Service	200,555.20	150,555.20	(50,000.00)	75.1%	
597 00 00 205 Building Maintenance Reserve	0.00	0.00	0.00	0.0%	
597 Interfund Transfers	0.00	0.00	0.00	0.0%	
594 Capital Expenditures	200,555.20	150,555.20	(50,000.00)	75.1%	
Fund Expenditures:	200,555.20	150,555.20	(50,000.00)	75.1%	
Fund Excess/(Deficit):	(42,961.20)	30,093.80			

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230 1996 G/O Bond Redemption Fund				
Revenues	Original	Proposed	Difference	Remarks
310 Taxes				
311 10 00 230 Property Tax	0.00	0.00	0.00	0.0%
310 Taxes	0.00	0.00	0.00	0.0%
Fund Revenues:	0.00	0.00	0.00	0.0%
Expenditures				
591 Debt Service - Principal Repayment				
592 21 83 230 Bond Interest-GO Bonds	0.00	0.00	0.00	0.0%
591 Debt Service - Principal Repayment	0.00	0.00	0.00	0.0%
597 Interfund Transfers				
597 00 00 230 Transfer To General Fund #001	0.00	0.00	0.00	0.0%
597 Interfund Transfers	0.00	0.00	0.00	0.0%
Fund Expenditures:	0.00	0.00	0.00	0.0%
Fund Excess/(Deficit):	0.00	0.00		

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301 1st 1/4% Real Estate Excise Tax Fund

Revenues	Original	Proposed	Difference	Remarks
310 Taxes				
318 34 00 301 REET 1 - First Quarter Percent	350,000.00	350,000.00	0.00	100.0%
310 Taxes	350,000.00	350,000.00	0.00	100.0%
360 Interest & Other Earnings				
361 11 00 301 Investment Interest	2,000.00	2,000.00	0.00	100.0%
361 30 00 301 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%
360 Interest & Other Earnings	2,000.00	2,000.00	0.00	100.0%
397 Interfund Transfers				
397 00 10 000 Operating Transfer In-REET II Fun	0.00	0.00	0.00	0.0%
397 00 15 301 Transfer-in REET II Fund 302	0.00	0.00	0.00	0.0%
397 Interfund Transfers	0.00	0.00	0.00	0.0%
Fund Revenues:	352,000.00	352,000.00	0.00	100.0%

Expenditures	Original	Proposed	Difference	Remarks
597 Interfund Transfers				
597 00 03 104 Operating Transfer Out - Arterials	0.00	758,388.00	758,388.00	0.0% Per Mark, 10.5.2023. Jones/JLR BNSF PE \$600,000 SR9/JLR MCG \$691,775 Sidewalk 103 \$25,000 Local All Str 103 \$150,000 Parks 101 \$50,000 Total = \$1,516,775 50/50 REET 1 and REET 2 = \$758,387.50
597 00 03 301 Transfer-out Street 103	0.00	0.00	0.00	0.0%
597 00 04 103 Operating Transfer Out-Streets #1	87,500.00	150,000.00	62,500.00	171.4% Per Mark 10.2023, 2024 \$150,000, moved unused 2023 balance to 2024.
597 00 05 001 Operating Transfer Out - General	0.00	0.00	0.00	0.0%
597 00 06 101 Operating Transfer Out - Parks #1	25,000.00	42,500.00	17,500.00	170.0% City Hall Exterior Paint - 576.80.48.016 -\$35,000 (\$17,500 per REET I and II); misc TBD \$15,000 (\$7,500 REET 1 and II). Building and Structure - 594.76.31.000 - \$35,000 Total \$85,000 / 2 = \$42,500.

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301 1st 1/4% Real Estate Excise Tax Fund				
Expenditures	Original	Proposed	Difference	Remarks
597 Interfund Transfers				
597 Interfund Transfers	112,500.00	950,888.00	838,388.00	845.2%
Fund Expenditures:	112,500.00	950,888.00	838,388.00	845.2%
Fund Excess/(Deficit):	239,500.00	(598,888.00)		

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302 2nd 1/4% Real Estate Excise Tax Fund

Revenues	Original	Proposed	Difference	Remarks
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310 Taxes

318 35 00 000 REET 2 - 2nd 1/4 Percent	350,000.00	350,000.00	0.00	100.0%
310 Taxes	350,000.00	350,000.00	0.00	100.0%

360 Interest & Other Earnings

361 11 00 302 Investment Interest	2,000.00	2,000.00	0.00	100.0%
361 30 00 302 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%
361 40 00 302 Interfund Loan Interest Received	0.00	0.00	0.00	0.0%
360 Interest & Other Earnings	2,000.00	2,000.00	0.00	100.0%

380 Non Revenues

381 20 10 010 Loan Repayment-Park Fund 101	0.00	0.00	0.00	0.0%
381 20 10 050 Loan Repayment-Library 305	0.00	0.00	0.00	0.0%
388 10 00 302 Prior Period Adjustment	0.00	0.00	0.00	0.0%
380 Non Revenues	0.00	0.00	0.00	0.0%

390 Other Financing Sources

395 10 00 302 Sale Of Property	0.00	0.00	0.00	0.0%
390 Other Financing Sources	0.00	0.00	0.00	0.0%

Fund Revenues:	352,000.00	352,000.00	0.00	100.0%
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Expenditures	Original	Proposed	Difference	Remarks
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580 Non Expenditures

581 10 00 108 Loan To Lodging Tax Fund	0.00	0.00	0.00	0.0%
581 10 00 305 Loan To Library Construction Fund	0.00	0.00	0.00	0.0%
580 Non Expenditures	0.00	0.00	0.00	0.0%

594 Capital Expenditures

581 10 00 001 Loan Issued - Parks	0.00	0.00	0.00	0.0%
581 10 00 005 Loan Issued - Library	0.00	0.00	0.00	0.0%

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302 2nd 1/4% Real Estate Excise Tax Fund

Expenditures	Original	Proposed	Difference	Remarks
594 Capital Expenditures				
580 Non Expenditures	0.00	0.00	0.00	0.0%
594 Capital Expenditures	0.00	0.00	0.00	0.0%
597 Interfund Transfers				
597 00 00 302 Transfer Parks 101	0.00	42,500.00	42,500.00	0.0% City Hall Exterior Paint - 576.80.48.016 -\$35,000 (\$17,500 per REET I and II); misc TBD \$15,000 (\$7,500 REET 1 and II). Building and Structure - 594.76.31.000 - \$35,000 Total \$85,000 / 2 = \$42,500.
597 00 00 401 Sewer Fund 401	0.00	0.00	0.00	0.0%
597 00 02 001 Transfer To General Fund 001	0.00	0.00	0.00	0.0%
597 00 03 302 Streets Fund 103	0.00	150,000.00	150,000.00	0.0% Per Mark 10.2023, 2024 \$150,000, moved unused 2023 balance to 2024.
597 00 04 301 Transfer-out To REET 1 Fund 301	0.00	0.00	0.00	0.0%
597 00 14 104 Arterial Streets Fund 104	0.00	758,388.00	758,388.00	0.0% Per Mark, 10.5.2023. Jones/JLR BNSF PE \$600,000 SR9/JLR MCG \$691,775 Sidewalk 103 \$25,000 Local All Str 103 \$150,000 Parks 101 \$50,000 Total = \$1,516,775 50/50 REET 1 and REET 2 = \$758,387.50
597 00 15 302 Operating Transfer Out - REET I Fi	0.00	0.00	0.00	0.0%
597 Interfund Transfers	0.00	950,888.00	950,888.00	0.0%
Fund Expenditures:	0.00	950,888.00	950,888.00	0.0%
Fund Excess/(Deficit):	352,000.00	(598,888.00)		

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303 Building Maintenance Reserve

Revenues	Original	Proposed	Difference	Remarks
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360 Interest & Other Earnings

361 11 00 303 Investment Interest	450.00	450.00	0.00	100.0%
361 30 00 303 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%
362 40 10 303 Senior Center Rental	1,500.00	1,500.00	0.00	100.0%
362 40 15 303 Apartment Rental	1,000.00	1,000.00	0.00	100.0%
362 40 20 303 Amphitheatre Rental (50%)	100.00	100.00	0.00	100.0%
360 Interest & Other Earnings	3,050.00	3,050.00	0.00	100.0%

397 Interfund Transfers

397 00 00 205 Capital Projects Transfer	0.00	0.00	0.00	0.0%
397 Interfund Transfers	0.00	0.00	0.00	0.0%

Fund Revenues:	3,050.00	3,050.00	0.00	100.0%
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Expenditures	Original	Proposed	Difference	Remarks
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597 Interfund Transfers

597 00 00 303 Transfer Parks/Building Maintenance	5,000.00	5,000.00	0.00	100.0%
597 00 03 001 General Fund	0.00	0.00	0.00	0.0%
597 Interfund Transfers	5,000.00	5,000.00	0.00	100.0%

Fund Expenditures:	5,000.00	5,000.00	0.00	100.0%
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Fund Excess/(Deficit):	(1,950.00)	(1,950.00)
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304 Transportation Benefit District

Revenues	Original	Proposed	Difference	Remarks
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310 Taxes

317 60 00 000 Vehicle Fees	210,000.00	210,000.00	0.00	100.0%
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310 Taxes	210,000.00	210,000.00	0.00	100.0%
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360 Interest & Other Earnings

361 11 00 000 Investment Interest	0.00	0.00	0.00	0.0%
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361 11 00 304 Investment Interest	1,000.00	1,000.00	0.00	100.0%
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361 30 00 304 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%
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360 Interest & Other Earnings	1,000.00	1,000.00	0.00	100.0%
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Fund Revenues:	211,000.00	211,000.00	0.00	100.0%
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Expenditures	Original	Proposed	Difference	Remarks
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597 Interfund Transfers

597 00 34 104 Transfer To Arterial Streets	100,000.00	214,000.00	114,000.00	214.0%	N Trail Rd / Bucko \$54,000 N Reed Overlay \$60,000 2024 Art(?) Maint \$100,000 Total = \$214,000
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597 Interfund Transfers	100,000.00	214,000.00	114,000.00	214.0%
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Fund Expenditures:	100,000.00	214,000.00	114,000.00	214.0%
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Fund Excess/(Deficit):	111,000.00	(3,000.00)
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305 Library Construction Fund

Revenues	Original	Proposed	Difference	Remarks
330 Intergovernmental Revenues				
334 04 20 305 State Direct/Indirect Grant From E	0.00	0.00	0.00	0.0%
337 00 00 305 CSRPLD Pre-Design	0.00	0.00	0.00	0.0%
337 00 01 305 CSRPLD Joint Development	0.00	0.00	0.00	0.0%
337 00 02 305 CSRPLD Prop Reimburse	0.00	0.00	0.00	0.0%
337 00 03 305 CSRPLD IT/FFE Reimburse	0.00	0.00	0.00	0.0%
330 Intergovernmental Revenues	0.00	0.00	0.00	0.0%
340 Charges For Goods & Services				
341 82 00 305 Project Management Fees-City Cc	0.00	0.00	0.00	0.0%
340 Charges For Goods & Services	0.00	0.00	0.00	0.0%
360 Interest & Other Earnings				
362 00 00 305 Rents And Leases	0.00	0.00	0.00	0.0%
360 Interest & Other Earnings	0.00	0.00	0.00	0.0%
380 Non Revenues				
381 10 30 002 Loan From Capital Projects Reserv	0.00	0.00	0.00	0.0%
380 Non Revenues	0.00	0.00	0.00	0.0%
390 Other Financing Sources				
391 10 00 305 Proceeds From Sale Of G.O. Bond	0.00	0.00	0.00	0.0%
390 Other Financing Sources	0.00	0.00	0.00	0.0%
397 Interfund Transfers				
397 00 00 100 Transfer From General Fund	0.00	0.00	0.00	0.0%
397 00 00 105 Transfer From Library Operations	0.00	0.00	0.00	0.0%
397 Interfund Transfers	0.00	0.00	0.00	0.0%
Fund Revenues:	0.00	0.00	0.00	0.0%

Expenditures	Original	Proposed	Difference	Remarks
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305 Library Construction Fund

Expenditures	Original	Proposed	Difference	Remarks
511 Legislative				
511 70 40 000 Lobbying Services	0.00	0.00	0.00	0.0%
511 Legislative	0.00	0.00	0.00	0.0%
572 Libraries				
572 10 00 305 Repayment of District Contributio	0.00	0.00	0.00	0.0%
572 20 46 001 Insurance	0.00	0.00	0.00	0.0%
572 20 47 305 Libraries - Utility Services	0.00	0.00	0.00	0.0%
572 Libraries	0.00	0.00	0.00	0.0%
580 Non Expeditures				
581 20 00 305 Interfund Loan Disbursements - D	0.00	0.00	0.00	0.0%
580 Non Expeditures	0.00	0.00	0.00	0.0%
591 Debt Service - Principal Repayment				
592 72 82 000 Interest And Other Debt Service C	0.00	0.00	0.00	0.0%
591 Debt Service - Principal Repayment	0.00	0.00	0.00	0.0%
594 Capital Expenditures				
594 72 61 000 Capital Expenditures/Expenses - L	0.00	0.00	0.00	0.0%
594 72 62 001 Capital Expenditures/Expenses - L	0.00	0.00	0.00	0.0%
594 72 63 001 Capital Expenditures/Expenses - C	0.00	0.00	0.00	0.0%
594 72 63 002 Capital Expenditures/Expenses - C	0.00	0.00	0.00	0.0%
594 72 63 003 Capital Expenditures/Expenses - C	0.00	0.00	0.00	0.0%
594 Capital Expenditures	0.00	0.00	0.00	0.0%
597 Interfund Transfers				
597 00 00 035 Transfers-Out to General Fund	0.00	0.00	0.00	0.0%
597 Interfund Transfers	0.00	0.00	0.00	0.0%
Fund Expenditures:	0.00	0.00	0.00	0.0%

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305 Library Construction Fund

Fund Excess/(Deficit):	0.00	0.00
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310 Police Mitigation Reserve Fund

Revenues	Original	Proposed	Difference	Remarks
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340 Charges For Goods & Services

345 86 00 000 SEPA Mitigation Fees	8,000.00	8,000.00	0.00	100.0%
340 Charges For Goods & Services	8,000.00	8,000.00	0.00	100.0%

360 Interest & Other Earnings

361 11 00 310 Investment Interest	300.00	300.00	0.00	100.0%
361 30 00 310 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%
367 00 00 310 Contrib/Donations-Private	0.00	0.00	0.00	0.0%
360 Interest & Other Earnings	300.00	300.00	0.00	100.0%

Fund Revenues:	8,300.00	8,300.00	0.00	100.0%
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Expenditures	Original	Proposed	Difference	Remarks
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597 Interfund Transfers

597 00 03 310 General Fund 001 - Police	0.00	0.00	0.00	0.0%
597 Interfund Transfers	0.00	0.00	0.00	0.0%

Fund Expenditures:	0.00	0.00	0.00	0.0%
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Fund Excess/(Deficit):	8,300.00	8,300.00		
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311 Parks Impact Fee Reserve Fund

Revenues	Original	Proposed	Difference	Remarks
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340 Charges For Goods & Services

345 85 00 311 GMA Impact Fees (Parks)	40,000.00	200,000.00	160,000.00	500.0%	Based on YTD 8.8.2023 actuals.
340 Charges For Goods & Services	40,000.00	200,000.00	160,000.00	500.0%	

360 Interest & Other Earnings

361 11 00 311 Investment Interest	1,200.00	1,200.00	0.00	100.0%	
361 30 00 311 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%	
360 Interest & Other Earnings	1,200.00	1,200.00	0.00	100.0%	

Fund Revenues:	41,200.00	201,200.00	160,000.00	488.3%	
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Expenditures	Original	Proposed	Difference	Remarks
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597 Interfund Transfers

597 00 00 311 Parks Fund 101	178,000.00	486,000.00	308,000.00	273.0%	Per Mark 10.2023, 2024 CN Olmsted \$481,000; Misc Park Upgrades \$5,000.
597 Interfund Transfers	178,000.00	486,000.00	308,000.00	273.0%	

Fund Expenditures:	178,000.00	486,000.00	308,000.00	273.0%	
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Fund Excess/(Deficit):	(136,800.00)	(284,800.00)			
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312 Fire Impact Fee Reserve Fund

Revenues	Original	Proposed	Difference	Remarks
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340 Charges For Goods & Services

345 85 00 312 GMA Impact Fees (Fire)	26,000.00	40,000.00	14,000.00	153.8%	Based on YTD 8.8.2023 actuals.
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340 Charges For Goods & Services	26,000.00	40,000.00	14,000.00	153.8%
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360 Interest & Other Earnings

361 11 00 312 Investment Interest	550.00	550.00	0.00	100.0%
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361 30 00 312 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%
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360 Interest & Other Earnings	550.00	550.00	0.00	100.0%
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Fund Revenues:	26,550.00	40,550.00	14,000.00	152.7%
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Expenditures	Original	Proposed	Difference	Remarks
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597 Interfund Transfers

597 00 00 312 General Fund 001 - Fire	0.00	0.00	0.00	0.0%
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597 00 01 501 Equipment Replacement Fund 50:	0.00	0.00	0.00	0.0%
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597 Interfund Transfers	0.00	0.00	0.00	0.0%
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Fund Expenditures:	0.00	0.00	0.00	0.0%
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Fund Excess/(Deficit):	26,550.00	40,550.00
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313 Public Safety Sales Tax Fund					
Revenues		Original	Proposed	Difference	Remarks
310 Taxes					
313 15 00 002 Sales Tax - Public Safety		0.00	0.00	0.00	0.0%
310 Taxes		0.00	0.00	0.00	0.0%
360 Interest & Other Earnings					
361 11 00 313 Investment Interest		0.00	0.00	0.00	0.0%
361 30 00 313 Gains (Losses) On Investments		0.00	0.00	0.00	0.0%
360 Interest & Other Earnings		0.00	0.00	0.00	0.0%
Fund Revenues:		0.00	0.00	0.00	0.0%
Expenditures		Original	Proposed	Difference	Remarks
597 Interfund Transfers					
597 00 00 501 Equipment Replacement Fund 50:		0.00	0.00	0.00	0.0%
597 00 09 001 Transfer To GF - Public Safety Tax		0.00	0.00	0.00	0.0%
597 Interfund Transfers		0.00	0.00	0.00	0.0%
Fund Expenditures:		0.00	0.00	0.00	0.0%
Fund Excess/(Deficit):		0.00	0.00		

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314 Transportation Impact Fee Reserve Fund

Revenues	Original	Proposed	Difference	Remarks
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340 Charges For Goods & Services

345 85 00 314 GMA Impact Fees (Transportation	61,000.00	61,000.00	0.00	100.0%	Per Mark 12.13.2024 \$61,000.
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340 Charges For Goods & Services	61,000.00	61,000.00	0.00	100.0%
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360 Interest & Other Earnings

361 11 00 314 Investment Interest	1,000.00	1,000.00	0.00	100.0%
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360 Interest & Other Earnings	1,000.00	1,000.00	0.00	100.0%
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397 Interfund Transfers

397 00 00 314 Transfer-in Arterial Fund 104	0.00	0.00	0.00	0.0%
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397 00 02 104 Operating Transfer In - Arterials	0.00	0.00	0.00	0.0%
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397 Interfund Transfers	0.00	0.00	0.00	0.0%
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Fund Revenues:	62,000.00	62,000.00	0.00	100.0%
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Expenditures	Original	Proposed	Difference	Remarks
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597 Interfund Transfers

597 00 02 104 Operating Transfer Out - Arterials	0.00	393,328.00	393,328.00	0.0%	Per Mark, 10.5.2023: SR20 / CT PN 2A \$16,335 N Trail Bucko \$272,000 Cook / Trail Int \$48,567 N Reed St Int \$50,000 JLR Bike/PED \$6,426 Total = \$393,328
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597 Interfund Transfers	0.00	393,328.00	393,328.00	0.0%
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Fund Expenditures:	0.00	393,328.00	393,328.00	0.0%
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Fund Excess/(Deficit):	62,000.00	(331,328.00)
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401 Sewer Operations Fund

Revenues	Original	Proposed	Difference		Remarks
330 Intergovernmental Revenues					
332 92 10 401 COVID-19 Non-grant Assistance	0.00	0.00	0.00	0.0%	
333 97 00 401 Federal Indirect Grant From Depa	0.00	0.00	0.00	0.0%	
334 01 80 401 State Direct/Indirect Grant From M	0.00	0.00	0.00	0.0%	
330 Intergovernmental Revenues	0.00	0.00	0.00	0.0%	
340 Charges For Goods & Services					
343 50 00 000 Sewer Service Charges	4,449,500.00	4,584,500.00	135,000.00	103.0%	Per Mark, 10.10.2023. KJR estimate \$4,539,614; Mark estimate \$4,584,500.
343 50 00 010 Utility Tax Collected	467,200.00	481,000.00	13,800.00	103.0%	Should tie to 316.49.35.000, 343.50.00.010, and 535.80.44.020. 2024: \$481,000.
343 55 00 000 Fertilizer Sales	1,300.00	1,300.00	0.00	100.0%	
343 58 00 000 Collection Recoveries	20,000.00	20,000.00	0.00	100.0%	
340 Charges For Goods & Services	4,938,000.00	5,086,800.00	148,800.00	103.0%	
360 Interest & Other Earnings					
361 11 00 401 Investment Interest	7,900.00	7,900.00	0.00	100.0%	
361 30 00 401 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%	
361 40 00 401 Interest On Personal Account	9,200.00	9,200.00	0.00	100.0%	
367 00 00 401 Contribution - Comp Plan	0.00	0.00	0.00	0.0%	
369 91 00 401 Miscellaneous Income	0.00	0.00	0.00	0.0%	
360 Interest & Other Earnings	17,100.00	17,100.00	0.00	100.0%	
370 Capital Contributions					
398 10 00 000 Insurance Recoveries	0.00	0.00	0.00	0.0%	
370 Capital Contributions	0.00	0.00	0.00	0.0%	
380 Non Revenues					
381 10 40 001 Interfund Loans Received	0.00	0.00	0.00	0.0%	
380 Non Revenues	0.00	0.00	0.00	0.0%	
397 Interfund Transfers					
397 00 01 302 REET Transfer	0.00	0.00	0.00	0.0%	
397 00 01 402 Sewer Operations Transfer	0.00	0.00	0.00	0.0%	

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401 Sewer Operations Fund

Revenues	Original	Proposed	Difference		Remarks
397 Interfund Transfers					
397 00 01 410 Sewer Capital Projects Transfer	970,000.00	1,202,000.00	232,000.00	123.9%	Per Mark, 10.10.2023. Original \$970,000, added deferred 2023 proj. = \$1,202,000.
397 00 02 407 Operating Transfer In - Fund 407	0.00	0.00	0.00	0.0%	
397 Interfund Transfers	970,000.00	1,202,000.00	232,000.00	123.9%	
Fund Revenues:	5,925,100.00	6,305,900.00	380,800.00	106.4%	

Expenditures	Original	Proposed	Difference		Remarks
535 Sewer					
535 80 35 030 Portable Equipment < \$5,000	0.00	0.00	0.00	0.0%	
535 50 48 000 Maintenance Contracts	49,600.00	49,600.00	0.00	100.0%	
535 50 48 010 Maintenance Of Lines	81,224.00	81,224.00	0.00	100.0%	
535 50 48 020 Maint Of Pumping Equip	8,008.00	8,008.00	0.00	100.0%	
535 50 48 040 Maintenance Of Vehicles	8,500.00	5,000.00	(3,500.00)	58.8%	Per Mark, 10.10.2023. Original \$8,500, wower to account for FTE Mech. = \$5,000
535 50 48 050 Maint Of General Equip	102,960.00	102,960.00	0.00	100.0%	
535 50 48 060 Maintenance Of Buildings	4,500.00	4,500.00	0.00	100.0%	
005 Maintenance	254,792.00	251,292.00	(3,500.00)	98.6%	
535 80 11 000 Salaries	986,900.00	1,034,000.00	47,100.00	104.8%	\$1,034,000 includes one Parks - Equipment Operator 2 working only 16 pay periods in 2024.
535 80 12 000 Extra Help	7,350.00	8,000.00	650.00	108.8%	
535 80 13 000 Overtime	8,000.00	8,000.00	0.00	100.0%	
535 80 21 001 Industrial Insurance	11,900.00	14,000.00	2,100.00	117.6%	
535 80 22 001 Social Security	74,900.00	81,000.00	6,100.00	108.1%	
535 80 23 001 Pers Retirement	101,900.00	109,000.00	7,100.00	107.0%	
535 80 24 001 Unemployment	1,800.00	3,000.00	1,200.00	166.7%	
535 80 25 001 Medical/Dental/Vision	250,300.00	287,000.00	36,700.00	114.7%	
535 80 26 050 Washington Sick Leave	1,000.00	2,000.00	1,000.00	200.0%	
535 80 28 000 Employee Wellness	1,000.00	1,000.00	0.00	100.0%	
010 Sewer Services	1,445,050.00	1,547,000.00	101,950.00	107.1%	
535 80 31 000 Office Supplies	4,368.00	4,368.00	0.00	100.0%	
535 80 31 010 Operating Supplies	25,000.00	25,000.00	0.00	100.0%	
535 80 31 020 Op Supplies-Chemicals	5,500.00	5,500.00	0.00	100.0%	
535 80 31 030 Op Supplies Reimbursement - Fur	8,300.00	8,300.00	0.00	100.0%	

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401 Sewer Operations Fund

Expenditures	Original	Proposed	Difference		Remarks
535 Sewer					
535 80 32 000 Auto Fuel/Diesel	7,000.00	7,000.00	0.00	100.0%	
535 80 35 000 Small Tools & Minor Equip	2,912.00	2,912.00	0.00	100.0%	
535 80 35 010 Safety Equipment	2,288.00	2,288.00	0.00	100.0%	
535 80 35 020 Solids Handling	206,525.00	206,525.00	0.00	100.0%	
030 Supplies	261,893.00	261,893.00	0.00	100.0%	
535 80 41 000 Professional Services	89,149.00	89,149.00	0.00	100.0%	
535 80 41 020 Collection Services	34,320.00	34,320.00	0.00	100.0%	
535 80 41 030 Legal Publications	1,000.00	1,000.00	0.00	100.0%	
535 80 41 040 Skagit Co Health Dept	300.00	300.00	0.00	100.0%	
535 80 41 050 Skagit Co Solid Waste	3,000.00	3,000.00	0.00	100.0%	
535 80 41 060 DOE Discharge Permit	19,400.00	19,400.00	0.00	100.0%	
535 80 42 015 Postage	25,000.00	25,000.00	0.00	100.0%	
535 80 42 020 Telephone	4,600.00	4,600.00	0.00	100.0%	
535 80 42 030 Cell Phones	6,200.00	6,200.00	0.00	100.0%	
535 80 43 000 Meals/Travel	4,368.00	4,368.00	0.00	100.0%	
535 80 44 010 Taxes & Assessments	83,200.00	83,200.00	0.00	100.0%	
535 80 44 020 Utility Tax - Municipal	467,200.00	481,000.00	13,800.00	103.0%	Should tie to 316.49.35.000, 343.50.00.010, and 535.80.44.020. 2024: \$481,000.
535 80 45 000 Equipment Rental	5,000.00	5,000.00	0.00	100.0%	
535 80 46 000 Insurance	91,500.00	91,500.00	0.00	100.0%	
535 80 47 000 Public Utilities	160,000.00	160,000.00	0.00	100.0%	
535 80 48 000 Repair/Maintenance-Equip	1,040.00	1,040.00	0.00	100.0%	
535 80 48 401 M&O Fund 501	17,008.00	33,300.00	16,292.00	195.8%	M&O Funding with Lead Mechanic.
535 80 49 000 Laundry	1,000.00	1,000.00	0.00	100.0%	
535 80 49 005 Judgements & Settlements	0.00	0.00	0.00	0.0%	
535 80 49 010 Misc-Dues/Subscriptions	3,120.00	3,120.00	0.00	100.0%	
535 80 49 030 Misc-Tuition/Registration	14,000.00	14,000.00	0.00	100.0%	
535 80 49 040 Misc-Filing Fees/Lien Exp	37,000.00	37,000.00	0.00	100.0%	
535 80 49 090 ICA-Support Allocation	489,243.00	698,782.23	209,539.23	142.8%	Updated IDCA - 2022 actuals for 2024 budget
040 Services & Charges	1,556,648.00	1,796,279.23	239,631.23	115.4%	
591 28 70 401 Lease - SBA	3,720.00	3,720.00	0.00	100.0%	
594 35 62 000 Buildings & Structures	0.00	0.00	0.00	0.0%	
594 35 63 000 Engineering Services	200,000.00	200,000.00	0.00	100.0%	
594 35 63 010 Other Improvements	1,216,000.00	1,690,000.00	474,000.00	139.0%	Per Mark, 10.10.2023. Updateddd per CIP. - Collection sys proj + blourer(?) updrade.
594 35 64 001 Portable Equipment	22,880.00	22,880.00	0.00	100.0%	

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401 Sewer Operations Fund

Expenditures	Original	Proposed	Difference	Remarks
535 Sewer				
594 35 64 401 Machinery & Equip	46,000.00	230,000.00	184,000.00	500.0% 2023 budget was \$186,000, final costs \$7,406 misc item. Per email from Mark 12.26.23, revised budget includes: Process Contorl Equipment \$11,000 Plant Water Bldg HVAC Upgrade \$94,000 Replace Misc Pumps \$20,000 Hodgins Rd Pump Station \$75,000 Cook Rd Pump Station Piping \$30,000
900 Capital Expenditures	1,488,600.00	2,146,600.00	658,000.00	144.2%
597 00 01 101 Parks Fund 101	8,500.00	8,500.00	0.00	100.0%
597 00 02 401 Equipment Replacement Fund 50:	112,200.00	112,200.00	0.00	100.0%
597 00 03 401 Capital Projects Fund 410	459,900.00	459,900.00	0.00	100.0%
597 00 04 401 General Fund Trf-IDCA	0.00	0.00	0.00	0.0%
597 00 05 401 Operations Reserve Fd 402	0.00	0.00	0.00	0.0%
597 00 06 401 Revenue Bond Fund 407	0.00	0.00	0.00	0.0%
950 Transfers	580,600.00	580,600.00	0.00	100.0%
535 Sewer	5,587,583.00	6,583,664.23	996,081.23	117.8%
580 Non Expeditures				
588 10 00 000 Prior Period Adjustment	0.00	0.00	0.00	0.0%
588 10 00 401 Prior Period Adjustment	0.00	0.00	0.00	0.0%
580 Non Expeditures	0.00	0.00	0.00	0.0%
597 Interfund Transfers				
597 97 00 505 Transfers-Out - PW Facility Fund 5	19,670.00	19,670.00	0.00	100.0%
597 Interfund Transfers	19,670.00	19,670.00	0.00	100.0%
Fund Expenditures:	5,607,253.00	6,603,334.23	996,081.23	117.8%
Fund Excess/(Deficit):	317,847.00	(297,434.23)		

