

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re

CURATIVE HEALTH SERVICES, INC., et al.

Debtors.

Chapter 11 Case No. 06-10552 (SMB)

(Jointly Administered)

**PREPACKAGED JOINT PLAN OF REORGANIZATION PURSUANT
TO CHAPTER 11 OF THE BANKRUPTCY CODE AS MODIFIED ON MAY 8, 2006**

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Date: February 6, 2006

Curative Health Services, Inc., CHS Services, Inc., Hemophilia Access, Inc., Infinity Infusion, LLC, Infinity Infusion II, LLC, Infinity Infusion Care, Ltd., Curative Health Services of New York, Inc., Optimal Care Plus, Inc., MedCare, Inc., Critical Care Systems, Inc., Curative Health Services Co., Curative Health Services III Co., Curative Pharmacy Services, Inc., eBioCare.com, Inc. and Apex Therapeutic Care, Inc., as chapter 11 debtors and debtors in possession, propose the following joint prepackaged plan of reorganization under section 1129 of title 11 of the United States Code (the “**Bankruptcy Code**”). Reference is made to the Disclosure Statement distributed contemporaneously herewith, containing a discussion of the Debtors’ history, business, risk factors, a summary and analysis of the Plan, and other related matters, including a description of the New CURE Stock and New Promissory Notes to be issued and distributed under the Plan.

The only persons and entities entitled to vote on the Plan are the holders of (a) Senior Note Claims, classified as Class 5 (including Subclasses 5A and 5B), 12 (including Subclasses 12A and 12B), and 19 (including Subclasses 19A and 19B) Claims, (b) Apex General Unsecured Claims (including the holders of certain of the Pharmacy Claims) classified as Class 11 Claims, (c) Curative General Unsecured Claims classified as Class 4 Claims and (d) eBioCare General Unsecured Claims (including the holders of certain of the Pharmacy Claims) classified as Class 18 Claims. Such holders are encouraged to read the Plan and the accompanying solicitation materials in their entirety before voting to accept or reject the Plan. All holders of Equity Interests and Intercompany Claims in and against the Debtors are deemed to have rejected the Plan. All other holders of Claims are “unimpaired” by the Plan because their Claims remain unaltered by the Plan. No materials other than the accompanying solicitation materials and any exhibits and schedules attached thereto or referenced therein have been authorized by the Debtors for use in soliciting acceptances or rejections of the Plan.

ARTICLE I DEFINITIONS

As used herein, the following terms have the respective meanings and are subject to the rules of construction specified below:

1.1 “Accredited Investor” means an “accredited investor” as defined in Rule 501(a) under the Securities Act.

1.2 “Ad Hoc Committee” means the holders of Senior Notes, or their successors, that are parties to the Plan Support Agreement, including AIG Global Investment Corp., Barclays Bank PLC, BlackRock Financial Management, Inc., Merrill Lynch Pierce, Fenner & Smith Incorporated and RCG Carpathia Master Fund, Ltd..

1.3 “Administrative Expense Claim” means any right to payment constituting a cost or expense of administration of the Chapter 11 Case of any Debtor under sections 503(b) and 507(a)(1) of the Bankruptcy Code, including, without limitation, any actual and necessary costs and expenses of preserving the estate of any Debtor, any actual and necessary costs and expenses of operating the business of any Debtor, any indebtedness or obligations incurred or assumed by any Debtor in Possession in connection with the conduct of its business, including, without limitation, for the acquisition or lease of property or an interest in property or the rendition of services, all compensation and reimbursement of expenses to the extent Allowed by the Bankruptcy Court under sections 330 or 503 of the Bankruptcy Code and any fees or charges assessed against the estate of any Debtor under section 1930 of chapter 123 of title 28 of the United States Code.

1.4 “Affiliates” means, for the purposes of Sections 4.5, 5.5 and 6.5 of the Plan and the definition of “Electing Senior Noteholder,” an “Affiliate” as defined in Rule 405 promulgated under the Securities Act.

1.5 “Allowed” means, with reference to any Claim, (a) any Claim against any Debtor listed by any Debtor in its Schedules or the Creditors List as liquidated in amount and not Disputed or contingent and for which no contrary proof of Claim has been filed, (b) any Claim allowed hereunder, (c) any Claim not Disputed, (d) any Claim compromised, settled or otherwise resolved pursuant to the authority granted to the Debtors or the Reorganized Debtors pursuant to a Final Order of the Bankruptcy Court or (e) any Claim which, if Disputed, has been Allowed by a Final Order; *provided, however,* that any Claims allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court shall not be considered “Allowed Claims” hereunder. Unless otherwise specified herein or by order of the Bankruptcy Court, “Allowed Administrative Expense Claim” or “Allowed Claim” shall not, for any purpose under the Plan, include interest on such Administrative Expense Claim or Claim from and after the Petition Date.

1.6 “Apex” means Apex Therapeutic Care, Inc.

1.7 “Apex Discounted Cash Payment” means a Cash payment equal to fifty percent (50%) of the face amount of each respective Apex Unsecured Note.

1.8 “Apex General Unsecured Claims” means all Claims against Apex that are not Administrative Expense Claims, Priority Tax Claims, Apex Other Priority Claims, Secured Bank Claims, Apex Other Secured Claims and Senior Note Guarantee Claims, but shall include, without limitation, the Apex Litigation Claims and the Apex Rejection Claims.

1.9 “Apex Litigation Claims” means Claims related to all pending and threatened litigation against Apex including, without limitation, the Pharmacy Claims.

1.10 “Apex Note Claims” means the Claims against Curative arising under the Amended and Restated Promissory Note, dated May 30, 2002, issued by Curative pursuant to the Apex Stock Purchase Agreement.

1.11 “Apex Other Priority Claims” means any Claim against Apex, other than an Administrative Expense Claim or a Priority Tax Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

1.12 “Apex Other Secured Claims” means any Secured Claim against Apex other than the Secured Bank Claims.

1.13 “Apex Pro Rata Fraction” means a fraction in which the numerator shall be the amount of each respective Allowed Apex General Unsecured Claim and the denominator shall be the sum of all Allowed Apex General Unsecured Claims and Allowed Senior Note Guarantee Claims.

1.14 “Apex Rejection Claims” means Claims against Apex related to the rejection of executory contracts or unexpired leases as set forth on Schedule 9.1 to the Plan or as otherwise provided in Section 9.1 of the Plan.

1.15 “Apex Stock Purchase Agreement” means the Stock Purchase Agreement, dated January 27, 2002, by and among Curative, Jim Williams, the Tamiyasu Trust No. 1, the Kelly and Valorie Smith Family Trust No. 1, the Fred and Lisa Copeland Family Trust dated August 4, 1999, the Robert and Sandra Brooks Family Trust dated April 10, 1987 and the Stockholder Representative (as defined in the Stock Purchase Agreement).

1.16 “Apex Unsecured Note” means an unsecured non-transferable promissory note issued by Reorganized Apex with a term of seven (7) years and which provides for a fixed rate of interest accruing quarterly such that the present value of the note as of the date of issuance equals the face amount of the note, or such other terms mutually agreed to by the Ad Hoc Committee and the Debtors or established by the Bankruptcy Court; *provided, however*, that interest shall not begin to accrue until each respective note is issued and any such accrued interest shall not be paid until the maturity date of the note. The face amount of each note shall be the product of the Apex Pro Rata Fraction multiplied by the Apex Value.

- 1.17 “Apex Value”** means \$12.7 million or such value otherwise established by the Bankruptcy Court.
- 1.18 “Ballot”** means the form or forms distributed to each holder of an impaired Claim entitled to vote on the Plan on which such holder indicates its acceptance or rejection of the Plan.
- 1.19 “Bankruptcy Code”** means title 11 of the United States Code, as amended from time to time, as applicable to the Chapter 11 Cases.
- 1.20 “Bankruptcy Court”** means the United States District Court having subject matter jurisdiction over the Chapter 11 Cases and, to the extent of any reference under section 157 of title 28 of the United States Code, the Bankruptcy Court unit of such District Court under section 151 of title 28 of the United States Code.
- 1.21 “Bankruptcy Rules”** means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, and all Local Rules of the Bankruptcy Court, applicable to the Chapter 11 Cases.
- 1.22 “Business Day”** means any day other than a Saturday, Sunday or any other day on which commercial banks in New York, New York are required or authorized to close by law or executive order.
- 1.23 “Cash”** means the lawful currency of the United States of America.
- 1.24 “Cash Consideration”** means Cash in the amount of \$27.75 million which shall be paid from the proceeds of the New Debt, the Exit Financing and/or the Rights Offering Proceeds and shall be distributed on a Pro Rata Share basis among the holders of the Senior Note Claims.
- 1.25 “Causes of Action”** means, without limitation, any and all actions, causes of action, liabilities, obligations, rights, suits, damages, judgments, claims and demands whatsoever, whether known or unknown, existing or hereafter arising, in law, equity or otherwise, based in whole or in part upon any act or omission or other event occurring on or prior to the Effective Date.
- 1.26 “CCS”** means Critical Care Systems, Inc.
- 1.27 “Certificate”** means any certificate, instrument, or other document evidencing an Extinguished Security.
- 1.28 “CHS Co.”** means Curative Health Services Co.
- 1.29 “CHS III”** means Curative Health Services III Co.
- 1.30 “CHS New York”** means Curative Health Services of New York, Inc.
- 1.31 “CHS Services”** means CHS Services, Inc.

1.32 “Chapter 11 Cases” means the cases under chapter 11 of the Bankruptcy Code, In re Curative Health Services, Inc., et al., Chapter 11 Case No. 06-10552 (SMB), Jointly Administered, filed by the Debtors in the Bankruptcy Court.

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

1.34 “Class” means a category of holders of Claims or Equity Interests as set forth in Article III of the Plan.

1.35 “Collateral” means any property or interest in property of the estates of the Debtors subject to a Lien to secure the payment or performance of a Claim, which Lien is not timely avoided or otherwise invalid under the Bankruptcy Code or applicable state law.

1.36 “Confirmation Date” means the date of entry of the Confirmation Order on the docket of the Bankruptcy Court.

1.37 “Confirmation Hearing” means the hearing held by the Bankruptcy Court to consider confirmation of the Plan, as such hearing may be adjourned or continued from time to time.

1.38 “Confirmation Order” means the order of the Bankruptcy Court confirming the Plan which shall be in form, scope and substance reasonably satisfactory to the Debtors and the Ad Hoc Committee.

1.39 “Creditors’ Committee” means the statutory creditors’ committee appointed in the Chapter 11 Cases, if any, pursuant to section 1102 of the Bankruptcy Code.

1.40 “Creditors List” means the list of the Debtors’ largest unsecured creditors as of the Petition Date.

1.41 “Curative” means Curative Health Services, Inc.

1.42 “Curative Debtors” means Curative, Curative Pharmacy, CHS Services, Hemophilia Access, Infinity Infusion, Infinity Infusion II, Infinity Infusion Care, CHS New York, Optimal Care, MedCare, CCS, CHS Co. and CHS III.

1.43 “Curative Discounted Cash Payment” means a Cash payment equal to fifty percent (50%) of the face amount of each respective Curative Unsecured Note.

1.44 “Curative General Unsecured Claims” means all Claims against the Curative Debtors that are not Administrative Expense Claims, Priority Tax Claims, Curative Other Priority Claims, Secured Bank Claims, Curative Other Secured Claims and Senior Note Claims, but shall include, without limitation, the Curative Litigation Claims, the Apex Note Claims and the Curative Rejection Claims.

1.45 “Curative Litigation Claims” means Claims relating to pending or threatened litigation against the Curative Debtors.

1.46 “Curative Other Priority Claim” means any Claim against the Curative Debtors, other than an Administrative Expense Claim or a Priority Tax Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

1.47 “Curative Other Secured Claim” means any Secured Claim against the Curative Debtors other than the Secured Bank Claims.

1.48 “Curative Pharmacy” means Curative Pharmacy Services, Inc.

1.49 “Curative Pro Rata Fraction” means a fraction in which the numerator shall be the amount of each respective Allowed Curative General Unsecured Claim and the denominator shall be the sum of all Allowed Curative General Unsecured Claims and Allowed Senior Note Claims.

1.50 “Curative Rejection Claims” means Claims against the Curative Debtors related to the rejection of executory contracts or unexpired leases as set forth on Schedule 9.1 to the Plan or as otherwise provided in Section 9.1 of the Plan.

1.51 “Curative Unsecured Note” means an unsecured non-transferable promissory note issued by Reorganized Curative with a term of seven (7) years and which provides for a fixed rate of interest accruing quarterly such that the present value of the note as of the date of issuance equals the face amount of the note, or such other terms mutually agreed to by the Ad Hoc Committee and the Debtors or established by the Bankruptcy Court; *provided, however*, that interest shall not begin to accrue until each respective note is issued, and any such accrued interest shall not be paid until the maturity date of the note. The face amount of each note shall be the product of the Curative Pro Rata Fraction multiplied by the Curative Value.

1.52 “Curative Value” means \$153.161 million or such value as otherwise established by the Bankruptcy Court.

1.53 “Debtors” means Apex, eBioCare and the Curative Debtors.

1.54 “Debtors in Possession” means the Debtors in their capacity as debtors in possession in the Chapter 11 Cases pursuant to sections 1101(1), 1107(a) and 1108 of the Bankruptcy Code.

1.55 “DHS Audit” means the audit conducted by the Department of Health Services of the State of California of Siskin’s San Carlos Pharmacy, Inc., Park Compounding Pharmacy, Inc. and American Surgical Pharmacy, Inc. related to (i) the pharmacies’ medical billing for clotting factor supplied to the pharmacies by Apex and eBioCare, and (ii) the pharmacies’ medical billing for the anti-inhibitor product “FEIBA” supplied to the pharmacies by Apex and eBioCare.

1.56 “DIP Claims” means the secured Administrative Expense Claims related to the DIP Financing.

1.57 “DIP Financing” means a debtor-in-possession credit facility to be entered into by the Debtors as either borrowers or guarantors and the DIP Lenders, as approved by the Bankruptcy Court.

1.58 “DIP Lenders” means those entities identified as “Lenders” in the DIP Financing and their respective successors and assigns.

1.59 “Disbursing Agent” means the Reorganized Debtors or any party designated by the Reorganized Debtors, in their sole discretion, and approved by the Bankruptcy Court.

1.60 “Disclosure Statement” means the Disclosure Statement, as amended, supplemented or modified from time to time, describing the Plan, including all exhibits and schedules thereto, that was prepared and distributed in accordance with section 1125 of the Bankruptcy Code, Bankruptcy Rule 3018, section 1145 of the Bankruptcy Code, section 4(2) under the Securities Act of 1933, as amended, and/or other applicable law.

1.61 “Disputed” means, with respect to a Claim, (a) any such Claim proof of which was timely and properly filed and (i) which has been or hereafter is listed on the Schedules or the Creditors List as unliquidated, disputed, or contingent, and which has not been resolved by written agreement of the parties or an order of the Bankruptcy Court, or (ii) as to which the Debtors or any other party in interest has interposed a timely objection or request for estimation in accordance with the Bankruptcy Code and the Bankruptcy Rules, which objection or request for estimation has not been withdrawn or determined by a Final Order, or (b) as to which a proof of Claim was required to be filed by order of the Bankruptcy Court but as to which a proof of Claim was not timely or properly filed. Prior to (x) the time that an objection has been filed and (y) the expiration of the time within which to object to such Claim set forth herein or otherwise established by order of the Bankruptcy Court, for purposes of the Plan, (A) a Claim shall be considered a Disputed Claim if the amount of the Claim specified in the proof of Claim exceeds the amount of the Claim listed by the Debtors on the Schedules or the Creditors List as other than disputed, contingent or unliquidated, or (B) in the event that a Claim is not listed on the Schedules or the Creditors List, the entire amount of such Claim shall be considered a Disputed Claim.

1.62 “Distribution Record Date” means the day that is five (5) Business Days after the Confirmation Date.

1.63 “DOJ Settlement Agreement” means the Stipulation and Order of Settlement and Dismissal as to Curative Health Services, Inc. in the action styled United States of America ex rel. Francisco Lanni and Joseph “Mickey” Parslow vs. Curative Health Services, Inc. et al., Case No. 98 Civ. 2501 (RCC), filed in the United States District Court for the Southern District of New York.

1.64 “DTC” means The Depository Trust Company.

