10-10-2001

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Form PTO-1594
(Rev. 03/01)
OMB No. 0651-0027 (exp. 5/31/2002)

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RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Vencor, Inc.

10.2 01

☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☒ Corporation-State Delaware
☐ Other _____

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

2. Name and address of receiving party(ies)

Name: Kindred Healthcare, Inc.
Internal Address: One Vencor Place
Street Address: 680 South Fourth Avenue
City: Louisville State: KY Zip: 40202

☐ Individual(s) citizenship _____
☐ Association _____
☐ General Partnership _____
☐ Limited Partnership _____
☒ Corporation-State Delaware
☐ Other _____

OCT-2 2

If assignee is not domiciled in the United States, a domestic representative designation is attached: ☐ Yes ☐ No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? ☐ Yes ☐ No

3. Nature of conveyance:

☐ Assignment ☐ Merger
☐ Security Agreement ☒ Change of Name
☐ Other _____

Execution Date: April 20, 2001

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)
76/184,551
76/184,550
76/184,646

B. Trademark Registration No.(s)
2,103,342
2,184,403
2,061,953
1,599,033
1,651,131
1,866,097
1,910,714
1,649,810

Additional number(s) attached ☐ Yes ☒ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Joel T. Beres
Internal Address: Stites & Harbison
Suite 1800
Street Address: 400 West Market Street
City: Louisville State: KY Zip: 40202

6. Total number of applications and registrations involved: 12

7. Total fee (37 CFR 3.41)..... $ 315.00

☒ Enclosed
☐ Authorized to be charged to deposit account

8. Deposit account number:

_____

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Joel T. Beres
Name of Person Signing

Joel T Beres
Signature

9/27/01
Date

Total number of pages including cover sheet, attachments, and document: 52

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

State of Delaware

Office of the Secretary of State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE COURT ORDERED RESTATED CERTIFICATE OF "VENCOR, INC.", CHANGING ITS NAME FROM "VENCOR, INC." TO "KINDRED HEALTHCARE, INC.", FILED IN THIS OFFICE ON THE TWENTIETH DAY OF APRIL, A.D. 2001, AT 8 O'CLOCK A.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

2875922 8100

010190673

AUTHENTICATION: 1090572

DATE: 04-20-01

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 08:00 AM 04/20/2001
010190673 - 2875922

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF VENCOR, INC.

The undersigned Corporation hereby certifies as follows:

1. The name of the corporation is Vencor, Inc (the "Corporation"). The date of filing of its original certificate of incorporation with the Secretary of State was March 27, 1998 under the name "Vencor Healthcare, Inc."

2. This Amended and Restated Certificate of Incorporation amends, restates and integrates the provisions of the Certificate of Incorporation of the Corporation as currently in effect. Pursuant to the authority of Section 303 of the General Corporation Law of the State of Delaware, the provisions contained in this Amended and Restated Certificate of Incorporation are contained in and authorized by the Fourth Amended Joint Plan of Reorganization of Vencor, Inc. And Affiliated Debtors Under Chapter 11 Of The Bankruptcy Code, dated as of December 14, 2000, as modified and confirmed by the Findings of Fact, Conclusions of Law and Order Under 11 U.S.C. §1129 and Rule 3020 of the Federal Rules of Bankruptcy Procedure Confirming the Fourth Amended Plan of Reorganization of Vencor, Inc. *et al* (the "Order"), which Order was signed by the United States Bankruptcy Court for the District of Delaware (the "Court") on March 16, 2001 and entered on the docket of the Court on March 19, 2001. The Court has jurisdiction of the proceedings for the reorganization of the Corporation under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §101 *et. seq*. A copy of the Order is attached hereto as **Exhibit A**, and provides, *inter alia*, that this Amended and Restated Certificate of Incorporation be executed on behalf of the Corporation by the undersigned officer of the Corporation.

3. The text of the Certificate of Incorporation as currently in effect is hereby amended and restated to read as set forth herein in full:

FIRST. The name of the corporation is Kindred Healthcare, Inc. (hereinafter referred to as the "Corporation").

SECOND. The address of the Corporation's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

THIRD. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH. (a) The total number of shares of capital stock which the Corporation is authorized to issue is 40,000,000, consisting of 39,000,000 shares of Common Stock, par value $0.25 per share, and 1,000,000 shares of Preferred Stock, par value $0.25 per share.

(a) The holders of Common Stock shall be entitled to one vote per share on all matters to be voted on by the stockholders of the Corporation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, holders of Common Stock shall receive a pro rata distribution of any remaining assets after payment of or provision for all liabilities and the liquidation preference on Preferred Stock, if any.