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402 Sewer Facilities Reserve Fund

Revenues	Original	Proposed	Difference	Remarks
360 Interest & Other Earnings				
361 11 00 402 Investment Interest	0.00	0.00	0.00	0.0%
361 30 00 402 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%
360 Interest & Other Earnings	0.00	0.00	0.00	0.0%
397 Interfund Transfers				
397 00 00 402 Sewer Operations Transfer	0.00	0.00	0.00	0.0%
397 Interfund Transfers	0.00	0.00	0.00	0.0%
Fund Revenues:	0.00	0.00	0.00	0.0%
Expenditures	Original	Proposed	Difference	Remarks
594 Capital Expenditures				
594 35 64 402 Plant Upgrades	0.00	0.00	0.00	0.0%
594 Capital Expenditures	0.00	0.00	0.00	0.0%
597 Interfund Transfers				
597 00 08 401 Sewer Projects Transfer	0.00	0.00	0.00	0.0%
597 00 09 410 Operating Transfer Out - To Fund	0.00	0.00	0.00	0.0%
597 Interfund Transfers	0.00	0.00	0.00	0.0%
Fund Expenditures:	0.00	0.00	0.00	0.0%
Fund Excess/(Deficit):	0.00	0.00		

2024 PROPOSED BUDGET CHANGES

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407 1998 Sewer Revenue Bond Fund

Revenues	Original	Proposed	Difference	Remarks
350 Fines & Penalties				
359 00 00 000 Penalties	0.00	0.00	0.00	0.0%
350 Fines & Penalties	0.00	0.00	0.00	0.0%
360 Interest & Other Earnings				
361 11 00 407 Investment Interest	0.00	0.00	0.00	0.0%
361 30 00 407 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%
361 30 70 407 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%
361 40 00 407 Interest	0.00	0.00	0.00	0.0%
368 10 00 000 Principal Payment	0.00	0.00	0.00	0.0%
360 Interest & Other Earnings	0.00	0.00	0.00	0.0%
397 Interfund Transfers				
397 00 00 407 Sewer Operations Transfer	0.00	0.00	0.00	0.0%
397 00 00 411 Transfer From Bond Reserve Fund	0.00	0.00	0.00	0.0%
397 00 01 407 Sewer Facilities Transfer	0.00	0.00	0.00	0.0%
397 Interfund Transfers	0.00	0.00	0.00	0.0%
Fund Revenues:	0.00	0.00	0.00	0.0%
Expenditures	Original	Proposed	Difference	Remarks
591 Debt Service - Principal Repayment				
591 35 72 001 Bond Principal	0.00	0.00	0.00	0.0%
592 35 83 407 Bond Interest	0.00	0.00	0.00	0.0%
591 Debt Service - Principal Repayment	0.00	0.00	0.00	0.0%
597 Interfund Transfers				
597 00 10 401 Operating Transfer Out - Fund 40	0.00	0.00	0.00	0.0%
597 Interfund Transfers	0.00	0.00	0.00	0.0%
Fund Expenditures:	0.00	0.00	0.00	0.0%

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407 1998 Sewer Revenue Bond Fund

Fund Excess/(Deficit):	0.00	0.00
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410 Sewer Capital Projects Reserve

Revenues	Original	Proposed	Difference	Remarks
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360 Interest & Other Earnings

361 11 00 410 Investment Interest	9,000.00	9,000.00	0.00	100.0%
361 30 00 410 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%
361 40 00 410 Interfund Loan Interest Received	0.00	0.00	0.00	0.0%
360 Interest & Other Earnings	9,000.00	9,000.00	0.00	100.0%

370 Capital Contributions

367 41 00 000 Sewer Connection Fees	210,000.00	210,000.00	0.00	100.0%
367 41 01 000 Special Sewer Connection Fee	5,000.00	5,000.00	0.00	100.0%
370 Capital Contributions	215,000.00	215,000.00	0.00	100.0%

380 Non Revenues

381 20 10 001 Interfund Loan Repayment-Gener	0.00	0.00	0.00	0.0%
381 20 10 040 Interfund Loan Repayment-Arteriz	0.00	0.00	0.00	0.0%
381 20 10 103 Interfund Loan Repayment-Street	0.00	0.00	0.00	0.0%
381 20 50 425 Interfund Loan Repayment-Storm	5,244.00	0.00	(5,244.00)	0.0% Paid off in 2023.
380 Non Revenues	5,244.00	0.00	(5,244.00)	0.0%

397 Interfund Transfers

397 00 00 410 Sewer Operations Transfer	459,900.00	459,900.00	0.00	100.0%
397 00 09 402 Operating Transfer In - From Func	0.00	0.00	0.00	0.0%
397 Interfund Transfers	459,900.00	459,900.00	0.00	100.0%

Fund Revenues:	689,144.00	683,900.00	(5,244.00)	99.2%
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Expenditures	Original	Proposed	Difference	Remarks
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535 Sewer

581 10 00 000 Loan To Arterial St 104	0.00	0.00	0.00	0.0%
581 10 00 103 Loan To Streets 103	0.00	0.00	0.00	0.0%
920 Interfund Loans	0.00	0.00	0.00	0.0%
591 35 72 000 Principal Payment - PWTF	590,360.00	590,360.00	0.00	100.0%
592 35 83 410 Interest Payment - PWTF	212,770.00	212,770.00	0.00	100.0%

2024 PROPOSED BUDGET CHANGES

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410 Sewer Capital Projects Reserve

Expenditures	Original	Proposed	Difference	Remarks
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535 Sewer

930 Debt Service	803,130.00	803,130.00	0.00	100.0%
597 00 00 410 Sewer Operations Fund 401	970,000.00	1,202,000.00	232,000.00	123.9%
597 00 04 410 Revenue Bond Fund 407	0.00	0.00	0.00	0.0%
950 Transfers	970,000.00	1,202,000.00	232,000.00	123.9%
535 Sewer	1,773,130.00	2,005,130.00	232,000.00	113.1%

Per Mark, 10.10.2023.
Oringinal \$970,000, added deferred 2023 proj. = \$1,202,000.

580 Non Expeditures

581 10 00 102 Loan To Cemetery Operations	0.00	0.00	0.00	0.0%
581 10 22 001 Loan To General Fund	0.00	0.00	0.00	0.0%
580 Non Expeditures	0.00	0.00	0.00	0.0%

597 Interfund Transfers

597 00 04 505 Transfers-Out - Public Works Facil	0.00	0.00	0.00	0.0%
597 Interfund Transfers	0.00	0.00	0.00	0.0%

Fund Expenditures:	1,773,130.00	2,005,130.00	232,000.00	113.1%
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Fund Excess/(Deficit):	(1,083,986.00)	(1,321,230.00)
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411 1998 Sewer Rev Bond Res Fund					
Expenditures		Original	Proposed	Difference	Remarks
597 Interfund Transfers					
597 00 00 407 Transfer To Bond Payment Fund		0.00	0.00	0.00	0.0%
597 Interfund Transfers		0.00	0.00	0.00	0.0%
Fund Expenditures:		0.00	0.00	0.00	0.0%
Fund Excess/(Deficit):		0.00	0.00		

2024 PROPOSED BUDGET CHANGES

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412 Solid Waste Operations Fund

Revenues	Original	Proposed	Difference		Remarks
330 Intergovernmental Revenues					
332 92 10 412 COVID-19 Non-grant Assistance	0.00	0.00	0.00	0.0%	
330 Intergovernmental Revenues	0.00	0.00	0.00	0.0%	
340 Charges For Goods & Services					
343 70 00 000 Garbage/Solid Waste Fees	2,142,000.00	2,223,000.00	81,000.00	103.8%	Per Mark on 12.13.2024 \$2,155,000.
343 70 00 010 Utility Tax Collected	306,000.00	345,000.00	39,000.00	112.7%	10.5% of Solid Waste. Should tie to 343.70.00.010 and 537.80.44.020. August 2023 YTD \$226,118, 2023 projected \$338,626. 2024: \$345,000.
343 71 00 000 Garbage/Extra Tags	200.00	200.00	0.00	100.0%	
343 72 00 000 Yard Waste Punch Cards	1,000.00	1,000.00	0.00	100.0%	
343 72 00 001 Curbside Yard Waste Fees	173,000.00	225,000.00	52,000.00	130.1%	Per Mark, 10.13.2023.
343 73 00 000 Curbside Recycling Fee	439,000.00	450,000.00	11,000.00	102.5%	Per Mark, 10.13.2023.
343 73 00 001 Site Recycling Fees	36,000.00	20,000.00	(16,000.00)	55.6%	Per Mark, 10.13.2023.
343 73 00 005 Commercial Recycling Fees	87,000.00	90,000.00	3,000.00	103.4%	Per Mark, 10.13.2023.
343 73 01 001 Rolloff Haul Fees	122,000.00	125,000.00	3,000.00	102.5%	Per Mark, 10.13.2023.
343 73 01 002 Rolloff Dump Fees	159,000.00	135,000.00	(24,000.00)	84.9%	Per Mark, 10.13.2023.
343 74 00 000 Equipment Rental	61,000.00	61,000.00	0.00	100.0%	
343 75 00 000 Fuel Surcharge	82,000.00	82,000.00	0.00	100.0%	
343 77 00 000 Advertising Signs	0.00	0.00	0.00	0.0%	
343 78 00 000 Collection Recoveries	15,000.00	15,000.00	0.00	100.0%	
343 79 00 000 Penalties On Accounts	26,000.00	26,000.00	0.00	100.0%	
340 Charges For Goods & Services	3,649,200.00	3,798,200.00	149,000.00	104.1%	
360 Interest & Other Earnings					
361 11 00 412 Investment Interest	2,500.00	2,500.00	0.00	100.0%	
361 30 00 412 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%	
361 40 00 412 Interest On Accts	7,500.00	7,500.00	0.00	100.0%	
369 91 00 412 Miscellaneous Income	0.00	0.00	0.00	0.0%	
360 Interest & Other Earnings	10,000.00	10,000.00	0.00	100.0%	
380 Non Revenues					
382 10 00 412 Dumpster Deposit	3,000.00	3,000.00	0.00	100.0%	
380 Non Revenues	3,000.00	3,000.00	0.00	100.0%	

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412 Solid Waste Operations Fund

Revenues	Original	Proposed	Difference	Remarks
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390 Other Financing Sources

395 10 00 412 Sale Of Fixed Assets	0.00	0.00	0.00	0.0%
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390 Other Financing Sources	0.00	0.00	0.00	0.0%
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397 Interfund Transfers

397 00 00 413 S-W Reserve Fund	0.00	0.00	0.00	0.0%
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397 Interfund Transfers	0.00	0.00	0.00	0.0%
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398 Insurance Recoveries

398 10 00 412 Insurance Recoveries	0.00	0.00	0.00	0.0%
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398 Insurance Recoveries	0.00	0.00	0.00	0.0%
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Fund Revenues:	3,662,200.00	3,811,200.00	149,000.00	104.1%
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Expenditures	Original	Proposed	Difference	Remarks
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537 Garbage & Solid Waste

597 37 62 000 Solid Waste\PWOPS Admin Bldg	0.00	0.00	0.00	0.0%
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537 50 48 000 Repairs/maint-equip	122,000.00	85,000.00	(37,000.00)	69.7%	Per Mark, 10.10.2023. Revise to low for FTE Lead Mechanic.
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537 50 48 010 Repairs/Maint-Building	10,000.00	10,000.00	0.00	100.0%
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537 50 48 412 M&O Fund 501	44,990.00	88,000.00	43,010.00	195.6%	M&O Funding with Lead Mechanic.
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003 Maintenance	176,990.00	183,000.00	6,010.00	103.4%
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537 60 47 000 Solid Waste Disposal	688,000.00	688,000.00	0.00	100.0%
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537 60 47 010 Curbside Recycling Disposal	160,000.00	160,000.00	0.00	100.0%
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537 60 47 011 Site Recycling Disposal	8,200.00	8,200.00	0.00	100.0%
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537 60 47 015 Construction Demolition Land Dis	1,000.00	1,000.00	0.00	100.0%
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537 60 47 020 Site Yard Waste Disposal	16,000.00	16,000.00	0.00	100.0%
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537 60 47 021 Curbside Yard Waste Disposal	51,000.00	51,000.00	0.00	100.0%
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006 Contracted Processing	924,200.00	924,200.00	0.00	100.0%
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537 80 11 000 Salaries	594,113.00	604,000.00	9,887.00	101.7%
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537 80 12 000 Extra Help	10,000.00	10,000.00	0.00	100.0%
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537 80 13 000 Overtime	10,000.00	36,000.00	26,000.00	360.0%
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537 80 21 001 Industrial Insurance	11,800.00	15,000.00	3,200.00	127.1%
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412 Solid Waste Operations Fund

Expenditures	Original	Proposed	Difference	Remarks
537 Garbage & Solid Waste				
537 80 22 001 Social Security	50,200.00	50,000.00	(200.00)	99.6%
537 80 23 001 PERS Retirement	68,300.00	67,000.00	(1,300.00)	98.1%
537 80 24 001 Unemployment	1,200.00	2,000.00	800.00	166.7%
537 80 25 001 Medical/Dental/Vision	175,800.00	156,000.00	(19,800.00)	88.7%
537 80 26 050 Washington Sick Leave	700.00	2,000.00	1,300.00	285.7%
537 80 28 000 Employee Wellness	1,700.00	1,700.00	0.00	100.0%
010 Solid Waste Services	923,813.00	943,700.00	19,887.00	102.2%
537 80 31 000 Operating Supplies	62,000.00	62,000.00	0.00	100.0%
537 80 31 010 Office Supplies	3,000.00	3,000.00	0.00	100.0%
537 80 32 000 Auto Fuel/Diesel	143,000.00	143,000.00	0.00	100.0%
537 80 32 010 Fuel Additive - DEF	2,500.00	2,500.00	0.00	100.0%
537 80 34 000 Containers - Garbage	60,000.00	60,000.00	0.00	100.0%
537 80 34 001 Containers - Recycling	12,000.00	12,000.00	0.00	100.0%
537 80 34 002 Containers -Yard Waste	10,000.00	10,000.00	0.00	100.0%
537 80 35 000 Small Tools & Minor Equip	10,000.00	10,000.00	0.00	100.0%
030 Supplies	302,500.00	302,500.00	0.00	100.0%
537 80 41 000 Professional Services	5,000.00	5,000.00	0.00	100.0%
537 80 41 020 Collection Services	15,000.00	15,000.00	0.00	100.0%
537 80 41 030 Legal Publications	250.00	250.00	0.00	100.0%
537 80 41 031 Advertising	500.00	500.00	0.00	100.0%
537 80 42 010 Postage	15,000.00	15,000.00	0.00	100.0%
537 80 42 020 Telephone	1,000.00	1,000.00	0.00	100.0%
537 80 42 025 Cell Phones	4,000.00	4,000.00	0.00	100.0%
537 80 43 000 Meals/Travel	1,200.00	1,200.00	0.00	100.0%
537 80 44 001 Taxes & Assessments	133,000.00	133,000.00	0.00	100.0%
537 80 44 020 Utility Tax - Municipal	316,000.00	345,000.00	29,000.00	109.2%
				10.5% of Solid Waste. Should tie to 343.70.00.010 and 537.80.44.020.
				August 2023 YTD \$226,118, 2023 projected \$338,626. 2024: \$345,000.
537 80 45 000 Equipment Rental	5,000.00	5,000.00	0.00	100.0%
537 80 46 000 Insurance	51,000.00	51,000.00	0.00	100.0%
537 80 47 000 Public Utilities	10,000.00	10,000.00	0.00	100.0%
537 80 48 000 Repair/Maintenance	2,000.00	2,000.00	0.00	100.0%
537 80 49 000 Misc-Laundry	500.00	500.00	0.00	100.0%
537 80 49 010 Misc-Dues/Subs & Tuitn/Reg	500.00	500.00	0.00	100.0%
537 80 49 015 Training	2,000.00	2,000.00	0.00	100.0%
537 80 49 020 Misc-Filing Fees/Lien Exp	1,000.00	1,000.00	0.00	100.0%

2024 PROPOSED BUDGET CHANGES

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412 Solid Waste Operations Fund

Expenditures	Original	Proposed	Difference		Remarks
537 Garbage & Solid Waste					
537 80 49 030 CDL/Drug & Alcohol Testing	1,000.00	1,000.00	0.00	100.0%	
537 80 49 090 ICA-Support Allocation	179,000.00	252,177.31	73,177.31	140.9%	Updated IDCA - 2022 actuals for 2024 budget
040 Services & Charges	742,950.00	845,127.31	102,177.31	113.8%	
594 37 61 000 Other Improvements	0.00	0.00	0.00	0.0%	
594 37 64 000 Machinery & Equipment	20,000.00	20,000.00	0.00	100.0%	
900 Capital Expenditures	20,000.00	20,000.00	0.00	100.0%	
597 00 00 412 General Fund Trf-IDCA	0.00	0.00	0.00	0.0%	
597 00 02 412 Reserve Fund	125,000.00	125,000.00	0.00	100.0%	
597 90 00 412 Equipment Replacement Fund 50:	296,800.00	312,000.00	15,200.00	105.1%	Per Mark, 10.10.2023.
950 Transfers	421,800.00	437,000.00	15,200.00	103.6%	
537 Garbage & Solid Waste	3,512,253.00	3,655,527.31	143,274.31	104.1%	
580 Non Expenditures					
582 10 00 412 Dumpster Deposit Refund	0.00	0.00	0.00	0.0%	
580 Non Expenditures	0.00	0.00	0.00	0.0%	
597 Interfund Transfers					
597 00 01 505 Transfers-Out - PW Facility Fund 5	147,088.00	147,088.00	0.00	100.0%	
597 Interfund Transfers	147,088.00	147,088.00	0.00	100.0%	
Fund Expenditures:	3,659,341.00	3,802,615.31	143,274.31	103.9%	
Fund Excess/(Deficit):	2,859.00	8,584.69			

2024 PROPOSED BUDGET CHANGES

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413 Solid Waste Reserve Fund

Revenues	Original	Proposed	Difference	Remarks
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360 Interest & Other Earnings

361 11 00 413 Investment Interest	2,000.00	2,000.00	0.00	100.0%
361 30 00 413 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%
360 Interest & Other Earnings	2,000.00	2,000.00	0.00	100.0%

397 Interfund Transfers

397 00 00 012 Operations Transfer	125,000.00	125,000.00	0.00	100.0%
397 Interfund Transfers	125,000.00	125,000.00	0.00	100.0%

Fund Revenues:	127,000.00	127,000.00	0.00	100.0%
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Expenditures	Original	Proposed	Difference	Remarks
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597 Interfund Transfers

597 00 01 412 S-W Operations Transfer	100,000.00	100,000.00	0.00	100.0%
597 Interfund Transfers	100,000.00	100,000.00	0.00	100.0%

Fund Expenditures:	100,000.00	100,000.00	0.00	100.0%
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Fund Excess/(Deficit):	27,000.00	27,000.00		
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2024 PROPOSED BUDGET CHANGES

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425 Stormwater Operations

Revenues	Original	Proposed	Difference	Remarks
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310 Taxes

311 10 00 000 Real & Personal Property Taxes	0.00	0.00	0.00	0.0%
310 Taxes	0.00	0.00	0.00	0.0%

330 Intergovernmental Revenues

334 03 10 000 Ecology Capacity Grant	50,000.00	65,000.00	15,000.00	130.0%	Per Mark, 10.10.2023.
334 06 90 425 L&I Stay At Work Grant	0.00	0.00	0.00	0.0%	New capacity grant is \$95,000 for 2 years. \$65,000 in 2024.
330 Intergovernmental Revenues	50,000.00	65,000.00	15,000.00	130.0%	

340 Charges For Goods & Services

343 10 00 000 Stormwater Fees	972,720.00	982,000.00	9,280.00	101.0%	Per Mark, 10.10.2023.
343 10 00 001 BY Creek Subflood Zone	0.00	0.00	0.00	0.0%	
343 10 00 002 Penalties On Accounts	0.00	0.00	0.00	0.0%	
343 10 00 010 Utility Tax Collected	102,135.00	102,135.00	0.00	100.0%	10.5% of Stormwater. Should tie to 343.10.00.010 and 531.50.44.020.
343 18 00 000 Collection Recoveries	0.00	0.00	0.00	0.0%	
340 Charges For Goods & Services	1,074,855.00	1,084,135.00	9,280.00	100.9%	

360 Interest & Other Earnings

361 11 00 425 Investment Interest	1,200.00	1,200.00	0.00	100.0%	
361 30 00 425 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%	
361 40 00 425 Interest On Accounts	2,000.00	2,000.00	0.00	100.0%	
362 50 00 425 Land Rents, Leases	2,622.00	2,622.00	0.00	100.0%	
369 10 00 425 Sale Of Scrap And Junk	0.00	0.00	0.00	0.0%	
360 Interest & Other Earnings	5,822.00	5,822.00	0.00	100.0%	

390 Other Financing Sources

395 10 01 000 Sales Of Trees	0.00	0.00	0.00	0.0%	
395 20 00 425 Insurance Recoveries	0.00	0.00	0.00	0.0%	
390 Other Financing Sources	0.00	0.00	0.00	0.0%	

397 Interfund Transfers

2024 PROPOSED BUDGET CHANGES

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425 Stormwater Operations

Revenues	Original	Proposed	Difference	Remarks
397 Interfund Transfers				
397 00 01 426 Transfer From Reserve	0.00	60,000.00	60,000.00	0.0% Per Mark, 10.10.2023. From 2023 for Stormwater Plan . Update - reduce to fund availablity fomr fund 426 \$60,000.
397 00 10 425 Transfer From Art Streets	0.00	0.00	0.00	0.0%
397 Interfund Transfers	0.00	60,000.00	60,000.00	0.0%
Fund Revenues:	1,130,677.00	1,214,957.00	84,280.00	107.5%

Expenditures	Original	Proposed	Difference	Remarks
531 Storm Water Services				
531 80 28 000 Employee Wellness	250.00	250.00	0.00	100.0%
531 50 11 000 Salaries	271,400.00	263,000.00	(8,400.00)	96.9% \$263,000 includes one Parks - Equipment Operator 2 working only 16 pay periods in 2024.
531 50 12 000 Extra Help	10,000.00	13,000.00	3,000.00	130.0% Per Mark, 10.10.2023.
531 50 13 000 Overtime	2,281.00	2,281.00	0.00	100.0%
531 50 21 001 Industrial Insurance	5,100.00	7,000.00	1,900.00	137.3%
531 50 22 001 Social Security	21,300.00	22,000.00	700.00	103.3%
531 50 23 001 PERS Retirement	29,000.00	28,000.00	(1,000.00)	96.6% \$28,000 includes one Parks - Equipment Operator 2 working only 16 pay periods in 2024.
531 50 24 001 Unemployment	500.00	600.00	100.00	120.0%
531 50 25 001 Medical/Dental/Vision	71,400.00	64,000.00	(7,400.00)	89.6% \$64,000 includes one Parks - Equipment Operator 2 working only 16 pay periods in 2024.
531 50 26 050 Washington Sick Leave	300.00	500.00	200.00	166.7%
010 Stormwater Services	411,281.00	400,381.00	(10,900.00)	97.3%
531 50 31 000 Operating Supplies	17,340.00	17,340.00	0.00	100.0%
531 50 32 000 Vehicle Fuel	16,000.00	16,000.00	0.00	100.0%
030 Supplies	33,340.00	33,340.00	0.00	100.0%
531 50 41 000 Professional Services	7,854.00	157,854.00	150,000.00	*****% Per Mark, 10.10.2023. Original budget \$7,854 for Sprinbrook and Iworq. Additional \$150,000 for \$60,000 from Fund 426, \$90,000 from other, rollover from 2023 for stormwater plan.
531 50 41 002 Contracted Services	55,400.00	50,000.00	(5,400.00)	90.3% 1. Skagit Conservation District, \$10,000 . 2. Skagit County Interlocal, Source Control Inspections, \$40,000 (MF edit

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425 Stormwater Operations

Expenditures	Original	Proposed	Difference		Remarks
531 Storm Water Services					
531 50 41 003 Collection Services	4,900.00	4,900.00	0.00	100.0%	
531 50 41 005 Vector Waste Disposal	0.00	10,000.00	10,000.00	0.0%	Per Mark, 10.10.2023. Vactor waste disposal costs.
531 50 41 010 DOE NPDES Permit	5,251.00	5,251.00	0.00	100.0%	
531 50 41 020 DOE NPDES Monitoring	5,121.00	5,121.00	0.00	100.0%	
531 50 42 010 Postage	1,255.00	1,255.00	0.00	100.0%	
531 50 44 000 Taxes & Assessments	16,065.00	16,065.00	0.00	100.0%	
531 50 44 020 Storm Drainage Utility Tax-Munici	102,135.00	102,135.00	0.00	100.0%	10.5% of Stormwater. Should tie to 343.10.00.010 and 531.50.44.020.
531 50 45 000 Rental Equipment	2,244.00	2,244.00	0.00	100.0%	
531 50 46 000 Insurance	10,374.00	42,000.00	31,626.00	404.9%	Adjusted from \$10,374 to \$42,000. 2023 actual \$41,613.
531 50 47 000 Public Utilities	2,987.00	2,987.00	0.00	100.0%	
531 50 48 000 Repairs/Maintenance	40,000.00	25,000.00	(15,000.00)	62.5%	Per Mark, 10.10.2023. Lower =/ 9903 to allow for FT Mech.
531 50 48 425 M&O Fund 501	13,764.00	27,000.00	13,236.00	196.2%	M&O Funding with Lead Mechanic.
531 50 49 000 Tuition/Training	1,100.00	1,100.00	0.00	100.0%	
531 50 49 001 Filing & Lien Fees	600.00	600.00	0.00	100.0%	
531 50 49 010 CDL/Drug & Alcohol Testing	100.00	100.00	0.00	100.0%	
531 50 49 090 ICA-Support Allocation	223,716.00	82,805.73	(140,910.27)	37.0%	Updated IDCA - 2022 actuals for 2024 budget
040 Goods & Services	492,866.00	536,417.73	43,551.73	108.8%	
581 20 00 425 Interfund Loan - Sewer Fund	5,244.00	0.00	(5,244.00)	0.0%	Loan paid off in 2023.
592 39 82 000 Interfund Loan Interest	385.00	0.00	(385.00)	0.0%	Loan paid off in 2023.
800 Debt Service	5,629.00	0.00	(5,629.00)	0.0%	
594 31 63 000 Collection System	40,000.00	50,000.00	10,000.00	125.0%	Per Mark, 10.10.2023. Updated to \$50,000.
900 Capital Expenditures	40,000.00	50,000.00	10,000.00	125.0%	
597 00 00 425 General Fund Trf-IDCA	0.00	0.00	0.00	0.0%	
597 00 25 426 Stormwater Reserve	0.00	0.00	0.00	0.0%	
597 00 26 425 Equipment Replacement Fund 50:	90,800.00	90,800.00	0.00	100.0%	
950 Transfers	90,800.00	90,800.00	0.00	100.0%	
531 Storm Water Services	1,074,166.00	1,111,188.73	37,022.73	103.4%	

580 Non Expenditures

2024 PROPOSED BUDGET CHANGES

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425 Stormwater Operations					
Expenditures		Original	Proposed	Difference	Remarks
580 Non Expenditures					
588 10 00 425 Prior Period Adjustment		0.00	0.00	0.00	0.0%
580 Non Expenditures		0.00	0.00	0.00	0.0%
597 Interfund Transfers					
597 00 02 505 Transfers-Out - PW Facility Fund 5		57,240.00	57,240.00	0.00	100.0%
597 Interfund Transfers		57,240.00	57,240.00	0.00	100.0%
Fund Expenditures:		1,131,406.00	1,168,428.73	37,022.73	103.3%
Fund Excess/(Deficit):		(729.00)	46,528.27		

2024 PROPOSED BUDGET CHANGES

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426 Stormwater Reserve Fund

Revenues	Original	Proposed	Difference	Remarks
360 Interest & Other Earnings				
361 11 00 426 Investment Interest	250.00	250.00	0.00	100.0%
361 30 00 426 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%
360 Interest & Other Earnings	250.00	250.00	0.00	100.0%
397 Interfund Transfers				
397 00 00 426 Stormwater Operations Transf	0.00	0.00	0.00	0.0%
397 Interfund Transfers	0.00	0.00	0.00	0.0%
Fund Revenues:	250.00	250.00	0.00	100.0%
Expenditures	Original	Proposed	Difference	Remarks
597 Interfund Transfers				
597 00 00 000 Transfer To Stormwater Operatior	0.00	60,000.00	60,000.00	0.0% Per Mark, 10.10.2023. From 2023 for Stormwater Plan . Update - reduce to fund availablity fomr fund 426 \$60,000.
597 00 01 104 Transfer To Arterial Streets	0.00	0.00	0.00	0.0%
597 Interfund Transfers	0.00	60,000.00	60,000.00	0.0%
Fund Expenditures:	0.00	60,000.00	60,000.00	0.0%
Fund Excess/(Deficit):	250.00	(59,750.00)		

2024 PROPOSED BUDGET CHANGES

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501 Equipment Replacement Fund

Revenues	Original	Proposed	Difference	Remarks
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330 Intergovernmental Revenues