- 1.65** “**eBioCare**” means eBioCare.com, Inc.
- 1.66** “**eBioCare Discounted Cash Payment**” means a Cash payment equal to fifty percent (50%) of the face amount of each respective eBioCare Unsecured Note.
- 1.67** “**eBioCare General Unsecured Claims**” means all Claims against eBioCare that are not Administrative Expense Claims, Priority Tax Claims, eBioCare Other Priority Claims, Secured Bank Claims, eBioCare Other Secured Claims and Senior Note Guarantee Claims, but shall include, without limitation, the eBioCare Litigation Claims and the eBioCare Rejection Claims.
- 1.68** “**eBioCare Litigation Claims**” means Claims relating to pending or threatened litigation against eBioCare, including, without limitation, certain of the Pharmacy Claims.
- 1.69** “**eBioCare Other Priority Claims**” means any Claim against eBioCare, other than an Administrative Expense Claim or a Priority Tax Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.
- 1.70** “**eBioCare Other Secured Claims**” means any Secured Claim against eBioCare other than the Secured Bank Claims.
- 1.71** “**eBioCare Pro Rata Fraction**” means a fraction in which the numerator shall be the amount of each respective Allowed eBioCare General Unsecured Claim and the denominator shall be the sum of all Allowed eBioCare General Unsecured Claims and Allowed Senior Note Guarantee Claims.
- 1.72** “**eBioCare Rejection Claims**” means Claims against eBioCare related to the rejection of executory contracts or unexpired leases as set forth on Schedule 9.1 to the Plan or as otherwise provided in Section 9.1 of the Plan.
- 1.73** “**eBioCare Unsecured Note**” means an unsecured non-transferable promissory note issued by Reorganized eBioCare with a term of seven (7) years and which provides for a fixed rate of interest accruing quarterly such that the present value of the note as of the date of issuance equals the face amount of the note, or such other terms mutually agreed to by the Ad Hoc Committee and the Debtors or established by the Bankruptcy Court; *provided, however*, that interest shall not accrue until each respective note is issued, and any such accrued interest shall not be paid until the maturity date of the note. The face amount of each note shall be the product of the eBioCare Pro Rata Fraction multiplied by the eBioCare Value.
- 1.74** “**eBioCare Value**” means \$11.9 million or such value otherwise established by the Bankruptcy Court.
- 1.75** “**Effective Date**” means the later of (i) the first Business Day after the tenth (10th) day following the entry of the Confirmation Order or (ii) the first Business Day on which the conditions specified in Section 12.1 of the Plan have been satisfied or waived.

1.76 “Electing Senior Noteholder” means any holder (together with each of its Affiliates) of a Senior Note Claim in an aggregate principal amount equal to or greater than \$1,000,000 as of the Voting Record Date that (i) is an Accredited Investor or Qualified Institutional Buyer, (ii) elects to receive its Pro Rata Share of New CURE Stock and Cash Consideration under the Plan, and (iii) complies in all material respects with the Ballot (and accompanying instructions) submitted in respect of such Senior Note Claim.

1.77 “Equity Interest” means any share of common stock or other instrument evidencing an ownership interest in any Debtor, whether or not transferable, and any option, warrant or right, contractual or otherwise, to subscribe for or otherwise acquire any such interest.

1.78 “Existing Credit Facility” means the secured Amended and Restated Credit Agreement dated as of April 23, 2004, by and among the Debtors, and GECC Capital Markets Group, Inc., as Lead Arranger, General Electric Capital Corporation, as Agent, and the Existing Lenders, as amended or modified by the Amendments, dated May 3, 2004, June 30, 2004, October 20, 2004 and December 31, 2004, the Waiver Agreements, dated August 8, 2005, October 14, 2005, November 7, 2005 and the Forbearance Agreement, dated December 1, 2005 and as may be amended or modified from time to time.

1.79 “Existing Lenders” means the “Lenders” signatory to the Existing Credit Facility.

1.80 “Exit Financing” means a credit facility to be entered into by the Reorganized Debtors as either borrowers or guarantors and those entities identified as “Lenders” therein (as amended, modified or supplemented) as more fully set forth in the Plan Supplement and approved by the Bankruptcy Court.

1.81 “Extinguished Securities” means all Equity Interests and the Senior Notes.

1.82 “Final Order” means an order of the Bankruptcy Court or any other court of competent jurisdiction (a) as to which the time to appeal, petition for certiorari or mandamus, or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari or mandamus, or other proceedings for reargument or rehearing shall then be pending or as to which any right to appeal, petition for certiorari, reargument, or rehearing shall have been waived in writing in form and substance satisfactory to the Debtors or the Reorganized Debtors, or, (b) if an appeal, writ of certiorari or mandamus, or reargument or rehearing thereof has been sought, such order of the Bankruptcy Court or other court of competent jurisdiction shall have been determined by the highest court to which such order was appealed, or petition for certiorari or mandamus, or reargument or rehearing shall have been denied and the time to take any further appeal, petition for certiorari or mandamus or motion for reargument or rehearing shall have expired; *provided, however*, that the possibility that a motion allowed to be timely made more than ten (10) days after entry of the

order subject to review under section 502(j) of the Bankruptcy Code, Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or applicable state court rules of civil procedure, may be filed with respect to such order shall not cause such order not to be a Final Order.

1.83 “Funded Debt Obligation” means the total amount of the Exit Financing funded and outstanding as of the Effective Date, the New Debt, the New Promissory Notes, if applicable, and any other funded debt mutually agreed to by the Ad Hoc Committee and Curative.

1.84 “Hemophilia Access” means Hemophilia Access, Inc.

1.85 “Indenture” means the Indenture for the Senior Notes, dated as of April 23, 2004, among Curative, the Guarantors as defined therein, and the Indenture Trustee.

1.86 “Indenture Trustee” means Wells Fargo Bank, N.A., as Trustee under the Indenture.

1.87 “Infinity Infusion” means Infinity Infusion LLC.

1.88 “Infinity Infusion II” means Infinity Infusion II, LLC.

1.89 “Infinity Infusion Care” means Infinity Infusion Care, Ltd.

1.90 “Insured Claim” means any Claim arising from an incident or occurrence that is covered under the Debtors’ insurance policies.

1.91 “Intercompany Claim” means any Claim held by any Debtor against any other Debtor.

1.92 “Interim DIP Order” means the Interim Order approving the DIP Financing.

1.93 “Lien” has the meaning set forth in section 101(37) of the Bankruptcy Code.

1.94 “McConnell Investment” means the investment in New CURE Stock to be made by Paul F. McConnell on the Effective Date as described in Exhibit A attached hereto.

1.95 “MedCare” means MedCare, Inc.

1.96 “New CURE Stock” means the new common stock of Reorganized Curative to be distributed in accordance with Section 10.7 of the Plan.

1.97 “New Debt” means new second Lien indebtedness or indebtedness that is part of the Exit Financing on the terms and subject to the conditions described in the Plan Supplement.

1.98 “New Management Incentive Plan” means the New Management Incentive Plan to be adopted by the Reorganized Debtors on the Effective Date pursuant to the Plan as described in Exhibit A attached hereto.

1.99 “New Options” means the options to be issued by Reorganized Curative to purchase 9.5% of the number of new shares of New CURE Stock (other than New

Restricted Stock) issued and outstanding as of the Effective Date on a fully diluted basis pursuant to the New Management Incentive Plan.

1.100 “New Promissory Notes” means the Curative Unsecured Notes, Apex Unsecured Notes and eBioCare Unsecured Notes, if applicable.

1.101 “New Restricted Stock” means 2.5% of the number of shares of New CURE Stock issued and outstanding as of the Effective Date on a fully diluted basis to be issued by Reorganized Curative pursuant to the New Management Incentive Plan.

1.102 “New Securities” means, collectively, the New CURE Stock (including the New Restricted Stock) and/or the New Options, as applicable.

1.103 “Non-Electing Senior Noteholder” means any holder of an Allowed Senior Note Claim that is not an Electing Senior Noteholder.

1.104 “Optimal Care” means Optimal Care Plus, Inc.

1.105 “Petition Date” means the date on which the Debtors commence the Chapter 11 Cases.

1.106 “Pharmacy Claims” means the indemnification claims, if any, of Siskin’s San Carlos Pharmacy, Inc., Park Compounding Pharmacy, Inc., and American Surgical Pharmacy, Inc. against Apex and/or eBioCare related to, arising out of or in connection with the DHS Audit.

1.107 “Plan” means this joint prepackaged chapter 11 plan, including, without limitation, the Plan Supplement and all exhibits, supplements, appendices and schedules hereto, either in its present form or as the same may be altered, amended or modified from time to time in accordance with the provisions of the Bankruptcy Code and the terms hereof.

1.108 “Plan Supplement” means the forms of documents specified in Section 15.16 of the Plan, each of which shall be in form, scope and substance reasonably satisfactory to the Ad Hoc Committee.

1.109 “Plan Support Agreement” means the Plan Support Agreement, dated December 2, 2005, between the members of the Ad Hoc Committee and the Debtors, as amended or modified by the Amendments, dated December 14, 2005 and February 3, 2006, and as may be further amended or modified from time to time. A copy of the Plan Support Agreement, as amended, is attached to the Disclosure Statement as Exhibit “D.”

1.110 “Priority Tax Claim” means any Claim of a governmental unit of the kind specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code.

1.111 “Professional Compensation and Reimbursement Claims” means any right to compensation for services rendered or reimbursement of expenses incurred through and including the Effective Date under sections 503(b)(2), 503(b)(3), 503(b)(4) or 503(b)(5) of the Bankruptcy Code.

1.112 “Pro Rata Share” means a proportionate share, so that the ratio of the consideration distributed on account of an Allowed Claim to the amount of such Allowed Claim is the same as the ratio of the amount of the consideration distributed on account of all Allowed Claims in the respective Class (or Classes, if applicable) to the amount of all Allowed Claims in such Class (or Classes, if applicable).

1.113 “Qualified Institutional Buyer” means a “qualified institutional buyer” as that term is defined in Rule 144A under the Securities Act.

1.114 “Registration Rights Agreement” means the Registration Rights Agreement to be entered into in accordance with Section 10.7(b) of the Plan.

1.115 “Reinstated” or “Reinstatement” means (a) leaving unaltered the legal, equitable and contractual rights to which a Claim entitles the holder of such Claim so as to leave such Claim unimpaired or (b) notwithstanding any contractual provision or applicable law that entitles the holder of such Claim to demand or receive accelerated payment of such Claim after the occurrence of a default (i) curing any such default that occurred before or after the Petition Date, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code; (ii) reinstating the maturity of such Claim as such maturity existed before such default; (iii) compensating the holder of such Claim for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law; and (iv) not otherwise altering the legal, equitable or contractual rights to which such Claim entitles the holder of such Claim, *provided, however*, that any contractual right that does not pertain to the payment when due of principal and interest on the obligation on which such Claim is based, including, but not limited to, financial covenant ratios, negative pledge covenants, covenants or restrictions on merger or consolidation, and affirmative covenants regarding corporate existence, prohibiting certain transactions or actions contemplated by the Plan, or conditioning such transactions or actions on certain factors, shall not be required to be reinstated in order to accomplish Reinstatement.

1.116 “Reorganized Curative” means Curative and any successor thereto by merger, consolidation or otherwise on and after the Effective Date.

1.117 “Reorganized Debtors” means each of the Debtors and any successor thereto by merger, consolidation or otherwise on and after the Effective Date.

1.118 “Reorganized Debtors’ By-laws” means the amended and restated By-laws and as applicable, limited liability company agreements or partnership agreements, of each of the Reorganized Debtors, which shall be substantially in the forms contained in the Plan Supplement.

1.119 “Reorganized Debtors’ Certificates of Incorporation” means the restated Certificates of Incorporation and, as applicable, the Certificates of Formation of each

of the Reorganized Debtors, which shall be substantially in the forms contained in the Plan Supplement.

1.120 “Rights” means the rights to purchase New CURE Stock in connection with the Rights Offering as described in Article VII hereof and in the Subscription Agreements.

1.121 “Rights Holders” means the Subscription Parties.

1.122 “Rights Offering” means the offering of Rights to the Rights Holders to purchase shares of New CURE Stock as described in Article VII hereof and pursuant to the Subscription Agreements.

1.123 “Rights Offering Proceeds” means the proceeds from the Rights Offering.

1.124 “Schedules” means the schedules of assets and liabilities and the statement of financial affairs which may be filed by each of the Debtors under section 521 of the Bankruptcy Code, Bankruptcy Rule 1007 and the Official Bankruptcy Forms of the Bankruptcy Rules as such schedules and statements have been or may be supplemented or amended through the Confirmation Date.

1.125 “Secured Bank Claims” means the Secured Bank Direct Claims and Secured Bank Guarantee Claim.

1.126 “Secured Bank Direct Claims” means the Secured Claims relating to the Existing Credit Facility against the Debtors who are borrowers under the Existing Credit Facility.

1.127 “Secured Bank Guarantee Claim” means the Secured Claim that arises by reason of CHS III’s guarantee of the Existing Credit Facility.

1.128 “Secured Claim” means any Claim that is secured by a Lien against Collateral to the extent of the value of such Collateral, as determined in accordance with section 506(a) of the Bankruptcy Code, or, if such Claim is subject to a permissible setoff under section 553 of the Bankruptcy Code, to the extent of such permissible setoff.

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

1.130 “Senior Notes” means the 10 ³/₄% senior unsecured notes due 2011 of Curative in the aggregate principal amount of \$185 million issued under the Indenture.

1.131 “Senior Note Claims” means the Senior Note Direct Claims and Senior Note Guarantee Claims.

1.132 “Senior Note Direct Claim” means a Claim against Curative arising under the Senior Notes, including Claims for unpaid principal, accrued interest as of the Petition Date and other fees arising under the Senior Notes.

1.133 “Senior Note Guarantee Claim” means a Claim against a guarantor of the Senior Notes, including Claims for unpaid principal, accrued interest as of the Petition Date and other fees arising under the Senior Notes.

1.134 “Senior Noteholder Recovery” means 54.9% or such other percentage established by the Bankruptcy Court.

1.135 “Stockholders Agreement” means the Stockholders Agreement to be entered into in accordance with Section 10.7 of the Plan.

1.136 “Subclass” means a category of holders of Claims as set forth in Article III of the Plan.

1.137 “Subscription Agreements” means the Election and Subscription Agreements by and among the Debtors and Barclays Bank PLC, BlackRock Financial Management, Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and RCG Carpathia Master Fund, Ltd., respectively. A form of the Subscription Agreements shall be attached to the Disclosure Statement as Exhibit H.

1.138 “Subscription Parties” means each of the subscribing parties to the Subscription Agreements.

1.139 “Tort Claim” means any Claim related to personal injury or property damage, or other similar Claims, or Claims sounding in tort against any of the Debtors.

1.140 “UBS” means UBS Securities LLC.

1.141 “Voting Deadline” means March 13, 2006, at 5:00 p.m. New York City Time.

1.142 “Voting Record Date” means February 8, 2006.

1.143 “Interpretation; Application of Definitions and Rules of Construction”. Wherever from the context it appears appropriate, each term stated in either the singular or the plural shall include both the singular and the plural. Unless otherwise specified, all section, article, schedule or exhibit references in the Plan are to the respective Section in, Article of, Schedule to, or Exhibit to, the Plan. If any description of a security or policy of any of the Debtors in the Plan is inconsistent with the documents governing such security or policy, the governing documents are controlling. The rules of construction contained in section 102 of the Bankruptcy Code apply to the construction of the Plan. A term used herein that is not defined herein, but that is used in the Bankruptcy Code, shall have the meaning ascribed to that term in the Bankruptcy Code. The headings in the Plan are for convenience of reference only and shall not limit or otherwise affect the provisions of the Plan.

ARTICLE II
TREATMENT OF ADMINISTRATIVE
EXPENSE CLAIMS AND PRIORITY TAX
CLAIMS UNDER BANKRUPTCY CODE
SECTIONS 503(B), 507(A)(1), 507(A)(2) AND 507(A)(8)

2.1 Administrative Expense Claims

Except to the extent a holder of an Allowed Administrative Expense Claim has been paid by the Debtors prior to the Effective Date or agrees to a less favorable or equal, but different treatment, each holder of an Allowed Administrative Expense Claim (other than a Professional Compensation and Reimbursement Claim or DIP Claim) shall receive Cash in an amount equal to such Allowed Administrative Expense Claim on the later of the Effective Date, or the date such Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or as soon thereafter as is practicable; *provided, however,* that Allowed Administrative Expense Claims representing liabilities incurred in the ordinary course of business by any Debtor in Possession or liabilities arising under loans or advances to or other obligations incurred by any Debtor in Possession shall be paid in full and performed by such Reorganized Debtor in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to, such transactions.

2.2 Professional Compensation and Reimbursement Claims

The holders of Professional Compensation and Reimbursement Claims shall file their respective final fee applications for the allowance of compensation for services rendered and reimbursement of expenses incurred after the Petition Date through the Confirmation Date by no later than the date that is sixty (60) days after the Effective Date, or such other date that may be fixed by the Bankruptcy Court. If granted by the Bankruptcy Court, such award shall be paid in full in Cash in such amount as is Allowed by the Bankruptcy Court either (a) on the date such Professional Compensation and Reimbursement Claim becomes an Allowed Professional Compensation and Reimbursement Claim, or as soon as practicable thereafter, or (b) upon such other terms as may be mutually agreed upon between such holder of an Allowed Professional Compensation and Reimbursement Claim and the Debtors. Requests for compensation under section 503(b) of the Bankruptcy Code must be filed with the Bankruptcy Court and served on the Debtors, any committee appointed in the Chapter 11 Cases, and other parties in interest by no later than the date that is sixty (60) days after the Effective Date. Notwithstanding the foregoing, (i) the reasonable fees and expenses incurred after the Petition Date by Bingham McCutchen LLP, as counsel to the Ad Hoc Committee, and (ii) the fees and expenses incurred by Houlihan Lokey Howard & Zukin Capital, Inc., as financial advisors to the Ad Hoc Committee, in accordance with the letter agreement effective October 10, 2005,

between Curative and Houlihan Lokey Howard & Zukin Capital, Inc., shall both be paid by the Debtors or the Reorganized Debtors as Administrative Expense Claims in the ordinary course of the Debtors' businesses, without application by or on behalf of any such parties to the Bankruptcy Court, and without notice and a hearing, unless specifically required by the Bankruptcy Court. If the Debtors or the Reorganized Debtors and any such professional cannot agree on the amount of fees and expenses to be paid to such party, the amount of fees and expenses shall be determined by the Bankruptcy Court. The payment of the Bingham McCutchen LLP and Houlihan Lokey Howard & Zukin Capital, Inc. fees and expenses under this Section 2.2 are part of the overall settlement embodied by this Plan among the holders of the Senior Note Claims and the Debtors.