332 92 10 501 COVID-19 Non-grant Assistance	0.00	0.00	0.00	0.0%
337 20 00 501 Skagit County EMS	0.00	0.00	0.00	0.0%
337 31 00 501 Skagit County Equipment Contrib	0.00	0.00	0.00	0.0%
330 Intergovernmental Revenues	0.00	0.00	0.00	0.0%

340 Charges For Goods & Services

348 00 00 001 M&O General Fund 001	2,168.00	4,300.00	2,132.00	198.3%	M&O Funding with Lead Mechanic.
348 00 00 101 M&O Parks Fund 101	2,789.00	5,500.00	2,711.00	197.2%	M&O Funding with Lead Mechanic.
348 00 00 102 M&O Cemetery Fund 102	1,849.00	3,700.00	1,851.00	200.1%	M&O Funding with Lead Mechanic.
348 00 00 103 M&O Street Fund 103	13,612.00	26,600.00	12,988.00	195.4%	M&O Funding with Lead Mechanic.
348 00 00 401 M&O Sewer Fund 401	17,008.00	33,300.00	16,292.00	195.8%	M&O Funding with Lead Mechanic.
348 00 00 412 M&O Solid Waste Fund 412	44,990.00	88,000.00	43,010.00	195.6%	M&O Funding with Lead Mechanic.
348 00 00 425 M&O Storm Water Fund	13,764.00	27,000.00	13,236.00	196.2%	M&O Funding with Lead Mechanic.
348 00 00 520 M&O Engineering	0.00	1,200.00	1,200.00	0.0%	
348 00 00 521 M&O Law Enforcement	0.00	40,900.00	40,900.00	0.0%	M&O Funding with Lead Mechanic and Mechanic. 14% of \$301,604.
348 00 00 522 M&O Fire	0.00	123,000.00	123,000.00	0.0%	M&O Funding with Lead Mechanic and Mechanic. 41% of \$301,604.
340 Charges For Goods & Services	96,180.00	353,500.00	257,320.00	367.5%	

360 Interest & Other Earnings

361 11 00 501 Investment Interest	4,000.00	4,000.00	0.00	100.0%
361 30 00 501 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%
369 10 00 501 Sale Of Scrap And Junk	0.00	0.00	0.00	0.0%
360 Interest & Other Earnings	4,000.00	4,000.00	0.00	100.0%

370 Capital Contributions

395 10 00 501 Sale Of Assets	500.00	500.00	0.00	100.0%
370 Capital Contributions	500.00	500.00	0.00	100.0%

397 Interfund Transfers

397 00 01 312 Equipment Transfer - Fire Impact	0.00	0.00	0.00	0.0%
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2024 PROPOSED BUDGET CHANGES

City Of Sedro-Woolley

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501 Equipment Replacement Fund

Revenues	Original	Proposed	Difference		Remarks
397 Interfund Transfers					
397 00 00 021 Equipment Transfer - Police (Public Safety)	187,800.00	272,000.00	84,200.00	144.8%	Replace three vehicles per year. 10.2023 estimated cost per vehicle \$88,740 projected to 2025 purchases \$90,514.80x3=\$271,544.40
397 00 00 022 Equipment Transfer - Fire (Public Safety)	371,000.00	421,000.00	50,000.00	113.5%	Updated ER&R 10.3.2023. Ideal model would be funding at \$710,845. Budget model, allowing city to still purchase required vehicles while maintaining positive fund balance is \$420,771.
397 00 00 023 Equipment Transfer - GF 001 EMS	194,700.00	180,000.00	(14,700.00)	92.4%	Updated ER&R 10.3.2023. Ideal model would be funding at \$302,787. Budget model, allowing city to still purchase required vehicles while maintaining positive fund balance is \$179,229.
397 00 00 112 Equipment Transfer - Police (Public Safety)	0.00	0.00	0.00	0.0%	
397 00 00 313 Equipment Transfer - Public Safety	0.00	0.00	0.00	0.0%	
397 00 00 501 Equipment Transfer - GF 001 (Administrative)	14,300.00	29,556.29	15,256.29	206.7%	Updated ER&R 8.8.2023.
397 00 01 501 Equipment Transfer - Parks Fund	18,400.00	18,400.00	0.00	100.0%	
397 00 02 501 Equipment Transfer - Cemetery Fund	12,200.00	12,200.00	0.00	100.0%	
397 00 03 501 Equipment Transfer - Streets Function	89,800.00	89,800.00	0.00	100.0%	
397 00 41 501 Equipment Transfer - Sewer Fund	112,200.00	112,200.00	0.00	100.0%	
397 00 42 501 Equipment Transfer - Solid Waste	296,800.00	312,000.00	15,200.00	105.1%	Per Mark, 10.10.2023.
397 00 45 501 Equipment Transfer - Stormwater	90,800.00	90,800.00	0.00	100.0%	
300 Transfer - Equipment Replacement	1,388,000.00	1,537,956.29	149,956.29	110.8%	
397 Interfund Transfers	1,388,000.00	1,537,956.29	149,956.29	110.8%	
Fund Revenues:	1,488,680.00	1,895,956.29	407,276.29	127.4%	

Expenditures	Original	Proposed	Difference		Remarks
548 Public Works - Centralized Services					
548 30 41 000 Public Auction Charges	0.00	0.00	0.00	0.0%	
548 30 11 000 Salaries	66,528.00	104,000.00	37,472.00	156.3%	
548 30 13 000 Overtime	0.00	0.00	0.00	0.0%	
548 30 21 001 Industrial Insurance	2,492.00	2,000.00	(492.00)	80.3%	
548 30 22 001 Social Security	5,010.00	8,000.00	2,990.00	159.7%	
548 30 23 001 PERS Retirement	6,819.00	11,000.00	4,181.00	161.3%	
548 30 24 001 Unemployment	117.00	300.00	183.00	256.4%	
548 30 25 001 Medical/Dental/Vision	3,149.00	36,000.00	32,851.00	*****%	
548 30 26 050 Washington Sick Leave	65.00	200.00	135.00	307.7%	

2024 PROPOSED BUDGET CHANGES

City Of Sedro-Woolley

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501 Equipment Replacement Fund

Expenditures	Original	Proposed	Difference	Remarks
548 Public Works - Centralized Services				
010 Centralized Services	84,180.00	161,500.00	77,320.00	191.9%
548 30 31 000 Operating Supplies	12,000.00	12,000.00	0.00	100.0%
030 Supplies	12,000.00	12,000.00	0.00	100.0%
548 Public Works - Centralized Services	96,180.00	173,500.00	77,320.00	180.4%
594 Capital Expenditures				
594 21 65 501 Equipment	0.00	0.00	0.00	0.0%
594 18 64 501 Vehicles - Admin	18,500.00	18,500.00	0.00	100.0%
594 21 64 501 Equip & Vehicles - Police	164,000.00	164,000.00	0.00	100.0%
594 22 64 501 Vehicles - Fire	1,110,000.00	1,142,000.00	32,000.00	102.9%
				Original budget \$1,110,000: Ref 2023 ERR. Unit 5512 Engine less Chassis purchase in 2023, (2) Command trucks, Zoll Cardiac Monitors repl. Revised to \$1,142,000 FD command vehicle, engine increases.
594 31 64 501 Equip & Vehicles - Storm	0.00	0.00	0.00	0.0%
594 35 64 501 Equip & Vehicles - Sewer	355,000.00	355,000.00	0.00	100.0%
594 36 64 000 Equip & Vehicles - Cem	24,000.00	24,000.00	0.00	100.0%
594 37 64 501 Equip & Vehicles - Solid Waste	749,000.00	909,000.00	160,000.00	121.4%
				Garbage truck already included in the 2024. However, we may see the expense for the chassis in 2023. Additional expense of \$461,000 in 2023. Currently proposed budget is assuming chassis expenditure will occur in 2024. However, if it does occur in 2023, 2024 budget will be reduced to \$288,000.
594 42 64 000 Equip & Vehicles - Streets	0.00	0.00	0.00	0.0%
594 76 64 000 Equip & Vehicles - Park	24,000.00	24,000.00	0.00	100.0%
900 Capital Expenditures	2,444,500.00	2,636,500.00	192,000.00	107.9%
594 Capital Expenditures	2,444,500.00	2,636,500.00	192,000.00	107.9%
Fund Expenditures:	2,540,680.00	2,810,000.00	269,320.00	110.6%
Fund Excess/(Deficit):	(1,052,000.00)	(914,043.71)		

2024 PROPOSED BUDGET CHANGES

City Of Sedro-Woolley

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505 Public Works Facility Fund

Revenues	Original	Proposed	Difference	Remarks
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360 Interest & Other Earnings

361 11 00 505 Investment Interest	0.00	0.00	0.00	0.0%
361 30 00 505 Gains (Losses) On Investments	0.00	0.00	0.00	0.0%
360 Interest & Other Earnings	0.00	0.00	0.00	0.0%

390 Other Financing Sources

391 90 00 505 LOCAL Program - PW Building	0.00	0.00	0.00	0.0%
392 00 00 505 LOCAL Program -Premium	0.00	0.00	0.00	0.0%
390 Other Financing Sources	0.00	0.00	0.00	0.0%

397 Interfund Transfers

397 97 00 001 Operating Transfer In - General Fu	66,000.00	66,000.00	0.00	100.0%
397 97 00 401 Operating Transfer In - Sewer Fun	19,670.00	19,670.00	0.00	100.0%
397 97 00 412 Operating Transfer In - Solid Wasi	147,088.00	147,088.00	0.00	100.0%
397 97 00 425 Operating Transfer In - Stormwater	57,240.00	57,240.00	0.00	100.0%
397 97 00 505 Transfer In - Sewer Capital Project	0.00	0.00	0.00	0.0%
397 Interfund Transfers	289,998.00	289,998.00	0.00	100.0%

Fund Revenues:	289,998.00	289,998.00	0.00	100.0%
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Expenditures	Original	Proposed	Difference	Remarks
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591 Debt Service - Principal Repayment

591 00 00 505 LOCAL Redemption of Debt Princi	105,000.00	105,000.00	0.00	100.0%
591 Debt Service - Principal Repayment	105,000.00	105,000.00	0.00	100.0%

592 Debt Service - Interest Costs

592 48 00 505 Bond Issuance Costs	148,500.00	148,500.00	0.00	100.0%
592 Debt Service - Interest Costs	148,500.00	148,500.00	0.00	100.0%

594 Capital Expenditures

594 35 60 010 Const - WWTP Lab/Ops Bldg	0.00	0.00	0.00	0.0%
594 48 60 000 Eng - PW Building	0.00	0.00	0.00	0.0%
594 48 60 010 Const - PW Building	0.00	0.00	0.00	0.0%

2024 PROPOSED BUDGET CHANGES

City Of Sedro-Woolley

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505 Public Works Facility Fund				
Expenditures	Original	Proposed	Difference	Remarks
594 Capital Expenditures				
594 Capital Expenditures	0.00	0.00	0.00	0.0%
Fund Expenditures:	253,500.00	253,500.00	0.00	100.0%
Fund Excess/(Deficit):	36,498.00	36,498.00		

2024 PROPOSED BUDGET CHANGES

City Of Sedro-Woolley

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631 Suspense Fund					
Revenues		Original	Proposed	Difference	Remarks
380 Non Revenues					
389 90 01 631 Unapplied Cash - Suspense		0.00	0.00	0.00	0.0%
389 90 02 631 Unapplied Cash - Court		0.00	0.00	0.00	0.0%
380 Non Revenues		0.00	0.00	0.00	0.0%
Fund Revenues:		0.00	0.00	0.00	0.0%
Fund Excess/(Deficit):		0.00	0.00		

2024 PROPOSED BUDGET CHANGES

City Of Sedro-Woolley

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635 Custodial Fund

Revenues	Original	Proposed	Difference	Remarks
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380 Non Revenues

386 00 00 635 State Court Receipts	50,000.00	50,000.00	0.00	100.0%
386 00 01 635 Court Deposits	0.00	0.00	0.00	0.0%
386 60 00 635 State Court Receipts	0.00	0.00	0.00	0.0%
389 30 01 635 Sales Tax Collected	1,500.00	1,500.00	0.00	100.0%
389 30 03 635 10% Net Proceeds Forfeited Proprietary	0.00	0.00	0.00	0.0%
389 30 04 635 State Surcharge/Building Code Fees	750.00	750.00	0.00	100.0%
389 30 05 635 County Crime Victim Witness Program	900.00	900.00	0.00	100.0%
380 Non Revenues	53,150.00	53,150.00	0.00	100.0%

Fund Revenues:	53,150.00	53,150.00	0.00	100.0%
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Expenditures	Original	Proposed	Difference	Remarks
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580 Non Expenditures

586 00 01 635 Court Disbursements	0.00	0.00	0.00	0.0%
586 30 00 635 State Court Fees Remittance	50,000.00	50,000.00	0.00	100.0%
589 30 01 635 Sales Tax Remittance	1,500.00	1,500.00	0.00	100.0%
589 30 03 635 10% Net Proceeds Forfeited Proprietary	0.00	0.00	0.00	0.0%
589 30 04 635 State Surcharge/Building Code Fees	750.00	750.00	0.00	100.0%
589 30 05 635 County Crime Victim Witness Program	900.00	900.00	0.00	100.0%
580 Non Expenditures	53,150.00	53,150.00	0.00	100.0%

Fund Expenditures:	53,150.00	53,150.00	0.00	100.0%
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Fund Excess/(Deficit):	0.00	0.00
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2024 PROPOSED BUDGET CHANGES

City Of Sedro-Woolley

Fund Totals

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Fund	Revenues				Expenditures			
	Original	Proposed	Difference		Original	Proposed	Difference	
001 Current Expense Fund	10,285,006.00	13,307,531.00	3,022,525.00	129.4%	10,760,722.00	13,163,625.01	2,402,903.01	122.3%
101 Parks & Facilities Fund	1,752,830.00	3,333,580.00	1,580,750.00	190.2%	1,752,131.00	3,333,188.00	1,581,057.00	190.2%
102 Cemetery Fund	223,580.00	180,580.00	(43,000.00)	80.8%	217,502.00	180,771.00	(36,731.00)	83.1%
103 Street Fund	1,056,203.00	1,180,349.00	124,146.00	111.8%	1,045,030.00	1,135,442.00	90,412.00	108.7%
104 Arterial Street Fund	100,000.00	6,722,763.00	6,622,763.00	*****%	100,000.00	6,726,408.00	6,626,408.00	*****%
105 Library Fund	457,387.00	457,387.00	0.00	100.0%	456,887.06	456,887.06	0.00	100.0%
106 Cemetery Endowment Fund	3,250.00	3,250.00	0.00	100.0%	50,000.00	0.00	(50,000.00)	0.0%
107 Parks Reserve Fund	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
108 Lodging Tax Fund	24,580.00	45,620.00	21,040.00	185.6%	0.00	50,650.00	50,650.00	0.0%
109 Special Investigation Fund	7,650.00	7,650.00	0.00	100.0%	1,000.00	1,000.00	0.00	100.0%
112 Code Enforcement Fund	1,200.00	1,200.00	0.00	100.0%	2,500.00	2,500.00	0.00	100.0%
113 Paths And Trails Fund	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
114 Law Enforcement Sales Tax	658,600.00	658,600.00	0.00	100.0%	658,600.00	658,600.00	0.00	100.0%
115 City Council Strategic Reserve	75,350.00	350.00	(75,000.00)	0.5%	101,000.00	101,000.00	0.00	100.0%
116 Affordable Housing - HB 1406	14,500.00	14,500.00	0.00	100.0%	0.00	35,389.00	35,389.00	0.0%
117 Housing and Related Services	224,920.00	268,995.00	44,075.00	119.6%	0.00	109,100.00	109,100.00	0.0%
118 National Opioid Settlement Fund	0.00	5,427.66	5,427.66	0.0%	0.00	0.00	0.00	0.0%
189 American Rescue Plan Act Fund	0.00	0.00	0.00	0.0%	291,500.00	776,802.00	485,302.00	266.5%
205 2008 G/O Bond Fund	157,594.00	180,649.00	23,055.00	114.6%	200,555.20	150,555.20	(50,000.00)	75.1%
230 1996 G/O Bond Redemption Fund	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
301 1st 1/4% Real Estate Excise Tax Fund	352,000.00	352,000.00	0.00	100.0%	112,500.00	950,888.00	838,388.00	845.2%
302 2nd 1/4% Real Estate Excise Tax Fund	352,000.00	352,000.00	0.00	100.0%	0.00	950,888.00	950,888.00	0.0%
303 Building Maintenance Reserve	3,050.00	3,050.00	0.00	100.0%	5,000.00	5,000.00	0.00	100.0%
304 Transportation Benefit District	211,000.00	211,000.00	0.00	100.0%	100,000.00	214,000.00	114,000.00	214.0%
305 Library Construction Fund	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
310 Police Mitigation Reserve Fund	8,300.00	8,300.00	0.00	100.0%	0.00	0.00	0.00	0.0%
311 Parks Impact Fee Reserve Fund	41,200.00	201,200.00	160,000.00	488.3%	178,000.00	486,000.00	308,000.00	273.0%
312 Fire Impact Fee Reserve Fund	26,550.00	40,550.00	14,000.00	152.7%	0.00	0.00	0.00	0.0%
313 Public Safety Sales Tax Fund	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
314 Transportation Impact Fee Reserve Fund	62,000.00	62,000.00	0.00	100.0%	0.00	393,328.00	393,328.00	0.0%
401 Sewer Operations Fund	5,925,100.00	6,305,900.00	380,800.00	106.4%	5,607,253.00	6,603,334.23	996,081.23	117.8%
402 Sewer Facilities Reserve Fund	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
407 1998 Sewer Revenue Bond Fund	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
410 Sewer Capital Projects Reserve	689,144.00	683,900.00	(5,244.00)	99.2%	1,773,130.00	2,005,130.00	232,000.00	113.1%
411 1998 Sewer Rev Bond Res Fund	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
412 Solid Waste Operations Fund	3,662,200.00	3,811,200.00	149,000.00	104.1%	3,659,341.00	3,802,615.31	143,274.31	103.9%
413 Solid Waste Reserve Fund	127,000.00	127,000.00	0.00	100.0%	100,000.00	100,000.00	0.00	100.0%
425 Stormwater Operations	1,130,677.00	1,214,957.00	84,280.00	107.5%	1,131,406.00	1,168,428.73	37,022.73	103.3%
426 Stormwater Reserve Fund	250.00	250.00	0.00	100.0%	0.00	60,000.00	60,000.00	0.0%
501 Equipment Replacement Fund	1,488,680.00	1,895,956.29	407,276.29	127.4%	2,540,680.00	2,810,000.00	269,320.00	110.6%
505 Public Works Facility Fund	289,998.00	289,998.00	0.00	100.0%	253,500.00	253,500.00	0.00	100.0%
631 Suspense Fund	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%

2024 PROPOSED BUDGET CHANGES
Fund Totals

City Of Sedro-Woolley

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Fund	Revenues				Expenditures			
	Original	Proposed	Difference		Original	Proposed	Difference	
635 Custodial Fund	53,150.00	53,150.00	0.00	100.0%	53,150.00	53,150.00	0.00	100.0%
Excess/(Deficit):	29,464,949.00	41,980,842.95	12,515,893.95	142.5%	31,151,387.26	46,738,179.54	15,586,792.28	150.0%

FTE Count for the 2024 Budget

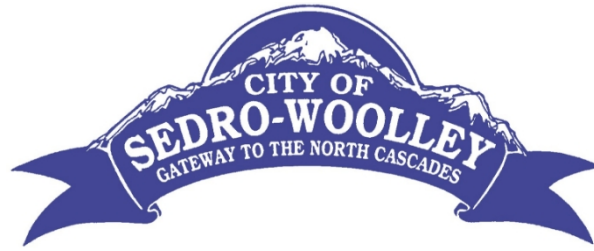
When fully staffed the City has an employee head count of 137 employees and 106.00 FTE. Full-time equivalent, or FTE, measures the total amount of full-time employees working at the City. It is a way of adding up the hours of full-time, part-time and various other types of employees into measurable 'full-time' units.

Summary	
ALL DEPARTMENTS	
Department	FTE
Legislative	1.75
Judicial	1.00
Executive	1.50
Finance	6.00
Info Tech	2.00
Planning and Comm Dev	2.64
Engineering	2.71
Law Enforcement	26.00
Fire / EMS	27.00
Protective Inspections	2.17
Parks	4.58
Cemetery	0.72
Street	2.97
Sewer	12.14
Solid Waste	7.61
Storm	3.21
ERR	1.25
Park Caretakers	0.75
Total FTE	106.00

Checkfigure 106.00

Full-Time	Vacant
Part-Time	New Position
Not Funded	

DETAIL																					
ALL CITY DEPARTMENTS - EXCLUDING PUBLIC SAFETY																					
Department	Current Title	Name	Legisla tive	Judicia l	Executiv e	Financ e	Info Tech	Planning and Comm Dev	Engine ering	Law Enforcemen t	Fire / EMS	Protectiv e Inspectio ns	Parks	Cemet ery	Street	Sewer	Solid Waste	Storm	ERR	Other	Checkfigur e
Elected Official	Mayor	Johnson, Julia			0.50																0.50
Elected Official	Councilmember	Loy, Kevin	0.25																		0.25
Elected Official	Councilmember	Kesti, JoEllen	0.25																		0.25
Elected Official	Councilmember	Diamond, Sarah	0.25																		0.25
Elected Official	Councilmember	Henderson, Allan	0.25																		0.25
Elected Official	Councilmember	Cocke, Paul	0.25																		0.25
Elected Official	Councilmember	Burns, Joe	0.25																		0.25
Elected Official	Councilmember	Lavacca, Nick	0.25																		0.25
Non-Reps	Court Services Administrator	Struthers, Linda		1.00																	1.00
Non-Reps	City Administrator	Bush, Charles			1.00																1.00
Finance	Accounting Clerk/HR Assistant	Goss, Jeanine K				1.00															1.00
Finance	Accounting Clerk	Jones, Diane R				1.00															1.00
Finance	Deputy Clerk	Mynatt, Serena R				1.00															1.00
Finance	Accounting Clerk	Wolf, Trina L				1.00															1.00
Non-Reps	Finance Director	Kohnken, Kelly				1.00															1.00
Finance	EMS Billing/Medicare Clerk	Messer, Rachel A				0.50					0.50										1.00
Non-Reps	IT Director	Tovar Cano, Woody					1.00														1.00
Non-Reps	IT System Integration Analyst	VACANT					1.00														1.00
Non-Reps	Community Development Director	VACANT						0.75				0.25									1.00
Non-Reps	Planner	McGowan, Nicole						0.75				0.25									1.00
Non-Reps	Assistant Planner	VACANT						0.75				0.25									1.00
B+P	Permitting Technician	Hilsinger, Jana						0.39	0.19			0.42									1.00
PW	Eng Tech/Proj Insp	Hoyt, Wally							1.00												1.00
Non-Reps	City Engineer (Sr. Engineer)	Lee, David							1.00												1.00
B+P	Building Inspector	Castilleja, Robert G.										1.00									1.00
PW	Lead Equipment Operator	Kesti, Kevin M											1.00								1.00
PW	Custodian	Wedin, Joshua R											1.00								1.00



City Council Agenda Item

Agenda Item No.: 1.3.

Date: February 14, 2024

From: Nicole McGowan, Assistant Planner

Subject: Amendment to Municipal Code to Update Sidewalk Café Regulations and to Possibly Add Regulations for "Streateries" - Ordinance 2065-23 - 2nd Read

RECOMMENDED ACTION:

Motion options:

- Move to adopt the Planning Commission recommended amendments to Chapter 10.44 SWMC to update the existing sidewalk café regulations and to add regulations for "streateries" and amendments to Chapter 17.04 SWMC to define "streatery" (version 1 of Ordinance 2065-23).
- Move to adopt version 2 of Ordinance 2065-23, amendments to Chapter 10.44 SWMC to update the existing sidewalk café regulations only.

ISSUE:

Should the City Council adopt the recommended amendments to Chapter 10.44 SWMC to update the existing sidewalk café regulations and to add regulations for "streateries" and amendments to Chapter 17.04 SWMC to define "streatery" (version 1 of Ordinance 2065-23), or should the City Council adopt version 2 of Ordinance 2065-23, amendments to Chapter 10.44 SWMC to update the existing sidewalk café regulations only?

BACKGROUND/SUMMARY INFORMATION:

Permanent sidewalk cafés (private dining areas or gathering spaces located on the sidewalk in front of a business) are currently allowed in the Central Business District (CBD) under Chapter 10.44 SWMC. However, permanent streateries (private dining areas or gathering spaces located over the on-street parking spaces in front of a business; also commonly known as parklets) are not. In an effort to provide business owners with an additional option for accommodating customers and to create a more welcoming and lively streetscape environment by encouraging more pedestrian activity in the area, staff finds that allowing permanent sidewalk cafés in the CBD as well as permanent streateries in specific areas of the CBD would be largely beneficial to the City. The proposed amendments also will allow sidewalk cafés permanently in the Urban Village Mixed Use (UVMU) Overlay. These amendments also work to update the existing sidewalk café regulations and add a definition for "streatery."

In 2012 and 2013, the Council approved temporary ordinances that allowed the temporary use of sidewalks and the public parking spaces in front of restaurants in the CBD for private dining areas. After those temporary ordinances expired, the City Council Business Development Committee discussed how there has been continuous support for the community, particularly for sidewalk cafés, as they have

worked to encourage pedestrian activity in the downtown area and have helped create a welcoming and lively environment that benefits downtown business owners. In 2014, a new ordinance was passed which amended Chapters 17.04 and 10.44 of the SWMC to include an updated definition for sidewalk cafés and to allow them permanently in the CBD under specific conditions. Parklets were not included due to the concern that they would take up the on-street parking stalls in front of businesses in the CBD. The availability of public parking in the downtown area has proven to be an ongoing public concern.

In later years, indoor occupancy restrictions were imposed by Washington State in response to the 2020 COVID-19 pandemic. The City's response was to allow "Temporary Outdoor Dining Areas in Rights of Way." These dining areas, including temporary sidewalk cafés and parklets, were intended to be an attribute to the downtown business district while also allowing businesses to accommodate additional customers while complying with the indoor occupancy restrictions. The intent was for the temporary sidewalk cafés and parklets to be removed once the indoor occupancy restrictions were lifted. Washington State has since lifted the restrictions, however, there is one streaterie, originally permitted temporarily, that still remains in the downtown area. Public support is still evident, as these have continued to be effective in bringing pedestrian activity to the downtown area, benefiting downtown business owners as originally envisioned. Businesses that constructed temporary sidewalk cafés can apply for a right-of-way permit to permanently locate the sidewalk cafés under the existing regulations in SWMC 10.44.155. However, because streateries are not currently an allowed use outside of the temporary rules, business owners are required to remove the streateries to comply with the conditions of the temporary permit.

Staff recognizes that removing the allowance for streateries effectively removes the opportunity for business owners to accommodate additional customers and removes an important element of the downtown streetscape that has been very beneficial for bringing life to the downtown area. Staff, however, also recognizes the importance of maintaining the public's access to on-street parking spaces within the downtown area for convenience for the public and to ensure local businesses can retain their customers. That is why careful consideration has been used in determining exactly where streateries would be allowed in the CBD, ensuring the areas with the heaviest traffic volume (Metcalf Street, State Street and any state routes) are specifically excluded. The regulations as proposed also give staff the ability to restrict construction of streateries depending on the availability of on-street parking, among other criteria. Public Works Director, Mark Freiburger, has also provided a statement expressing his position on the matter. Mark's statement is included herein as **Attachment 1**. The availability of on-street public parking spaces in the downtown area will not be significantly affected if streateries were allowed as recommended by the Planning Commission. The proposed amendments will allow business owners to apply for a streaterie permit or a sidewalk café permit annually for long-term use of the public right-of-way for outdoor dining. Changes to SWMC 10.44.155 are proposed to improve and clarify sidewalk café regulations as well as allow them permanently in the UVMU in addition to the CBD. A new section, SWMC 10.44.156, is proposed to specify regulations for permanent streateries. Also, a definition of "streaterie" is proposed to be added to SWMC 17.04.030.

The Planning Commission held two public hearings on this matter. The first public hearing was held during the August 15, 2023 Planning Commission meeting and at that meeting the Planning Commission requested additional edits be made to the draft amendments before making a recommendation. The requested edits were made and a second public hearing was held during the September 19, 2023 Planning Commission meeting where the recommendation was made that the City Council approve the code amendments. The amendments as recommended by the Planning Commission are in the attached version 1 of the proposed Ordinance 2065-23 (**Attachment 2**). The Sedro-Woolley Planning Commission recommends that the City Council approve amendments to Chapter 10.44 SWMC to update the existing sidewalk café regulations and to add regulations for "streateries" and amendments to Chapter 17.04 SWMC to define "streaterie." Should the City Council determine that streateries are not

desired, a version 2 of Ordinance 2065-23 is included herein as **Attachment 3**. This version of the Ordinance would implement *only* the amendments to Chapter 10.44 SWMC to update the existing sidewalk café regulations.

The *Planning Commission Findings of Fact, Conclusions and Recommendation* (**Attachment 4**) includes the procedural history of the review process, analysis of the proposal and Planning Commission findings, conclusion and recommendations.

FISCAL IMPACT, IF APPROPRIATE:

None.

ATTACHMENTS:

1. Attachment 1 - Public Works Director Statement
2. Attachment 2 - Version 1 Ordinance 2065-23 - Amendments as Recommended by Planning Commission
3. Attachment 3 - Version 2 Ordinance 2065-23 - Updates to Existing Sidewalk Café Regulations Only
4. Attachment 4 - Planning Commission Findings of Fact, Conclusions and Recommendation

Nicole McGowan

From: Mark Freiburger
Sent: Tuesday, February 6, 2024 5:13 PM
To: Nicole McGowan; David Lee
Subject: RE: Request for a Statement Regarding Streeteries and Parking Availability

Good afternoon, Nicole,

In my opinion, Streeteries located as propose should not create an issue for parking. Given that there are not that many businesses that would benefit from such a fixture, I don't see an issue. The proposed regulations give the city the ability to assess these on a case by case basis, and limit both size and location if needed. There are also limitations on use of ADA stalls and prohibition of sight distance limiting design.