All of the fees paid prior to the Petition Date to UBS, as financial advisors to the Debtors, in connection with its engagement letter, dated August 24, 2005, shall be authorized and approved.

2.3 DIP Claims

Except to the extent the holders of the DIP Claims agree to a different treatment, the holders of the Allowed DIP Claims shall receive Cash in an amount equal to such Allowed DIP Claims from the proceeds of the Exit Financing, the New Debt and/or the Rights Offering on the Effective Date or as soon thereafter as is reasonably practicable.

2.4 Priority Tax Claims

Except to the extent a holder of an Allowed Priority Tax Claim has been paid by the Debtors prior to the Effective Date or agrees to a different treatment, on the Effective Date, each holder of an Allowed Priority Tax Claim shall have its Claim Reinstated.

ARTICLE III CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

3.1 Classification of Claims

Claims, other than Administrative Expense Claims and Priority Tax Claims, against and Equity Interests in each of the Debtors are classified for all purposes, including voting, confirmation and distribution pursuant to the Plan, as follows:

(a)	Curative Debtors	Status
Class 1:	Curative Other Priority Claims	Unimpaired
Class 2:	Secured Bank Claims	Unimpaired
Class 3:	Curative Other Secured Claims	Unimpaired
Class 4:	Curative General Unsecured Claims	Impaired

Class 5:	Senior Note Claims (including Subclasses 5A and 5B)	Impaired
Class 6:	Intercompany Claims	Impaired
Class 7:	Equity Interests	Impaired

(b)	Apex	Status
Class 8:	Apex Other Priority Claims	Unimpaired
Class 9:	Secured Bank Claims	Unimpaired
Class 10:	Apex Other Secured Claims	Unimpaired
Class 11:	Apex General Unsecured Claims	Impaired
Class 12:	Senior Note Guarantee Claims (including Subclasses 12A and 12B)	Impaired
Class 13:	Intercompany Claims	Impaired
Class 14:	Equity Interests	Impaired

(c)	eBioCare	Status
Class 15:	eBioCare Other Priority Claims	Unimpaired
Class 16:	Secured Bank Claims	Unimpaired
Class 17:	eBioCare Other Secured Claims	Unimpaired
Class 18:	eBioCare General Unsecured Claims	Impaired
Class 19:	Senior Note Guarantee Claims (including Subclasses 19A and 19B)	Impaired
Class 20:	Intercompany Claims	Impaired
Class 21:	Equity Interests	Impaired

ARTICLE IV
PROVISIONS FOR TREATMENT OF CLAIMS
AND EQUITY INTERESTS OF THE CURATIVE DEBTORS

4.1 CURATIVE DEBTORS CLASS 1 – CURATIVE OTHER PRIORITY CLAIMS

- (a) Impairment and Voting. Class 1 is unimpaired by the Plan. Each holder of an Allowed Curative Other Priority Claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.

- (b) Distributions/Reinstatement of Claims. Unless the holder of an Allowed Curative Other Priority Claim has been paid prior to the Effective Date or agrees to a different treatment, on the Effective Date, each holder of an Allowed Curative Other Priority Claim shall have its Claim Reinstated.

4.2 CURATIVE DEBTORS CLASS 2 – SECURED BANK CLAIMS

- (a) Impairment and Voting. Class 2 is unimpaired by the Plan. Each holder of an Allowed Secured Bank Claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.
- (b) Distributions. In complete satisfaction of the Secured Bank Claims, each holder of an Allowed Secured Bank Claim shall receive Cash in an amount equal to such Allowed Secured Bank Claim from the proceeds of the DIP Financing within 3 Business Days after the Bankruptcy Court enters the Interim DIP Order or as soon as is reasonably practicable thereafter.
- (c) Single Distribution. The holders of Allowed Secured Bank Claims shall receive only one aggregate recovery from all of the Debtors on account of their Claims in Sections 4.2, 5.2 and 6.2 of the Plan.

4.3 CURATIVE DEBTORS CLASS 3 – CURATIVE OTHER SECURED CLAIMS

- (a) Impairment and Voting. Class 3 is unimpaired by the Plan. Each holder of an Allowed Curative Other Secured Claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.
- (b) Distributions/Reinstatement of Claims. Unless the holder of an Allowed Curative Other Secured Claim agrees to a different treatment, on the Effective Date, each holder of an Allowed Curative Other Secured Claim shall have its Claim Reinstated.

4.4 CURATIVE DEBTORS CLASS 4 – CURATIVE GENERAL UNSECURED CLAIMS

- (a) Impairment and Voting. Class 4 is impaired by the Plan. Each holder of an Allowed Curative General Unsecured Claim is entitled to vote to accept or reject the Plan.
- (b) Treatment. Each holder of an Allowed Curative General Unsecured Claim shall receive (i) a Curative Unsecured Note on the later of (1) 30 days after the respective Curative General Unsecured Claim is Allowed, or (2) the Effective Date, or (ii) if specifically designated by a holder of a Curative General Unsecured Claim, the Curative Discounted

Cash Payment on the later of (1) 30 days after the respective Curative General Unsecured Claim is Allowed, or (2) the Effective Date.

4.5 CURATIVE DEBTORS CLASS 5 – SENIOR NOTE CLAIMS

- (a) Impairment and Voting. Class 5 (including Subclasses 5A and 5B) is impaired by the Plan. Each holder of a Senior Note Claim is entitled to vote to accept or reject the Plan.
- (b) Allowance. The Senior Note Claims shall be Allowed in an amount of not less than \$201,407,000.
- (c) Distributions.
 - (1) **Subclass 5A**: The holders of Allowed Senior Note Claims in an aggregate principal amount less than \$1,000,000 as of the Voting Record Date shall receive Cash on the Effective Date, or as soon as reasonably practicable thereafter, in an amount equal to the product of the Senior Noteholder Recovery multiplied by each respective Senior Note Claim. The Cash to be distributed to holders of Allowed Senior Note Claims in accordance with Sections 4.5(c), 5.5(c) and 6.5(c) shall be paid from each such holder's Pro Rata Share of Cash Consideration and the Rights Offering Proceeds and/or the proceeds from the Exit Financing and/or the New Debt.
 - (2) **Subclass 5B**: The holders of Allowed Senior Note Claims (together with each of their respective Affiliates) in an aggregate principal amount equal to or greater than \$1,000,000 as of the Voting Record Date shall receive Cash on the Effective Date, or as soon as reasonably practicable thereafter, in an amount equal to the product of the Senior Noteholder Recovery multiplied by each respective Senior Note Claim; provided, however, any holder of an Allowed Senior Note Claim (together with each of its Affiliates) in an aggregate principal amount equal to or greater than \$1,000,000 as of the Voting Record Date, that is an Accredited Investor or Qualified Institutional Buyer and complies in all material respects with the Ballot (and accompanying instructions) submitted in respect of such Senior Note Claim may elect to receive its Pro Rata Share of (i) New CURE Stock and (ii) Cash Consideration, in lieu of the Cash recovery set forth in this Section 4.5(c)(2); provided, further, the value of the New CURE Stock and Cash Consideration, as of the Effective Date, distributed to any Electing Senior Noteholder shall not exceed the product of the

Senior Noteholder Recovery multiplied by such holder's respective Allowed Senior Note Claim. Once an election is made under Sections 4.5(c)(2), 5.5(c)(2) and 6.5(c)(2) of the Plan, an Electing Senior Noteholder shall be precluded from selling or transferring any Senior Notes to any person or entity that is not an Electing Senior Noteholder. The Cash to be distributed to holders of Allowed Senior Note Claims in accordance with Sections 4.5(c), 5.5(c) and 6.5(c) shall be paid from each such holder's Pro Rata Share of Cash Consideration and the Rights Offering Proceeds and/or the proceeds from the Exit Financing and/or the New Debt.

- (d) Single Distribution. The holders of Allowed Senior Note Claims shall receive only one aggregate recovery from all of the Debtors on account of their Claims in Sections 4.5, 5.5 and 6.5 of the Plan.

4.6 CURATIVE DEBTORS CLASS 6 – INTERCOMPANY CLAIMS

- (a) Impairment and Voting. Class 6 is impaired by the Plan. The holders of Intercompany Claims against and among the Curative Debtors are conclusively presumed to have rejected the Plan and are not entitled to vote to accept or reject the Plan.
- (b) Distributions. On the Effective Date, all Intercompany Claims shall be extinguished or cancelled by setoff, contribution or other method determined by the Debtors.

4.7 CURATIVE DEBTORS CLASS 7 – EQUITY INTERESTS

- (a) Impairment and Voting. Class 7 is impaired by the Plan. The holders of Equity Interests in the Curative Debtors are conclusively presumed to have rejected the Plan and are not entitled to vote to accept or reject the Plan.
- (b) Distributions. The holders of Equity Interests in the Curative Debtors shall not receive any distributions on account of such Equity Interests. On the Effective Date, all Equity Interests in the Curative Debtors shall be extinguished.

ARTICLE V PROVISIONS FOR TREATMENT OF CLAIMS AND EQUITY INTERESTS OF APEX

5.1 APEX CLASS 8 – APEX OTHER PRIORITY CLAIMS

- (a) Impairment and Voting. Class 8 is unimpaired by the Plan. Each holder of an Allowed Apex Other Priority Claim is conclusively presumed to

have accepted the Plan and is not entitled to vote to accept or reject the Plan.

- (b) Distributions/Reinstatement of Claims. Unless the holder of an Allowed Apex Other Priority Claim has been paid prior to the Effective Date or agrees to a different treatment, on the Effective Date, each holder of an Allowed Apex Other Priority Claim shall have its Claim Reinstated.

5.2 APEX CLASS 9 – SECURED BANK CLAIMS.

- (a) Impairment and Voting. Class 9 is unimpaired by the Plan. Each holder of an Allowed Secured Bank Claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.
- (b) Distributions. In complete satisfaction of the Secured Bank Claims, each holder of an Allowed Secured Bank Claim shall receive Cash in an amount equal to such Allowed Secured Bank Claim from the DIP Financing within 3 Business Days after the Bankruptcy Court enters the Interim DIP Order or as soon as is reasonably practicable thereafter.
- (c) Single Distribution. The holders of Allowed Secured Bank Claims shall receive only one aggregate recovery from all of the Debtors on account of their Claims in Sections 4.2, 5.2 and 6.2 of the Plan.

5.3 APEX CLASS 10 – APEX OTHER SECURED CLAIMS

- (a) Impairment and Voting. Class 10 is unimpaired by the Plan. Each holder of an Allowed Apex Other Secured Claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.
- (b) Distributions/Reinstatement of Claims. Unless the holder of an Allowed Apex Other Secured Claim agrees to a different treatment, on the Effective Date, each holder of an Allowed Apex Other Secured Claim shall have its Claim Reinstated.

5.4 APEX CLASS 11 – APEX GENERAL UNSECURED CLAIMS

- (a) Impairment and Voting. Class 11 is impaired by the Plan. Each holder of an Allowed Apex General Unsecured Claim is entitled to vote to accept or reject the Plan.
- (b) Distributions. Each holder of an Allowed Apex General Unsecured Claim shall receive (i) an Apex Unsecured Note on the later of (1) 30 days after the respective Apex General Unsecured Claim is Allowed, or (2) the Effective Date, or (ii) if specifically designated by a holder of an Apex General Unsecured Claim, the Apex Discounted Cash Payment on the later of (1) 30 days after the respective Apex General Unsecured Claim is Allowed, or (2) the Effective Date.

5.5 APEX CLASS 12 – SENIOR NOTE GUARANTEE CLAIMS

- (a) Impairment and Voting. Class 12 (including Subclasses 12A and 12B) is impaired by the Plan. Each holder of a Senior Note Guarantee Claim is entitled to vote to accept or reject the Plan.
- (b) Allowance. The Senior Note Claims shall be Allowed in an amount of not less than \$201,407,000.
- (c) Distributions.
 - (1) **Subclass 12A:** The holders of Allowed Senior Note Claims in an aggregate principal amount less than \$1,000,000 as of the Voting Record Date, shall receive Cash on the Effective Date, or as soon as reasonably practicable thereafter, in an amount equal to the product of the Senior Noteholder Recovery multiplied by each respective Senior Note Claim. The Cash to be distributed to holders of Allowed Senior Note Claims in accordance with Sections 4.5(c), 5.5(c) and 6.5(c) shall be paid from each such holder's Pro Rata Share of Cash Consideration and the Rights Offering Proceeds and/or the proceeds from the Exit Financing and/or the New Debt.
 - (2) **Subclass 12B:** The holders of Allowed Senior Note Claims (together with each of their respective affiliates) in an aggregate principal amount equal to or greater than \$1,000,000 as of the Voting Record Date, shall receive Cash on the Effective Date, or as soon as reasonably practicable thereafter, in an amount equal to the product of the Senior Noteholder Recovery multiplied by each respective Senior Note Claim; provided, however, any holder of an Allowed Senior Note Claim (together with each of its Affiliates) in an aggregate principal amount equal to or greater than \$1,000,000 as of the Voting Record Date, that is an Accredited Investor or Qualified Institutional Buyer and complies in all material respects with the Ballot (and accompanying instructions) submitted in respect of such Senior Note Claim may elect to receive its Pro Rata Share of (i) New CURE Stock and (ii) Cash Consideration, in lieu of the Cash recovery set forth in this Section 5.5(c)(2); provided, further, the value of the New CURE Stock and Cash Consideration, as of the Effective Date, distributed to any Electing Senior Noteholder shall not exceed the product of the Senior Noteholder Recovery multiplied by such holder's respective Allowed Senior Note Claim. Once an election is made under Sections 4.5(c)(2), 5.5(c)(2) and 6.5(c)(2) of the

Plan, an Electing Senior Noteholder shall be precluded from selling or transferring any Senior Notes to any person or entity that is not an Electing Senior Noteholder. The Cash to be distributed to holders of Allowed Senior Note Claims in accordance with Sections 4.5(c), 5.5(c) and 6.5(c) shall be paid from each such holder's Pro Rata Share of Cash Consideration and the Rights Offering Proceeds and/or the proceeds from the Exit Financing and/or the New Debt.

- (d) Single Distribution. The holders of Allowed Senior Note Guarantee Claims shall receive only one aggregate recovery from all of the Debtors on account of their Claims in Sections 4.5, 5.5 and 6.5 of the Plan.

5.6 APEX CLASS 13 – INTERCOMPANY CLAIMS

- (a) Impairment and Voting. Class 13 is impaired by the Plan. The holders of Intercompany Claims against Apex are conclusively presumed to have rejected the Plan and are not entitled to vote to accept or reject the Plan.
- (b) Distributions. On the Effective Date, all Intercompany Claims shall be extinguished or cancelled through setoff, contribution or other method determined by the Debtors.

5.7 APEX CLASS 14 – EQUITY INTERESTS

- (a) Impairment and Voting. Class 14 is impaired by the Plan. The holder of the Equity Interests in Apex is conclusively presumed to have rejected the Plan and is not entitled to vote to accept or reject the Plan.
- (b) Distributions. The holder of the Equity Interests in Apex shall not receive any distributions on account of such Equity Interests. On the Effective Date, all Equity Interests in Apex shall be extinguished.

ARTICLE VI PROVISIONS FOR TREATMENT OF CLAIMS AND EQUITY INTERESTS OF EBIOCARE

6.1 EBIOCARE CLASS 15 – EBIOCARE OTHER PRIORITY CLAIMS

- (a) Impairment and Voting. Class 15 is unimpaired by the Plan. Each holder of an Allowed eBioCare Other Priority Claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.
- (b) Distributions/Reinstatement of Claims. Unless the holder of an Allowed eBioCare Other Priority Claim has been paid prior to the Effective Date or agrees to a different treatment, on the Effective Date, each holder of an Allowed eBioCare Other Priority Claim shall have its Claim Reinstated.

6.2 EBIOCARE CLASS 16 SECURED BANK CLAIMS.

- (a) Impairment and Voting. Class 16 is unimpaired by the Plan. Each holder of an Allowed Secured Bank Claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.
- (b) Distributions. In complete satisfaction of the Secured Bank Claims, each holder of an Allowed Secured Bank Claim shall receive Cash in an amount equal to such Allowed Secured Bank Claim from the DIP Financing within 3 Business Days after the Bankruptcy Court enters the Interim DIP Order or as soon as is reasonably practicable thereafter.
- (c) Single Distribution. The holders of Allowed Secured Bank Claims shall receive only one aggregate recovery from all of the Debtors on account of their Claims in Sections 4.2, 5.2 and 6.2 of the Plan.