Thank you,

Mark A. Freiburger, PE
Director of Public Works
325 Metcalf
Sedro-Woolley, Washington 98284
Telephone: 360-855-9933
Cel: 360-661-6445

ORDINANCE NO. 2065-23

AN ORDINANCE OF THE CITY OF SEDRO-WOOLLEY, WASHINGTON, ADOPTING
AMENDMENTS TO CHAPTER 10.44 SWMC TO UPDATE SIDEWALK CAFÉ
REGULATIONS AND TO ADD REGULATIONS FOR “STREATERIES” AND
AMENDMENTS TO CHAPTER 17.04 SWMC TO DEFINE “STREATERY.”

WHEREAS, permanent sidewalk cafés are currently allowed only in the CBD under Chapter 10.44 SWMC. Permanent streateries are not currently allowed. The proposed amendments will allow permanent streateries in specific areas of the CBD and permanent sidewalk cafés in the Urban Village Mixed Use (UVMU) Overlay. The proposed amendments also work to update the existing sidewalk café regulations and add a definition for “streatery;” and

WHEREAS, the Planning Commission discussed the proposed amendments to amend Chapter 10.44 SWMC to update sidewalk café regulations and to add regulations for “streateries” and to amend Chapter 17.04 SWMC to define “streatery” at its April 18, July 18, August 15, and September 19, 2023 meetings; and

WHEREAS, the Planning Commission held two public hearings on this matter. The first public hearing was held during the August 15, 2023 Planning Commission meeting. At that meeting, the Planning Commission reviewed the draft amendments to Chapters 10.44 and 17.04 SWMC and requested additional edits be made before making a recommendation. The requested edits were made and a second public hearing was held during the September 19, 2023 Planning Commission meeting where the Commission reviewed the revised draft amendments and, following the public hearing, recommended that the City Council adopt amendments to Chapter 10.44 SWMC to update sidewalk café regulations and to add regulations for “streateries” and amendments to Chapter 17.04 SWMC to define “streatery;” and

WHEREAS, the proposed changes are supported by and implement the Comprehensive Plan; and

WHEREAS, pursuant to RCW 36.70A.106, a notice of intent to adopt amendments to the city development regulations was sent to the Washington State Department of Commerce on October 30, 2023. A 15-day expedited review was requested and granted by Commerce. The expedited comment period ended November 14, 2023; and

WHEREAS, environmental review of the amendments has been completed and a Determination of Non-Significance was issued November 3, 2023; and

WHEREAS, the proposed ordinance is in the best interest of City of Sedro-Woolley citizens and promotes the health, safety and welfare of the citizens of the City of Sedro-Woolley; and

WHEREAS, the City Council adopts the forgoing as its findings of fact justifying its adoption of this Ordinance; now, therefore,

THE CITY COUNCIL OF THE CITY OF SEDRO-WOOLLEY, WASHINGTON, DO HEREBY
ORDAIN AS FOLLOWS:

Section 1. Chapter 10.44 SWMC Stopping, Standing and Parking is hereby amended as follows:

10.44.155 Sidewalk cafés.

Intent. Allowing the use of public sidewalks in front of a business in the Central Business District and the Urban Village Mixed Use Overlay (UVMU), excluding state routes, as a private outdoor dining area, when in conformance with the criteria in this section. Sidewalk cafés are defined in the zoning code, Title 17, and are intended to be an attribute to the downtown business district and UVMU. and Artistic and aesthetic embellishment is expected. Sidewalk cafés are subject to the following conditions:

- A. Sidewalk cafés located on the sidewalk may be placed within the right-of-way year-round.
- B. Uses. Sidewalk ~~dining areas~~ cafés may be approved for the following uses:
 - 1. Private outdoor dining areas only to be used by the single business they are associated with.
- C. Location. Sidewalk ~~dining areas~~ cafés shall only be located in front of the associated business, ~~and~~ shall not exceed the width of the business space-frontage and shall be contiguous to the building.
- D. Sidewalk ~~dining areas~~ cafés placed on the sidewalk shall allow an unimpeded, minimum five-foot clear walkway outside of the dining area for passing pedestrians.
- E. Construction.
 - 1. All sidewalk café structures or covers shall be well-constructed with rigid, wind-resistant material so as not to pose a safety hazard within the public right-of-way.
 - 2. Enclosures for sidewalk cafés, such as fences, railings or other barriers, shall not exceed 48 inches at maximum height. Covers placed over sidewalk cafés, such as awnings, shall extend no higher than 8 feet above the sidewalk surface.
 - 3. No sidewalk café structures shall be erected that will create traffic hazards by blocking vision clearance triangles as defined in SWMC 17.04.030.
 - 4. All power installations must be code compliant. Electrical cords located on public sidewalks and pathways are specifically prohibited.
 - 5. In no case shall any heating element be located less than 3 feet away from any combustible material or fuel source. All heating elements shall be listed for the intended use and used/maintained in accordance with the manufacturer's instructions. All proposed heating elements shall be evaluated on a case-by-case basis for approval.
 - 6. Tents or tent-like structures are specifically prohibited.
 - 7. Because sidewalk cafés may sit on top of critical infrastructure and utilities such as gas lines, sewer and/or water mains, they shall be designed for easy removal as follows in case of emergency:
 - a. Material selection shall be lightweight, easy to disassemble and durable enough to withstand outdoor conditions (e.g., wood, lightweight metal, lightweight composite materials, plastic, or similar).
 - b. Design shall be modular to allow for the structure to be assembled and disassembled in sections.
 - c. Connections shall be bolted or a similar simple connection method to allow for easy removal when necessary. Permanent welding or adhesive methods are specifically prohibited.

- d. Any anchoring shall be done using surface-mounted anchors or weighted bases. Permanent anchoring to the ground is specifically prohibited.
- e. Cement or concrete foundations or any design that alters the existing ground surface are specifically prohibited.

8. All plans for sidewalk café structures or covers shall be submitted to the Planning and Building Departments for approval prior to installation.

F. Maintenance.

- 1. The business owner is responsible for maintaining the safety and physical upkeep of the sidewalk café structure.
- 2. The business owner is responsible for sweeping the sidewalk area inside and around the sidewalk café.
- 3. Chairs must be removed or secured by close of business each day. Tables must be affixed, removed or secured by close of business each day.

G. Conformance with Washington State Liquor ~~Control and Cannabis~~ Board Policy. Businesses may serve beer, wine or spirits in a sidewalk ~~dining area café~~ if compliant with the Washington State Liquor ~~Control and Cannabis~~ Board rules and policies.

H. Insurance and Liability. The applicant shall comply with all requirements of Section [12.44.050](#).

I. Permit required.

- 1. A sidewalk café permit is required for use of public right-of-way for a sidewalk café. The permit shall be renewed annually for long-term use of the public right-of-way.
- 2. Upon sale of a business with an associated sidewalk café, the new owner shall be required to obtain a sidewalk café permit to continue use of the public right-of-way for the sidewalk café.
- 3. All work to be performed under any permit issued under this code shall conform to all other city codes, the current engineering standards of the engineering department and all other standards used by the city in the administration of this code.
- 4. As a condition of issuance of any permit or authorization which requires department approval, each applicant shall be required to consent to inspections by any appropriate city department.

J. Combination. Permitting of a combination of one sidewalk café and one streaterie (as defined in SWMC 17.04.030) associated with the same business may be allowed on a case-by-case basis, subject to Planning Director approval. The business owner shall apply for and obtain separate permits for each.

(Ord. [1795-14](#) § 1, 2014)

10.44.156 Streateries.

Intent. Allowing the use of public parking spaces in front of a business in the Central Business District, excluding state routes, Metcalf Street and State Street, as a private outdoor dining area, when in conformance with the criteria in this section. Streateries are defined in the zoning code, Title 17, and are intended to be an attribute to the downtown business district. Artistic and aesthetic embellishment is expected. Streateries are subject to the following conditions:

- A. Streateries located over parking spaces may be placed within the right-of-way year-round. Streateries may need to be removed for plowing or emergency services.

B. Uses. Streateries may be approved for the following use:

1. Private outdoor dining areas only to be used by the single business they are associated with.

C. On-street parking needs for the associated business will be evaluated on a case-by-case basis. To accommodate parking needs, limitations may be placed on the size of streatory allowable.

D. Use of ADA parking stalls for streateries is prohibited.

E. Construction.

1. All streatory structures or covers shall be well-constructed with rigid, wind-resistant material so as not to pose a safety hazard within the public right-of-way.

2. Streateries shall consist of a structure constructed adjacent to the curb that includes a flat, stable, non-slip, ADA accessible surface.

3. Streateries shall be enclosed on the three sides not adjacent to the curb with an approved barrier of at least 42 inches in height. Barriers may include but are not limited to railings, planters and backs of attached seating (i.e., benches). Covers placed over streateries shall extend no higher than 8 feet above the street surface.

4. No streatory structures shall be erected that will create traffic hazards by blocking vision clearance triangles as defined in SWMC 17.04.030.

5. All power installations must be code compliant. Electrical cords located on public sidewalks and pathways are specifically prohibited.

6. In no case shall any heating element be located less than 3 feet away from any combustible material or fuel source. All heating elements shall be listed for the intended use and used/maintained in accordance with the manufacturer's instructions. All proposed heating elements shall be evaluated on a case-by-case basis for approval.

7. Tents or tent-like structures are specifically prohibited.

8. Because streateries may sit on top of critical infrastructure and utilities such as gas lines, sewer and/or water mains, they shall be designed for easy removal as follows in case of emergency:

- a. Material selection shall be lightweight, easy to disassemble and durable enough to withstand outdoor conditions (e.g., wood, lightweight metal, lightweight composite materials, plastic, or similar).

- b. Design shall be modular to allow for the structure to be assembled and disassembled in sections.

- c. Connections shall be bolted or a similar simple connection method to allow for easy removal when necessary. Permanent welding or adhesive methods are specifically prohibited.

- d. Any anchoring shall be done using surface-mounted anchors or weighted bases. Permanent anchoring to the ground is specifically prohibited.

- e. Cement or concrete foundations or any design that alters the existing ground surface are specifically prohibited.

9. All plans for streatory structures or covers shall be submitted to the Planning and Building Departments for approval prior to installation.

F. Size over parking spaces.

1. Streateries, including barriers, planting boxes or other ancillary objects, shall extend to the edge of the parking dimension or no more than 12 feet street-ward from the curb, whichever is less.
2. Streateries shall not take up more than four (4) slanted parking spots or two (2) parallel parking spots.
3. Streateries shall only be installed in parking stalls that are located in front of the associated business and shall not exceed the width of the business frontage.

G. Maintenance.

1. The business owner is responsible for maintaining the safety and physical upkeep of the streatory structure.
2. The business owner is responsible for sweeping the area inside and around the streatory structure.
3. The business owner is responsible for keeping the curb free of debris that may interfere with stormwater conveyance or other street side utilities or amenities.
4. Street sweeping machinery will be unable to operate normally around streateries. The business owner is responsible for sweeping the street within 20 feet laterally from the streatory.
5. Chairs must be removed or secured by close of business each day. Tables must be affixed, removed or secured by close of business each day.

H. Conformance with Washington State Liquor and Cannabis Board Policy. Businesses may serve beer, wine or spirits in a streatory if compliant with the Washington State Liquor and Cannabis Board rules and policies.

I. Insurance and Liability. The applicant shall comply with all requirements of Section 12.44.050.

J. Permit required.

1. A streatory permit is required for use of public right-of-way for a streatory. The permit shall be renewed annually for long-term use of the public right-of-way.
2. Upon sale of a business with an associated streatory, the new owner shall be required to obtain a streatory permit to continue use of the public right-of-way for the streatory.
3. All work to be performed under any permit issued under this code shall conform to all other city codes, the current engineering standards of the engineering department and all other standards used by the city in the administration of this code.
4. As a condition of issuance of any permit or authorization which requires department approval, each applicant shall be required to consent to inspections by any appropriate city department.

K. Combination. Permitting of a combination of one streatory and one sidewalk café (as defined in SWMC 17.04.030) associated with the same business may be allowed on a case-by-case basis, subject to Planning Director approval. The business owner shall apply for and obtain separate permits for each.

Section 2. Chapter 17.04 SWMC Administrative Provisions is hereby amended as follows:

17.04.030 Definitions.

[...]

“Sidewalk café” means a private dining area or gathering space that is located on the sidewalk in front of a business. A sidewalk café serves as an outdoor extension of the business into the public right-of-way and may include fencing no more than four feet in height to delineate the dining area and meet Liquor and Cannabis Board regulations.

“Sign” means a publicly displayed advertising, directional, or information device excluding:

1. Flags and similar primarily nonverbal symbols of governmental, religious or civic organizations;
2. Traffic-control devices, verbal or nonverbal, maintained by the public agency with jurisdiction over the thoroughfare;
3. Minor notices such as conventional no soliciting, open, closed, for rent and for sale signs; and
4. Signs located so as to be viewed only from the ownership on which they are located.

“Single-family residence” means a dwelling unit which is unattached to any other dwelling unit.

“Streatory” means a private dining area or gathering space that is located over the on-street parking spaces in front of a business. A streatory serves as an outdoor extension of the business into the public right-of-way and includes a built structure to create a flat, ADA accessible area in the parking area of a city street. Streateries may be covered or uncovered spaces.

“Structure” means a stationary manmade object or part thereof erected on the ground with an intention of some permanence, excluding objects less than three feet in height.

“Trailer” means a device designed to be drawn by a motor vehicle and provide temporary living quarters.

[...]

Section 3. This ordinance shall be in force and take effect five (5) days after its publication according to law.

Section 4. If any section, sentence, clause, or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this ordinance.

PASSED by majority vote of the members of the Sedro-Woolley City Council this _____ day of _____, 20____, and signed in authentication of its passage this _____ day of _____, 20____.

By: _____
JULIA JOHNSON, Mayor

Attest: _____
KELLY KOHNKEN, Finance Director

Approved as to form:

NIKKI THOMPSON, City Attorney

Published:

ORDINANCE NO. 2065-23

AN ORDINANCE OF THE CITY OF SEDRO-WOOLLEY, WASHINGTON, ADOPTING
AMENDMENTS TO CHAPTER 10.44 SWMC TO UPDATE SIDEWALK CAFÉ
REGULATIONS.

WHEREAS, permanent sidewalk cafés are currently allowed only in the CBD under Chapter 10.44 SWMC. Planning staff finds it necessary to update the existing regulations for the purpose of improving and clarifying the standards for construction and location of such structures. In addition to updating the existing sidewalk café regulations, the proposed amendments will allow permanent sidewalk cafés in the Urban Village Mixed Use (UVMU) Overlay as well as in the Central Business District (CBD) where they are currently permitted; and

WHEREAS, the Planning Commission discussed the original draft amendments, which proposed amendments to Chapter 10.44 SWMC to update sidewalk café regulations and to add regulations for “streateries” and to amend Chapter 17.04 SWMC to define “stretery” at its April 18, July 18, August 15, and September 19, 2023 meetings; and

WHEREAS, the Planning Commission held two public hearings on this matter. The first public hearing was held during the August 15, 2023 Planning Commission meeting. At that meeting, the Planning Commission reviewed the draft amendments to Chapters 10.44 and 17.04 SWMC and requested additional edits be made before making a recommendation. The requested edits were made and a second public hearing was held during the September 19, 2023 Planning Commission meeting where the Commission reviewed the revised draft amendments and, following the public hearing, recommended that the City Council adopt amendments to Chapter 10.44 SWMC to update sidewalk café regulations and to add regulations for “streateries” and amendments to Chapter 17.04 SWMC to define “stretery;” and

WHEREAS, the original draft amendments were presented to the City Council for first read at the December 13, 2023 Council meeting. The Council expressed concern that allowing streateries in the CBD would decrease the availability of public on-street parking spaces in the area. It was requested that the draft amendments be revised to only include the updates to the existing sidewalk café regulations. Said revisions have been implemented and are reflected in the current amendments included herein; and

WHEREAS, the proposed changes are supported by and implement the Comprehensive Plan; and

WHEREAS, pursuant to RCW 36.70A.106, a notice of intent to adopt amendments to the city development regulations was sent to the Washington State Department of Commerce on October 30, 2023. A 15-day expedited review was requested and granted by Commerce. The expedited comment period ended November 14, 2023; and

WHEREAS, environmental review of the amendments has been completed and a Determination of Non-Significance was issued November 3, 2023; and

WHEREAS, the proposed ordinance is in the best interest of City of Sedro-Woolley citizens and promotes the health, safety and welfare of the citizens of the City of Sedro-Woolley; and

WHEREAS, the City Council adopts the forgoing as its findings of fact justifying its adoption of this Ordinance; now, therefore,

THE CITY COUNCIL OF THE CITY OF SEDRO-WOOLLEY, WASHINGTON, DO HEREBY ORDAIN AS FOLLOWS:

Section 1. Chapter 10.44 SWMC Stopping, Standing and Parking is hereby amended as follows:

10.44.155 Sidewalk cafés.

Intent. Allowing the use of public sidewalks in front of a business in the Central Business District and the Urban Village Mixed Use Overlay (UVMU), excluding state routes, as a private outdoor dining area, when in conformance with the criteria in this section. Sidewalk cafés are defined in the zoning code, Title 17, and are intended to be an attribute to the downtown business district and UVMU, and Artistic and aesthetic embellishment is expected. Sidewalk cafés are subject to the following conditions:

- A. Sidewalk cafés located on the sidewalk may be placed within the right-of-way year-round.
- B. Uses. Sidewalk ~~dining areas~~ cafés may be approved for the following uses:
 - 1. Private outdoor dining areas only to be used by the single business they are associated with.
- C. Location. Sidewalk ~~dining areas~~ cafés shall only be located in front of the associated business, ~~and~~ shall not exceed the width of the business ~~space~~ frontage and shall be contiguous to the building.
- D. Sidewalk ~~dining areas~~ cafés placed on the sidewalk shall allow an unimpeded, minimum five-foot clear walkway outside of the dining area for passing pedestrians.
- E. Construction.
 - 1. All sidewalk café structures or covers shall be well-constructed with rigid, wind-resistant material so as not to pose a safety hazard within the public right-of-way.
 - 2. Enclosures for sidewalk cafés, such as fences, railings or other barriers, shall not exceed 48 inches at maximum height. Covers placed over sidewalk cafés, such as awnings, shall extend no higher than 8 feet above the sidewalk surface.
 - 3. No sidewalk café structures shall be erected that will create traffic hazards by blocking vision clearance triangles as defined in SWMC 17.04.030.
 - 4. All power installations must be code compliant. Electrical cords located on public sidewalks and pathways are specifically prohibited.
 - 5. In no case shall any heating element be located less than 3 feet away from any combustible material or fuel source. All heating elements shall be listed for the intended use and used/maintained in accordance with the manufacturer's instructions. All proposed heating elements shall be evaluated on a case-by-case basis for approval.
 - 6. Tents or tent-like structures are specifically prohibited.
 - 7. Because sidewalk cafés may sit on top of critical infrastructure and utilities such as gas lines, sewer and/or water mains, they shall be designed for easy removal as follows in case of emergency:
 - a. Material selection shall be lightweight, easy to disassemble and durable enough to withstand outdoor conditions (e.g., wood, lightweight metal, lightweight composite materials, plastic, or similar).
 - b. Design shall be modular to allow for the structure to be assembled and disassembled in sections.

- c. Connections shall be bolted or a similar simple connection method to allow for easy removal when necessary. Permanent welding or adhesive methods are specifically prohibited.
- d. Any anchoring shall be done using surface-mounted anchors or weighted bases. Permanent anchoring to the ground is specifically prohibited.
- e. Cement or concrete foundations or any design that alters the existing ground surface are specifically prohibited.

8. All plans for sidewalk café structures or covers shall be submitted to the Planning and Building Departments for approval prior to installation.

F. Maintenance.

- 1. The business owner is responsible for maintaining the safety and physical upkeep of the sidewalk café structure.
- 2. The business owner is responsible for sweeping the sidewalk area inside and around the sidewalk café.
- 3. Chairs must be removed or secured by close of business each day. Tables must be affixed, removed or secured by close of business each day.

G. Conformance with Washington State Liquor ~~Control and Cannabis~~ Board Policy. Businesses may serve beer, wine or spirits in a sidewalk ~~dining area café~~ if compliant with the Washington State Liquor ~~Control and Cannabis~~ Board rules and policies.

H. Insurance and Liability. The applicant shall comply with all requirements of Section [12.44.050](#).

I. Permit required.

- 1. A sidewalk café permit is required for use of public right-of-way for a sidewalk café. The permit shall be renewed annually for long-term use of the public right-of-way.
- 2. Upon sale of a business with an associated sidewalk café, the new owner shall be required to obtain a sidewalk café permit to continue use of the public right-of-way for the sidewalk café.
- 3. All work to be performed under any permit issued under this code shall conform to all other city codes, the current engineering standards of the engineering department and all other standards used by the city in the administration of this code.
- 4. As a condition of issuance of any permit or authorization which requires department approval, each applicant shall be required to consent to inspections by any appropriate city department.

Section 2. This ordinance shall be in force and take effect five (5) days after its publication according to law.

Section 3. If any section, sentence, clause, or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this ordinance.

PASSED by majority vote of the members of the Sedro-Woolley City Council this _____ day of _____, 20____, and signed in authentication of its passage this _____ day of _____, 20____.

By: _____
JULIA JOHNSON, Mayor

Attest: _____
KELLY KOHNKEN, Finance Director

Approved as to form:

NIKKI THOMPSON, City Attorney

Published:

**CITY OF SEDRO-WOOLLEY PLANNING COMMISSION
STATE OF WASHINGTON**

In the Matter of:

**PROPOSED AMENDMENTS TO
CHAPTER 10.44 SWMC TO UPDATE
SIDEWALK CAFÉ REGULATIONS
AND TO ADD REGULATIONS FOR
“STREATERIES” AND PROPOSED
AMENDMENTS TO CHAPTER 17.04
SWMC TO DEFINE “STREATERY”**

**PROPOSED AMENDMENTS TO
CHAPTER 10.44 SWMC TO
UPDATE SIDEWALK CAFÉ
REGULATIONS AND TO ADD
REGULATIONS FOR
“STREATERIES” AND PROPOSED
AMENDMENTS TO CHAPTER
17.04 SWMC TO DEFINE
“STREATERY” - FINDINGS OF
FACT, CONCLUSIONS AND
RECOMMENDATION**

This matter having come regularly before the City of Sedro-Woolley Planning Commission for public hearings on **Tuesday, August 15 and Tuesday, September 19, 2023** under a request by the Planning Director for a public hearing and recommendation from the Planning Commission pursuant to Chapter 2.90 Sedro-Woolley Municipal Code (SWMC).

Recommendation:	The Planning Commission recommends APPROVAL of the proposed amendments to Chapters 10.44 and 17.04 SWMC as shown in Exhibit A of these Findings of Fact, Conclusions and Recommendation.
Hearing Dates:	Tuesday, August 15 and Tuesday, September 19, 2023
Proponent:	City of Sedro-Woolley

Description of proposal

Proposed are amendments to Chapter 10.44 SWMC to update the existing sidewalk café regulations and to add regulations for “streateries” and amendments to Chapter 17.04 SWMC to define “streatery.”

FINDINGS OF FACT

1. Per SWMC 2.90.070(G), this action, which requires changes to the City development regulations and underwent Planning Commission review, is processed as a Type VI action.
2. In 2012 and 2013, the Council approved temporary ordinances that allowed the temporary use of sidewalks and the public parking spaces in front of restaurants in the CBD for private dining areas. After those temporary ordinances expired, the City Council Business Development Committee discussed how there has been continuous support from the community, particularly for sidewalk cafes, as they have worked to encourage pedestrian activity in the downtown area and have helped create a welcoming and lively environment that benefits downtown business owners.
3. In 2014, a new ordinance was passed which amended Chapters 17.04 and 10.44 of the SWMC to include an updated definition for sidewalk cafes and to allow them permanently in the CBD under specific conditions. Parklets were not included due to the concern that they would take up the on-street parking stalls in front of businesses in the CBD. The availability of public parking in the downtown area has proven to be an ongoing public concern.
4. Indoor occupancy restrictions were imposed by Washington State in response to the 2020 COVID-19 pandemic. The City's response was to allow "Temporary Outdoor Dining Areas in Rights of Way." These dining areas, including temporary sidewalk cafes and parklets, were intended to be an attribute to the downtown business district while also allowing businesses to accommodate additional customers while complying with the indoor occupancy restrictions. The intent was for the temporary sidewalk cafes and parklets to be removed once the indoor occupancy restrictions were lifted. Washington State has since lifted the restrictions, however, there is one streaterie, originally permitted temporarily, that still remains in the downtown area. Public support is still evident, as these have continued to be effective in bringing pedestrian activity to the downtown area, benefiting downtown business owners as originally envisioned.
5. Businesses that constructed temporary sidewalk cafes can apply for a right-of-way permit to permanently locate the sidewalk cafes under the existing regulations in SWMC 10.44.155. However, because streateries are not currently an allowed use outside of the temporary rules, business owners are required to remove the streateries to comply with the conditions of the temporary permit.
6. Permanent sidewalk cafes are currently allowed only in the CBD under Chapter 10.44 SWMC. Permanent streateries are not currently allowed. The proposed amendments will allow permanent streateries in specific areas of the CBD and permanent sidewalk cafes in the Urban Village Mixed Use (UVMU) Overlay. The proposed amendments also work to update the existing sidewalk café regulations and add a definition for "streatery."
7. The Planning Commission reviewed the draft amendments at the April 18, July 18, August 15 and September 19, 2023 Planning Commission meetings.

8. At the August 15, 2023 meeting, the Planning Commission held a public hearing. The Notice of Public Hearing was published in the legal notices section of the August 5, 2023 Skagit Valley Herald as shown in **Exhibit B**. The notice was also posted on the City website. In said notice, a deadline for written comments was set for August 15, 2023 at 4:00 PM. The Planning Department did not receive any written comments and there were no online participants. One public comment was made at the hearing by Philip Murray (101 W Woodworth St.). Mr. Murray was concerned with the visual appearance of streateries. He would like to see the sidewalks clear, streateries off the road, and only one streatory per business. After the comment period ended, the Planning Commission reviewed the draft amendments to Chapters 10.44 and 17.04 SWMC and requested additional edits be made before making a recommendation.
9. At the September 19, 2023 meeting, the Planning Commission held a second public hearing. The Notice of Public Hearing was published in the legal notices section of the September 8, 2023 Skagit Valley Herald as shown in **Exhibit C**. The notice was also posted on the City website. In said notice, a deadline for written comments was set for September 19, 2023 at 4:00 PM. The Planning Department did not receive any written comments and there were no online participants. One public comment was made at the hearing by Philip Murray (101 W Woodworth St.). Mr. Murray was concerned with the open concept streateries; particularly when they have music playing and the garage door open. He was also concerned with tables and chairs being left outside at night as well as rules and regulations on citizens sitting and using the tables when not dining at the restaurant.
10. At the September 19, 2023 public hearing, the Planning Commission made a motion to recommend that the City Council approve the proposed amendments. The motion to recommend approval carried 6 – 0.
11. The Planning Commission’s recommended amendments are found in **Exhibit A**.

CONCLUSIONS

The Planning Commission, having reviewed the Planning Department Transmittal and Report Memorandum and hearing public testimony, makes the following conclusions:

1. Adoption of the proposed amendments to Chapters 10.44 and 17.04 SWMC complies with the State GMA. The draft amendments were sent to the State Department of Commerce on October 30, 2023 with a request for expedited 15-day review. The comment period ended November 14, 2023. A SEPA DNS (**Exhibit D**) was issued on November 3, 2023; and
2. Adoption of the proposed amendments to Chapters 10.44 and 17.04 SWMC is in conformance with the goals and policies of the Sedro-Woolley Comprehensive Plan.

RECOMMENDATION

Based upon the foregoing, the Planning Commission recommends approval of amendments to Chapters 10.44 and 17.04 SWMC, found herein as **Exhibit A**.

EXHIBITS

Exhibit A: Recommended Amendments to Chapters 10.44 and 17.04 SWMC

Exhibit B: Notice of August 15, 2023 Public Hearing

Exhibit C: Notice of September 19, 2023 Public Hearing

Exhibit D: SEPA DNS Issued November 3, 2023

CERTIFICATION

The City of Sedro-Woolley Planning Commission hereby recommends to the City Council **APPROVAL** of amendments to Chapter 10.44 SWMC to update sidewalk café regulations and to add regulations for “streateries” and amendments to Chapter 17.04 SWMC to define “streatery” at a **REGULAR** meeting of the City of Sedro-Woolley Planning Commission held on **Tuesday, September 19, 2023** at which time a quorum was present and the decision was for approval by a vote of 6 **FOR**, 0 **AGAINST** and 0 **ABSTENTIONS**.



Joe Fattizzi, Planning Commission Chair

12-8-2023

Date

10.44.155 Sidewalk cafes.

Intent. Allowing the use of public sidewalks in front of a business in the Central Business District and the Urban Village Mixed Use Overlay (UVMU), excluding state routes, as a private outdoor dining area, when in conformance with the criteria in this section. Sidewalk cafes are defined in the zoning code, Title 17, and are intended to be an attribute to the downtown business district and UVMU. ~~and~~ Artistic and aesthetic embellishment is expected. Sidewalk cafes are subject to the following conditions:

- A. Sidewalk cafes located on the sidewalk may be placed within the right-of-way year-round.
- B. Uses. Sidewalk ~~dining areas~~ cafes may be approved for the following uses:
 - 1. Private outdoor dining areas only to be used by the single business they are associated with.
- C. Location. Sidewalk ~~dining areas~~ cafes shall only be located in front of the associated business, ~~and~~ shall not exceed the width of the business space ~~frontage~~ and shall be contiguous to the building.
- D. Sidewalk ~~dining areas~~ cafes ~~placed on the sidewalk~~ shall allow an unimpeded, minimum five-foot clear walkway outside of the dining area for passing pedestrians.