6.3 EBIOCARE CLASS 17 – EBIOCARE OTHER SECURED CLAIMS

- (a) Impairment and Voting. Class 17 is unimpaired by the Plan. Each holder of an Allowed eBioCare Other Secured Claim is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan.
- (b) Distributions/Reinstatement of Claims. Unless the holder of an Allowed eBioCare Other Secured Claim agrees to a different treatment, on the Effective Date, each holder of an Allowed Apex Other Secured Claim shall have its Claim Reinstated.

6.4 EBIOCARE CLASS 18 EBIOCARE GENERAL UNSECURED CLAIMS

- (a) Impairment and Voting. Class 18 is impaired by the Plan. Each holder of an Allowed eBioCare General Unsecured Claim is entitled to vote to accept or reject the Plan.
- (b) Distributions. Each holder of an Allowed eBioCare General Unsecured Claim shall receive (i) an eBioCare Unsecured Note on the later of (1) 30 days after the respective eBioCare General Unsecured Claim is Allowed, or (2) the Effective Date, or (ii) if specifically designated by a holder of an eBioCare General Unsecured Claim, the eBioCare Discounted Cash Payment on the later of (1) 30 days after the respective eBioCare General Unsecured Claim is Allowed, or (2) the Effective Date.

6.5 EBIOCARE CLASS 19 SENIOR NOTE GUARANTEE CLAIMS

- (a) Impairment and Voting. Class 19 (including Subclasses 19A and 19B) is impaired by the Plan. Each holder of a Senior Note Guarantee Claim is entitled to vote to accept or reject the Plan.

(b) Allowance. The Senior Note Claims shall be Allowed in an amount of not less than \$201,407,000.

(c) Distributions.

(1) **Subclass 19A:** The holders of Allowed Senior Note Claims in an aggregate principal amount less than \$1,000,000 as of the Voting Record Date shall receive Cash on the Effective Date, or as soon as reasonably practicable thereafter, in an amount equal to the product of the Senior Noteholder Recovery multiplied by each respective Senior Note Claim. The Cash to be distributed to holders of Allowed Senior Note Claims in accordance with Sections 4.5(c), 5.5(c) and 6.5(c) shall be paid from each such holder's Pro Rata Share of Cash Consideration and the Rights Offering Proceeds and/or the proceeds from the Exit Financing and/or the New Debt.

(2) **Subclass 19B:** The holders of Allowed Senior Note Claims (together with each of their respective affiliates) in an aggregate principal amount equal to or greater than \$1,000,000 as of the Voting Record Date shall receive Cash on the Effective Date, or as soon as reasonably practicable thereafter, in an amount equal to the product of the Senior Noteholder Recovery multiplied by each respective Senior Note Claim; provided, however, any holder of an Allowed Senior Note Claim (together with each of its Affiliates) in an aggregate principal amount equal to or greater than \$1,000,000 as of the Voting Record Date, that is an Accredited Investor or Qualified Institutional Buyer and complies in all material respects with the Ballot (and accompanying instructions) submitted in respect of such Senior Note Claim may elect to receive its Pro Rata Share of (i) New CURE Stock and (ii) Cash Consideration, in lieu of the Cash recovery set forth in this Section 6.5(c)(2); provided, further, the value of the New CURE Stock and Cash Consideration, as of the Effective Date, distributed to any Electing Senior Noteholder shall not exceed the product of the Senior Noteholder Recovery multiplied by such holder's respective Allowed Senior Note Claim. Once an election is made under Sections 4.5(c)(2), 5.5(c)(2) and 6.5(c)(2) of the Plan, an Electing Senior Noteholder shall be precluded from selling or transferring any Senior Notes to any person or entity that is not an Electing Senior Noteholder. The Cash to be distributed to holders of Allowed Senior Note Claims in

accordance with Sections 4.5(c), 5.5(c) and 6.5(c) shall be paid from each such holder's Pro Rata Share of Cash Consideration and the Rights Offering Proceeds and/or the proceeds from the Exit Financing and/or the New Debt.

- (d) Single Distribution. The holders of Allowed Senior Note Guarantee Claims shall receive only one aggregate recovery from all of the Debtors on account of their Claims in Sections 4.5, 5.5 and 6.5 of the Plan.

6.6 EBIOCARE CLASS 20 – INTERCOMPANY CLAIMS

- (a) Impairment and Voting. Class 20 is impaired by the Plan. The holders of Intercompany Claims against eBioCare are conclusively presumed to have rejected the Plan and are not entitled to vote to accept or reject the Plan.
- (b) Distribution. On the Effective Date, all Intercompany Claims shall be extinguished or cancelled by setoff, contribution or other method determined by the Debtors.

6.7 EBIOCARE CLASS 21 – EQUITY INTERESTS

- (a) Impairment and Voting. Class 21 is impaired by the Plan. The holder of the Equity Interests in eBioCare is conclusively presumed to have rejected the Plan and is not entitled to vote to accept or reject the Plan.
- (b) Distributions. The holder of the Equity Interests in eBioCare shall not receive any distributions on account of such Equity Interests. On the Effective Date, all eBioCare Equity Interests shall be extinguished.

ARTICLE VII RIGHTS OFFERING

7.1 The Rights

Curative has issued non-transferable, non-certificated subscription rights to the Rights Holders entitling such holders to purchase from Curative, on the Effective Date and incident to and as part of the transactions that comprise this Plan, shares of New CURE Stock at an aggregate purchase price not to exceed \$17,601,739 (\$448.22 for each \$1,000 in principal amount of Senior Notes held). Notwithstanding the foregoing, the subscription rights shall be transferable from a Rights Holder to any other Rights Holder. The terms and conditions of the Rights Offering shall be governed by the Subscription Agreements, a form of which shall be attached to the Disclosure Statement as Exhibit H.

No fractional shares of New CURE Stock, or Cash in lieu thereof, shall be issued or paid. The number of shares of New CURE Stock available for purchase by a Rights Holder shall be rounded as follows: (i) fractions of 1/2 or greater shall be rounded to the next higher whole number; and (ii) fractions of less than 1/2 shall be rounded to

the next lower whole number. The total number of shares of New CURE Stock to be distributed to Rights Holders shall be adjusted as necessary to account for the rounding provided in this Section 7.1.

7.2 Rights Offering Proceeds

The Rights Offering Proceeds shall be used to fund all or a portion of the Cash distribution to the Non-Electing Senior Noteholders. The Rights Offering Proceeds also may be used to fund the Cash distributions to the holders of Allowed Curative General Unsecured Claims, Allowed Apex General Unsecured Claims and Allowed eBioCare General Unsecured Claims, if applicable. In addition, at Curative's sole discretion, the Rights Offering Proceeds may be used to provide liquidity for working capital and other general corporate purposes of the Reorganized Debtors following the conclusion of the Chapter 11 Cases.

ARTICLE VIII PROVISIONS REGARDING VOTING AND DISTRIBUTIONS UNDER THE PLAN AND TREATMENT, OF DISPUTED, CONTINGENT AND UNLIQUIDATED CLAIMS

8.1 Voting of Claims

Each holder of an Allowed Claim in an impaired Class of Claims entitled to vote on the Plan pursuant to Articles IV through VI of the Plan shall be entitled to vote separately to accept or reject the Plan as provided in the Bankruptcy Code, Bankruptcy Rules, and any order or orders of the Bankruptcy Court.

8.2 Subtraction and Addition of Classes

- (a) Deletion of Classes. Any Class of Claims that does not contain an Allowed Claim or a Claim temporarily allowed under Bankruptcy Rule 3018 as of the date of the commencement of the Confirmation Hearing shall be deemed deleted from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class under section 1129(a)(8) of the Bankruptcy Code.
- (b) Addition of Classes. If Classes 3, 10 and/or 17 would contain two or more Secured Claims collateralized by different properties or interests in property or collateralized by Liens against the same property or interest in property having different priority, such Claims shall be deemed automatically divided into separate subclasses of such Classes.
- (c) Unsolicited Claims. If any creditor of the Debtors whose Claim would be classified in Classes 4, 11 or 18 was not solicited to vote to accept or reject the Plan prior to the Petition Date files a proof of Claim against any of the Debtors, such creditor shall be deemed to have voted to reject

the Plan unless such creditor agrees to be bound by the terms and conditions of the Plan and agrees to be deemed to have voted to accept the Plan.

8.3 Nonconsensual Confirmation

If any impaired Class of Claims entitled to vote shall not accept the Plan by the requisite statutory majorities provided in section 1126(c) of the Bankruptcy Code, the Debtors shall request the Bankruptcy Court to confirm the Plan under section 1129(b) of the Bankruptcy Code. With respect to impaired Classes of Claims that are deemed to reject the Plan, the Debtors shall request the Bankruptcy Court to confirm the Plan under section 1129(b) of the Bankruptcy Code.

8.4 Alternative Treatment

Notwithstanding any provision herein to the contrary any holder of an Allowed Claim may receive, instead of the distribution or treatment to which it is entitled hereunder, any other distribution or treatment to which it, the Debtors and the Ad Hoc Committee may agree to in writing; *provided, however*, that such other distribution or treatment shall not provide a return having a present value in excess of the present value of the distribution or treatment that otherwise would be given to such holder pursuant to this Plan.

8.5 Severability of Plan

The Plan is, severally, a chapter 11 plan for the Curative Debtors, Apex and eBioCare. If the Plan is not confirmed for all Debtors, then, at the Debtors' option, the Plan may be confirmed for any Debtor as to whom the Plan satisfies the requirements for confirmation contained in section 1129 of the Bankruptcy Code.

8.6 Method of Distributions Under the Plan

- (a) Disbursing Agent. All distributions under the Plan shall be made by the Disbursing Agent.
- (b) Delivery of Distributions. Subject to Bankruptcy Rule 9010, all distributions to holders of Allowed Claims under the Plan shall be made by the Disbursing Agent at the address of such holder as listed on the Debtors' books and records as of the Distribution Record Date, unless the Debtors or, on and after the Effective Date, the Reorganized Debtors, have been notified in writing of a change of address, including, without limitation, by the filing of a timely proof of Claim by such holder that provides an address for such holder different from the address reflected on the Debtors' books and records.
- (c) Distributions of Cash. All payments of Cash made by the Reorganized Debtors pursuant to the Plan shall, at their option, be made by check drawn on a domestic bank or wire transfer.

- (d) Setoffs and Recoupment. Other than in respect of any Allowed Senior Note Claim, the Debtors may, but shall not be required to, set off against or recoup from any Claim and the payments to be made pursuant to the Plan in respect of such Claim, any Claims of any nature whatsoever that the Debtors may have against the claimant, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors of any such Claim or right it may have against such claimant. Notwithstanding the foregoing, the Debtors or the Reorganized Debtors, as the case may be, shall be deemed to waive and shall have no right of setoff or recoupment against any Senior Note Claims or against any amounts at any time due or outstanding to the holders of Senior Notes under the Indenture; *provided, however*, the Debtors shall maintain all of their rights and remedies, including, without limitation, rights of setoff and recoupment arising under, in connection with or related to the Subscription Agreements.
- (e) Timing of Distributions. Any payment or distribution required to be made under the Plan on the Effective Date shall be made on the Effective Date or as soon thereafter as is reasonably practicable. Any payment or distribution required to be made under the Plan on a day other than a Business Day shall be made on the next succeeding Business Day.
- (f) Hart-Scott-Rodino Compliance. Any shares of New CURE Stock to be distributed under the Plan to any entity required to file a Premerger Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, shall not be distributed until the notification and waiting periods applicable under such Act to such entity shall have expired or been terminated.
- (g) Minimum Distributions. No payment of Cash less than ten dollars shall be made by the Reorganized Debtors to any holder of a Claim unless a request therefor is made in writing to the Reorganized Debtors on or before the sixtieth day after the Effective Date.
- (h) Fractional Shares. No fractional shares of New CURE Stock, or Cash in lieu thereof, shall be distributed under the Plan. When any distribution pursuant to the Plan on account of an Allowed Claim would otherwise result in the issuance of a number of shares of New CURE Stock that is not a whole number, the actual distribution of shares of New CURE Stock shall be rounded as follows: (i) fractions of 1/2 or greater shall be rounded to the next higher whole number; and (ii) fractions of less than 1/2 shall be rounded to the next lower whole number. The total number of shares of New CURE Stock to be distributed to holders of Allowed

Claims shall be adjusted as necessary to account for the rounding provided in this Section 8.6(i).

- (i) Unclaimed Distributions. All distributions under the Plan unclaimed for a period of one year after the time set for distribution under this Plan shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and revested in the applicable Reorganized Debtor and any entitlement of any holder of any Claim to such distributions shall be extinguished and forever barred.
- (j) Distributions to Holders as of the Distribution Record Date. As at the close of business on the Distribution Record Date, the security holders lists maintained by the Indenture Trustee, and by DTC as a nominee holder of the Senior Notes, shall be closed, and there shall be no further changes in the record holders of the Senior Notes. The Reorganized Debtors and the Disbursing Agent, if any, shall have no obligation to recognize any transfer of any Senior Notes occurring after the Distribution Record Date and shall be entitled instead to recognize and deal for all purposes under the Plan only with those record holders listed on the security holders lists as of the close of business on the Distribution Record Date.
- (k) Allocation of Plan Distributions Between Principal and Interest. Any distribution received by a holder of an Allowed Claim shall, for federal income tax purposes, be allocated first to the principal amount of the Claim (as determined for federal income tax purposes) to the extent thereof, and thereafter to the remaining portion of such Claim, if any.
- (l) Waiver of Enforcement of Subordination. All Claims against and Equity Interests in the Debtors and all rights and claims between or among holders of Claims and Equity Interests relating in any manner whatsoever to Claims against and Equity Interests in the Debtors, based upon any claimed subordination rights (if any), shall be deemed satisfied by the distributions under the Plan to holders of Claims and Equity Interests having such subordination rights, and such subordination rights shall be deemed waived, released, discharged, and terminated as of the Effective Date. Distributions to the various Classes of Claims under the Plan shall not be subject to levy, garnishment, attachment, or like legal process by any holder of a Claim by reason of any claimed subordination rights or otherwise, so that each holder of a Claim shall have, receive and retain the benefit of the distributions in the manner set forth in the Plan.

8.7 Disputed Claims

- (a) Distributions Upon Allowance of Disputed Claims. No distributions shall be made on account of a Disputed Claim, or undisputed portion thereof, unless and until such Disputed Claim becomes an Allowed Claim by a Final Order. The holder of a Disputed Claim that becomes an Allowed Claim subsequent to the Effective Date shall receive the distribution that would have been made to such holder under the Plan if the Disputed Claim had been an Allowed Claim on or prior to the Effective Date, without any post-Effective Date interest thereon, within sixty (60) days after such Disputed Claim becomes an Allowed Claim, unless otherwise provided for herein or by the Bankruptcy Court.
- (b) Tort Claims. All Tort Claims are Disputed Claims. Any Tort Claim as to which a proof of Claim was timely filed in the Chapter 11 Cases or which was listed on the Schedules or the Creditors List as contingent, unliquidated and/or disputed shall be determined and liquidated in the administrative or judicial tribunal(s) in which it is pending on the Effective Date or, if no action was pending on the Effective Date, in any administrative or judicial tribunal of appropriate jurisdiction, or in accordance with any alternative dispute resolution or similar proceeding as same may be approved by order of a court of competent jurisdiction. Any Tort Claim determined and liquidated (i) pursuant to a judgment obtained in accordance with this Section 8.7 and applicable nonbankruptcy law that has become a Final Order, (ii) in any alternative dispute resolution or similar proceeding as same may be approved by order of a court of competent jurisdiction, or (iii) pursuant to a compromise, settlement or other resolution in accordance with Section 8.8 and/or Article XIV, shall be deemed an Allowed Curative General Unsecured Claim, Allowed Apex General Unsecured Claim or Allowed eBioCare General Unsecured Claim, as applicable, in such liquidated amount and satisfied in accordance with the Plan; *provided, however*, that the Allowed amount of any Tort Claim that also is an Insured Claim shall be limited as provided in Section 8.9 hereof. Nothing contained in this Section 8.7 shall impair the Debtors' right to seek estimation of any and all Tort Claims in a court or courts of competent jurisdiction or constitute or be deemed a waiver of any Cause of Action that the Debtors may hold against any entity, including, without limitation, in connection with or arising out of any Tort Claim.

8.8 Objections to and Resolution of Claims

Except as to applications for allowance of compensation and reimbursement of expenses under sections 330 and 503 of the Bankruptcy Code, the Reorganized

Debtors, in consultation with the Ad Hoc Committee, shall, on and after the Effective Date, have the right to make and file objections to Claims. Any objections to a proof of Claim shall be served and filed on or before the latest of (a) one hundred and twenty (120) days after the Effective Date, (b) forty-five (45) days after the proof of Claim is filed with the Bankruptcy Court, and (c) such date as may be fixed by the Bankruptcy Court. On and after the Effective Date, the Reorganized Debtors shall have the authority to compromise, settle, otherwise resolve or withdraw any objections to Claims and compromise, settle or otherwise resolve Disputed Claims without approval of the Bankruptcy Court.

8.9 Distributions Relating to Allowed Insured Claims

Distributions under the Plan to each holder of an Allowed Insured Claim shall be in accordance with the treatment provided under the Plan for the Class in which such Allowed Insured Claim is classified; *provided, however*, that in no event shall the Allowed amount of an Insured Claim exceed the maximum amount that the Debtors are required to pay in respect of such Insured Claim pursuant to any pertinent insurance policies and applicable law. Nothing contained in this Section 8.9 shall constitute or be deemed a waiver of any Cause of Action that the Debtors or any entity may hold against any other entity, including, without limitation, insurers under any insurance policies.

8.10 Section 510(b) Claims

All Claims related to the purchase or sale of a security that come within the scope of section 510(b) of the Bankruptcy Code shall be treated in accordance therewith.

ARTICLE IX

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

9.1 Assumption or Rejection of Executory Contracts and Unexpired Leases

- (a) Executory Contracts and Unexpired Leases. Pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, all executory contracts and unexpired leases that exist between a Debtor and any person shall be deemed assumed by such Debtor as of the Effective Date, except for any executory contract or unexpired lease (i) that has been rejected pursuant to an order of the Bankruptcy Court entered prior to the Effective Date, (ii) as to which a motion for approval of the rejection of such executory contract or unexpired lease has been filed and served prior to the Effective Date or (iii) that is set forth in Schedule 9.1 attached hereto; *provided, however*, that the Debtors reserve the right, on or prior to the Effective Date, to amend Schedule 9.1 to delete any executory contract or unexpired lease therefrom or add any executory contract or unexpired lease thereto, in which event such executory contract(s) or unexpired lease(s) shall be deemed to be assumed by the applicable Debtor or

rejected, as the case may be. The Debtors shall provide notice of any amendments to Schedule 9.1 to the parties to the executory contracts and unexpired leases affected thereby and to counsel to the Ad Hoc Committee. The listing of a document on Schedule 9.1 shall not constitute an admission by the Debtors that such document is an executory contract or an unexpired lease or that any Debtor has any liability thereunder.

- (b) Real Property. Each executory contract and unexpired lease that is assumed and relates to the use, ability to acquire, or occupancy of real property shall include (i) all modifications, amendments, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affect such executory contract or unexpired lease and (ii) all executory contracts or unexpired leases appurtenant to the premises, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, powers, uses, usufructs, reciprocal easement agreements, vaults, tunnel or bridge agreements or franchises, and any other interests in real estate or rights *in rem* related to such premises, unless any of the foregoing agreements has been rejected pursuant to an order of the Bankruptcy Court.
- (c) Insurance Policies. All of the Debtors' insurance policies including, without limitation, insurance policies for the Debtors' directors and officers, and any agreements, documents or instruments relating thereto, are treated as executory contracts under the Plan. Notwithstanding the foregoing, distributions under the Plan to any holder of an Insured Claim shall be in accordance with the treatment provided under Articles IV-VI and Section 8.9 the Plan. Nothing contained in this Section 9.1 shall constitute or be deemed a waiver of any Cause of Action that the Debtors may hold against any entity, including, without limitation, the insurer under any of the Debtors' policies of insurance.
- (d) Employment Agreements. All employment agreements between the Debtors and their employees shall be assumed; *provided, however*, each employment agreement shall be amended to: (i) ensure that each employment agreement is in compliance with section 409(A) of the Internal Revenue Code of 1986, (ii) provide that no employee shall be entitled to severance solely for a change of control resulting from these Chapter 11 Cases; (iii) provide other customary provisions, including non-compete, termination and severance provisions; and (iv) ensure each employment agreement is consistent with the New Management Incentive Plan. In addition, the employment agreement for the Chief

Executive Officer of Curative shall be assumed as amended in accordance with the terms set forth on Exhibit A attached hereto and in the form included in the Plan Supplement. The employment agreement of the Chief Financial Officer shall be rejected and Curative and the Chief Financial Officer shall enter into a separation agreement on the terms set forth in Exhibit A attached hereto. The separation agreement shall be in the form set forth in the Plan Supplement.

- (e) Approval of Assumption, Assumption and Assignment or Rejection of Executory Contracts and Unexpired Leases. Entry of the Confirmation Order shall, subject to and upon the occurrence of the Effective Date, constitute (i) the approval, pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the assumption and assignment of the executory contracts and unexpired leases assumed and assigned pursuant to Section 9.1 hereof, (ii) the extension of time, pursuant to section 365(d)(4) of the Bankruptcy Code, within which the Debtors may assume, assume and assign, or reject the unexpired leases specified in Section 9.1 hereof through the date of entry of an order approving the assumption, assumption and assignment, or rejection of such unexpired leases and (iii) the approval, pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the rejection of the executory contracts and unexpired leases rejected pursuant to Section 9.1 hereof.
- (f) Cure of Defaults. Except as may otherwise be agreed to by the parties, within thirty (30) days after the Effective Date, each Reorganized Debtor shall cure any and all undisputed defaults under any executory contract or unexpired lease assumed by such Reorganized Debtor pursuant to Section 9.1 hereof, in accordance with section 365(b)(1) of the Bankruptcy Code. All disputed defaults required to be cured shall be cured either within thirty (30) days after the entry of a Final Order determining the amount, if any, of a Reorganized Debtor's liability with respect thereto, or as may otherwise be agreed to by the parties.
- (g) Bar Date for Filing Proofs of Claim Relating to Executory Contracts and Unexpired Leases Rejected Pursuant to the Plan. Claims arising out of the rejection of an executory contract or unexpired lease pursuant to Section 9.1 of the Plan must be filed with the Bankruptcy Court and served upon the Debtors or, on and after the Effective Date, the Reorganized Debtors, no later than thirty (30) days after the later of (i) notice of entry of an order approving the rejection of such executory contract or unexpired lease is mailed to the contract party, (ii) notice of entry of the Confirmation Order is mailed to the contract party and (iii) notice of an amendment to Schedule 9.1 affecting such executory

contract or unexpired lease is mailed to the contract party. All such Claims not filed within such time shall be forever barred from assertion against the Debtors, their estates, the Reorganized Debtors, and their property.

- (h) DOJ Settlement Agreement. The Debtors' payment obligations under the DOJ Settlement Agreement have been satisfied prior to the Petition Date in accordance with the terms of the DOJ Settlement Agreement. The Debtors shall assume the DOJ Settlement Agreement and the terms of the DOJ Settlement Agreement and the remaining obligations of the parties to the DOJ Settlement Agreement shall be unimpaired and remain in full force and effect.

9.2 Compensation and Benefit Programs

All tax-qualified defined contribution plans, health care plans, performance-based incentive plans, bonus programs, retention plans, workers' compensation programs and life, disability, directors' and officers' indemnification included in by-laws and/or certificates of incorporation, and insurance plans shall be assumed by the Debtors on the Effective Date unless otherwise modified by the New Management Incentive Plan.

9.3 Retiree Benefits

The Debtors do not maintain any retiree benefit plans, funds or programs, as defined in section 1114 of the Bankruptcy Code, for the purpose of providing or reimbursing payments for retired employees and their spouses and dependents for medical, surgical or hospital care benefits, or benefits in the event of sickness, accident, disability or death under any plan, fund or program (through the purchase of insurance or otherwise). Accordingly, no such payments shall be required to be made.

ARTICLE X IMPLEMENTATION OF THE PLAN

10.1 Continued Corporate Existence

On the Effective Date, the Equity Interests of each Reorganized Debtor other than Curative, shall be issued to Reorganized Curative to recreate the corporate structure of the Debtors as in effect on the Petition Date. The Reorganized Debtors shall continue to exist after the Effective Date as separate corporate entities in accordance with the applicable law in the applicable jurisdiction in which they are incorporated under their respective certificates of incorporation and by-laws in effect before the Effective Date except as their certificates of incorporation and by-laws may be amended pursuant to this Plan. Reorganized Curative shall be incorporated in Delaware. On the Effective Date, without any further corporate action, the Reorganized Debtors' Certificates of Incorporation and the Reorganized Debtors' By-laws shall be amended as necessary to satisfy the provisions of this Plan and the Bankruptcy Code and shall include, pursuant to section 1123(a)(6) of the Bankruptcy Code, a provision prohibiting the

issuance of non-voting equity securities. Any such amendments shall be in form, scope and substance reasonably satisfactory to the Ad Hoc Committee. The certificate of incorporation and by-laws of Reorganized Curative shall be substantially in the form set forth in the Plan Supplement.

10.2 Restructuring Transactions

On the Effective Date, and pursuant to the Plan or the applicable Plan Supplement documents, the applicable Debtors or Reorganized Debtors shall enter into the restructuring transactions contemplated herein, and, after consultation with the Ad Hoc Committee, shall take any actions as may be necessary or appropriate to effect a restructuring of their respective businesses or the overall organizational structure of the Reorganized Debtors. The restructuring transactions may include one or more mergers, consolidations, restructurings, conversions, dissolutions, transfers or liquidations as may be determined by the Debtors or the Reorganized Debtors to be necessary or appropriate. The actions to effect the restructuring transactions may include: (a) the execution and delivery of appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution or liquidation containing terms that are consistent with the terms of the Plan and that satisfy the applicable requirements of applicable state law and any other terms to which the applicable entities may agree; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable parties agree; (c) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion or dissolution pursuant to applicable state law; and (d) all other actions that the applicable entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable state law in connection with the restructuring transactions. The chairman of the board of directors, the president and the chief executive officer of each Debtor shall be authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents, and take such other actions, as may be necessary or appropriate, to effectuate and further evidence the terms and conditions of this Plan. The secretary or assistant secretary of the appropriate Debtor shall be authorized to certify or attest to any of the foregoing actions.

10.3 Cancellation of Securities

As of the Effective Date, the Certificates evidencing the Extinguished Securities shall evidence solely the right to receive from the Debtors the distribution of the consideration, if any, set forth in Articles IV-VI. On the Effective Date, except as otherwise provided for herein, (i) the Extinguished Securities, to the extent not already cancelled, shall be deemed cancelled and of no further force or effect without any further action on the part of the Bankruptcy Court or any other person and (ii) the

obligations of the Debtors under the Extinguished Securities and under the Debtors' certificates of incorporation, certificates of formation, partnership agreements, any agreements, indentures, or certificates of designations governing the Extinguished Securities shall be terminated and discharged; *provided, however*, that termination and discharge of the Debtors' obligations under the Debtors' certificates of incorporation, certificates of formation and partnership agreements shall not include a termination or discharge of the Debtors' obligations to indemnify, defend or insure any of the Debtors' current and former directors and officers; *provided, further* that the Indenture shall continue in effect solely for the purposes of permitting the Indenture Trustee to maintain any rights it may have for fees, costs, expenses and indemnification for litigation or threatened litigation in connection with the Chapter 11 Cases, the Plan or the treatment of the Senior Notes under the Plan, under the Indenture. Additionally, the cancellation of the Indenture shall not impair the rights and duties under the Indenture as between the Indenture Trustee and the beneficiaries of the trust created thereby.

Any actions taken by an indenture trustee, agent or servicer that are not for the purposes authorized hereunder shall not be binding upon the Debtors. The Reorganized Debtors may, with or without cause, terminate any indenture or other governing agreement and the authority of any indenture trustee, agent, or servicer.

10.4 Surrender of Securities or Instruments

On or before the date on which it receives a distribution of property under the Plan, or as soon as reasonably practicable thereafter, each holder of a Certificate shall surrender such Certificate to the Disbursing Agent and such Certificate shall be cancelled. No distribution of property under the Plan shall be made to or on behalf of any such holder unless and until such Certificate is received by the Disbursing Agent or the unavailability of such Certificate is reasonably established to the satisfaction of the Disbursing Agent. Any such holder who fails to surrender or cause to be surrendered such Certificate or fails to execute and deliver an affidavit of loss and indemnity reasonably satisfactory to the Disbursing Agent prior to the second anniversary of the Effective Date shall be deemed to have forfeited all rights and Claims in respect of such Certificate, shall not participate in any distribution under the Plan and (i) all Cash in respect of such forfeited distribution, including interest accrued thereon, shall revert to the Reorganized Debtors and (ii) all New Securities in respect of such forfeited distribution shall be cancelled notwithstanding any federal or escheat laws to the contrary. Notwithstanding anything in this Section 10.4 to the contrary, the provisions of this Section 10.4 shall not apply to securities held in "book-entry" form, including the Senior Notes.

10.5 Directors and Executive Officers

On the Effective Date, the term of each member of the current Board of Directors of Curative shall automatically expire. The initial Board of Directors of Reorganized

Curative on and after the Effective Date shall consist of seven members. The initial members of Reorganized Curative's Board of Directors shall consist of Reorganized Curative's chief executive officer and six members to be selected by the Ad Hoc Committee (provided that any member of the Ad Hoc Committee that holds at least \$50 million in principal amount of Senior Notes may designate two members and any member of the Ad Hoc Committee that holds at least \$30 million but less than \$50 million in principal amount of Senior Notes may designate one member).

The Stockholders Agreement shall provide that each stockholder who is a party to the Stockholders Agreement shall vote in favor of: (a) two candidates for election to Reorganized Curative's Board of Directors who are nominated by any stockholder that is a party to the Stockholders Agreement and holds at least 33.3% of New CURE Stock (excluding the New Restricted Stock or New CURE Stock issued upon an exercise of the New Options), and (b) one candidate for election to Reorganized Curative's Board of Directors who is nominated by any stockholder that is a party to the Stockholders Agreement and holds at least 16.67%, but less than 33.3%, of New CURE Stock (excluding the New Restricted Stock or New CURE Stock issued upon an exercise of the New Options). The Stockholders Agreement also shall provide that each stockholder who is a party to the Stockholders Agreement shall (a) vote in favor of the removal of any director at the request of the party who nominated such director as provided in the preceding sentence and (b) not vote to remove any director without cause if such director was nominated and elected in accordance with the preceding sentence and if the party who nominated such director opposes such director's removal.

The Debtors shall identify the individuals proposed to serve as directors of Reorganized Curative in the Plan Supplement. The Board of Directors of Reorganized Curative shall have the responsibility for the management, control, and operation of Reorganized Curative on and after the Effective Date. The members of the management team shall maintain their current positions as executive officers of the Reorganized Debtors on and after the Effective Date, unless otherwise provided in the Plan Supplement. The Board of Directors and the officers for each of the Debtors other than Curative shall be set forth in the Plan Supplement.

10.6 DIP Financing

On or before the Petition Date, the Debtors, as borrowers or guarantors, after consultation with the Ad Hoc Committee, shall enter into the DIP Financing. The proceeds of the DIP Financing shall be used to repay in full all unpaid obligations arising under the Existing Credit Facility. The terms of the DIP Financing shall be included in the Disclosure Statement or the Plan Supplement.

10.7 New Securities

- (a) New CURE Stock. As of the Effective Date, the holders of Allowed Senior Note Claims that are Electing Senior Noteholders and the Rights

Holders shall own 100% of the 17,520,765 shares of New CURE Stock issued and outstanding as of the Effective Date, subject to dilution by the issuance of shares of New CURE Stock (i) as New Restricted Stock and upon the exercise of the New Options under the New Management Incentive Plan and (ii) in connection with the McConnell Investment.

- (b) Stockholders Agreement. As of the Effective Date, each person or entity that receives New CURE Stock (including New Restricted Stock or New CURE Stock upon the exercise of the New Options) shall execute a joinder to the Stockholders Agreement as a condition to receiving their recovery or their purchased shares. The Stockholders Agreement shall provide that no stockholder who is party to the Stockholders Agreement may sell any of its shares to a nonparty (a “Nonparty Buyer”) if, as a result of such sale, the Nonparty Buyer would own a majority of the number of shares of New CURE Stock then outstanding unless the Nonparty Buyer agrees to purchase all shares of New CURE Stock held by any party to the Stockholders Agreement who wishes to sell its shares, at the highest price paid by the Nonparty Buyer for any shares of Curative common stock acquired during the preceding 18 months. In addition, the Stockholders Agreement shall provide that Reorganized Curative shall make available to its stockholders certain information, including but not limited to audited annual financial statements, unaudited quarterly financial statements and current disclosure regarding material events. Reorganized Curative shall make this information available by posting it on a secure website to which stockholders shall have access upon execution of a customary form of confidentiality agreement.
- (c) Registration Rights Agreement. As of the Effective Date, Reorganized Curative, the holders of the New Restricted Stock and New Options, and any holder of Senior Notes who acquires at least 5% of the number of shares of New CURE Stock issued on the Effective Date shall execute a joinder to the Registration Rights Agreement as a condition to receiving their recovery or their purchased shares. The Registration Rights Agreement shall provide that: (a) those stockholders who are parties to the Registration Rights Agreement and beneficially own at least a majority of the outstanding shares of New CURE Stock shall have the right to require Reorganized Curative to register an initial public offering that includes shares to be sold by such stockholders after the second anniversary of the Effective Date, (b) those stockholders who are parties to the Registration Rights Agreement and beneficially own at least 25% of the outstanding shares of New CURE Stock shall have the right to require Reorganized Curative to register an initial public offering that

includes shares to be sold by such stockholders on or after the date that is 42 months following the Effective Date, (c) following Reorganized Curative's initial registered public offering, any stockholder or group of stockholders that are parties to the Registration Rights Agreement and beneficially own at least 10% of the outstanding shares of New CURE Stock shall have a total of three demand registration rights until the seventh anniversary of the Effective Date, provided that each demand registration covers the sale of at least \$25 million of New CURE Stock held by stockholders who are parties to the Registration Rights Agreement and (d) following Curative's initial registered public offering, each stockholder who is party to the Registration Rights Agreement shall have unlimited "piggy-back" registration rights until the seventh anniversary of the Effective Date. The Registration Rights Agreement shall be substantially in the form set forth in the Plan Supplement.