E. Construction.

- 1. All sidewalk café structures or covers shall be well-constructed with rigid, wind-resistant material so as not to pose a safety hazard within the public right-of-way.
- 2. Enclosures for sidewalk cafes, such as fences, railings or other barriers, shall not exceed 48 inches at maximum height. Covers placed over sidewalk cafes, such as awnings, shall extend no higher than 8 feet above the sidewalk surface.
- 3. No sidewalk café structures shall be erected that will create traffic hazards by blocking vision clearance triangles as defined in SWMC 17.04.030.
- 4. All power installations must be code compliant. Electrical cords located on public sidewalks and pathways are specifically prohibited.

5. In no case shall any heating element be located less than 3 feet away from any combustible material or fuel source. All heating elements shall be listed for the intended use and used/maintained in accordance with the manufacturer's instructions. All proposed heating elements shall be evaluated on a case-by-case basis for approval.
6. Tents or tent-like structures are specifically prohibited.
7. Because sidewalk cafes may sit on top of critical infrastructure and utilities such as gas lines, sewer and/or water mains, they shall be designed for easy removal as follows in case of emergency:
 - a. Material selection shall be lightweight, easy to disassemble and durable enough to withstand outdoor conditions (e.g., wood, lightweight metal, lightweight composite materials, plastic, or similar).
 - b. Design shall be modular to allow for the structure to be assembled and disassembled in sections.
 - c. Connections shall be bolted or a similar simple connection method to allow for easy removal when necessary. Permanent welding or adhesive methods are specifically prohibited.
 - d. Any anchoring shall be done using surface-mounted anchors or weighted bases. Permanent anchoring to the ground is specifically prohibited.
 - e. Cement or concrete foundations or any design that alters the existing ground surface are specifically prohibited.
8. All plans for sidewalk café structures or covers shall be submitted to the Planning and Building Departments for approval prior to installation.

F. Maintenance.

1. The business owner is responsible for maintaining the safety and physical upkeep of the sidewalk cafe structure.
2. The business owner is responsible for sweeping the sidewalk area inside and around the sidewalk cafe.
3. Chairs must be removed or secured by close of business each day. Tables must be affixed, removed or secured by close of business each day.

G. Conformance with Washington State Liquor ~~Control and Cannabis~~ Board Policy. Businesses may serve beer, wine or spirits in a sidewalk ~~dining area café~~ if compliant with the Washington State Liquor ~~Control and Cannabis~~ Board rules and policies.

H. Insurance and Liability. The applicant shall comply with all requirements of Section [12.44.050](#).

I. Permit required.

1. A sidewalk cafe permit is required for use of public right-of-way for a sidewalk cafe. The permit shall be renewed annually for long-term use of the public right-of-way.

2. Upon sale of a business with an associated sidewalk café, the new owner shall be required to obtain a sidewalk café permit to continue use of the public right-of-way for the sidewalk café.

3. All work to be performed under any permit issued under this code shall conform to all other city codes, the current engineering standards of the engineering department and all other standards used by the city in the administration of this code.

4. As a condition of issuance of any permit or authorization which requires department approval, each applicant shall be required to consent to inspections by any appropriate city department.

J. Combination. Permitting of a combination of one sidewalk café and one streaterie (as defined in SWMC 17.04.030) associated with the same business may be allowed on a case-by-case basis, subject to Planning Director approval. The business owner shall apply for and obtain separate permits for each. (Ord. [1795-14](#) § 1, 2014)

10.44.156 Streateries.

Intent. Allowing the use of public parking spaces in front of a business in the Central Business District, excluding state routes, Metcalf Street and State Street, as a private outdoor dining area, when in conformance with the criteria in this section. Streateries are defined in the zoning code, Title 17, and are intended to be an attribute to the downtown business district. Artistic and aesthetic embellishment is expected. Streateries are subject to the following conditions:

A. Streateries located over parking spaces may be placed within the right-of-way year-round. Streateries may need to be removed for plowing or emergency services.

B. Uses. Streateries may be approved for the following use:

1. Private outdoor dining areas only to be used by the single business they are associated with.

C. On-street parking needs for the associated business will be evaluated on a case-by-case basis. To accommodate parking needs, limitations may be placed on the size of streateries allowable.

D. Use of ADA parking stalls for streateries is prohibited.

E. Construction.

1. All streateries structures or covers shall be well-constructed with rigid, wind-resistant material so as not to pose a safety hazard within the public right-of-way.

2. Streateries shall consist of a structure constructed adjacent to the curb that includes a flat, stable, non-slip, ADA accessible surface.

3. Streateries shall be enclosed on the three sides not adjacent to the curb with an approved barrier of at least 42 inches in height. Barriers may include but are not limited to railings, planters and backs of attached seating (i.e., benches). Covers placed over streateries shall extend no higher than 8 feet above the street surface.

4. No streateries structures shall be erected that will create traffic hazards by blocking vision clearance triangles as defined in SWMC 17.04.030.

5. All power installations must be code compliant. Electrical cords located on public sidewalks and pathways are specifically prohibited.

6. In no case shall any heating element be located less than 3 feet away from any combustible material or fuel source. All heating elements shall be listed for the intended use and used/maintained in accordance with the manufacturer's instructions. All proposed heating elements shall be evaluated on a case-by-case basis for approval.

7. Tents or tent-like structures are specifically prohibited.

8. Because streateries may sit on top of critical infrastructure and utilities such as gas lines, sewer and/or water mains, they shall be designed for easy removal as follows in case of emergency:

a. Material selection shall be lightweight, easy to disassemble and durable enough to withstand outdoor conditions (e.g., wood, lightweight metal, lightweight composite materials, plastic, or similar).

b. Design shall be modular to allow for the structure to be assembled and disassembled in sections.

- c. Connections shall be bolted or a similar simple connection method to allow for easy removal when necessary. Permanent welding or adhesive methods are specifically prohibited.
- d. Any anchoring shall be done using surface-mounted anchors or weighted bases. Permanent anchoring to the ground is specifically prohibited.
- e. Cement or concrete foundations or any design that alters the existing ground surface are specifically prohibited.

9. All plans for streateries structures or covers shall be submitted to the Planning and Building Departments for approval prior to installation.

F. Size over parking spaces.

- 1. Streateries, including barriers, planting boxes or other ancillary objects, shall extend to the edge of the parking dimension or no more than 12 feet street-ward from the curb, whichever is less.
- 2. Streateries shall not take up more than four (4) slanted parking spots or two (2) parallel parking spots.
- 3. Streateries shall only be installed in parking stalls that are located in front of the associated business and shall not exceed the width of the business frontage.

G. Maintenance.

- 1. The business owner is responsible for maintaining the safety and physical upkeep of the streaterie structure.
- 2. The business owner is responsible for sweeping the area inside and around the streaterie structure.
- 3. The business owner is responsible for keeping the curb free of debris that may interfere with stormwater conveyance or other street side utilities or amenities.
- 4. Street sweeping machinery will be unable to operate normally around streateries. The business owner is responsible for sweeping the street within 20 feet laterally from the streaterie.
- 5. Chairs must be removed or secured by close of business each day. Tables must be affixed, removed or secured by close of business each day.

H. Conformance with Washington State Liquor and Cannabis Board Policy. Businesses may serve beer, wine or spirits in a streaterie if compliant with the Washington State Liquor and Cannabis Board rules and policies.

I. Insurance and Liability. The applicant shall comply with all requirements of Section 12.44.050.

J. Permit required.

1. A streatory permit is required for use of public right-of-way for a streatory. The permit shall be renewed annually for long-term use of the public right-of-way.
2. Upon sale of a business with an associated streatory, the new owner shall be required to obtain a streatory permit to continue use of the public right-of-way for the streatory.
3. All work to be performed under any permit issued under this code shall conform to all other city codes, the current engineering standards of the engineering department and all other standards used by the city in the administration of this code.
4. As a condition of issuance of any permit or authorization which requires department approval, each applicant shall be required to consent to inspections by any appropriate city department.

K. Combination. Permitting of a combination of one streatory and one sidewalk café (as defined in SWMC 17.04.030) associated with the same business may be allowed on a case-by-case basis, subject to Planning Director approval. The business owner shall apply for and obtain separate permits for each.

17.04.030 Definitions.

[...]

“Sidewalk cafe” means a private dining area or gathering space that is located on the sidewalk in front of a business. A sidewalk cafe serves as an outdoor extension of the business into the public right-of-way and may include fencing no more than four feet in height to delineate the dining area and meet Liquor and Cannabis Board regulations.

“Sign” means a publicly displayed advertising, directional, or information device excluding:

1. Flags and similar primarily nonverbal symbols of governmental, religious or civic organizations;
2. Traffic-control devices, verbal or nonverbal, maintained by the public agency with jurisdiction over the thoroughfare;
3. Minor notices such as conventional no soliciting, open, closed, for rent and for sale signs; and
4. Signs located so as to be viewed only from the ownership on which they are located.

“Single-family residence” means a dwelling unit which is unattached to any other dwelling unit.

“Streatery” means a private dining area or gathering space that is located over the on-street parking spaces in front of a business. A streatery serves as an outdoor extension of the business into the public right-of-way and includes a built structure to create a flat, ADA accessible area in the parking area of a city street. Streateries may be covered or uncovered spaces.

“Structure” means a stationary manmade object or part thereof erected on the ground with an intention of some permanence, excluding objects less than three feet in height.

“Trailer” means a device designed to be drawn by a motor vehicle and provide temporary living quarters.

[...]

NOTICE OF PUBLIC HEARINGS

CITY OF SEDRO-WOOLLEY

Amendments to Development Regulations

Hybrid Meeting

City of Sedro-Woolley Council Chamber and Virtually via Zoom Webinar

The City of Sedro-Woolley Planning Commission will hold public hearings on **August 15, 2023 at 6:30 PM** in the Sedro-Woolley Council Chamber and virtually via Zoom Webinar, to hear testimony regarding the following proposed amendments to the City Development Regulations:

1. Possible Amendments to Chapter 10.44 SWMC to Update Sidewalk Café Regulations and to Add Regulations for “Streateries” and Amendments to Chapter 17.04 SWMC to Define “Stretery”
2. Possible Amendments to Chapter 17.16 SWMC to Remove Statement in Intent Section Restricting R-15 Zoning Designations

Interested parties can comment on the proposed changes in writing or at the hearing. Written comments will be read into the public record and **must be received by 4:00PM August 15, 2023** to be considered at this public hearing. Send written comments to: City of Sedro-Woolley Planning Department, ATTN: Assistant Planner, 325 Metcalf Street, Sedro-Woolley, Washington, 98284, or by email to nmcgowan@sedro-woolley.gov.

Please go to the Planning Commission Meetings page on the Sedro-Woolley website (https://www.sedro-woolley.gov/governing_bodies/planning_commission/planning_meetings.php) to find the meeting materials and a link to join the webinar.

Published in the Skagit Valley Herald: August 5, 2023

NOTICE OF PUBLIC HEARING

CITY OF SEDRO-WOOLLEY

Amendments to Development Regulations

Hybrid Meeting

City of Sedro-Woolley Council Chamber and Virtually via Zoom Webinar

The City of Sedro-Woolley Planning Commission will hold a public hearing on **September 19, 2023 at 6:30 PM** in the Sedro-Woolley Council Chamber and virtually via Zoom Webinar, to hear testimony regarding the following proposed amendments to the City Development Regulations:

1. Possible Amendments to Chapter 10.44 SWMC to Update Sidewalk Café Regulations and to Add Regulations for “Streateries” and Amendments to Chapter 17.04 SWMC to Define “Stretery”

Interested parties can comment on the proposed changes in writing or at the hearing. Written comments will be read into the public record and **must be received by 4:00PM September 19, 2023** to be considered at this public hearing. Send written comments to: City of Sedro-Woolley Planning Department, ATTN: Assistant Planner, 325 Metcalf Street, Sedro-Woolley, Washington, 98284, or by email to nmcgowan@sedro-woolley.gov.

Please go to the Planning Commission Meetings page on the Sedro-Woolley website (https://www.sedro-woolley.gov/governing_bodies/planning_commission/planning_meetings.php) to find the meeting materials and a link to join the webinar.

Published in the Skagit Valley Herald: September 8, 2023

CITY OF SEDRO-WOOLLEY
SEPA Notice of Threshold Determination
Determination of Non-significance (DNS)

Project Description: Non-project action to amend Chapter 10.44 of the Sedro-Woolley Municipal Code (SWMC) to update existing sidewalk café regulations and to add regulations for “streateries” and to amend Chapter 17.04 SWMC to define “streatery.”

Proponent: City of Sedro-Woolley Planning Department

Location of Project, Including Street Address: No specific address, non-project action.

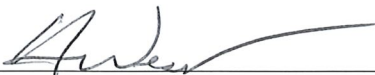
Lead Agency, City of Sedro-Woolley: The lead agency for this proposal has determined that this non-project action does not have a probable significant adverse impact on the environment. An environmental impact statement (EIS) is not required for this non-project action under RCW 43.21C.030(2)(c). This decision was made after review of a completed environmental checklist and other information on file with the lead agency. This information is available to the public upon request.

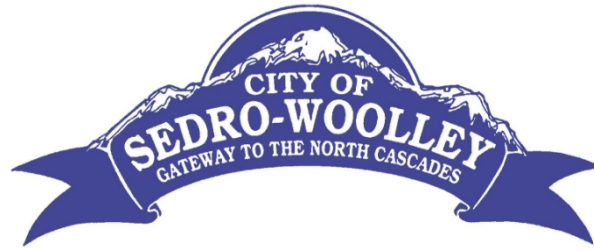
This DNS is issued under WAC 197-11-340(2); the lead agency will not act on this proposal for 14 days from the date of issue. Per SWMC 2.88.170, you may appeal this threshold determination in writing to the City of Sedro-Woolley Planning Department no later than 4:30 PM on **November 17, 2023**. Written appeals must be submitted to the Sedro-Woolley Planning Department, 325 Metcalf Street, Sedro-Woolley, Washington, 98284. Contact the Assistant Planner at (360) 855-0771 or electronically at nmcgowan@sedro-woolley.gov to read or ask about the procedures for SEPA appeals.

Responsible SEPA Official: Hiller West, Interim Planning Director – City of Sedro-Woolley
Contact Person: Nicole McGowan, Assistant Planner

Address: 325 Metcalf Street, Sedro-Woolley, WA 98284

Date of Issue: Friday, November 3, 2023

Signature: 
Hiller West, Interim Planning Director



City Council Agenda Item

Agenda Item No.: 1.4.

Date: February 14, 2024

From: Mark Freiburger, Director of Public Works

Subject: Sidewalk Municipal Code - Ordinance 2064-24 - 2nd Read and Possible Adoption
Sidewalk Replacement Program - Resolution 1136-24 - 2nd Read and Possible Adoption

RECOMMENDED ACTION:

Motion to approve Ordinance 2064-24 repealing and replacing SWMC Chapter 12.28 "Sidewalks".
Motion to approve Resolution 1136-24 adopting the Sidewalk Replacement Program and Sidewalk Replacement Program policy documents.

ISSUE:

Shall council adopt Ordinance No. 2064-24 repealing and replacing SWMC Chapter 12.28 "Sidewalks" and approve Resolution 1136-24 adopting Sidewalk Repair and Maintenance and Sidewalk Replacement Program Policy Documents?

BACKGROUND/SUMMARY INFORMATION:

Sedro-Woolley Municipal Code Chapter 12.28 "Sidewalks" addresses sidewalk ownership and repair and replacement of defective sidewalks. This code was adopted under Ord. 130.1 in 1913, and has not been updated since that time. The proposed code updates contained in Ordinance No. 2064-24 are meant to bring this code into compliance with existing law, while maintaining the provision that repair and maintenance of sidewalks remain the responsibility of the adjacent property owner. The related Resolution 1136-24 adopting Sidewalk Replacement Program policy documents is proposed to provide options for an owner who has been notified of defective sidewalks adjacent to their property, or who voluntarily chooses to replace such sidewalks, to take advantage of incentives to reduce the cost of such work.

There are significant needs for repairs to sidewalks citywide. Age, tree root intrusion and construction damage can result in sidewalks with offset joints or cracks, creating trip hazards for pedestrians. Public Works' main focus to date has been replacement of handicap ramps citywide as identified in the ADA Transition Plan adopted in 2021. We have had a degree of success with this program in conjunction with our street overlay and construction programs. Under the existing Sidewalk Replacement Partnership Program, we assist up to five property owners per year with sidewalk upgrades for lot frontages. However, sidewalks in the older parts of town have been a low priority to date. We anticipate a more aggressive program to notify owners of the worst sidewalks in an effort to bring the walks up to a passable condition as far as possible. The concentration will be on sidewalks in the higher pedestrian

volume areas such as downtown and school zones. We will also target sidewalk complaints from the public. From the core of the city, we will expand to other locations as workload and budget permit.

We also recognize the opportunity to utilize the Local Improvement District method of funding infrastructure projects to develop larger coordinated projects for such areas as Bennett Street and Talcott Street, where the walks and roadways are quite old and in need of systematic repairs. These larger projects will require a significant investment by the city and adjacent property owners, and are currently beyond the ability of staff to pursue with present workloads.

Included in the packet is a sample Defective Sidewalk Notice that will be used to notify adjacent owners of hazardous sidewalk conditions. Code references spell out responsibility for adjacent owners. For defective and dangerous walks that an owner refuses to address, the city would perform the work necessary to mitigate the hazard. When the work can be scheduled, we will contract for repairs utilizing our on-call sidewalk contractor. The adjacent owner would be billed for the work. If payment is not made, a lien will be filed against the property.

In addition to the code update, the proposed Sidewalk Replacement Program is designed to offer two options for the property owner to partner with the city for purposes of voluntarily replacing defective sidewalks. The city has offered a Sidewalk Replacement Partnership Program for some years, which is retained as Option 1 in the proposed Program. The existing program is limited to the city removing and disposing of existing defective sidewalks, along with furnishing gravel base for the new walks to be built by the adjacent owner utilizing a contractor at the owner's expense. Option 2 is added to provide a way for property owners to utilize the city's on-call sidewalk contractor to replace defective sidewalks at cost. The city will still remove and dispose of existing walks, and would furnish gravel base, along with final grading and seeding if needed.

The proposed code update will provide a more coordinated methodology for staff to process sidewalk complaints, and to deal with defective sidewalks that we become aware of during normal maintenance operations. The related Sidewalk Replacement Program will support those efforts by encouraging owners to partner with the city to upgrade defective sidewalks in a timely manner.

The Sidewalk Replacement Program is based on a review of several similar programs, including the Mount Vernon Sidewalk Replacement Program and the City of Seattle Sidewalk Replacement Program.

FISCAL IMPACT, IF APPROPRIATE:

The existing sidewalk replacement partnership program is used by several property owners a year, with minimal cost to the city. Fund 103 Street includes SBX Code 542.61.48.001.103 Sidewalk Replacement Partnership budgeted at approximately \$3,150 per year since 2021. Expenses have generally been limited to gravel base and hauling fees and have generally remained within budget. The expanded program will likely result in an increase in use of the program. We have budgeted 542.61.48.000.103 Repair/Maint Sidewalk (REET) totaling \$25,000 for 2024 for other sidewalk repairs, which would be available to support this program.

ATTACHMENTS:

1. Ordinance No. 2064-24 Repealing and Replacing SWMC Ch 12.28
2. SWMC Ch 12.28 "Sidewalks" Current Code Language
3. Resolution 1136-24 Adopting Sidewalk Repair and Maintenance and Sidewalk Replacement Program Policy Documents
4. Resolution 1136-24 Exhibit A

5. Resolution 1136-24 Exhibit B
6. Sample Defective Sidewalk Notice

ORDINANCE NO. 2064-24
AN ORDINANCE OF THE CITY OF SEDRO-WOOLLEY, WASHINGTON, REPEALING
AND REPLACING CHAPTER 12.28 “SIDEWALKS” OF THE SEDRO-WOOLLEY
MUNICIPAL CODE (SWMC)

WHEREAS, Sedro-Woolley Municipal Code Chapter 12.18 “Sidewalks” was last updated in 1913; and,

WHEREAS, the City Council supports an effective partnership between its citizens and the City in sharing the burden of sidewalk maintenance and repair; and,

WHEREAS, the City of Sedro-Woolley has damaged and deflected sidewalks that need immediate repair to provide safe walkways; and,

WHEREAS, safe and well-maintained sidewalks promote the public health and attractiveness of the City, minimize the risk of liability and aid in attracting citizens towards using foot travel as a means of travel.

NOW, THEREFORE, the City Council of the City of Sedro-Woolley do ordain as follows:

Section One. Chapter 12.28 “Sidewalks” of the Sedro-Woolley Municipal Code, last modified by Ord. 130 § 1 in 1913, is hereby repealed in its entirety.

Section Two. A new Chapter 12.28 entitled “Sidewalks” is hereby added to Title 12 “Streets, Sidewalks, and Public Places”, to read as follows:

Sections:

- 12.28.010 Definitions.
- 12.28.020 Repairs—Maintenance—Responsibility.
- 12.28.030 Notice to Repair-Authorized.
- 12.28.040 Notice to Repair-Service.
- 12.28.050 Procedure to Construct or Repair.
- 12.28.060 Enforcement-Failure to Improve.

Section 12.28.010 Definitions.

For the purpose of this chapter and unless the context plainly requires otherwise, the following terms shall have the following meanings:

“Abutting property” means all property having a frontage upon the sides or margins of any public right-of-way.

“Curb” means a cement, concrete or asphaltic concrete raised structure designed to delineate the edge of the street and to separate the vehicular portion from that provided for pedestrians.

“City” means the city of Sedro-Woolley, a Washington municipal corporation.

“City council” means the city of Sedro-Woolley council acting in its official capacity.

“Director” means the Public Works Director or designee.

“Maintenance” means the removal and disposal of debris, litter, vegetation, snow and ice from sidewalks.

“Occupant” means a person who is occupying, controlling or possessing real property, or their agent or representative.

“Owner” means a person who has legal or equitable title to real property, or their agent or representative.

“Person” means a person, firm, association, partnership, corporation or individual.

“Public right-of-way” means the land owned, dedicated or conveyed to the public or a unit of government, providing for the movement of vehicles, wheelchair and pedestrian traffic, access to abutting property, the location of utility lines, driveways, appurtenances and other facilities benefiting the public.

“Sidewalk” means all hard-surface walkways within public rights-of-way in the area between the street margin and the roadway, including driveways.

Section 12.28.020 Repairs—Maintenance—Responsibility.

A. Whenever any street, lane, square, place, alley, or other public right of way in the city shall have been improved by the construction of a sidewalk or sidewalks, along either or both sides thereof, the duty, burden and expense of cleaning, maintenance, repair and renewal of such sidewalk or sidewalks shall be the responsibility of the owner of the property directly abutting upon that side of the such street along which such sidewalk has been constructed. The abutting property owner shall maintain the sidewalk at all times in a safe condition, free of any and all obstructions or defects, including but not limited to ice and snow. It is the responsibility of the owner or occupant of private property to remove snow and ice on the sidewalks abutting said property in a timely manner and, if practical, prevent its becoming or remaining in an icy, uneven or slippery condition or in any condition which is potentially hazardous or impassible to users of the public sidewalks. Property owners or occupants shall clean the sidewalk abutting their property, of snow or ice within 24 hours of initial accumulation and cause the same to be kept clean from snow or ice each day. Snow and ice removed from sidewalks may not be placed upon the public right of way.

B. The burden and expense of constructing, maintaining and repairing sidewalks along the side of any street or public right of way shall fall upon and be borne by the property directly abutting thereon.

Section 12.28.030 Notice to Repair-Authorized.

When the Public Works Director, or their designee deems the condition of any sidewalk renders the sidewalk unfit or unsafe for public travel, the Code Enforcement Officer shall serve a notice on the owner of the property immediately abutting such portion of the sidewalk of the unfit condition thereof, instructing the owner to clear, repair, or renew the unfit portion of the sidewalk.

Section 12.28.040 Notice to Repair-Service.

The notice provided for shall be delivered in person to the owner of the property or his authorized agent, or by leaving a copy of such notice at the home of the owner or authorized agent, or if the owner is a nonresident by mailing a copy of his last known address, or if the owner of the property be unknown, or if his address be unknown then such notice shall be addressed to the general delivery office. The notice shall specify a reasonable time not less than thirty days within which such cleaning, repairs, or renewal shall be executed by the property owner.

Section 12.28.050 Procedure to Construct or Repair.

Any person desiring to self-perform sidewalk repairs shall apply for a right-of-way permit through the City of Sedro-Woolley Engineering Department. Any person desiring to utilize the City of Sedro-Woolley Sidewalk Replacement Partnership Program shall complete a right-of-way permit. All cleaning, clearing, repairs, replacement, or construction of new sidewalks shall be completed in accordance with the current specifications provided in the Sedro-Woolley Public Works Engineering Standards.

Section 12.28.060 Enforcement-Failure to Improve.

Every abutting property owner, who has been notified as provided in sections 12.2.020, 12.28.030 and 12.28.040 who shall fail to perform such maintenance, repairs, and or replacement within the specified timeline shall be in violation of this chapter. If such property owner, who has been notified fails to make the improvements ordered within the time specified in such notice, the public works director shall proceed to complete the improvement. The public works director shall assess the cost of such work against the property owner and the parcel of land immediately abutting that portion of the sidewalk so improved, which charge or assessment shall be a lien upon said property and shall be collected by due process of law in the same manner as are other local improvement assessments by the city clerk. Associated costs shall be recorded on the assessment roll, and said assessment shall constitute a special assessment and lien against the property.

Section Three. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder of the Ordinance or the application of the provision to other persons or circumstances is not affected.

Section Four. Authority to Make Necessary Corrections. The City Clerk and the codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance including, but not limited to, the correction of scrivener's clerical errors, references, ordinance numbers, section/subsection numbers, and any references thereto.

Section Five. Effective Date. This Ordinance shall be in full force and effect five days after publication.

PASSED AND ADOPTED by the City Council of the City of Sedro-Woolley, Washington, on this 24th day of January, 2024.

Julia Johnson, Mayor

ATTEST:

Kelly Kohnken, City Clerk

APPROVED AS TO FORM:

Nikki Thompson, City Attorney

Chapter 12.28 SIDEWALKS

Sections:

12.28.010 Repairs—Maintenance—Responsibility.

12.28.010 Repairs—Maintenance—Responsibility.

Whenever any street, lane, square, place, or alley in the city shall have been improved by the construction of a sidewalk or sidewalks, along either or both sides thereof, the duty, burden and expense of maintenance, repair and renewal of such sidewalk or sidewalks shall devolve upon the property directly abutting upon that side of the such street along which such sidewalk has been constructed as hereinafter provided. Whenever in the judgment of the street committee of the city council, the condition of any sidewalk is such as to render the same unfit or unsafe for purposes of public travel, the street committee shall direct the street superintendent or police chief to notify, and such officer shall thereupon serve a notice on the owner of the property immediately abutting upon such portion of the sidewalk of the condition thereof, instructing the owner to clear, repair, or renew the portion of the sidewalk. The notice provided for shall be deemed sufficiently served if delivered in person to the owner of the property or his authorized agent, or by leaving a copy of such notice at the home of the owner or authorized agent, or if the owner is a nonresident by mailing a copy of his last known address, or if the owner of the property be unknown, or if his address be unknown then such notice shall be addressed to the general delivery office of the city wherein the improvement is to be made, such notice shall specify a reasonable time within which such cleaning, repairs, or renewal shall be executed by the owner, and shall state that in case the owner shall fail to do such cleaning or to make such repairs or renewal within the time specified therein which shall be not less than ten days, then the officer or department will proceed to clean the sidewalk or to make such repairs or renewals forthwith, and will report to the city council at its next regular meeting or as soon thereafter as possible, the date to be definitely stated, an assessments roll showing the lot or parcel of land immediately abutting on that portion of the sidewalk so improved, the cost of such improvement or repair and the name of the owner, if known, and that the council will hear any or all protests against the proposed assessment. The council shall at the time in such notice designated or at an adjourned time or times assess the cost of such work against the property in accordance with the benefits devised therefrom, which charge shall become a lien upon the property and shall be collected by due process of law in the manner provided by Chapter 98 of the session laws of 1911 relating to local improvements in cities and towns and by Ordinance No. _____ of the city of Sedro Woolley relating to local improvements in the city. For the purposes of this chapter all property having a frontage upon the side or margin of any street shall be deemed to be abutting property and such property shall be chargeable, as provided in this chapter for all the costs of maintenance, repairs or renewal of any form of sidewalk improvement between the street margin and the roadway lying in front of and adjacent to the property, and the term sidewalk, as intended in the purposes of this chapter, shall be taken to include any and all structure or forms of street improvement included in the space between the street margin and roadway. (Ord. 130 § 1, 1913)

RESOLUTION 1136-24
A RESOLUTION OF THE CITY OF SEDRO-WOOLLEY, WASHINGTON,
ADOPTING SIDEWALK REPAIR AND MAINTENANCE AND SIDEWALK
REPLACEMENT PROGRAM POLICY DOCUMENTS

WHEREAS, Ordinance No. 2064-24, approved by City Council on January 24, 2024, repealed and replaced Sedro-Woolley Municipal Code Chapter 12.28 “Sidewalks”, which had not previously been updated since 1913; and,

WHEREAS, the City does not have a Council adopted written policy for sidewalk replacement or repair; and,

WHEREAS, the City Council supports an effective partnership between its citizens and the City in sharing the burden of sidewalk maintenance and repair; and,

WHEREAS, the City of Sedro-Woolley has damaged and deflected sidewalks that need immediate repair to provide safe walkways; and,

WHEREAS, safe and well-maintained sidewalks promote the public health and attractiveness of the City, minimize the risk of liability and aid in attracting citizens towards using foot travel as a means of travel.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sedro-Woolley as follows:

1. Adopting Sidewalk Repair and Maintenance and Sidewalk Replacement Program Policy Documents. The City hereby adopts by reference and incorporated herein attached Exhibit “A” entitled “Sidewalk Replacement Program” and Exhibit “B” entitled “Sidewalk Replacement Program – Option 2 Contract”.
2. Severability. If any provision of this Resolution or its application to any person or circumstance is held invalid, the remainder of the Ordinance or the application of the provision to other persons or circumstances is not affected.
3. Effective Date. This Resolution shall be in full force and effect as of the date of adoption.