- (d) New Management Incentive Plan. As of the Effective Date, the grant by Reorganized Curative of the New CURE Stock as New Restricted Stock and New Options under the New Management Incentive Plan as described on Exhibit A attached hereto shall be authorized.
- (e) Distribution. The issuance, grant, and reservation of the New Securities authorized in this Article X shall not require any further act or action by any stockholder or creditor of the Debtors, under any applicable law, regulation, order or rule. All securities to be issued shall be deemed issued as of the Effective Date regardless of the date on which they are actually distributed.
- (f) Securities Issuance in Accordance with Section 1145. The Confirmation Order shall provide that the issuance of New CURE Stock on account of Claims and in accordance with the New Management Incentive Plan shall be exempt from the registration requirements of the Securities Act to the extent provided by section 1145 of the Bankruptcy Code. Certificates evidencing shares of the New CURE Stock that are received by holders of ten percent (10%) or more of the outstanding New CURE Stock calculated on a fully diluted basis or by holders that are otherwise "underwriters" within the meaning of section 1145(b) of the Bankruptcy Code with respect to the securities shall bear a legend substantially in the form below:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE WERE ORIGINALLY ISSUED ON [____], 2006 PURSUANT TO THE PREPACKAGED JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE OF CURATIVE HEALTH SERVICES, INC. (THE "COMPANY") AND CERTAIN OF ITS SUBSIDIARIES, DATED AS OF [____], 2006 AND CONFIRMED BY THE BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, ON [____], 2006. THESE SECURITIES WERE ISSUED PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENT OF SECTION 5 OF THE SECURITIES ACT OF 1933, AS AMENDED, (THE "ACT") PROVIDED BY SECTION 1145 OF THE BANKRUPTCY CODE, 11 U.S.C. § 1145, AND HAVE NOT BEEN REGISTERED UNDER THE ACT, AND TO THE EXTENT THAT THE HOLDER OF THESE SECURITIES IS AN "UNDERWRITER" AS DEFINED IN SECTION 1145(b)(1) OF THE BANKRUPTCY CODE, THESE SECURITIES MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION THEREUNDER.

Any holder that would receive legended securities as provided above may instead receive certificates evidencing New CURE Stock, as applicable, without such legend if, prior to the Effective Date, such entity delivers to Reorganized Curative (i) an opinion of counsel reasonably satisfactory to Reorganized Curative and the Board of Directors of Reorganized Curative to the effect that the shares of New CURE Stock to be received by such entity should not be subject to the restrictions applicable to "underwriters" under section 1145(b) of the Bankruptcy Code and may be sold without registration under the Securities Act and (ii) a certification that it is not an "underwriter" within the meaning of section 1145(b) of the Bankruptcy Code. Any holder receiving securities so legended may subsequently deliver the opinion and certification referred to in (i) and (ii) above and Reorganized Curative shall remove such legend from all such certificates held by such holder.

- (g) Securities Issuance in Accordance with Section 4(2) of the Securities Act The Confirmation Order shall provide that the issuance of New CURE Stock in connection with the Rights Offering and the Subscription Agreements shall be exempt from the registration requirements of the Securities Act in accordance with section 4(2) of the Securities Act. The

New CURE Stock issued in connection with the Rights Offering shall bear a legend substantially in the form below:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAW. THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, AGREES FOR THE BENEFIT OF THE ISSUER THAT THIS SECURITY MAY NOT BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO A REGISTRATION STATEMENT DECLARED EFFECTIVE UNDER THE ACT OR PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE ACT, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION.

10.8 Exit Financing

On the Effective Date, the Debtors, as borrowers or guarantors, after consultation with the Ad Hoc Committee, shall enter into the Exit Financing. The Exit Financing shall provide liquidity for working capital and other general corporate purposes of the Reorganized Debtors following the conclusion of the Chapter 11 Cases. In addition, the proceeds of the Exit Financing shall be used to repay in full all amounts outstanding under the DIP Financing and may be used to fund other indebtedness of the Reorganized Debtors including the Cash Consideration to Electing Senior Noteholders and the Cash distributions to Non-Electing Senior Noteholders and the holders of Allowed Curative General Unsecured Claims, Allowed Apex General Unsecured Claims and Allowed eBioCare General Unsecured Claims, if applicable. The terms of the Exit Financing shall be set forth in the Plan Supplement.

10.9 New Debt

On the Effective Date, the Debtors, as borrowers or guarantors, shall obtain the New Debt, after consultation with the Ad Hoc Committee, if the New Debt is not part of the Exit Financing. The proceeds of the New Debt shall be used to provide the Cash Consideration to the holders of Senior Note Claims and, if applicable, the Cash distributions to Non-Electing Senior Noteholders and the holders of Allowed Curative General Unsecured Claims, Allowed Apex General Unsecured Claims and Allowed eBioCare General Unsecured Claims. The proceeds of the New Debt also may be used to provide liquidity for working capital and other general corporate purposes of the Reorganized Debtors following the conclusion of the Chapter 11 Cases.

10.10 New Management Incentive Plan

In connection with this Plan, the Reorganized Debtors shall adopt the New Management Incentive Plan that is intended to provide incentives to certain key employees to continue their efforts to foster and promote the long-term growth and performance of the Reorganized Debtors. The employees subject to the New Management Incentive Plan shall receive the New Restricted Stock and New Options in accordance with the terms of the New Management Incentive Plan set forth at Exhibit A attached hereto.

10.11 Revesting of Assets

The property of each Debtor's estate shall revert in the applicable Reorganized Debtor on the Effective Date. Thereafter, the Reorganized Debtors may operate their businesses and may use, acquire, and dispose of property free of any restrictions of the Bankruptcy Code, the Bankruptcy Rules, and the Bankruptcy Court. As of the Effective Date, all property of the Reorganized Debtors shall be free and clear of all Claims, Equity Interests, charges and Liens except as specifically provided or contemplated herein, in connection with the Exit Financing or the New Debt, or in the Confirmation Order. Without limiting the generality of the foregoing, the Reorganized Debtors may, without application to or approval by the Bankruptcy Court, pay professional fees and expenses incurred after the Effective Date.

10.12 Preservation of Rights of Action; Settlement of Litigation Claims

Except as otherwise provided herein or in the Confirmation Order, or in any contract, instrument, release, indenture or other agreement entered into in connection with this Plan, in accordance with section 1123(b) of the Bankruptcy Code, following the Confirmation Date, the Reorganized Debtors shall retain and may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) all claims, rights or Causes of Action, suits, and proceedings, whether in law or in equity, whether known or unknown, that the Debtors or their estates may hold against any person or entity without further approval of the Bankruptcy Court. The Reorganized Debtors or their successor(s) may pursue such retained claims, rights or causes of action, suits, or proceedings as appropriate, in accordance with the best interests of the Reorganized Debtors or their successor(s) who hold such rights.

ARTICLE XI

EFFECT OF CONFIRMATION OF PLAN

11.1 Term of Bankruptcy Injunction or Stays

Unless otherwise provided, all injunctions or stays provided for in the Chapter 11 Cases under section 105 or 362 of the Bankruptcy Code, or otherwise, and in existence 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.

11.2 Binding Effect

Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code and subject to the occurrence of the Effective Date, on and after the Confirmation Date, the provisions of the Plan shall bind any holder of a Claim against, or Equity Interest in, the Debtors and such holder's respective successors and assigns, whether or not the Claim or Equity Interest of such holder is impaired under the Plan and whether or not such holder has accepted the Plan.

11.3 Discharge of Debtors

All consideration distributed under the Plan shall be in exchange for, and in complete satisfaction, settlement, discharge, and release of, all Claims against and Equity Interests in the Debtors of any nature whatsoever or against any of the Debtors' assets or properties. Except as otherwise provided herein, pursuant to section 1141(d)(1) of the Bankruptcy Code, upon the Effective Date, all Claims against and Equity Interests in any of the Debtors shall be discharged and released. Except as otherwise provided herein, on the Effective Date, as to every discharged debt, Claim, or Equity Interest, all persons, entities, and governmental units (including, without limitation, any creditor or holder of a Claim or Equity Interest) shall be precluded from asserting against the Debtors or the Reorganized Debtors, or against the Debtors' or the Reorganized Debtors' assets or properties, all such debts, Claims, or Equity Interests and any other or further Claim based upon any document, instrument, or act, omission, transaction or other activity of any kind or nature that occurred prior to the Confirmation Date. The Confirmation Order shall be a judicial determination of discharge of all liabilities of the Debtors, subject to the occurrence of the Effective Date. In accordance with section 524 of the Bankruptcy Code, the discharge described in this Section 11.3 and section 1141 of the Bankruptcy Code shall act as an injunction against the commencement or continuation of any action, employment of process, or act to collect, offset or recover the Claims and Equity Interests discharged hereunder. The recoupment and setoff provisions of this section shall not apply to the United States Department of Health and Human Services ("HHS") and other federal agencies responsible for the administration of federal health programs; provided, however, to the extent HHS or other related federal agencies attempt to exercise any such recoupment or setoff rights, the Debtors, the Reorganized Debtors and General Electric Capital Corporation ("GECC") reserve all rights and defenses with respect thereto.

11.4 Injunction

Except as otherwise expressly provided in the Plan, the Confirmation Order or a separate order of the Bankruptcy Court, all entities who have held, hold or may hold Claims against or Equity Interests in any or all of the Debtors, are permanently enjoined, on and after the Effective Date, from (a) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim or

Equity Interest, (b) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order against the Debtors on account of any such Claim or Equity Interest, (c) creating, perfecting or enforcing any encumbrance of any kind against the Debtors or against the property or interests in property of the Debtors on account of any such Claim or Equity Interest, (d) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from the Debtors or against the property or interests in property of the Debtors on account of any such Claim or Equity Interest and (e) commencing or continuing in any manner any action or other proceeding of any kind with respect to any claims and Causes of Action which are retained pursuant to the Plan. Such injunction shall extend to successors of the Debtors, including, without limitation, the Reorganized Debtors and their respective properties and interests in property. The recoupment and setoff provisions of this section shall not apply to HHS and other federal agencies responsible for the administration of federal health programs; provided, however, to the extent HHS or other related federal agencies attempt to exercise any such recoupment or setoff rights, the Debtors, the Reorganized Debtors and GECC reserve all rights and defenses with respect thereto.

ARTICLE XII

EFFECTIVENESS OF THE PLAN

12.1 Conditions Precedent to Effectiveness

The Plan shall not become effective unless and until the following conditions shall have been satisfied or waived pursuant to Section 12.3 of the Plan:

- (a) Confirmation Order. The Confirmation Order, in form and substance acceptable to the Debtors and the Ad Hoc Committee, shall have been entered by the judge presiding over the Chapter 11 Cases and shall be a Final Order and there shall not be a stay or injunction in effect with respect thereto, or with respect to consummation of the Plan;
- (b) Exit Financing and New Debt. The closing of the Exit Financing and the New Debt shall have occurred;
- (c) Rights Offering. The Debtors shall have received the Rights Offering Proceeds from the Subscription Parties;
- (d) Regulatory Approvals. All authorizations, consents, and regulatory approvals required (if any) in connection with the effectiveness of the Plan shall have been obtained;
- (e) Implementation. All actions, documents and agreements necessary to implement the Plan, including, without limitation, all actions, documents and agreements necessary to implement the restructuring transactions set forth in the Plan, shall have been effected or executed.

The resolution of the Apex Note Claims, the Apex Litigation Claims, the Curative Litigation Claims, the eBioCare Litigation Claims, the Apex Rejection Claims, the Curative Rejection Claims and eBioCare Rejection Claims shall not be a condition to the Effective Date.

12.2 Effect of Failure of Conditions

If one or more of the conditions specified in Section 12.1 of the Plan have not occurred and have not been waived pursuant to Section 12.3 of the Plan on or before July 31, 2006, (a) the Confirmation Order shall be vacated, (b) no distributions under the Plan shall be made, (c) the Debtors and all holders of Claims and Equity Interests shall be restored to the status quo ante as of the day immediately preceding the Confirmation Date as though the Confirmation Date never occurred and (d) the Debtors' obligations with respect to Claims and Equity Interests shall remain unchanged and nothing contained herein shall constitute or be deemed a waiver or release of any Claims or Equity Interests by or against the Debtors or any other person or to prejudice in any manner the rights of the Debtors or any person in any further proceedings involving the Debtors.

12.3 Waiver of Conditions

Each of the conditions to effectiveness of the Plan set forth in Section 12.1 of the Plan as well as the provisions set forth in Section 12.2 of the Plan may be waived, in whole or in part, by a writing signed by an authorized representative of the Debtors with the consent of the Ad Hoc Committee (which consent shall not be unreasonably withheld).

ARTICLE XIII RETENTION OF JURISDICTION

The Bankruptcy Court shall retain subject matter jurisdiction and retain exclusive subject matter jurisdiction where it exists prior to the Effective Date of all matters arising out of, and related to, the Chapter 11 Cases and the Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

- (a) to hear and determine pending applications for the assumption or rejection of executory contracts or unexpired leases, if any are pending, and the allowance and amount of cure costs and Claims resulting therefrom;
- (b) to hear and determine any and all adversary proceedings, applications and contested matters;
- (c) to hear and determine any objection to Claims;

- (d) to hear and determine disputes arising in connection with the Pharmacy Claims, the Apex Note Claims, the Apex Rejection Claims, the Curative Rejection Claims and the eBioCare Rejection Claims;
- (e) to hear and determine disputes arising under, in connection with or related to the Subscription Agreements;
- (f) to enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified or vacated;
- (g) to issue such orders in aid of execution and consummation of the Plan, to the extent authorized by section 1142 of the Bankruptcy Code;
- (h) to consider any amendments to or modifications of the Plan, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;
- (i) to hear and determine all applications for compensation and reimbursement of expenses of professionals under sections 330, 331 and 503(b) of the Bankruptcy Code;
- (j) to hear and determine disputes arising in connection with the interpretation, implementation or enforcement of the Plan, including, without limitation, any and all disputes arising in connection with the interpretation, implementation or enforcement of the discharge provisions contained in Article XV of the Plan;
- (k) to recover all assets of the Debtors and property of the Debtors' estates, wherever located;
- (l) to hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;
- (m) to hear any other matter not inconsistent with the Bankruptcy Code; and
- (n) to enter a final decree closing the Chapter 11 Cases.

ARTICLE XIV
COMPROMISES AND SETTLEMENTS

Pursuant to Federal Rule of Bankruptcy Procedure 9019(a), the Debtors, in consultation with the Ad Hoc Committee, may compromise and settle various Claims against them and/or claims they may have against other persons. Each of the Debtors expressly reserves the right, in consultation with the Ad Hoc Committee, and with Bankruptcy Court approval, following appropriate notice and opportunity for a hearing, to compromise and settle Claims against it and claims that it may have against other persons up to and including the Effective Date. After the Effective Date,

such right shall transfer to the Reorganized Debtors pursuant hereto and no Bankruptcy Court approval of any such action, compromise or settlement shall be required.

ARTICLE XV MISCELLANEOUS PROVISIONS

15.1 Effectuating Documents and Further Transactions

Each of the Debtors and Reorganized Debtors is authorized to execute, deliver, file or record such contracts, instruments, releases, indentures and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and any securities issued pursuant to the Plan.

15.2 Corporate Action

On the Effective Date, all matters provided for under the Plan that would otherwise require approval of the stockholders or directors of one or more of the Debtors or Reorganized Debtors, including, without limitation, the issuance of the New CURE Stock, the Exit Financing, the New Promissory Notes, the New Debt, the New Management Incentive Plan, the Reorganized Debtors' Certificates of Incorporation, the Reorganized Debtors' By-laws, the corporate mergers or dissolutions effectuated pursuant to the Plan, and the election or appointment, as the case may be, of directors and officers of the Debtors pursuant to the Plan, shall be deemed to have occurred and shall be in effect from and after the Effective Date pursuant to the applicable general corporation law of the states in which the Debtors and the Reorganized Debtors are (or will be) incorporated or established as limited liability companies or partnerships, without any requirement of further action by the stockholders or directors of the Debtors or Reorganized Debtors. On the Effective Date, or as soon thereafter as is practicable, the Reorganized Debtors shall, if required, file the Reorganized Debtors' Certificates of Incorporation with the Secretary of State of the state in which each such entity is (or will be) incorporated, in accordance with the applicable general corporation law of each such state.