PASSED AND ADOPTED by the City Council of the City of Sedro-Woolley, State of Washington, on this 24th day of January, 2024.

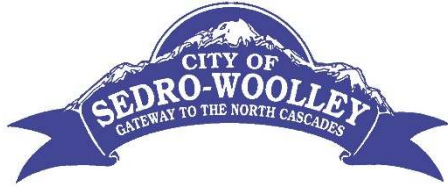
Julia Johnson, Mayor

ATTEST:

Kelly Kohnken, City Clerk

APPROVED AS TO FORM:

Nikki Thompson, City Attorney



City of Sedro-Woolley
Public Works/Engineering
325 Metcalf Street
Sedro-Woolley, WA 98284
Phone: 360-855-0771
Email: engineering@sedro-woolley.gov

Sidewalk Replacement Program

Adopted _____, 2024

AUTHORITY

This Sidewalk Replacement Program is established pursuant to City of Sedro-Woolley Ordinances, Resolutions, and the Sedro-Woolley Municipal Code (SWMC), including SWMC Chapter 12.28 "Sidewalks" and the Sedro-Woolley Public Works Department Standards which authorize the Director of Public Works to promulgate and adopt administrative standards and specifications to implement and enforce code requirements applicable to right of way improvements within the City of Sedro-Woolley.

PURPOSE OF POLICY

Per the Sedro-Woolley Municipal Code Section 12.28.020, the maintenance and repair of sidewalks within city limits are the responsibility of the abutting property owner. The purpose of the sidewalk replacement program is to provide residential and business property owners with the ability to have eligible sidewalks replaced in the most cost-effective way possible, and to mitigate the expense to the property owners. Should the adjacent property owner decline to utilize the Program, or after agreeing to use the program then fail to reimburse the city for the cost of repairs made under this Program, the repair and replacement of defective sidewalks will remain the responsibility of the adjacent owner as defined in SWMC Section 12.28.020.

ORDER OF WORK

The Director of Public Works or designee shall determine the schedule, staging, and priority of sidewalk work covered by this program based upon, but not limited to these factors: the severity of safety hazards; volume of pedestrian traffic; visibility of condition; length of time that the condition has existed; and the availability of city resources. Depending on the availability of City resources and the demand for program services, the time required for a sidewalk to be constructed may be a lengthy period. During this time, the property owner(s) retains his/her normal responsibilities for the condition of the abutting public sidewalk. For this reason, the property owner(s) may need to perform temporary measures to mitigate sidewalk hazards.

SCOPE OF WORK

Work eligible to be performed by the City shall include all public sidewalks and sidewalk sections of driveways that are located on the City right of way or City easements. Work shall

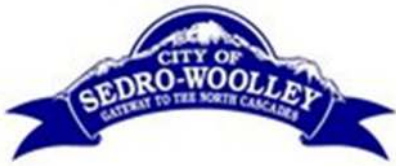
be solely for the purpose of repair and maintenance of existing sidewalks to a reasonably safe condition, or installation of new sidewalks when permitted under this program. Work shall not take place in areas outside the City right of way or easements, including private property, except minor accessory work that is needed to match grades of the replaced sidewalk with existing ground and facilities. This program has two available options to property owners.

Option 1: Property owners apply for a no-cost RIGHT OF WAY permit. The city will call in utility notification Locates via 811, and place "SIDEWALK CLOSED" signs. The City crew will excavate and dispose of the damaged sections of the sidewalk at no cost to the property owner. The property owner will then arrange for a contractor to prep and install the new sidewalk at their own expense. The city will provide crushed gravel surfacing to use as base. The property owner may choose to form and pour their own sidewalk under this option with city approval. City engineering inspectors will inspect the final product. Under Option 1, the property owner is responsible for all landscaping restoration and cleanup.

Option 2: The city provides property owner a cost estimate for the city to perform the entire sidewalk restoration. Under this option a RIGHT OF WAY permit is not required. Property owners enter a Sidewalk Replacement Contract with the city. The city will call in utility notification locates via 811, and place "SIDEWALK CLOSED" signs. The City crew will excavate and dispose of the damaged sections of the sidewalk at no cost to the property owner. The city will schedule its sidewalk contractor to prep the crushed rock base, form, and pour the sidewalk. The city crew will then perform minor landscaping restoration and final clean up. City engineering inspectors will inspect the final product. The city will then invoice the property owner for the cost of the work completed by the contractor. The only costs to be billed to the owner will be the actual contractor costs billed to the city. The abutting property owner shall submit payment for the full invoice amount within 30 days of final acceptance by the city engineering department.

TREES AND ROOTS

Please note that if a tree and root system is on your property or the adjacent planting strip and is determined to be a contributing factor to the defective sidewalk; Sedro-Woolley Municipal Code Chapter 12.40.080 states that any hazardous or nuisance trees in existence on the effective date of the ordinance codified in this chapter shall be removed by the property owner. The city may remove, or cause to be removed, at the expense of the abutting landowner, a tree or part of a tree which is in an unsafe condition or constitutes a nuisance, or which by reason of its nature is injurious to utilities, sidewalks, or other public improvements. Furthermore, SWCM chapter 12.40.050 states that roots from trees planted on public property or adjacent private property, which have disrupted or broken the adjacent street surface, sidewalk, or curb, shall be repaired at the adjacent property owner's expense. The Sidewalk Replacement Program requires the property owner to remove the offending tree and its root system that may be adjacent to and under the sidewalk; remove and dispose of the affected sidewalk panels; and place "crushed surfacing top coarse" (CSTC) gravel to provide a temporary safe passable walking surface until replacement has been completed. Please note, any work within the City's right-of-way will require a RIGHT OF WAY permit that can be obtained from the City's Development Services Department at City Hall (360) 855-0771. Additionally, Development Services can provide tree planting information in case you are required to replant the removed tree.



Sidewalk Replacement Program Option 2 Contract

Public Works Department
325 Metcalf Street
Sedro-Woolley, WA 98284
engineering@sedro-woolley.gov
360-855-0771

Abutting Property Owner Information

Date of Estimate: _____

Name: _____

Address: _____

City, State, Zip: _____

Phone: **Main:** _____ **Other:** _____

Replacement Detail

Detail	<u>Length</u>	<u>Width</u>	<u>Depth (inches)</u>
Sidewalk:			4"
Driveway:			6"

Cost Detail	Quantity	Unit Cost	Total Cost
Concrete (Cubic Yard)	_____	\$ _____	\$ _____

I _____ (print), being the property owner or representative for the above address, do hereby agree to pay for all costs of contract labor, material and equipment incurred for the repair/replacement of existing sidewalks as indicated above. I have read the City's Sidewalk Replacement Policy, Option 2, also attached hereto and incorporated herein by this reference, and agree to its terms and conditions.

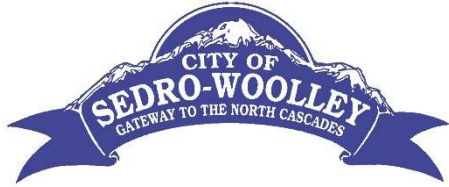
The City's Director of Public Works will determine the scheduling and priority of sidewalk replacements based on the need to improve public safety and benefit most effectively. Examples of the factors that will be considered in ranking projects are: the severity of safety hazards; volume of pedestrian traffic; visibility of condition; length of time that the condition has existed; and availability of City resources.

Depending upon the availability of City resources and the demand for program services, the time required for a sidewalk to be constructed may be a lengthy period. During this time, property owners retain their normal responsibilities for the condition of the abutting public sidewalk. For this reason, property owners may need to perform interim measures to mitigate sidewalk hazards. Estimated costs will be updated annually so that property owners have the most up to date financial information.

I understand that this is an estimate only and that I am responsible for paying all contract costs associated with this Sidewalk Replacement Contract.

Signature Date
Property Owner/Representative Signature

Signature Date
Public Works Representative Signature



City of Sedro-Woolley
Public Works/Engineering
325 Metcalf Street
Sedro-Woolley, WA 98284
Phone: 360-855-0771
Email: engineering@sedro-woolley.gov

DEFECTIVE SIDEWALK NOTICE

<DATE>
<NAME>
<ADDRESS>
Sedro-Woolley, WA 98284

Dear Mr./Mrs. _____,

Sedro-Woolley Public Works (PW) staff has received a report of a defective sidewalk adjoining your property at 501 Alexander Street. As a result of this report, city staff has assessed the condition of the sidewalk and determined that there is a potential hazard that exists. Please contact the city engineering department to discuss this hazard as soon as possible.

Please note that Sedro-Woolley Municipal Code Chapter 12.28.020 states as follows:

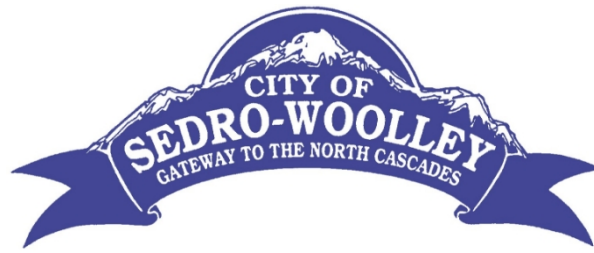
- A. Whenever any street, lane, square, place, alley, or other right of way in the city shall have been improved by the construction of a sidewalk or sidewalks, along either or both sides thereof, the duty, burden and expense of cleaning, maintenance, repair and renewal of such sidewalk or sidewalks shall be the responsibility of the owner of the property directly abutting upon that side of the such street along which such sidewalk has been constructed. The abutting property owner shall always maintain the sidewalk in a safe condition, free of all obstructions or defects, including but not limited to ice and snow.
- B. It is the responsibility of the owner or occupant of private property to remove snow and ice on the sidewalks abutting said property in a timely manner and, if practical, prevent its becoming or remaining in an icy, uneven, or slippery condition or in any condition which is potentially hazardous or impassible to users of the public sidewalks. Property owners or occupants shall clean the sidewalk abutting their property, of snow or ice within 24 hours of initial accumulation and cause the same to be kept clean from snow or ice each day. Snow and ice removed from sidewalks may not be placed upon the public right of way.
- C. The burden and expense of constructing, maintaining, and repairing sidewalks along the side of any street or public right of way shall fall upon and be borne by the property directly abutting thereon.

City staff has marked the hazard with orange paint to make it visible until the sidewalk can be repaired. There are several options available to property owners to help remedy the hazard that has been identified. The city has a sidewalk replacement partnership program where the city will assist homeowners with sidewalk repairs. Please contact the city engineering office and a city staff member will assist and advise you of options to repair the hazard. Again, please contact the city within 10 business days of receipt of this letter. If a contact is not made within 10 business days, the hazard will be referred to the city's code enforcement officer.

If you have any questions, please do not hesitate to contact the engineering department at 360-855-0771, or by email at engineering@sedro-woolley.gov.

Sincerely,

Director of Public Works



City Council Agenda Item

Agenda Item No.: m.1.

Date: February 14, 2024

From: Mark Freiberger, Director of Public Works

Subject: Grant Approval - 2024 RAISE Application Due February 28, 2024

RECOMMENDED ACTION:

Authorize Director of Public Works Mark Freiberger to submit a 2024 RAISE Grant Application for \$24,355,000 with a local match of \$1,000,000 from REET funds.

ISSUE:

Should Council authorize Public Works Director Freiberger to submit a 2024 RAISE Grant application in the amount of \$24,355,000, with a local match of \$1,000,000?

BACKGROUND/SUMMARY INFORMATION:

The **2005 Transportation Plan** identified the need for a new arterial loop to serve the city north of State Route 20. The 2005 plan identified a series of projects to make up the loop, including a new roadway and BNSF undercrossing connecting Jones Road and John Liner Road, and a new extension of Trail Road from Cook Road to Jones Road. The **2016 Comprehensive Plan** included Chapter 3 Transportation Element, which confirmed the transportation needs that were identified in the 2005 Plan. The related **2016 Transportation Impact Fee Update** incorporated the estimated costs for the Corridor projects and provided a means of funding the projects using traffic impact fees provided by development within the city. Traffic Impact Fees are updated annually based on the National Construction Cost Index.

The city published its **Jones/John Liner/Trail Road Corridor Projects Scoping Study** in 2020. The Study provided preliminary engineering and cost estimates for the Corridor, and a recommended design and routing for the route. The Corridor is designed to provide an alternative east-west arterial corridor to relieve congestion on State Route 20 and other city arterial streets including Ferry, State and Jameson Streets, and to plan for expected growth both within and passing through the city. The Study proposed a series of eight projects to complete a new route utilizing the existing Jones Road and John Liner Road arterial streets along with a new arterial (North Trail Road) to connect Jones Road to Cook Road and SR 20. The Study estimate for the corridors was \$34,729,000 (2019 dollars).

Since publication of the Study, the city has aggressively pursued funding for the various components of the Corridor, with some level of success. The attached version of the **Jones/John Liner/Trail Road Corridor Project Description** highlights elements of the Corridor that have been funded and completed or scheduled, or are partially funded. The updated estimate for the entire Corridor has increased to

\$51,215,000 (47.5%), with \$15,587,000 completed or committed. The current estimates include inflation for the anticipated construction years of 2028-2030 for Components 1 - 5, and 2031 for Component 6.

Completed or committed projects include the Township Street (SR 9)/ John Liner Rd/McGarigle Road Intersection, North Trail Road from F&S Grade Road to Jones Road, and North Trail Road from Cook Road to the north boundary of Bucko Estates. The city has also secured the majority of the right of way required for North Trail Road. The Bucko Estates final plat dedicated the needed N Trail Road right of way crossing the plat. We are in negotiations with Sedro-Woolley School District for the remainder of the RW required between Cook Road and Bucko.

The subject of the proposed 2024 RAISE application are Components 1 through 5, which would connect Jones Road and John Liner Road under the new BNSF Bridge, complete the segment of North Trail from Bucko Estates to F&S Grade Road, rebuild the existing Cook Road/South Trail Road intersection as a roundabout, rebuild Jones Road from F&S Grade Road to Sapp Road, and complete the portion of Patrick Street from Brickyard Creek to Jones Road. Completion of these components, along with the other completed and committed components, will provide a fully functional Corridor.

Component 6 Cook Road/North Trail Road Intersection Improvements is not necessary for the initial operation of the Corridor. The traffic analysis indicates that a stop controlled intersection will operate at a level of service B for some years after the opening of the Corridor. The intersection will, at some point beyond 2030 need to be upgraded to a roundabout. As a result, the project will remain in the City Transportation Improvement Program (TIP). The timing of this component will be driven by future city growth.

The RAISE grant request is for \$24,355,000, representing 80% of the \$30,443,800 estimate for Components 1-5. The \$6,088,800 match is made up of an existing \$600,000 commitment by the city (2024 Budget from Fund 302/302 REET), a proposed additional \$400,000 commitment by the city (also proposed from Fund 301/302 REET), a \$500,000 commitment by Skagit County, a \$558,800 federal grant through the Skagit Council of Governments (SCOG), anticipated additional federal funds through SCOG of \$979,900, and TIB grants of \$3,050,000. The proposed additional SCOG and TIB funds would be the subject of future grant requests anticipated for the period from 2026 through 2028. While the RAISE application technically does not require a local match for rural area applications, the estimate for the five essential components is more than the maximum \$25,000,000 available for individual applications.

The timing for the design and construction of the projects assumes design and environmental process for all five components would start simultaneously after award and execution of the federal aid contract, estimated for the spring of 2025. Environmental clearance for the projects with creek crossings (Components 4 and 5) is likely to take 18 to 24 months. Right of way acquisition would follow environmental clearance, and take up to an additional year. The first three components do not include stream crossings, and should be able to secure permits in 2027. With anticipated right of way acquisition, the construction of the first three components could take place in 2028-2029, and the last two in 2029-2030. The related John Liner Road Arterial Improvements Project is under design and also currently scheduled for 2028.

The city applied for a previous round of RAISE funding in 2023, with a request of \$23,706,000 towards the total \$29,632,600 project. The scope of this application was essentially the same as the current request. The application made it through the first two rounds of reviews before failing to meet the

Benefit-Cost requirements for final funding. We have engaged David Evans & Associates to assist staff with the present application. DEA was the team responsible for two successful RAISE applications in Washington State during 2023. DEA and staff are confident that the current application will meet the B-C requirements.

FISCAL IMPACT, IF APPROPRIATE:

The RAISE application estimate includes a recommended total of \$1,000,000 in city funding, planned for the design phase to start in 2025. This includes \$600,000 in previously committed local transportation funding from REET 1 and 2 that is budgeted for 2024 for Component 1, the Jones/John Liner BNSF Undercrossing and Roadway Extension Project. The additional \$400,000 is also proposed from REET 1 and 2, and would be used to support Component 3 Cook Road/South Trail Road Intersection Improvements and Component 4 Jones Road Improvements.

The attached 2/8/2024 version of the **Arterial Project Listing by Funding Source** spreadsheet shows how the local funds would be sourced. The primary sources of local funds for this project are Traffic Impact Fees, Real Estate Excise Tax (REET) and Transportation Benefit District (TBD). REET funds are proposed for matching funds for the 2024 RAISE application. The Arterial Project Listing includes known and proposed transportation projects through 2027, including the design phase for Components 1-5. With the assumptions state, there are sufficient local funds to support this application and project. The construction phases of these projects are projected for 2027-2029, and are not presently priced out in the Arterial Project Listing. It is however, assumed in the RAISE application that additional match funding would come from Transportation Improvement Board (TIB) and SCOG STBG federal fund sources. The required match funding is well within the expected capacity for both TIB and SCOG federal funding. The project is a SCOG regional priority and has already been awarded design phase funding for Component 1. TIB has supported the Corridor project with funding for the Township Street (SR 9) and John Liner/McGarigle Road Intersection project.

Staff recommends council authorization for the Director of Public Works to submit the proposed 2024 RAISE grant application to Federal Highways, along with a commitment of \$1,000,000 in local funding as matching funds for the project.

ATTACHMENTS:

1. 2024-2-8 Arterial Project Listing by Funding Source
2. Jones-John Liner Trail Rd Corridor Project Description 02-01-2024

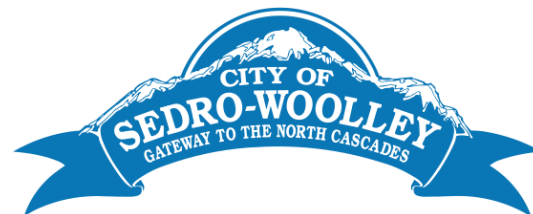
Arterial Projects Listing by Funding Source							
For years 2021-2027							
2/8/2024							
M. Freiberger, PE							
Revenues	Fund 104	REET 301/302 total both	TBD 304	GMA Trans Impact Fees 314	Total	GRANT	TOTAL PROJECT
Beginning Balance - 1/1/2021	242,495	1,465,908	261,807	242,495	2,212,705		
2023 Projected Revenues	-	575,944	221,650	218,792	1,016,386		
2024 Projected Revenues		700,000	210,000	61,000	971,000		
2025 Projected Revenues	-	500,000	210,000	61,000	771,000		
2026 Projected Revenues		500,000	210,000	61,000	771,000		
2027 Projected Revenues		500,000	210,000	61,000	771,000		
2021-2027 Projected Revenues	-	4,350,151	1,501,487	1,240,060	7,091,698		
Total 2021-2027 Reserves and Revenues Available	242,495	5,816,059	1,763,294	1,482,555	9,304,403		
Planned 2023 Projects							
SR9 & John Liner/McGarigle Intersection (PE/RW 2022-23; CN 2024 - REET)		0.00	0.00	35,512	35,512	68,620	104,132
John Liner Road Bicycle & Ped Safety Impr (PE 2022; CN 2023)				18,211	18,211	831	19,042
John Liner Road Arterial Improvements (PE 2023/24; RW 2025; CN 2026)			-	-	-	-	-
SR20/SR9-Township Intersection Impr (PE/RW 2020-2021; CN 2022-23 - GMA)		-	-	(32,569)	(32,569)	242,270	209,701
SR20/Cascade Trail West Ext Ph 2A (PW/RW 2020-2023; CN 2024 - GMA)	-		-	10,238	10,238	11,553	21,791
Jones/John Liner/Trail Road Corridor - Bucko Trail Rd Extn City Participation +/- 300 LF.	-	44,692	-	-	44,692	-	44,692
Jones/John Liner/Trail Rd - SWSD BLA		18,024			18,024		18,024
Jones/John Liner/Trail Road Corridor Advance Acquisition P39157 Nelson. Balance of Demolition expense 2023 \$45,620.		38,425		-	38,425	-	38,425
Jones/John Liner/Trail Road Corridor Advance Acquisition P37150 Tuttle. Tuttle final \$523,065; UFS \$10,246; total 2022 \$533,311.04. Relo costs in 2023.		67,293		-	67,293	-	67,293
Jones/John Liner RR Undercrossing Phase 2 (PE 2024; RW 2025; CN 2026)	-	-		-	-	-	-
2023 TIB Complete Streets		-			-	96,121	96,121
2023 Parks (REET)		50,000			50,000		50,000
2023 GF Transfer (REET) - nothing planned.		-		-	-		-
Cook Road Overlay (PE/CN 2023) - 2023 Pavement & Ped Project Sch A	-		68,465	-	68,465	379,370	447,835
2023 Arterial Maintenance Projects - Jameson St Overlay - 2023 Pvt & Ped Project Schedule B		-	199,902	-	199,902	-	199,902
2023 Local Access - Sidewalk Repair & Maint (REET)		9,000			9,000		9,000
2023 Local Access Maintenance Projects (REET)		51,000	-		51,000	-	51,000
Total Project Costs 2023	-	278,434	268,367	31,392	578,193	798,766	1,376,959
Ending Balance 12/31/2023	198,950	1,931,065	265,711	750,584	3,146,310		
Total Project Costs 2021-2023	43,545	1,684,994	657,582	487,971	2,874,092	798,766	1,376,959
Ending Balances 12/31/2023	198,950	1,931,065	265,711	750,584	3,146,310		
Projected 2024 BFB	852,035	1,126,048	372,578	706,161	3,056,822		
Planned 2024 Projects							
2024 Comprehensive Plan Chapter 8 Transportation Element Update (new 12/11/2023)	-	75,000	-	-	75,000	-	75,000
Jones/John Liner RR Undercrossing Phase 2A complete BNSF Bridge		-	-	-	-	341,000	341,000
SR9 & John Liner/McGarigle Intersection (PE/RW 2022-24; CN 2025 - REET)	-	381,416	-	-	381,416	1,525,666	1,907,082
John Liner Road Bicycle & Ped Safety Impr (PE 2023/24; RW 2025; CN 2026)			-	22,488	22,488	144,087	166,575
John Liner Road Arterial Improvements (PE 2023/24; RW 2024/2025; CN 2026)			-	35,289	35,289	226,111	261,400
SR20/Cascade Trail West Ext Ph 2A (PW/RW 2020-2024; CN 2025 - GMA)	15,077		-	-	15,077	96,608	111,685
SR20/Cascade Trail West Ext Ph 2B (PE 2026; RW 2027; CN 2028)	-		-	-	-	-	-
Jones/John Liner/Trail Road Corridor - Bucko Trail Rd Extn City Participation +/- 300 LF.	-	-	54,000	272,000	326,000	-	326,000
Cook Road/South Trail Road Intersection Imprmts (PE 2024; RW 2025; CN 2026)	-	-	-	-	-	-	-
2024 TIB Complete Streets - Nelson, 6th-7th; State, Central to Senior Center; misc ADA Ramps		-			-	403,878	403,878
2024 GF Transfer (REET) - nothing planned.		-			-		
N Reed Street Road Overlay Project 1 (PE/CN) - 2024 Pavement & Pedestrian Impr Project Schedule A.	-	-	84,226		84,226	477,278	561,504
2024 Arterial Maintenance Projects (REET) - Reed St BYC to Sapp - 2024 Pavement & Ped Project Sch B		184,895	100,000		284,895	-	284,895
2024 Local Access - Sidewalk Repair & Maint (REET) - 2024 Pavement & Ped Proj Schedule D		50,000	-		50,000		
2024 Local Access Maintenance Projects (REET) - Portobello, Bingham Place - 2024 Pavement & Pedestrian Project as Sch C		250,000	-		250,000	-	250,000
2024 Parks (REET)		50,000			50,000		
Total Project Costs 2024	15,077	991,311	238,226	329,777	1,524,392	3,214,628	4,689,019
Ending Balance 12/31/2024	183,872	1,639,754	237,485	481,807	2,592,919		
Total Project Costs 2021-2024	58,622	2,676,305	895,808	817,748	4,398,484	4,013,394	6,065,978
Ending Balances 12/31/2024	183,872	1,639,754	237,485	481,807	2,592,919		
Planned 2025 Projects							
Jones/John Liner RR Undercrossing Phase 2B Roadway Extension		1,000,000	-	-	1,000,000	558,800	1,558,800
SR20/Cascade Trail West Ext Ph 2A (PW/RW 2020-2024; CN 2025 - GMA)	107,865		-	-	107,865	691,136	799,001

Arterial Projects Listing by Funding Source							
For years 2021-2027							
2/8/2024							
M. Freiberger, PE							
Revenues	Fund 104	REET 301/302 total both	TBD 304	GMA Trans Impact Fees 314	Total	GRANT	TOTAL PROJECT
SR9 & John Liner/McGarigle Intersection (PE/RW 2022-24; CN 2025 - REET)	-	325,822	-	-	325,822	1,846,323	2,172,145
John Liner Road Bicycle & Ped Safety Impr (PE 2023/24; RW 2025; CN 2026)			-	1,276	1,276	8,179	9,455
John Liner Road Arterial Improvements (PE 2023/24; RW 2024/25; CN 2026)			-	32,788	32,788	210,089	242,877
SR20/Cascade Trail West Ext Ph 2B (PW 2024; RW 2025; CN 2026)	-		-	-	-	-	-
Cook Road/South Trail Road Int Impr (PE 2024; RW 2025; CN 2026)	-	-	-	48,567	48,567	311,189	359,756
SR20/Reed Street Intersection Improvements (PE/CN 2024)				50,000	50,000	-	50,000
2025 GF Transfer (REET) - nothing planned.		-			-		
N Reed Street Road Overlay Project 2 (PE/CN) - Completed 2024 with Proj 1	-	-	-		-	-	-
2025 Arterial Maintenance Projects (REET)		-	100,000		100,000	-	100,000
2025 Local Access - Sidewalk Repair & Maint (REET)		25,000	-		25,000		
2025 Local Access Maintenance Projects (REET)		150,000	-		150,000	-	150,000
2025 Parks (REET)		50,000			50,000		
Total Project Costs 2025	107,865	1,550,822	100,000	132,631	1,891,318	3,625,716	5,442,034
Ending Balance 12/31/2025	76,007	588,932	347,485	410,176	1,472,601		
Total Project Costs 2021-2025	166,488	4,227,127	995,808	950,379	6,289,802	7,639,109	11,508,012
Ending Balances 12/31/2025	76,007	588,932	347,485	410,176	1,472,601		
Planned 2026 Projects							
Jones/John Liner RR Undercrossing Phase 2B Roadway Extension		-	-	-	-	-	-
John Liner Road Bicycle & Ped Safety Impr (PE 2023/24; RW 2025; CN 2026)			68,985	-	68,985	442,015	511,000
John Liner Road Arterial Improvements (PE 2023/24; RW 2024/25; CN 2026)			-	96,444	96,444	1,917,956	2,014,400
SR20/Cascade Trail West Ext Ph 2B (PW 2024; RW 2025; CN 2026)	-		-	16,335	16,335	104,665	121,000
Cook Road/South Trail Road Int Impr (PE 2024; RW 2025; CN 2026)	-	-	-	9,990	9,990	64,010	74,000
2026 GF Transfer (REET) - nothing planned.		-			-		
Township Street Overlay Project 1 (PE/CN)	-	-	101,000		101,000	467,500	568,500
2026 Arterial Maintenance Projects (REET)		-	100,000		100,000	-	100,000
2026 Local Access - Sidewalk Repair & Maint (REET)		25,000	-		25,000		
2026 Local Access Maintenance Projects (REET)		150,000	-		150,000	-	150,000
2026 Parks (REET)		50,000			50,000		
Total Project Costs 2026	-	225,000	269,985	122,769	617,754	2,996,146	3,538,900
Ending Balance 12/31/2026	76,007	863,932	287,500	348,407	1,625,847		
Total Project Costs 2021-2026	166,488	4,452,127	1,265,793	1,073,148	6,907,556	10,635,255	15,046,912
Ending Balances 12/31/2026	76,007	863,932	287,500	348,407	1,625,847		
Planned 2027 Projects							
Jones/John Liner RR Undercrossing Phase 2B Roadway Extension		-	-	-	-	-	-
John Liner Road Bicycle & Ped Safety Impr (PE 2023/24; RW 2025; CN 2026)			-	-	-	-	-
John Liner Road Arterial Improvements (PE 2023/24; RW 2024/25; CN 2026)			-	-	-	-	-
SR20/Cascade Trail West Ext Ph 2B (PW 2024; RW 2025; CN 2026)	-		-	2,633	2,633	16,868	19,500
Cook Road/South Trail Road Int Impr (PE 2024; RW 2025; CN 2026)	-	447,450	-	-	447,450	2,535,550	2,983,000
2026 GF Transfer (REET) - nothing planned.		-			-		
Township Street Overlay Project 2 (PE/CN)	-	-	156,000		156,000	884,000	1,040,000
2026 Arterial Maintenance Projects (REET)		-	100,000		100,000	-	100,000
2026 Local Access - Sidewalk Repair & Maint (REET)		25,000	-		25,000		
2026 Local Access Maintenance Projects (REET)		150,000	-		150,000	-	150,000
2026 Parks (REET)		50,000			50,000		
Total Project Costs 2027	-	672,450	256,000	2,633	931,083	3,436,418	4,292,500
Ending Balance 12/31/2027	76,007	691,482	241,500	406,775	1,465,764		
Total Project Costs 2021-2027	166,488	5,124,577	1,521,793	1,075,780	7,838,638	14,071,673	19,339,412
Ending Balances 12/31/2027	76,007	691,482	241,500	406,775	1,465,764		
MULTIYEAR PROJECT TOTALS							
SR20/Cascade Trail West Extension Phase 2A (PE 2020-2021; RW 2021; CN 2023) (Includes 2019-2020 expenses)	122,943	-	-	15,610	138,553	833,720	972,272
Total 2020-2023 SR20/SR9-Township Intersection (excluding 2019/2020 expenses totaling \$139,312.52 inc Staff and WSDOT direct STP charges - local from GMA)	-	-	127,780	50,082	177,862	1,165,834	1,343,696
SR9 & John Liner/McGarigle Intersection (PE/RW 2022-24; CN 2025 - REET)	-	707,238	-	53,268	760,506	3,511,632	4,272,137
Total 2021-2023 John Liner Rd Bike/Ped	-	-	68,985	41,975	110,960	595,112	706,072

Arterial Projects Listing by Funding Source							
For years 2021-2027							
2/8/2024							
M. Freiberger, PE							
Revenues	Fund 104	REET 301/302 total both	TBD 304	GMA Trans Impact Fees 314	Total	GRANT	TOTAL PROJECT
John Liner Road Arterial Improvements (PE 2023/24; RW 2024; CN 2025)	-	-	-	164,521	164,521	2,354,156	2,518,677
Jones/John Liner RR Undercrossing Phase 2B Roadway Extension (PE 2025; RW 2026; C	-	1,000,000	-	-	1,000,000	899,800	1,899,800
2022-2024 TIB Complete Streets - \$500,000 total	-	-	-	-	-	499,999	499,999
Cook Road/South Trail Road Intersection Improvements (PE 2024; RW 2025; CN 2026)	-	447,450	-	58,557	506,007	2,910,749	3,416,756
SR20/Cascade Trail West Ext Ph 2B (PW 2026; RW 2027; CN 2028)	-	-	-	18,968	18,968	121,533	140,500
Jones/John Liner/Trail Road Corridor - Bucko Trail Rd Extn City Participation +/- 300 LF. Previous PE \$32,000 in 2022; new PE \$54,000 in 2024; new CN \$272,000 in 2024; est	-	44,692	86,183	272,000	402,875	-	402,875
Jones/John Liner/Trail Road Corridor Advance Acquisition P39157 Nelson. Balance of Demolition expense 2023 \$45,620.	-	637,905	-	-	637,905	-	637,905
Jones/John Liner/Trail Road Corridor Advance Acquisition P37150 Tuttle. Tuttle final \$523,065; UFS \$10,246; total 2022 \$533,311.04. Relo costs in 2023.	-	230,504	-	372,000	602,504	-	602,504

CITY OF SEDRO-WOOLLEY

JONES/JOHN LINER/TRAIL ROAD CORRIDOR PROJECTS



PROJECT DESCRIPTION

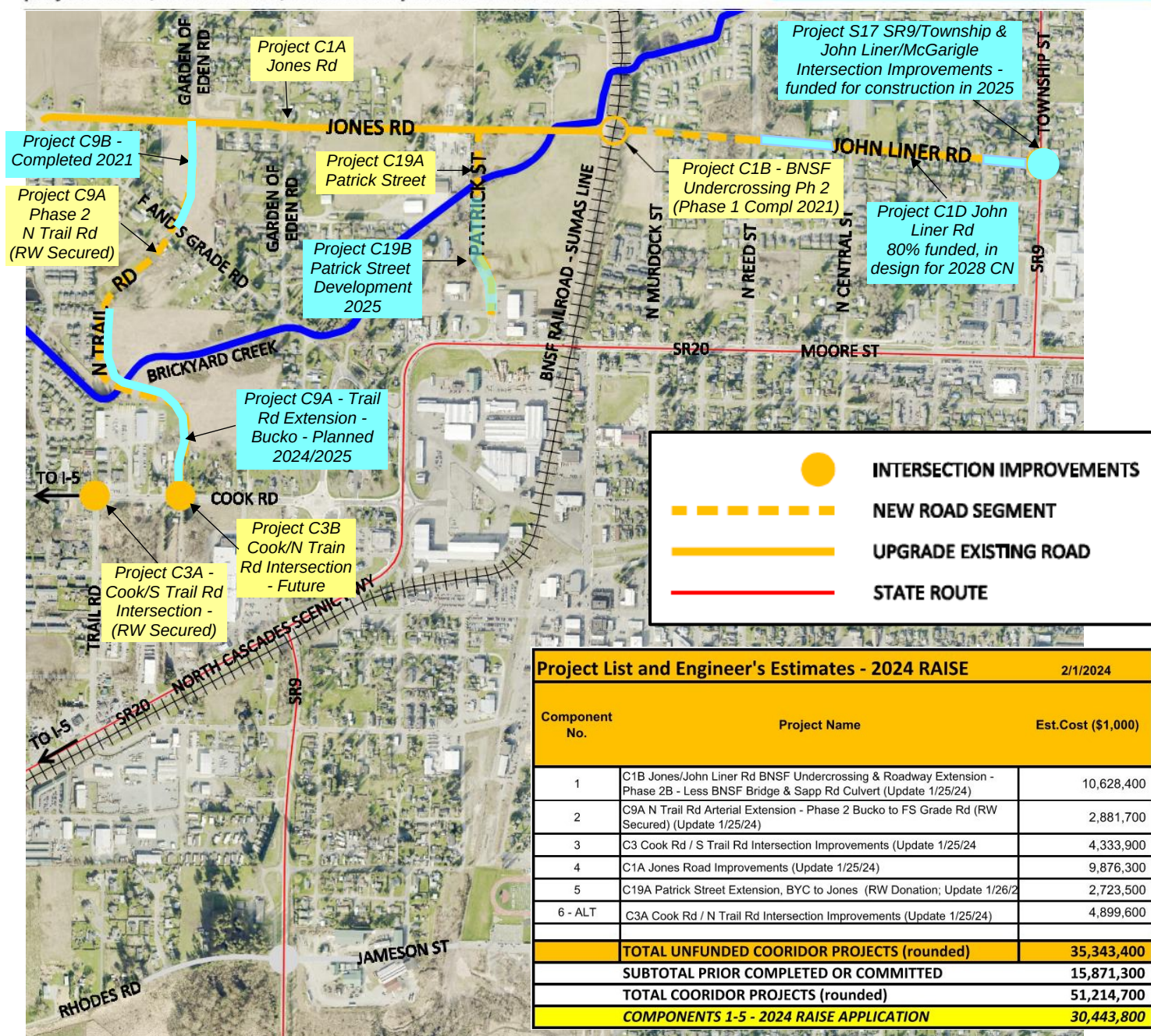
The City of Sedro-Woolley is proposing to construct a system of roadway and rail transportation improvements to stimulate economic development around the State Route (SR) 20 corridor and support the transition from the timber-based past to a modern technology-based future. This corridor includes eight distinct project elements, which collectively represent the critical transportation infrastructure improvements necessary to strengthen the local transportation network and relieve congestion on SR 20, while building on significant SR20 corridor improvements completed over the past 10 years. **Total estimated project cost: \$51.2 m with \$15.9 m complete or committed.**

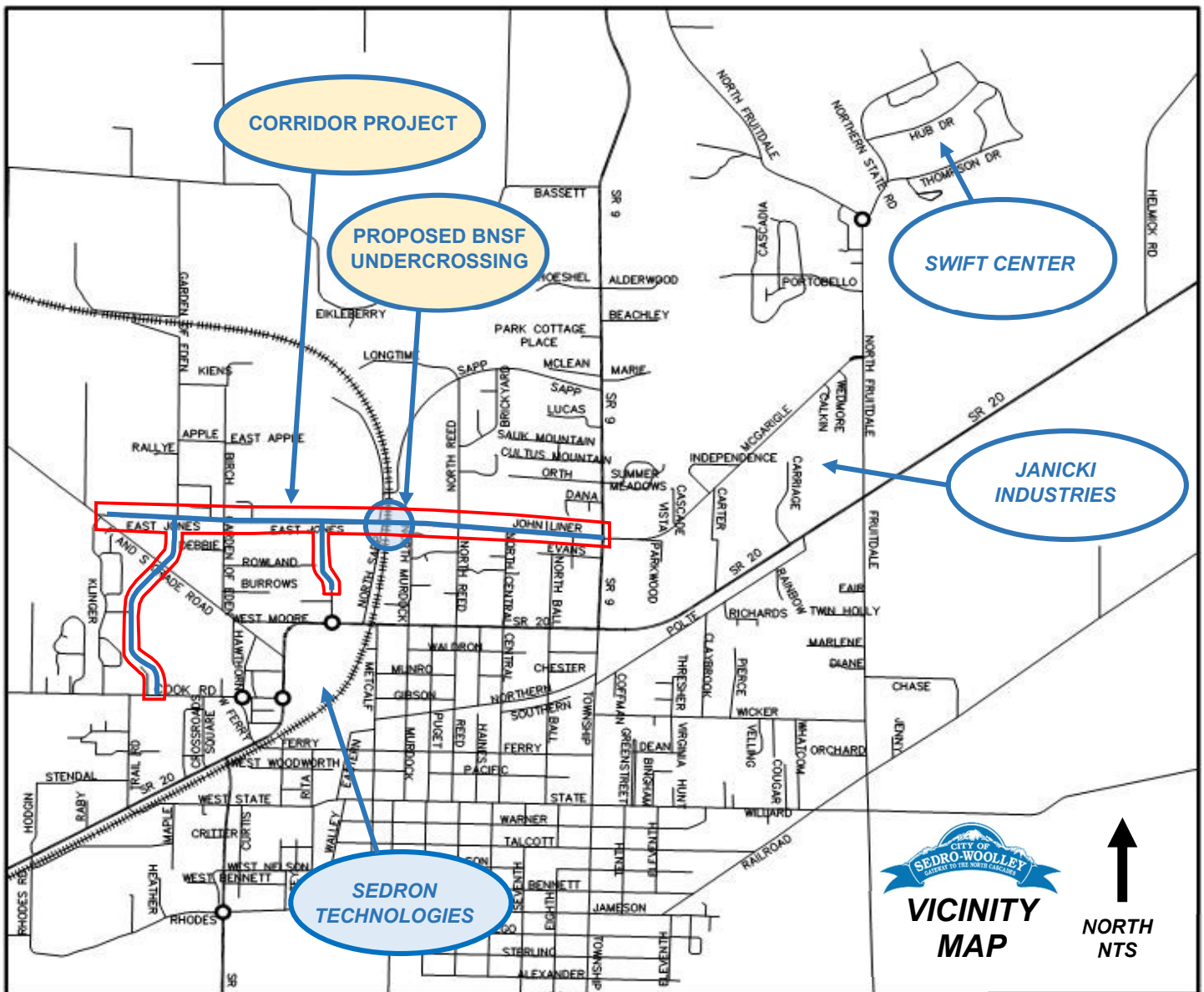
PROJECT STATUS

- Scoping Study is complete.

FUNDING STATUS

- \$15,871,300 complete or committed – Proj C1B-Phase 1, C1D, C9B, C19A and S17.
- \$35,343,400 - Seeking funding for final design, RW and CN for remaining projects.





SUMMARY OF BENEFITS

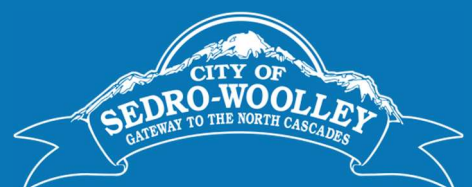
- Identified in the Sedro-Woolley Innovation for Tomorrow (SWIFT) Center EIS as required roadway improvements to mitigate for traffic impacts created by redevelopment of the former Northern States Campus. The EIS is estimating 600 to 1,000 new hi-tech jobs within the next 10 years.
- Provides key east-west corridor relieving traffic congestion on SR20 between SR9 South and SR9N-Township Street by diverting 5,200 vehicles per day (about 20%) which would otherwise use SR20.
- Identified in City's 2016 Comprehensive Plan as key program to allow for growth and development of the City for next 20 years. City growth is anticipated to occur primarily north of SR20 during this period.
- Provides needed pedestrian and non-motorized facilities to connect neighborhoods east and west of the BNSF Railroad grade.
- Adds new access and alternate routes for improved emergency response times and improved Transit and School Bus routing.
- Replaces narrow and hazardous roadway at current Sapp Road BNSF Railroad Crossing. BNSF is partnering with the city on this effort.

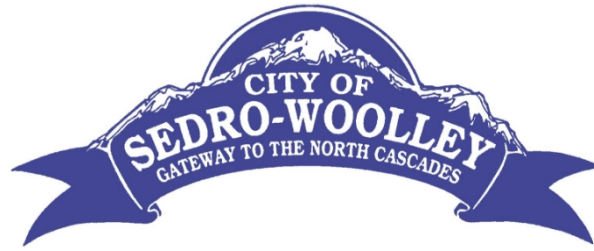
FOR MORE INFORMATION, CONTACT:

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City Council Agenda Item

Agenda Item No.: m.2.

Date: February 14, 2024

From: Charlie Bush, City Administrator

Subject: City Council Goal Setting

RECOMMENDED ACTION:

N/A

ISSUE:

Should the City Council review and potentially update its list of goals?

BACKGROUND/SUMMARY INFORMATION:

The City Council enters into a goal setting session every two years, typically after a fall election cycle. The City Council's existing goals, included within the most recent report on their implementation, are attached. Results of the recent Parks and Recreation survey will also be provided to the Council for consideration in review of the goals. Departments will be represented in the room for this conversation as resources to answer questions and to provide additional information. Staff recommends the following order of conversation:

- Have any discussion the Council desires around the results of the recent online Parks and Recreation survey.
- Review the existing goals. The attached 4th Quarter Update shows the Council's high level goals. They are the underlined areas dividing topics. There are currently three goals. The items under the topics represent the action items being performed by staff to help accomplish the goals.
- Discuss any edits to the list, including the possibility of new goals. Staff recommends limited the goals to 3-5 total for the organization. Once adopted, staff can work to develop the implementation plans for each and then track on the progress of those plans. At the December 6, 2023 work session, the Council discussed possibly adding better City signage, or an archway, along State Route 20/9 and there was mention that this concept might be discussed among possible new goals.
- Discuss next steps - other opportunities for further discussion including the 2/28 City Council meeting and the March 6 study session.

FISCAL IMPACT, IF APPROPRIATE:

To be determined, depending upon the goals selected.

ATTACHMENTS:

1. Quarter 4 2023 Update - 23-24 Department Operational Plans
2. Parks and Recreation Survey Results

City of Sedro-Woolley 2023-24

DEPARTMENT OPERATIONAL PLANS Q4 2023 Update

Increase parks and recreation usage by residents and tourists

- Update City website and overall marketing of City parks by April 1, 2023 (Administration, Public Works, Information Technology). - Complete

Parks and Facilities interactive map was completed in quarter 4 of 2022. Website design refresh was initiated in February 2023 and went live on November 7. Web and social media content will be more focused on parks and recreation opportunities, including more photo and video imagery that highlights these amenities.

- Engage the Sedro-Woolley Chamber of Commerce by April 1, 2023 to assist in additional marketing of park properties and recreation events (Administration).

Staff will contact the Chamber for assistance in conjunction with the completion of a parks brochure current under development. An initial gap of limited photographs was the first hurdle encountered in development of the new brochure. There was a social media photo “contest” underway to add additional photos to the City’s archive for parks that helped with some of our stock. Staff are aiming to have the brochure complete in the first quarter of 2024. It will be both in a digital and printed version. The printed version will be in a 12” x 9” format that folds down to 4” x 9”.

- Develop new partnerships, possibly including a consultant(s) after exploration with the City Council, using American Rescue Plan Act Funds, by April 1, 2023. The goal is to recruit, plan, create, market, and support sports tournaments and other special events in Sedro-Woolley and the surrounding area. The City would use these events to build up demand for additional hotel space, leading to increased hotel/motel revenues that can sustain this program, and tourism in Sedro-Woolley, into the future (Administration, Public Works).

The Administration continues to work with the Planning and Business Development Committee and the Council to develop a strategy for the expenditure of funds and development of partnerships related to economic development.

- Work strategically to expand outdoor recreation options in the areas around Sedro-Woolley and to better connect Sedro-Woolley to those areas. Provide an initial report to the City Council by October 1, 2023 (Administration, Public Works).
 - Olmsted Park Phase 1 Infrastructure; design 2022/23; construction 2024
 - Olmsted Park Phase 2 Structures; design 2022/2023; construction 2024/2025 (updated 8/9/2023)
 - Olmsted Park Phase 3 Playground; design 2023/24; RCO Application 2024; construction 2025 (updated 8/9/2023)

- Memorial Park Infrastructure, Playground and Spray Park; design 2022/2023; construction 2023
- Reed Street Park; design 2025; RCO application 2026; construction 2026/2027 (updated 8/9/2023)
- SR20/Cascade Trail Phase 2A Holtcamp to Hodgins; design/ROW 2022/2023; construction 2024.
- SR20/Cascade Trail Phase 2B Collins Rd to Holtkamp Rd; partially funded by SCOG TAP; TIB appl 2024; Design 2024/2025; CN 2026 (updated 8/9/2023).

Olmsted Park Phase 2 construction updated to 2023/2024; Olmsted Park Phase 3 construction is updated to show RCO grant application in 2024, construction in 2025; Reed Street Park updated to show RCO grant request in 2026; construction in 2026/2027. SR20/Cascade Trail Phase 2B updated to show proposed funding in 2024 and construction in 2026. Other Public Works projects remain on target, as listed above.

- Further develop strategic partnerships with governments, non-profit organizations, and private businesses that can accelerate parks and recreation tourism and usage in Sedro-Woolley. Provide a report to the City Council by January 1, 2024 (Administration).

This is essentially the next round of partnership development, likely to occur later in 2024 should this remain a priority for the Council. This is the report for now. There is no further update at this time.

- Complete planned projects at Memorial Park by January 1, 2024 and Olmsted Park by 2026 (Public Works – updated 8/9/2023).

This is covered two bullets above. Memorial is complete. Updated Olmsted schedule per above.

- Provide First Aid/CPR classes to the citizens on a quarterly basis to increase amount of trained individuals in the community. (Fire Dept.) - **Complete/ongoing**

On target

- Partner with Skagit County EMS and other agencies to implement AED registry by February 2024. (Fire Dept.) - **Complete/ongoing**

On target

Improve the City's economy

- Conduct an economic development focus group discussion with several City Council members, business leaders, key staff, and other stakeholders by February 1, 2023. Discussions should cover the City's fees and regulatory environment, and recruitment/retention of retail, office, and industrial businesses (Administration, Planning & Building). - **Complete**

This event occurred on March 7, 2023.

- Develop a draft economic development action plan by March 1, 2023 (Administration) - **Complete**

An initial draft of the plan is complete and remains under review by the Planning and Business Development Committee.

- Conduct a business and stakeholder review of the economic development action plan by April 1, 2023 (Administration). - **Complete**

This session occurred on April 13.

- Adopt an economic development action plan by May 1, 2023 and begin implementation (Administration, and other departments TBD).

A goal of an adopted plan would be to guide the expenditure of remaining ARPA economic development funds. The City Council recently directed additional discussion at the Planning and Business Development Committee.

- Continue to improve public infrastructure that supports economic development and quality of life and provide regular updates to the City Council (Public Works, Planning & Building).
 - Secure funding and complete the Jones/John Liner/Trail Road Corridor projects by 2029 to support City and SWIFT Center growth (Engineering/Public Works Divisions).
 - SR9/Township & John Liner/McGarigle Intersection Project; design/ROW 2022/2023; construction 2024 (updated 3/30/23)
 - John Liner Rd, Reed to Township Bicycle/Pedestrian Improvements project; design/ROW 2023/2024; construction 2026/2027 (updated 8/8/2023)
 - Project C1B Jones/John Liner BNSF Undercrossing Project Phase 2; design/ROW in 2024/2025, construction (updated 8/9/2023)
 - Cook Road/South Trail Road Intersection (Roundabout) Project; design/ROW 2024/2025; construction 2026
 - Complete short-term Wastewater Treatment Plant Capacity Projects by 2025 (Engineering/WWTP Division)
 - Anoxic Tank Mixer Upgrade; design 2022/2023; construction 2023
 - Digester Aeration Upgrades – Blowers; design 2023; construction 2025 (updated 8/9/2023)
 - Long-term WWTP Capacity Improvements to support growth by 2029
 - Facilities Plan (when plant reaches 85% Capacity est. 2024/2025); begin 2024; complete 2025.
 - Plant upgrade design 2026/2027; construction 2027/2028.

SR9/Township & John Liner /McGarigle Intersection Project is revised to construction 2024 to reflect revision to a roundabout intersection. John Liner Road Bike/Ped is updated design/ROW in 2023/2024 and construction in 2026/2027. Project C1B BNSF Undercrossing is updated to show design/ROW in 2024/2025 and construction in 2026. Other Public Works projects remain on target, as listed above.

- Protect commercially zoned land (Planning & Building)

At the recommendation of the Planning Department, the Planning Commission recommended against two rezone requests that would have changed 8.2 acres of Mixed Commercial land to residential zoning. In the

Spring of 2022, the City Council accepted the Planning Commission's recommendation and did not approve the rezone requests, thus preserving commercially zoned land.

- Take delivery of two new Ambulances ordered through scheduled ERR fund and outfit for service 1st Quarter 2023 (Fire Dept)

One was delivered and the other remains delayed due to circumstances out of the City's control.

- Complete specifications and procurement process for brush truck replacement through ERR fund January 2023 with anticipated 2023 delivery. (Fire Dept) - **Complete**

The new brush truck was fully assembled by staff and is operational.

- Complete specifications and procurement process for Fire Engine Replacement through ERR fund March 2023 with anticipated delivery by end of 2024. (Fire Dept.)

The order and specs have been submitted and we are now waiting for delivery.

- Take delivery of two new police vehicles ordered through scheduled ERR fund and outfit for service. Estimated delivery 1st half of 2023. The same will occur in 2024. (Police)

Vehicles in 2023 and 2024 remain delayed. We anticipate receiving 4 vehicles in 2024 from these orders. We ordered two administrative vehicles and shifted the current administration vehicles to detectives and patrol.

Complete Auto-Tagging/labeling service provided for our cloud-based evidence system for body camera videos. This will allow officers to be out more often being visible and patrolling the City, instead of having to do a time-consuming task of labeling each video recorded during their shifts. Estimated completion first quarter 2023. (Police) - **Complete**

Continue city's growth model where lots on the edge of town are primarily zoned single family, with missing middle housing interspersed in the primarily single-family residential zones. Future growth will be accommodated through a combination of urban growth area expansion to the north as necessary per a land capacity analysis, infill in existing residential neighborhoods and accommodating higher densities in commercial zones (where commercial is the primary use on the main floor).

- Assure that the city's zoning and development standards provide for a variety of housing types in the city and maintain development standards that assure adequate on-site parking is provided for new housing (Planning & Building).

As a part of the 2024 Comprehensive Plan update, the city will be performing a thorough review of its zoning and development regulations. Staff intends to study the city's housing supply and make updates to the zoning and development regulations to assure that they provide for a variety of housing types.

In 2022, the Planning Department reviewed a request to allow less parking in the Urban Village Mixed Use overlay (UVMU). After reviewing the request, the Planning Commission recommended that the parking regulations remain unchanged; the City Council accepted the Planning Commission's recommendation and did not approve the parking reduction request to assure that adequate on-site parking is required in the UVMU.

- The county will be determining the amount of projected population growth in the county and in each jurisdiction between 2025-2045 as a part of the State GMA Comprehensive Plan updates due June 30, 2025. With the above goal in mind, coordinate with the other Skagit County jurisdictions to determine the amount of growth in Sedro-Woolley between 2025-2045 (Planning & Building).

The Planning Department began this process late in 2023.

- Perform a Land Capacity Analysis to determine the amount of available land within City Limits to accommodate the projected population growth between 2025-2045 (Planning & Building).

Council approved funding for the Land Capacity Analysis. The Planning Department will be beginning this process in early 2024.

- Based on the amount of land available, use the above council goal to determine how much future population can be accommodated in the existing city limits and how much land needs to be added to the urban growth area to accommodate the projected population growth between 2025-2045 (Planning & Building).

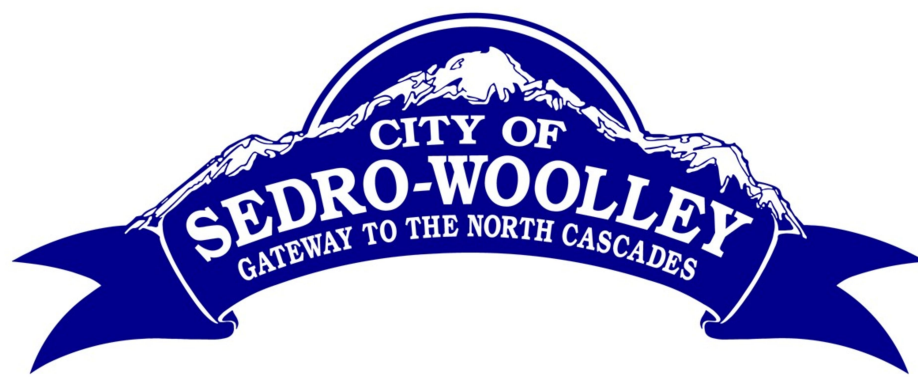
The Planning Department will be beginning this process later in mid-2024.

- Demonstrate how much land is necessary to accommodate 20 years of growth based on the councils above growth goal and recommend that the county adjust the city UGA to meet the city's 20-year growth projections (Planning & Building).

The Planning Department will be beginning this process later in late 2024

- Update the city's zoning regulations as well as the Housing and Land Use Elements of the Comprehensive Plan as part of the 2025 updates to reflect the council's housing and land use goals and reflect the adjusted UGA boundaries (Planning & Building).

The Planning Department will be beginning this process later in late 2024.



Parks and Recreation in Sedro-Woolley

Survey Results
FINAL

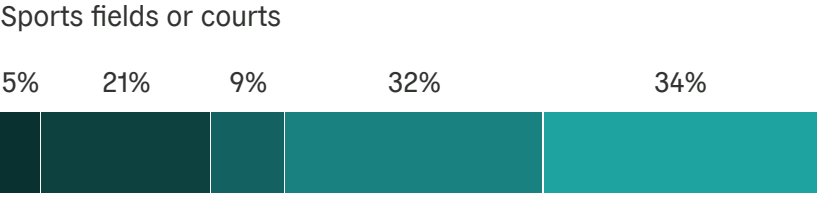
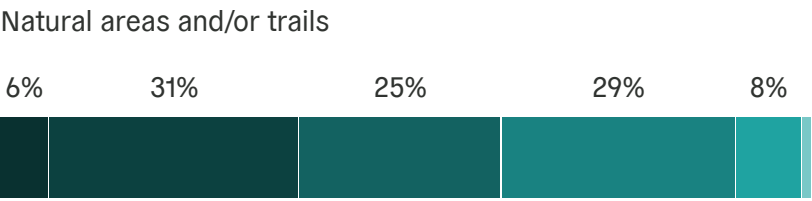
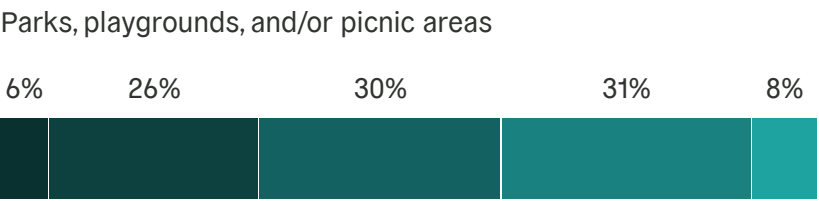
02/07/2024

Over the past few years, on average, how often did you or your household use the following in Sedro-Woolley, WA?

Question	Almost daily	Weekly	Monthly	A few times a year	Never	Don't know
Parks, playgrounds, and/or picnic areas	6%	26%	30%	31%	8%	0%
Natural areas and/or trails	6%	31%	25%	29%	8%	1%
Dog parks	2%	8%	5%	16%	69%	1%
Recreation centers	1%	6%	10%	35%	41%	8%
Sports fields or courts	5%	21%	9%	32%	34%	0%
Swimming pools and/or splash pads	1%	7%	5%	21%	60%	5%

Expand all / Collapse all

Almost daily	Weekly	Monthly	A few times a year	Never	Don't know
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Swimming pools and/or splash pads



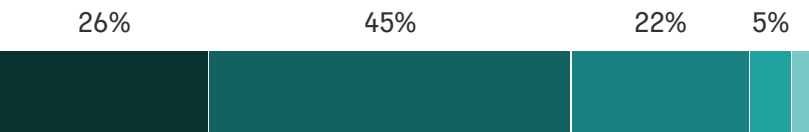
Please rate each of the following aspects of recreation in Sedro-Woolley, WA.