15.3 Exemption from Transfer Taxes

Pursuant to section 1146(a) of the Bankruptcy Code, the issuance, transfer or exchange of notes or equity securities under the Plan, the creation of any mortgage, deed of trust or other security interest, the making or assignment of any lease or sublease, or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including, without limitation, any merger agreements or agreements of consolidation, deeds, bills of sale or assignments of real or personal property executed in connection with any of the transactions contemplated under the Plan, shall not be subject to any stamp, real estate transfer, mortgage recording, sales, use or other similar tax. All sale transactions consummated

by the Debtors and approved by the Bankruptcy Court on and after the Petition Date through and including the Effective Date, including, without limitation, the transfers effectuated under the Plan pursuant to the restructuring transactions set forth in Section 10.2 of the Plan, the sale by the Debtors of owned property pursuant to section 363(b) of the Bankruptcy Code and the assumption, assignment and sale by the Debtors of unexpired leases of non-residential real property pursuant to section 365(a) of the Bankruptcy Code, shall be deemed to have been made under, in furtherance of, or in connection with the Plan and, thus, shall not be subject to any stamp, real estate transfer, mortgage recording or other similar tax. In addition, each of the relevant state or local governmental officials or agents shall forego the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

15.4 Exculpation

None of (a) the Debtors or the Reorganized Debtors, (b) the holders of the Senior Notes, (c) the Indenture Trustee, (d) UBS, (e) the Subscription Parties and/or (f) any of their respective members, officers, directors, employees, advisors, professionals, attorneys or agents or any of their successors and assigns shall have or incur any liability to any holder of a Claim or Equity Interest, or other party in interest, or any of their respective members, officers, directors, employees, advisors, professionals, attorneys or agents or any of their successors and assigns, for any act or omission in connection with, related to, or arising out of, the Chapter 11 Cases, the pursuit of confirmation of the Plan, the consummation of the Plan or the administration of the Plan or the property to be distributed under the Plan, including without limitation, the negotiation and solicitation of the Plan and the negotiation and execution of the Subscription Agreements, except for willful misconduct or gross negligence, and, in all respects, the Debtors, the Reorganized Debtors and each of their respective members, officers, directors, employees, advisors, professionals, attorneys or agents shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

15.5 Releases

As part of this Plan, the releases set forth below shall be granted pursuant to this Plan and the Confirmation Order:

- (a) Debtors' Releases.

ON THE EFFECTIVE DATE, THE DEBTORS SHALL RELEASE AND BE PERMANENTLY ENJOINED FROM ANY PROSECUTION OR ATTEMPTED PROSECUTION OF ANY AND ALL CAUSES OF ACTION WHICH IT HAS OR MAY HAVE AGAINST ANY PRESENT OR FORMER DIRECTOR, OFFICER, OR EMPLOYEE OF THE DEBTORS; PROVIDED, HOWEVER, THAT THE FOREGOING SHALL NOT OPERATE AS A

WAIVER OF OR RELEASE FROM ANY CAUSES OF ACTION ARISING OUT OF (I) ANY EXPRESS CONTRACTUAL OBLIGATION OWING BY ANY SUCH DIRECTOR, OFFICER, OR EMPLOYEE OF THE DEBTORS OR (II) THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF SUCH DIRECTOR, OFFICER, OR EMPLOYEE IN CONNECTION WITH, RELATED TO, OR ARISING OUT OF THE CHAPTER 11 CASES, THE PURSUIT OF CONFIRMATION OF THE PLAN, THE CONSUMMATION OF THE PLAN, THE ADMINISTRATION OF THE PLAN, OR THE PROPERTY TO BE DISTRIBUTED UNDER THE PLAN.

ON THE EFFECTIVE DATE, THE DEBTORS SHALL RELEASE AND BE PERMANENTLY ENJOINED FROM ANY PROSECUTION OR ATTEMPTED PROSECUTION OF ANY AND ALL CLAIMS AND CAUSES OF ACTION, INCLUDING ANY CLAIMS OR CAUSES OF ACTION UNDER CHAPTER 5 OF THE BANKRUPTCY CODE, WHICH THEY HAVE OR MAY HAVE AGAINST ANY MEMBER OF THE AD HOC COMMITTEE IN ITS CAPACITY AS SUCH, THE SUBSCRIPTION PARTIES IN THEIR CAPACITY AS SUCH, GENERAL ELECTRIC CAPITAL CORPORATION AND ITS AFFILIATES, SUCCESSORS AND ASSIGNS IN THEIR CAPACITY AS EXISTING LENDERS, DIP LENDERS OR LENDERS UNDER THE EXIT FINANCING AND THE INDENTURE TRUSTEE IN ITS CAPACITY AS SUCH, AND THEIR RESPECTIVE MEMBERS, OFFICERS, DIRECTORS, AGENTS, FINANCIAL ADVISORS, ATTORNEYS, EMPLOYEES, PARTNERS, AFFILIATES AND REPRESENTATIVES AND THEIR RESPECTIVE PROPERTY IN CONNECTION WITH (I) ACTIONS TAKEN AS OR IN ITS CAPACITY OF (A) BEING A MEMBER OF THE AD HOC COMMITTEE, (B) A SUBSCRIPTION PARTY, (C) A LENDER UNDER THE EXISTING FACILITY AND/OR THE DIP FINANCING AND (D) SOLELY IN CONNECTION WITH THE ENTRY INTO THE EXIT FINANCING, A LENDER UNDER THE EXIT FINANCING AND (II) THE CHAPTER 11 CASES.

ON THE EFFECTIVE DATE, AND EXCEPT AS OTHERWISE PROVIDED IN THE PLAN OR IN THE CONFIRMATION ORDER, THE DEBTORS, THE REORGANIZED DEBTORS, EACH MEMBER OF THE AD HOC COMMITTEE IN ITS CAPACITY AS SUCH, EACH SUBSCRIPTION PARTY IN ITS CAPACITY AS SUCH, GENERAL ELECTRIC CAPITAL CORPORATION AND ITS AFFILIATES, SUCCESSORS AND ASSIGNS IN THEIR CAPACITY AS EXISTING LENDERS, DIP LENDERS OR LENDERS UNDER THE EXIT FINANCING AND THE INDENTURE TRUSTEE IN ITS CAPACITY AS SUCH, AND EACH OF THEIR RESPECTIVE MEMBERS, OFFICERS, DIRECTORS, AGENTS, FINANCIAL ADVISORS, ATTORNEYS, EMPLOYEES, PARTNERS, AFFILIATES AND

REPRESENTATIVES AND THEIR RESPECTIVE PROPERTY SHALL BE RELEASED FROM ANY AND ALL CLAIMS, OBLIGATIONS, RIGHTS, CAUSES OF ACTION, AND LIABILITIES WHICH THE DEBTORS, OR THE REORGANIZED DEBTORS, MAY BE ENTITLED TO ASSERT, WHETHER FOR TORT, FRAUD, CONTRACT, VIOLATIONS OF FEDERAL OR STATE SECURITIES LAWS, OR OTHERWISE, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR THEREAFTER ARISING, BASED IN WHOLE OR IN PART UPON ANY, ACT OR OMISSION, TRANSACTION, OR OTHER OCCURRENCE TAKING PLACE ON OR BEFORE THE CONFIRMATION DATE, IN ANY WAY RELATING TO THE CHAPTER 11 CASES OR THE PLAN INCLUDING, BUT NOT LIMITED TO, THE NEGOTIATION, SOLICITATION, CONFIRMATION AND CONSUMMATION OF THE PLAN AND THE NEGOTIATION AND EXECUTION OF THE SUBSCRIPTION AGREEMENTS; PROVIDED, HOWEVER, THAT NOTHING SHALL RELEASE ANY PERSON FROM ANY CLAIMS, OBLIGATIONS, RIGHTS, CAUSES OF ACTION, OR LIABILITIES BASED UPON ANY ACT OR OMISSION IN CONNECTION WITH, RELATING TO, OR ARISING OUT OF, THE CHAPTER 11 CASES, THE SOLICITATION OF ACCEPTANCES OF THE PLAN, THE PURSUIT OF CONFIRMATION OF THE PLAN, THE CONSUMMATION OF THE PLAN, THE ADMINISTRATION OF THE PLAN, OR THE PROPERTY TO BE DISTRIBUTED UNDER THE PLAN ARISING OUT OF SUCH PERSON'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. NO ATTORNEY SHALL SEEK A RELEASE IN CONTRAVENTION OF DR 6-102 OF THE LAWYER'S CODE OF PROFESSIONAL RESPONSIBILITY ADOPTED BY THE NEW YORK STATE BAR ASSOCIATION, AS AMENDED.

(b) Other Releases.

EACH HOLDER OF A CLAIM RELATED TO THE DEBTORS (WHETHER OR NOT ALLOWED) AGAINST, OR EQUITY INTEREST IN, THE DEBTORS, AND EACH PERSON OR ENTITY PARTICIPATING IN EXCHANGES AND DISTRIBUTIONS UNDER OR PURSUANT TO THE PLAN, FOR ITSELF AND ITS RESPECTIVE SUCCESSORS, ASSIGNS, TRANSFEREES, CURRENT AND FORMER OFFICERS, DIRECTORS, AGENTS AND EMPLOYEES, IN EACH CASE IN THEIR CAPACITY AS SUCH, SHALL BE DEEMED TO HAVE RELEASED ANY AND ALL CLAIMS AND CAUSES OF ACTION AGAINST (A) THE DEBTORS OR THE REORGANIZED DEBTORS, (B) THE MEMBERS OF THE AD HOC COMMITTEE IN THEIR CAPACITY AS SUCH, (C) THE SUBSCRIPTION PARTIES IN THEIR CAPACITY AS SUCH, (D) THE INDENTURE TRUSTEE IN ITS CAPACITY AS SUCH, (E) GENERAL ELECTRIC CAPITAL CORPORATION AND ITS AFFILIATES, SUCCESSORS AND

ASSIGNS IN THEIR CAPACITY AS (I) EXISTING LENDERS, (II) DIP LENDERS OR (III) SOLELY IN CONNECTION WITH THE ENTRY INTO THE EXIT FINANCING AND (F) ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, ATTORNEYS, ADVISORS, PROFESSIONALS OR AGENTS ARISING PRIOR TO THE EFFECTIVE DATE.

ON THE EFFECTIVE DATE, IN CONSIDERATION FOR THE OBLIGATIONS OF THE DEBTORS AND THE REORGANIZED DEBTORS UNDER THE PLAN AND THE DISTRIBUTIONS TO BE DELIVERED IN CONNECTION WITH THE PLAN, ALL HOLDERS OF CLAIMS AGAINST OR EQUITY INTERESTS IN THE DEBTORS SHALL BE PERMANENTLY ENJOINED FROM BRINGING ANY ACTION AGAINST THE DEBTORS, THE REORGANIZED DEBTORS, AND THEIR RESPECTIVE DIRECTORS, OFFICERS, AGENTS, FINANCIAL ADVISORS, ATTORNEYS, OTHER PROFESSIONALS, EMPLOYEES, PARTNERS, MEMBERS, SUBSIDIARIES, MANAGERS, AFFILIATES AND REPRESENTATIVES SERVING IN SUCH CAPACITY AS OF THE CONFIRMATION DATE, AND THEIR RESPECTIVE PROPERTY, IN RESPECT OF ANY CLAIMS, OBLIGATIONS, RIGHTS, CAUSES OF ACTION, DEMANDS, SUITS, PROCEEDINGS, AND LIABILITIES RELATED IN ANY WAY TO THE DEBTORS, THE CHAPTER 11 CASES, THE PLAN OR THE DISCLOSURE STATEMENT, INCLUDING, BUT NOT LIMITED TO, THE NEGOTIATION, SOLICITATION, CONFIRMATION AND CONSUMMATION OF THE PLAN AND THE NEGOTIATION AND EXECUTION OF THE SUBSCRIPTION AGREEMENTS; PROVIDED, HOWEVER, NOTHING IN THIS SECTION 15.5(b) SHALL BE CONSTRUED TO RELEASE OR EXCULPATE ANY PERSON OR ENTITY FROM FRAUD, GROSS NEGLIGENCE, WILLFUL MISCONDUCT, CRIMINAL CONDUCT, UNAUTHORIZED USE OF CONFIDENTIAL INFORMATION THAT CAUSES DAMAGES OR FOR PERSONAL ULTRA VIRES ACTS; PROVIDED, FURTHER THAT SECTION 15.5(b) OF THE PREPACKAGED PLAN SHALL NOT APPLY TO THE UNITED STATES OF AMERICA OR TO ANY FEDERAL AGENCY THEREOF.

(c) Knowledge of Claims.

EACH PARTY TO WHICH THIS SECTION 15.5 APPLIES SHALL BE DEEMED TO HAVE GRANTED THE RELEASES SET FORTH IN THIS SECTION 15.5 NOTWITHSTANDING THAT IT MAY HEREAFTER DISCOVER FACTS IN ADDITION TO, OR DIFFERENT FROM, THOSE WHICH IT NOW KNOWS OR BELIEVES TO BE TRUE, AND WITHOUT REGARD TO THE SUBSEQUENT DISCOVERY OR EXISTENCE OF SUCH DIFFERENT OR ADDITIONAL FACTS, AND SUCH PARTY EXPRESSLY

WAIVES ANY AND ALL RIGHTS THAT IT MAY HAVE UNDER ANY STATUTE OR COMMON LAW PRINCIPLE, INCLUDING SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH WOULD LIMIT THE EFFECT OF SUCH RELEASES TO THOSE CLAIMS OR CAUSES OF ACTION ACTUALLY KNOWN OR SUSPECTED TO EXIST AT THE TIME OF EXECUTION OF THE RELEASE. SECTION 1542 OF THE CALIFORNIA CIVIL CODE GENERALLY PROVIDES AS FOLLOWS: “A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.”

(d) Releases in Favor of UBS.

THE EFFECTIVENESS OF ANY INDEMNIFICATION, EXCULPATION OR RELEASE PROVISIONS IN ARTICLE 15 OF THE PLAN, AS THEY APPLY TO UBS AND WHICH ARE THE SUBJECT MATTER OF THE REVIEW DESCRIBED BELOW (THE “INDEMNIFICATION PROVISIONS”), SHALL BE STAYED PENDING A REVIEW BY STEVENS & LEE, CONFLICTS COUNSEL TO THE DEBTORS, OF THE UNDERWRITING BY UBS OF THE SENIOR NOTES, FOLLOWED BY A WRITTEN REPORT OF THE FINDINGS OF SUCH REVIEW. THIS STAY SHALL EXPIRE ON THE LATER OF: (I) THE TENTH DAY FOLLOWING THE FILING OF SUCH REPORT OR (II) THE RESOLUTION OF ANY OBJECTION TO THE EFFECTIVENESS OF THE INDEMNIFICATION PROVISIONS IN THE EVENT SUCH OBJECTIONS ARE FILED WITHIN SUCH TEN DAY PERIOD.

15.6 Termination of Committees

The appointment of any Creditors’ Committee or other statutory committee, if any, shall terminate on the Effective Date, except that any such committee may appear at the hearing to consider applications for final allowances of compensation and reimbursement of expenses and prosecute any objections to such applications, if appropriate.

15.7 Post-Effective Date Fees and Expenses

From and after the Effective Date, the Reorganized Debtors shall, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, pay the reasonable fees and expenses of professional persons thereafter incurred by the Reorganized Debtors, including, without limitation, those fees and expenses incurred in connection with the implementation and consummation of the Plan (including the reasonable fees and expenses of (i) Bingham McCutchen LLP as counsel to the Ad Hoc Committee in accordance with its engagement letter, (ii)

Houlihan Lokey Howard & Zukin Capital as financial advisors to the Ad Hoc Committee in accordance with its engagement letter and (iii) the Indenture Trustee).

15.8 Payment of Statutory Fees

All fees payable pursuant to section 1930 of title 28 of the United States Code shall be paid through the date on which the Bankruptcy Court enters an order closing the Chapter 11 Cases.

15.9 Payment of Indenture Trustee Fees

The fair and reasonable expenses of the Indenture Trustee and its professionals under the Indenture shall be paid by the Debtors pursuant to the Confirmation Order on the Effective Date in full and in Cash in a manner consistent with the provisions of the Indenture without the need for the Indenture Trustee to file an application for allowance. Upon payment of the fees and expenses of the Indenture Trustee and its professionals, the Indenture Trustee shall be deemed to have released its Liens securing payment of its fees and expenses for all fees and expenses payable through the Effective Date.

15.10 Amendment or Modification of the Plan

Alterations, amendments or modifications of or to the Plan may be proposed in writing by the Debtors at any time prior to the Confirmation Date, provided that the Plan, as altered, amended or modified, satisfies the conditions of sections 1122 and 1123 of the Bankruptcy Code, and the Debtors shall have complied with section 1125 of the Bankruptcy Code. The Plan may be altered, amended or modified at any time after the Confirmation Date and before substantial consummation, provided that the Plan, as altered, amended or modified, satisfies the requirements of sections 1122 and 1123 of the Bankruptcy Code and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as altered, amended or modified, under section 1129 of the Bankruptcy Code and the circumstances warrant such alterations, amendments or modifications. Any such alteration, amendment or modification, whether prior to or after the Confirmation Date, shall be in form and substance reasonably satisfactory to the Ad Hoc Committee. A holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended or modified, if the proposed alteration, amendment or modification does not materially and adversely change the treatment of the Claim of such holder.

15.11 Severability

If, prior to the Confirmation Date, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court, at the request of the Debtors, after consultation with the Ad Hoc Committee, 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 hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision hereof, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable in accordance with its terms.

15.12 Revocation or Withdrawal of the Plan

The Debtors reserve the right, after consultation with the Ad Hoc Committee, to revoke or withdraw the Plan prior to the Effective Date. If the Debtors revoke or withdraw the Plan prior to the Effective Date, then the Plan shall be deemed null and void. In such event, nothing contained herein shall constitute or be deemed a waiver or release of any claims by or against the Debtors or any other person or to prejudice in any manner the rights of the Debtors or any person in any further proceedings involving the Debtors.