Question	Excellent	Good	Fair	Poor	Don't know
Proximity of your home to parks and recreation opportunities	26%	45%	22%	5%	2%
Number of parks in the community	18%	39%	33%	4%	6%
Number of playgrounds in the community	16%	35%	30%	9%	10%
Availability of paths and walking trails	10%	32%	32%	22%	4%
Amount of preserved natural areas/open space	12%	27%	36%	16%	9%
Recreational opportunities for children	12%	29%	26%	22%	12%
Recreational opportunities for teenagers	2%	17%	28%	30%	23%
Recreational opportunities for adults	4%	18%	35%	29%	13%
Recreational opportunities for seniors	3%	11%	20%	27%	40%
Recreational opportunities for individuals with disabilities	2%	7%	14%	29%	48%
Opportunities for outdoor rest and relaxation	8%	28%	36%	18%	10%
Opportunities to participate in outdoor recreation	10%	20%	34%	17%	19%
Opportunities to participate in organized sports/athletics	9%	23%	21%	21%	26%
Opportunities to participate in individualized sports (e.g., running, bicycling, etc.)	12%	29%	27%	15%	17%
Cleanliness and maintenance of Sedro-Woolley, WA's parks and recreational areas	19%	46%	28%	4%	4%
Availability of information about recreational offerings in the community	6%	16%	33%	35%	10%

Expand all / Collapse all

Excellent	Good	Fair	Poor	Don't know
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Proximity of your home to parks and recreation opportunities



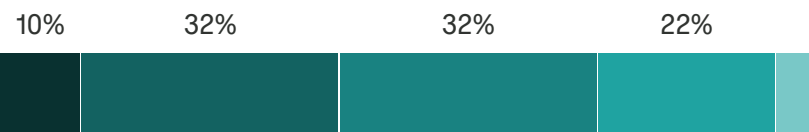
Number of parks in the community



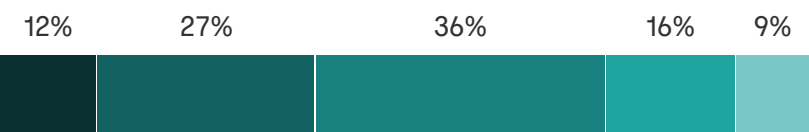
Number of playgrounds in the community



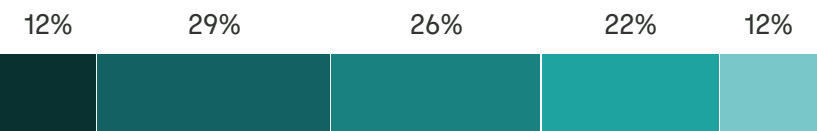
Availability of paths and walking trails



Amount of preserved natural areas/open space



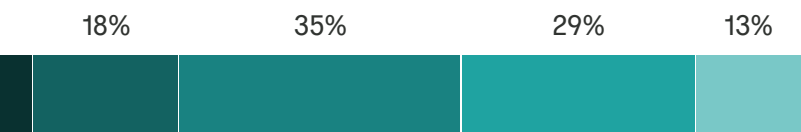
Recreational opportunities for children



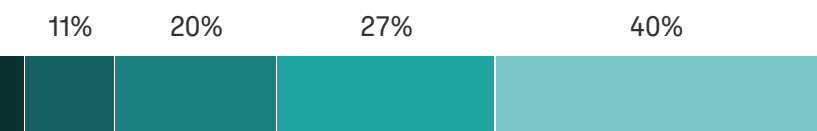
Recreational opportunities for teenagers



Recreational opportunities for adults



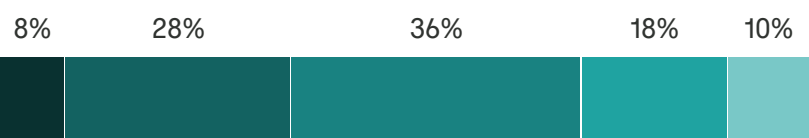
Recreational opportunities for seniors



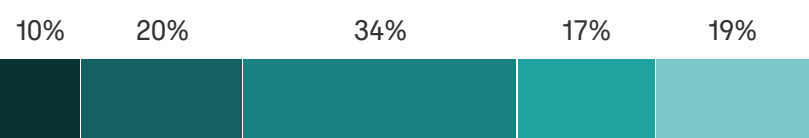
Recreational opportunities for individuals with disabilities



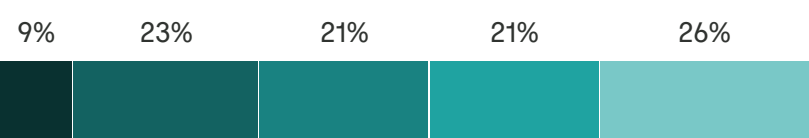
Opportunities for outdoor rest and relaxation



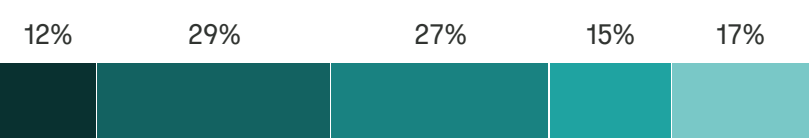
Opportunities to participate in outdoor recreation



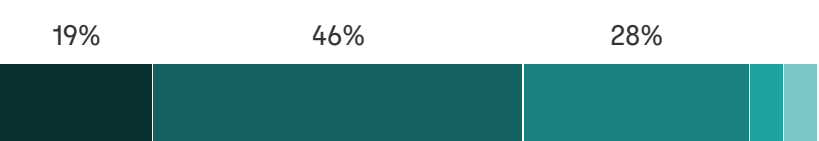
Opportunities to participate in organized sports/athletics



Opportunities to participate in individualized sports (e.g., running, bicycling, etc.)



Cleanliness and maintenance of Sedro-Woolley, WA's parks and recreational areas



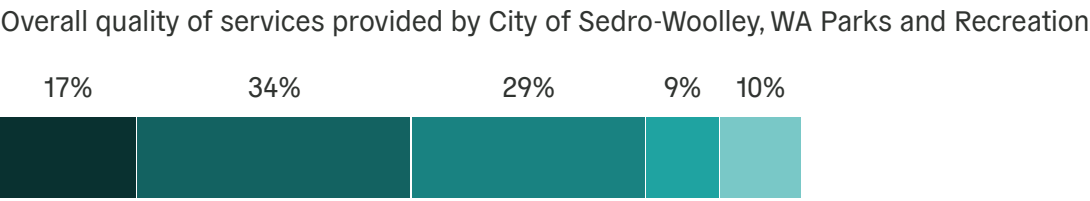
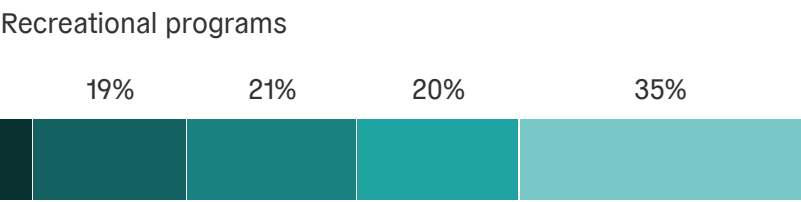
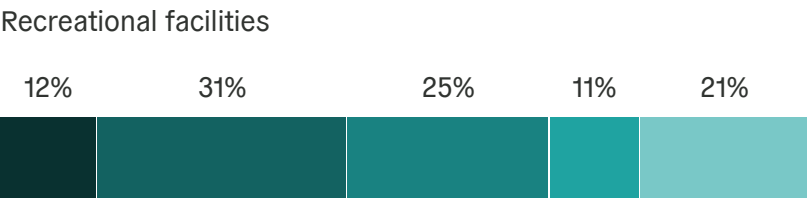
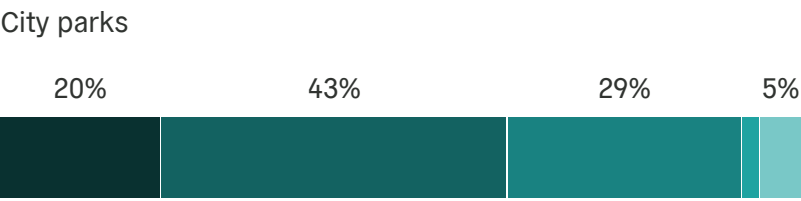
Availability of information about recreational offerings in the community



Please rate the quality of each of the following in Sedro-Woolley, WA.

Question	Excellent	Good	Fair	Poor	Don't know
City parks	20%	43%	29%	2%	5%
Recreational facilities	12%	31%	25%	11%	21%
Recreational programs	4%	19%	21%	20%	35%
Overall quality of services provided by City of Sedro-Woolley, WA Parks and Recreation	17%	34%	29%	9%	10%

Expand all / Collapse all



Of the existing parks and recreation offerings in Sedro-Woolley, WA, what single amenity or program do you value the most?

Music venue

New splash pad and park at Memorial Park

Opportunities for people with disabilities

Dog park

Walking trails

The walking trail around the baseball fields at River front

Dog park.

Splash pad

Use the community center weekly for service club meetings.

Cleanliness

Disc golf

Concerts in the park

Clean bathrooms

The dog park

Youth sports and Janicki park

Walking trails

Northern State Park

Playgrounds and concert series

Northern State Trails and Riverfront Park

River front Parks playground

The ability to reserve a site

Trails

dog park and trails

watching kids play at playgrounds

Sports programs

Safe walking trails with safe trailhead

I value the new Winnie, Hauser Park,

Wider and better maintained trails.

Northern State

Walking paths and trails.

I don't know any programs or amenities. I use the North Cascades trail the most though.

Concerts at Riverfront Park.

Places to walk

We don't really have any programs that I know of. I like the trails.

Sports facilities. The city should have additional fields and not leave it up to the school district to maintain.

Riverfront or the new splash pad for next year

Trails

Riverfront park

River Front Park

Restrooms

Riverfront Park

Riverfront Park and Little League
Don't know of any
Children's sports
I value the parks for kids.
Winnie Hauser
Summer Concerts at Riverfront
Sports fields
The first come first served picnic shelters. It makes birthday parties affordable
Memorial Park
The new veterans memorial park is our favorite
playgrounds
Train park
Full service restrooms open year round
Athletic fields
Playgrounds
State Hospital Recreational Area
Parent of 3 young kids so we use the playground allot
Walking Trails
Walking trails
Music in the park at Riverfront
I'm not sure
Dog park
Playground
I like that little league is all at 1 location. This helps with families with more than 1 kid in baseball.
Pomona
Baseball
SWIFT center
Clean picnic tables.
Natural trails
I only know the the senior center abs what they have to offer for my mother.
Northern State walking trails and area
Playgrounds
Walking trails.
Playgrounds
Northern state recreation area
Picnic areas
Riverfront park
There are no recreation opportunities, there are only parks.
Playgrounds with seating for parents, shade, fenced. Walking trails, bathrooms at parks, more playgrounds.
Playgrounds
None
.
Trails
Northern state

Playgrounds

I like being able to do laps at River park the walking circle is well maintained

Riverfront park

Covered areas and restrooms

Covered picnic areas

Trails

walking, Northern State

The walking trails

Playgrounds

Parks and recreation areas

Splash pad

Dogs

Due to having no small children I love benches. around walking areas and trails. water or ponds to sit at is a plus also.

SWIFT trails

The Cascade Trail.

The kids sports fields

I love the trails at ‘the crazy place’.

Walking trails

Sports patks

Cleanliness and safety

The walking trails at Northern State

The covered areas for outdoor BBQ's and picnics - specifically the large one at Riverfront. We could use more of this size or larger.

Northwest recreation park

Riverfront Park

Riverfront Park

The playgrounds for kids

Outdoor

The only one I use is the gym at United General Hospital. There are play fields for youth activities but little to offer active adults, or the offerings are not widely advertised.

Rails to Trails. Wish it was finished more.

Kids activities

All the great playgrounds

Outdoor walking & hiking trails

Sedro Woolley parks are always clean and have ample room to accommodate many people. When my six children were young we frequented our local parks very often. Now that the kids are grown, our farm is the recreation place that they gather to.

What I use the most, which is Northern State Recreational Area

Playgrounds

Park maintenance. I walk my dog daily and typically go through Riverfront park.

natural spaces for walking

Northern State

Different style playgrounds for my daughter.

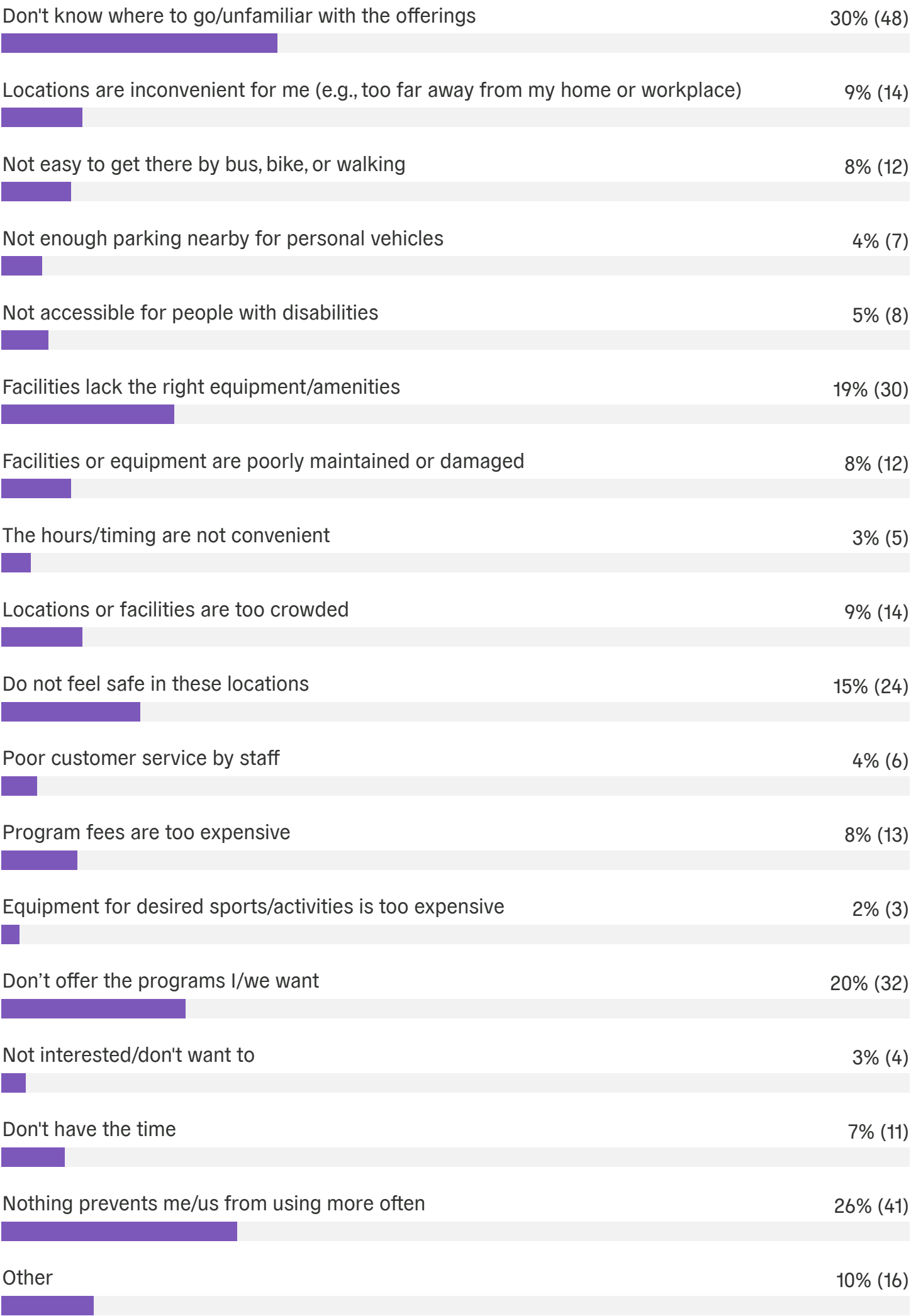
I like Winnie Houser park because of the walking path.

Kids sports.

Sports fields and playgrounds

Any playground

What, if anything, prevents you or your household from using Sedro-Woolley, WA recreation facilities, programs, parks, or natural lands more often? Select up to three reasons.



Please share one suggestion to improve Sedro-Woolley, WA's parks or recreational offerings that would benefit the community.

Add covered Pickleball courts please!!

Opportunities for people with disabilities

Dog park needs to be bigger and need separate areas for big and small dogs. Get rid of muddy surfaces and provide mud free water and rinse off areas.

We need more small community parks accessible to families.

More walking trails

Better maintenance and care of the parks we already have.

More parks, more accessible toys, swimming

More organized recreational activities are needed. The facilities are improving, but there could be so much more. We walk daily at Northern State. There could be more organized walking groups there. There could be yoga or tai chi at the community center. There could be a lot more easy ways for new folks to connect with their neighbors and get connected with the community. The park guys are so busy maintaining the facilities that they don't have a chance to actually connect and get recreational activities that could make the community better connected.

More information in local media

Updated equipment/ proper funding

We need a pool

Adult softball league

Stop the town from illegally trying to build on protected wetlands. Like over by fruitdale.

I don't know

Park Host at Northern State is very rude and honks horn at cars every day to close gates

Maintain equipment and surroundings

More kids activities

Water park

nicer bathrooms at River front Park, there should be bathrooms with showers for those camping and nicer outside kitchens

More benches, short walking paved trail around riverfront park.

Bus service to northern state recreation area parking lot

offer more sports for the kids and build more parks

there needs to be a stronger deterrent to shady characters at parks and dog park....sometimes seems like drug deals going on in the parking lot/nearby areas.

program for older people

Keep them safe. There are places that are unsafe because of drug using teenagers/young adults making them a bad environment for young kids. Im

More information via facebook, email, etc. We lived 2 miles from Northern State Rec Area for 6 years before hearing about it

Connecting the HWY 20 trail with the already existing trail in Burlington

More communication or events to get the community involved.

1) Local indoor pool for lap swim sort of near riverside park: helps high school swim team have a home pool, and adults/teenagers fitness throughout the season (especially winter when it's too wet or stormy to exercise outside). A place for children to learn how to swim too! 2) Some facilities that open at 7 or sunrise during the winter is too late to exercise before adults have to go to jobs that start at 7 or 8.

Build more parks.

I have no idea what you offer or where to look. The play fields are all for kids sports, people smoke at the dog park, and I've never seen a splash park/pad here. I don't feel like any of those places are meant for me to go, other than hiking, but all the areas I could around here have been demolished by logging and gravel pits. Golf courses are a horrible horrible environmental problem so I don't use any of the ones in the area.

All season pool All season ice arena Hahaha

Offer more opportunities for kids.

Stop with little parks everywhere. Make a sports facility at Northern State.

More activities for teens and adults!

Community swimming Pool; Parks & Rec program like other local towns have

Classes offered need to be better advertised

A page specific to offerings with detailed information (i.e. dog park - list of events, water fountains, restrooms, hours; xyz trail - start and end points, dog friendly, paved, bikes allowed)

Have more outdoor activities

The program needs more money

Have a park North of Moore Street and organized sports

A playground on the north side of HWY 20

More walking paths around fenced in parks. That's a two-for-one. Walking tracks (like around Winnie) but around parks with fences is beneficial to both parents & kids.

Bathrooms open longer during the year. I love Winnie Hauser for running while my kids bike and it would be so awesome to have more paths around parks to be able to run/bike on.

What recreational activities do you provide now, besides run down facilities?

More playgrounds that are fully fenced with shade and restrooms. Maybe

Seating for grownups close to the playground

Adding more walking paths

More toddler friendly play spaces. Veterans memorial park is our favorite, but there is very little that my almost 2 year old can actually play on. He loves the splash pad though!

fully fenced playgrounds

More big kid or teen based playgrounds.

Bathrooms not just port-potties, walking/running trails around parks for all to use, defined parking spots, lights in parking and play areas, shaded areas at parks especially in the play areas,

Walking paths that are accessible for all ages

Offer recreation programs, currently have to go to other cities for non-sport programs, would love to spend money in S-W instead!

More playground spaces

Expand outside the city limits

Seating for the adults that is somehow shaded would be nice. 9 times out of 10 we are there in full sun weather so having access to more shaded seating would be amazing!

Keep them safe by patrolling and not allowing loitering

I would love to see an indoor community pool or more indoor recreation opportunities

More activities to include the community

More baby swings

More contained for small children

Na

Activities it things for older kids to do

Fenced in playgrounds and parks

Where can I go to know what Sedro Woolley offers?

Please place a few more benches at the playground on Cook Road. That's a popular playground & there are times when we have to cut our visit short because there is no where for me to sit & watch the children play (back injury).

More sports offered for younger children, under age 5.

It's all in the network and making sure information is out there. Is there a running club that my teen and adult children could be a part of?

Swimming pool

Outdoor activities for all

More enclosed playgrounds with places for parents to walk around it while kids are playing. No one wants to just sit or stand while kids are playing all the time. We want to get some exercise too. Also having a bathroom close by. There is still only a portapotty at the Janiki playground.

Need more walking trails especially with lighting and hills.

Fenced in playgrounds

Advertise the programs better. We are fairly new to town and it seems marketing programs are for those who already know the details.

Paved or stroller friendly walking paths/loops

Would love to have a park or recreation that brings in business for the community

Better co.municate offerings

More playgrounds with Shade and seats for parents.

Often can't attend events because no even ground for wheel chairs or walking for those with disabilities

an easy guide to all of the parks and rec areas.

More trash cans on trails for dog bags and litter.

I would like to have a swimming center in our community and some more cool playgrounds for kids and full fence for the safety, and the restroom.

Swimming pool

With anything you do now or in the future the importance of making it free to the public is extremely important!

Clean up the dog park...its gross feces everywhere and when they mow, they never cut it short enough and my dogs cant walk through it.

Covered areas

Easier for scholarships for kids sports.

More offerings for teens

more Police Patrols

Mail out a newsletter or post events on FB, help the community know what's available besides youth sports.

Positive police present at playgrounds to deter disrespectful behaviour by our teenage population.

More water access during the summer months

More events

More conspicuous, attractive, and uniform signage would better communicate the existence and location of SW's parks.

Increased walking paths inside of parks

The janicki fields needs a nice bathroom open during daytime hours daily. Also, so does evergreen/cascade during practice hours.

I love this place!

More than one dog park.

Partner with nonprofits who can offer programs. It's enough for the city to provide the spaces.

Open space is important. Please purchase the golf course and keep it open. Every town needs a golf course, not more apartments.

We need pickleball courts in Sedro-Woolley... maybe the new Olmsted park would be a good location.

More trash cans and a couple more porta potties

A YMCA would be amazing. I think it would really benefit the community in so many ways, employment, healthy living, sports opportunities, a pool, the list goes on and on. Mt Vernon is too far to go for many in Sedro Woolley and east county.

Replace the Riverfront Park caretaker - his interactions with myself and others and not professional. He oversteps the boundaries of his role. He lacks critical thinking and I fear the worst when he will inevitably harass a visitor with an equally short fuse.

The rails to trails parking lot at Fruitdale has been unsafe, have been chased by someone on drugs, and the trail itself is sketchy with people living on it.

Make more

Fix up the restrooms at Hammer Heritage Square. They're gross. They didn't get cleaned all summer - or if they did, you couldn't tell.

More recreational activities and facilities for teens

Walking groups

Bathroom at the new train park

More options for after-dark walking/recreation paths. Winter time is hard for anyone working a 9-5 shift.

Fully fenced-in play areas.

An overview of the walking trails around town would be great. I've been a daily walker in town for almost 4 years and just found a cute trail off of Riverfront park I was unaware of.

waterpark for kids

Stop allowing apartments and new development

More walking tracks

Community Ed/adult sports offerings

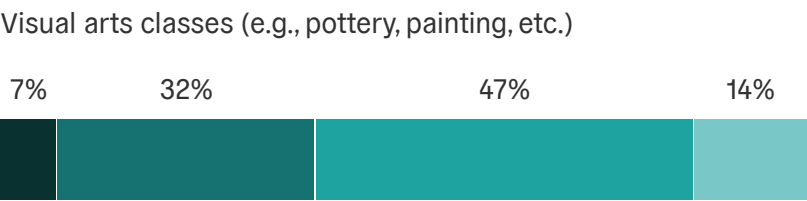
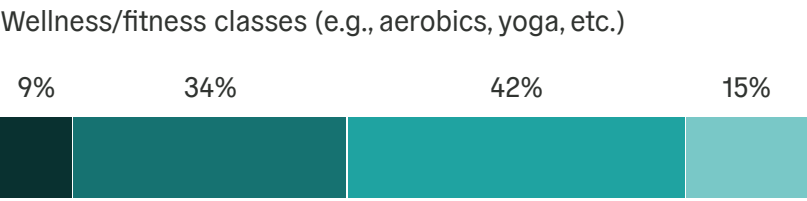
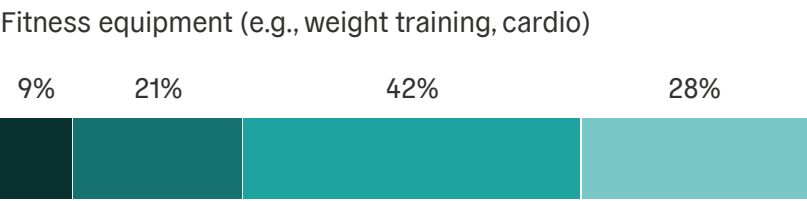
Better access to bathrooms for small children

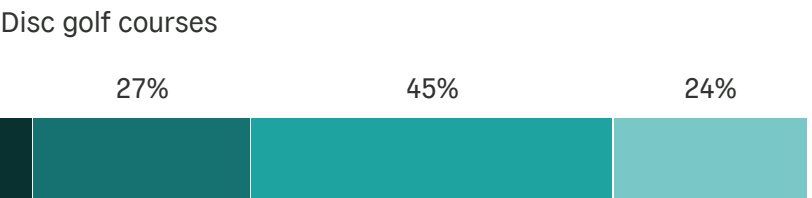
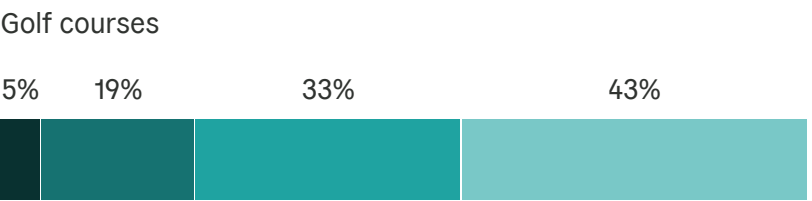
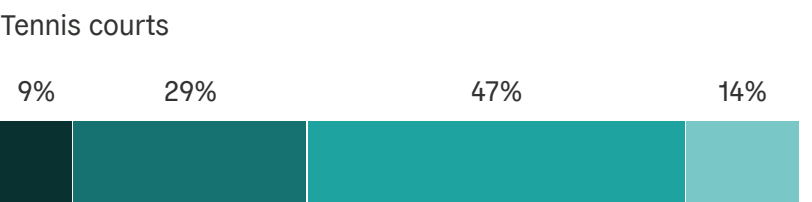
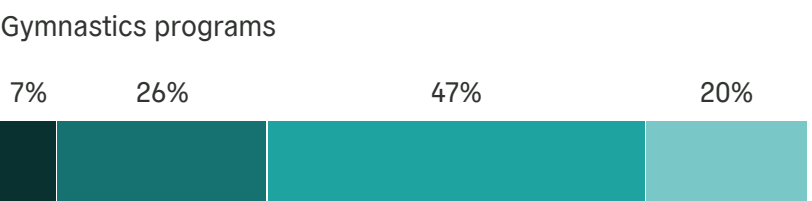
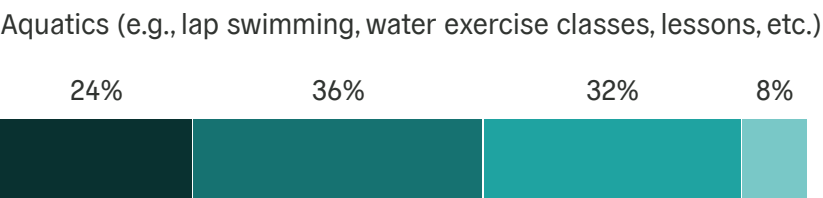
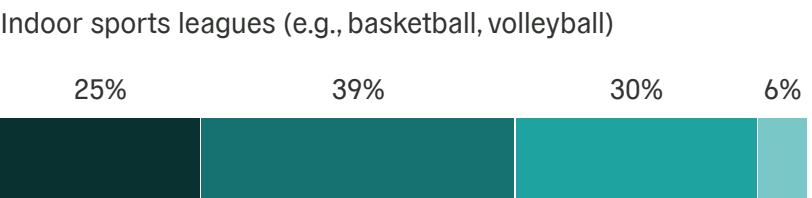
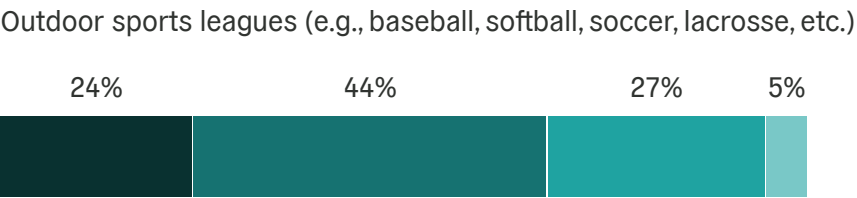
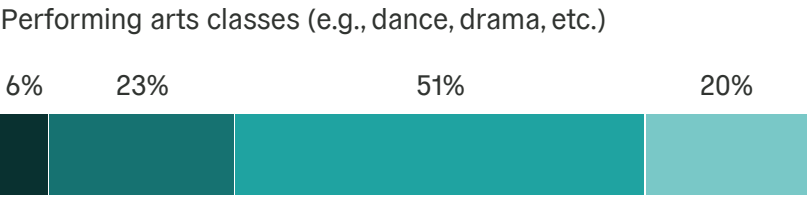
Covered pickleball courts please!!

How important, if at all, is it that the City provide the following amenities or activities for the community?

Question	Essential	Very important	Somewhat important	Not at all important
Fitness equipment (e.g., weight training, cardio)	9%	21%	43%	28%
Wellness/fitness classes (e.g., aerobics, yoga, etc.)	9%	34%	42%	15%
Visual arts classes (e.g., pottery, painting, etc.)	7%	32%	47%	14%
Performing arts classes (e.g., dance, drama, etc.)	6%	23%	51%	20%
Outdoor sports leagues (e.g., baseball, softball, soccer, lacrosse, etc.)	24%	44%	27%	5%
Indoor sports leagues (e.g., basketball, volleyball)	25%	39%	30%	6%
Aquatics (e.g., lap swimming, water exercise classes, lessons, etc.)	24%	36%	32%	8%
Gymnastics programs	7%	26%	47%	20%
Tennis courts	9%	29%	47%	14%
Golf courses	5%	19%	33%	43%
Disc golf courses	4%	27%	45%	24%
Youth sports	46%	43%	10%	1%
Youth after-school programs	48%	39%	11%	3%

Expand all / Collapse all





How much of a priority, if any, do you feel each of the following initiatives should be within Sedro-Woolley, WA?

Question	High priority	Medium priority	Low priority	Not a priority	Don't know
Offering more recreation programs and classes	40%	44%	12%	3%	2%
Building a new fitness facility	29%	27%	27%	14%	2%
Building new athletic fields	23%	26%	34%	13%	4%
Expanding walking and biking trail systems	53%	32%	10%	4%	1%
Offering more special events at the parks	32%	49%	15%	2%	2%

Expand all / Collapse all