15.13 Notices

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

If to the Debtors:

Curative Health Services, Inc.
Executive Tower
61 Spit Brook Road
Nashua, New Hampshire 03060
Attn: Paul F. McConnell
Kimberlee Seah, Esq.
Telephone: (603) 821-8001
Telecopier: (603) 888-3653

Linklaters
1345 Avenue of the Americas
New York, New York 10105
Attn: Martin N. Flics
Brian E. Greer
Telephone: (212) 903-9000
Telecopier: (212) 903-9100

15.14 Governing Law

Except to the extent the Bankruptcy Code, Bankruptcy Rules or other federal law is applicable, or to the extent an exhibit to the Plan provides otherwise, the rights and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without giving effect to the principles of conflicts of law of such jurisdiction.

15.15 Withholding and Reporting Requirements

In connection with the consummation of the Plan, the Debtors or the Reorganized Debtors, as the case may be, shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority and all distributions hereunder shall be subject to any such withholding and reporting requirements.

15.16 Plan Supplement

The form of the Reorganized Debtors' Certificates of Incorporation, the Reorganized Debtors' By-laws, the Registration Rights Agreement, the Stockholders Agreement, the employment agreement of the Chief Executive Officer and the separation agreement of the current Chief Financial Officer shall be contained in the Plan Supplement. The Plan Supplement also shall contain the terms of the New CURE Stock, the Exit Financing and the New Debt, and the names of the officers and directors of each of the Reorganized Debtors. All documents included in the Plan Supplement shall be in form, scope and substance reasonably satisfactory to the Ad Hoc Committee and shall be filed with the SEC in a Form 8-K at least five (5) Business Days before the Voting Deadline; provided, however, that the names of the officers and directors of each of the Reorganized Debtors, the terms of the Exit Financing and the terms of the New Debt shall be filed with the Clerk of the Bankruptcy Court no later than the Effective Date. Upon its filing with the Bankruptcy Court, the Plan Supplement may be inspected in the office of the Bankruptcy Court during normal court hours. Holders of Claims or Equity Interests may obtain a copy of the Plan Supplement upon written request to the Debtors in accordance with Section 15.13 of the Plan or may view it online at <http://www.kccllc.net/curative>. The Debtors reserve their rights to amend the Plan Supplement from time to time and to file any such amendments with the Bankruptcy Court.

15.17 Headings

Headings are used in the Plan for convenience and reference only, and shall not constitute a part of the Plan for any other purpose.

15.18 Exhibits/Schedules

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

15.19 Filing of Additional Documents

On or before substantial consummation of the Plan, the Debtors shall 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 the Plan.

15.20 Section 1125(e) of the Bankruptcy Code

As of the Confirmation Date, the Debtors, the members of the Ad Hoc Committee and the Subscription Parties shall be deemed to have solicited acceptances hereof, and shall be deemed to have negotiated and executed the Subscription Agreements, in good faith and in compliance with the applicable provisions of securities laws and the Bankruptcy Code. As of the Confirmation Date, the Debtors, the members of the Ad Hoc Committee, and each of their respective affiliates, agents, directors, officers, employees, investment bankers, financial advisors, attorneys, and other professionals shall be deemed to have participated in good faith and in compliance with the applicable provisions of securities laws and the Bankruptcy Code in the offer and issuance of the New Securities hereunder, and therefore are not, and on account of such offer, issuance and solicitation shall not be, liable at any time for the violation of any applicable law, rule or regulation governing the solicitation of acceptances or rejections hereof or the offer and issuance of New Securities hereunder.

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Dated: Nashua, New Hampshire
February 6, 2006

Respectfully submitted,

CURATIVE HEALTH SERVICES, INC.

By: /s/ Paul F. McConnell
Name: Paul F. McConnell
Title: President and Chief Executive Officer

EBIOCARE.COM, INC.

By: /s/ Paul F. McConnell
Name: Paul F. McConnell
Title: President and Chief Executive Officer

APEX THERAPEUTIC CARE, INC.

By: /s/ Paul F. McConnell
Name: Paul F. McConnell
Title: Chief Executive Officer

HEMOPHILIA ACCESS, INC.

By: /s/ Paul F. McConnell
Name: Paul F. McConnell
Title: President

CHS SERVICES, INC.

By: /s/ John C. Prior
Name: John C. Prior
Title: President

CURATIVE HEALTH SERVICES OF NEW YORK, INC.

By: _____ /s/ Paul F. McConnell

Name: Paul F. McConnell

Title: President

OPTIMAL CARE PLUS, INC.

By: _____ /s/ Paul F. McConnell

Name: Paul F. McConnell

Title: President

INFINITY INFUSION, LLC

By: Curative Health Services Co., its Sole Member

By: _____ /s/ John C. Prior

Name: John C. Prior

Title: Secretary of Infinity Infusion, LLC and
President of Curative Health Services Co.

INFINITY INFUSION II, LLC

By: Curative Health Services Co., its Sole Member

By: _____ /s/ John C. Prior

Name: John C. Prior

Title: Secretary of Infinity Infusion II, LLC and
President of Curative Health Services Co.

INFINITY INFUSION CARE, LTD.

By: Infinity Infusion II, LLC, its Sole General Partner

By: Curative Health Services Co., the Sole Member of Infinity Infusion II, LLC

By: _____ /s/ John C. Prior

Name: John C. Prior

Title: Secretary of Infinity Infusion Care, Ltd. and
President of Curative Health Services Co.

MEDCARE, INC.

By: _____ /s/ Paul F. McConnell

Name: Paul F. McConnell

Title: President

CURATIVE PHARMACY SERVICES, INC.

By: _____ /s/ Paul F. McConnell

Name: Paul F. McConnell

Title: President

CURATIVE HEALTH SERVICES CO.,

By: _____ /s/ John C. Prior

Name: John C. Prior

Title: President and Chief Executive Officer

CRITICAL CARE SYSTEMS, INC.

By: _____ /s/ Paul F. McConnell

Name: Paul F. McConnell

Title: President and Chief Executive Officer

CURATIVE HEALTH SERVICES III CO.

By: /s/ John C. Prior

Name: John C. Prior

Title: President and Secretary

EXHIBIT A

TERMS OF THE NEW MANAGEMENT INCENTIVE PLAN

NEW MANAGEMENT INCENTIVE PLAN TERM SHEET¹

- ?? There shall be no cash key employee retention program payments made to any employees of Curative during the chapter 11 cases.
- ?? All employment agreements shall be assumed in connection with a plan of reorganization provided, however, all employment agreements shall be amended: (i) to ensure compliance with section 409A of the Internal Revenue Code of 1986, (ii) to ensure they are consistent with the New Management Incentive Plan, (iii) to provide that no employee shall be entitled to any severance solely for a change of control resulting from the Restructuring, and (iv) to provide other customary provisions, including non-compete, termination and severance provisions; provided, further, that the employment agreement of the Chief Executive Officer shall be assumed as amended to provide for his agreement to accept one half (\$750,000) of his cash Stay Bonus (as defined in the employment agreement) upon the Effective Date and reinvest a maximum of \$375,000 of the after tax payment in New Cure Stock with a market value of \$375,000, with the amount of New Cure Stock issued determined at plan value (\$155mm). Further, for the avoidance of doubt, the remaining portion of Chief Executive Officer's Stay Bonus (\$750,000) shall be paid in cash no later than April 23, 2007, unless payable earlier under the terms of the Employment Agreement, including the following: (i) a termination by Chief Executive Officer for Good Reason following a Change of Control (the restructuring shall not constitute a Change of Control); or (ii) a termination by the Company of Chief Executive Officer without Cause. The employment agreement of the Chief Financial Officer shall be rejected and Curative shall enter into a separation agreement with the Chief Financial Officer that provides (x) that the Chief Financial Officer shall continue with Curative through April 30, 2006, (y) for the payment of severance of one year's Base Salary and other termination benefits and (z) the elimination of the stay bonus.
- ?? Curative's existing employee bonus programs shall remain in full force and effect and the existing board of directors may establish bonus awards under such bonus programs until the Effective Date. After the Effective Date, Reorganized Curative's new board of directors may establish bonus awards under such bonus programs.
- ?? The following allocation of New CURE Stock shall be distributed at the discretion of Reorganized Curative's board of directors to 25 employees as identified below.²

?? 2.5% Restricted Stock – time vesting only.

¹ Capitalized terms used but not defined herein shall have the meaning given to them in the applicable employment agreements.

² The New CURE Stock allocated to management shall be structured in a manner that minimizes any adverse tax treatment to Curative and to management which may include a vesting buyback provision.

- ?? 9.5% Options -- Strike price equal to plan value(\$155mm) – Reorganized Curative’s new board of directors shall approve a vesting schedule in consultation with the Chief Executive Officer who will work with a nationally recognized healthcare employee compensation expert to develop a recommendation based on an analysis of management incentive programs for healthy or restructured healthcare companies or other restructured companies, if deemed comparable and appropriate by the healthcare employee compensation expert¹
- ?? In the event of a change in control (the Restructuring shall not constitute such change of control), all New Restricted Stock and New Options issued under the New Management Incentive Plan shall automatically vest if not already vested.
- ?? In the event of a sale of any business unit, the New Restricted Stock issued under the New Management Incentive Plan shall automatically vest, if not already vested, for the purposes of any distribution of proceeds from the sale.
- ?? In the event of a sale of any business unit which results in the sale proceeds being distributed to stockholders, the strike price of the New Options issued under the New Management Incentive Plan shall be automatically adjusted to reflect the impact of the sale. The mechanism for such adjustment shall be determined in consultation with the nationally recognized healthcare employee consultation expert.
- ?? In the event of a sale of any business unit, the proceeds from such sale shall first be used to pay down the Funded Debt Obligations.
- ?? In the event that Curative’s Chief Executive Officer and new board of directors cannot agree to a vesting schedule for the New Options within 30 from the Effective Date, the employment contracts for those employees entitled to the New Options shall be amended to permit any such employee to resign from Curative and receive severance, but not New Options, and only to the extent of severance, if any, due to any such employee with respect to a termination without cause. For the avoidance of doubt, no employee shall be entitled to any severance for a change of control solely resulting from the Restructuring.
- ?? The new board of directors of Reorganized Curative shall develop and implement an incentive compensation program appropriate for all other employees of Reorganized Curative.

¹ The nationally recognized healthcare employee compensation expert shall be retained by Curative, in consultation with the Ad Hoc Committee.

Executive Management Team (7)

President and Chief Executive Officer
Chief Operating Officer
Chief Financial Officer
Sr. Vice President Operations
Sr. Vice President Sales & Marketing
Sr. Vice President Finance
Sr. Vice President Operations WC

Senior Management Team (18)

Vice President Human Resources
Vice President Sr. Corporate Counsel
Vice President Corporate Compliance
Vice President Information Technology
Vice President Billing & Reimbursement
Vice President Clinical Services
Vice President Operations
Vice President, NE
Vice President, West
Vice President, Atlantic
Vice President, South
Vice President, Midwest
Regional Director, Wound Care
Regional Director, Wound Care
Regional Director, Wound Care
Regional Vice President, Wound Care
Director of Business Development
Director of Business Development

**SCHEDULE 9.1
LIST OF UNEXPIRED LEASES AND EXECUTORY
CONTRACTS TO BE REJECTED**

The inclusion of any agreement on this Schedule 9.1 shall not constitute, or be deemed, an admission by the Debtors that such agreement is an executory contract or unexpired lease within the meaning of section 365 of the Bankruptcy Code or a waiver of the Debtors' rights to assert that any agreement set forth herein has been terminated or that any agreement is a financing as opposed to an executory contract.

CURATIVE DEBTORS

LEASES

Lease Agreement between Optimal Care Plus, Inc. and OCP Properties, Inc., dated February 26, 2003, as amended, regarding rental of that certain property located at 12761 Darby Brooke Court, First Floor, Woodbridge, VA 22195, as the same was assigned by OCP Properties, Inc. to Caroline Sophia Nickens III.

Lease Agreement between Critical Care Systems, Inc. and John D. Regh, dated July 24, 2004, regarding rental of that certain property located at 2593 Notre Dame Blvd., Suite B, Chico, CA 95928.

CONTRACTS

Employment Agreement, dated as of September 24, 1999, between Curative Health Services, Inc. and Thomas Axmacher as such agreement may have been amended and any side letters related thereto.

Lease Agreement, dated as of November 10, 2003, between Curative Health Services, Co. and CIT Technology Financial Services, Inc., regarding rental of that certain office equipment located at 31332 Via Colinas, Suite No. 106, Westlake Village, CA 91362.

APEX

LEASES

Lease Agreement between Apex Therapeutic Care, Inc. and West Lake Village Industrial Park, dated June 30, 1999, as amended, regarding rental of that certain property located at 31332 Via Colinas, Units 105, 106, 107 and 108, Westlake Village, CA 91362.

EBIOCARE

CONTRACTS

Lease Agreement, dated as of July 3, 2002, between EbioCare.com, Inc. and Xerox Corporation, regarding rental of that certain office equipment located at 31332 Via Colinas, Suite No. 106, Westlake Village, CA 91362.

EXHIBIT B

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

CURATIVE HEALTH SERVICES, INC., *et al.*,
Debtors.

Chapter 11
Case No. 06-10552 (SMB)
(Jointly Administered)

**NOTICE OF ENTRY OF ORDER CONFIRMING PREPACKAGED JOINT
PLAN OF REORGANIZATION PURSUANT TO CHAPTER 11 OF THE
BANKRUPTCY CODE AS MODIFIED ON MAY 8, 2006**

TO ALL CREDITORS, EQUITY HOLDERS, AND OTHER PARTIES -IN-INTEREST:

PLEASE TAKE NOTICE THAT:

On May __, 2006 (the “**Confirmation Date**”), the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”) entered an order (the “**Confirmation Order**”) confirming the Debtors’ Prepackaged Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code as Modified on May 8, 2006 (the “**Prepackaged Plan**”). Unless otherwise defined, capitalized terms used in this Notice shall have the meanings ascribed to them in the Prepackaged Plan.

Pursuant to section 1141(a) of title 11 of the United States Code, the provisions of the Prepackaged Plan (including the exhibits to, and all documents and agreements executed pursuant to, the Prepackaged Plan) and the Confirmation Order shall be binding on (i) the Debtors, (ii) the Reorganized Debtors, (iii) all holders of Claims against and Equity Interests in any of the Debtors, whether or not impaired under the Prepackaged Plan and whether or not, if impaired, such holders accepted, rejected, or are deemed to have accepted or rejected the Prepackaged Plan, (iv) each person or entity acquiring property under the Prepackaged Plan, (v) all non-Debtor parties to executory contracts and unexpired leases with any of the Debtors, (vi) all entities that are parties to or are subject to the settlements, compromises, releases, discharges, and injunctions described in the Prepackaged Plan or the Confirmation Order and (vii) each of the foregoing’s respective heirs, successors, assigns, trustees, executors, administrators, affiliates, officers, directors, agents, representatives, attorneys, beneficiaries, or guardians, if any.

Except as otherwise expressly provided in the Prepackaged Plan, the Confirmation Order or a separate order of the Bankruptcy Court, all entities who have held, hold or may hold Claims against or Equity Interests in any or all of the Debtors, are permanently enjoined, on and after the Effective Date, from (i) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim or Equity Interest, (ii) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order against the Debtors on account of any such Claim or Equity Interest, (iii) creating, perfecting or enforcing any encumbrance of any kind against the Debtors or against the property or interests in property of the Debtors on account of any such Claim or Equity Interest, (iv) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from the Debtors or against the property or

interests in property of the Debtors on account of any such Claim or Equity Interest and (v) commencing or continuing in any manner any action or other proceeding of any kind with respect to any claims and Causes of Action which are retained pursuant to the Prepackaged Plan.

Copies of the Confirmation Order are available online free of charge at www.kccllc.net/curative or, for a fee on the Bankruptcy Court's website at www.nysb.uscourts.gov. A login and password to the Bankruptcy Court's Public Access to Electronic Court Records ("PACER") are required to access this information and can be obtained through the PACER Service Center at www.pacer.psc.uscourts.gov. Copies of the Confirmation Order also may be examined between the hours of 9:00 A.M. and 4:30 P.M., Monday through Friday at the Office of the Clerk of the Bankruptcy Court, One Bowling Green, Room 511, New York, New York 10004-1408. Copies of the Confirmation Order also may be obtained (i) upon written request to Debtors' counsel at the address set forth below, or (ii) upon written request to Kurtzman Carson Consultants LLC, at 12910 Culver Boulevard, Suite I, Los Angeles, California 90066 or by telephone at (866) 381-9100.

Dated: New York, New York
May __, 2006

BY ORDER OF THE BANKRUPTCY COURT
Stuart M. Bernstein,
Chief United States Bankruptcy Judge

LINKLATERS

1345 Avenue of the Americas
New York, NY 10105
(212) 903-9000
Martin N. Flics (MF 9718)
Brian E. Greer (BG 1011)

*Attorneys for Curative Health Services, Inc., et al.,
Debtors and Debtors-in-Possession*