(b) Subject to the provisions of Article NINTH hereof, shares of Preferred Stock may be issued in one or more series from time to time by the Board of Directors, and the Board of Directors is expressly authorized to fix by resolution or resolutions the designations and the powers, preferences and rights, and the qualifications, limitations and restrictions thereof, of the shares of each series of Preferred Stock, including without limitation the following:

(i) the distinctive serial designation of such series which shall distinguish it from other series;

(ii) the number of shares included in such series, which number may be increased or decreased from time to time unless otherwise provided by the Board of Directors in the resolution or resolutions providing for the issuance of such series;

(iii) the rate of dividends (or method of determining such dividends) payable to the holders of the shares of such series, any conditions upon which such dividends shall be paid and the date or dates (or the method for determining the date or dates) upon which such dividends shall be payable;

(iv) whether dividends on the shares of such series shall be cumulative and, in the case of shares of any series having cumulative dividend rights, the date or dates (or method of determining the date or dates) from which dividends on the shares of such series shall be cumulative;

(v) the amount or amounts which shall be payable out of the assets of the Corporation to the holders of the shares of such series upon voluntary or involuntary liquidation, dissolution or winding up the Corporation, and the relative rights of priority, if any, of payment of the shares of such series;

(vi) the price or prices (or the method of determining such price or prices) at which, the form of payment of such price or prices at which, the period or periods within which and the terms and conditions upon which the shares of such series may be redeemed, in whole or in part, at the option of the Corporation or at the option of the holder or holders thereof or upon the happening of a specified event or events;

(vii) the obligation, if any, of the Corporation to purchase or redeem shares of such series pursuant to a sinking fund or otherwise and the price or prices at which, the period or periods within which and the terms and conditions upon which the shares of such series shall be redeemed or purchased, in whole or in part, pursuant to such obligation; and

(viii) whether or not the shares of such series shall be convertible or exchangeable, at any time or times at the option of the holder or holders thereof or at the option of the Corporation or upon the happening of a specified event or events, into shares of any other class or classes or any other series of the same or any other class or classes of stock of the Corporation, and the price or prices or rate or rates of exchange or conversion and any adjustments applicable thereto.

Upon such designation, the Secretary of the Corporation shall cause a Certificate of Designations setting forth a copy of such resolution and the number of shares of Preferred Stock as to which the resolution applies to be executed, acknowledged, filed and recorded in accordance with Section 103 of the General Corporation Law of the State of Delaware.

(c) All shares of the Corporation's common stock, par value $0.25 per share, and the 17,433 shares of the Corporation's 6% Series A Non-Voting Convertible Preferred Stock, par value $1.00 per share, in each case issued and outstanding immediately prior to the filing of this Amended and Restated Certificate of Incorporation shall be cancelled upon the filing of this Amended and Restated Certificate of Incorporation and without further action by the Corporation or the holders thereof.

FIFTH. (a) The affairs of the Corporation shall be managed and conducted by a Board of Directors. The number of Directors of the Corporation shall be as from time to time fixed by, or in the manner provided in, the Bylaws of the Corporation; *provided, however*, that in no event shall the number of Directors be less than three (3). In the absence of a determination of such number by the Board of Directors, the number of Directors of the Corporation shall be seven. The Directors shall be elected at the annual meeting of stockholders in accordance with the provisions of the Bylaws of the Corporation, and the election of Directors need not be by written ballot except as and to the extent provided for therein. A majority of the Directors shall constitute a quorum for the transaction of business, except that any vacancy on the Board of Directors, whether created by an increase in the number of directors or otherwise, may be filled by a majority of Directors then in office, even if less than a quorum, or by a sole remaining Director.

(b) Any Director, or the entire Board of Directors, may be removed from office with or without cause but only by the affirmative vote of not less than two-thirds (2/3) of the votes entitled to be cast by the holders of all outstanding shares of Voting Stock (as defined herein), voting together as one class. Any Director elected or appointed to fill a vacancy shall hold office until the next election at the annual meeting of stockholders, and until his or her successor has been duly elected and qualified or until his or her earlier resignation or removal.

SIXTH. The Board of Directors of the Corporation is expressly authorized to adopt, amend or repeal By-laws of the Corporation by the affirmative vote of not less than two-thirds (2/3) of the Directors present at any meeting of the Board, assuming a quorum is present; provided, however, that with respect to the number of Directors provided for in Section 2.1 thereof, the affirmative vote of not less than 80% of all Directors then in office shall be required. The holders of shares of Voting Stock (as defined herein) shall, to the extent such power is at the time conferred on them by applicable law, also have the power to make, alter, amend or repeal the By-laws of the Corporation by the vote of at least two-thirds (2/3) of the votes entitled to be

cast by the holders of all outstanding shares of Voting Stock, voting together as one class. The term "Voting Stock" shall mean stock of any class or series of the Corporation entitled to vote in the election of Directors generally.

SEVENTH. [Intentionally omitted.]

EIGHTH. (a) The personal liability of the directors of the Corporation is hereby eliminated to the fullest extent permitted by Section 102(b)(7) of the General Corporation Law of the State of Delaware, as the same may be amended or supplemented.

(b) The Corporation shall, to the full extent permitted by Section 145 of the General Corporation Law of the State of Delaware, as amended from time to time, indemnify all persons whom it may indemnify pursuant thereto. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article EIGHTH shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement may be entitled under the Bylaws or any agreement, action of shareholders or disinterested directors or otherwise, both as to action in their official capacity and as to action in another capacity while holding such office of the Corporation, shall continue as to a person who has ceased to be a director or officer of the Corporation, and shall inure to the benefit of the heirs, executors and administrators of such a person. Notwithstanding the foregoing, the indemnification obligations of the Corporation pursuant to this Article EIGHTH shall be limited to (i) officers, directors, agents and employees who, as of September 13, 1999, were employed by the Corporation or serving as directors of the Corporation, and (ii) agents and employees who were no longer employed by the Corporation as of September 13, 1999, other than such agents and employees who were officers and directors of the Corporation prior to September 13, 1999.

(c) No amendment, modification or repeal of this Article EIGHTH shall adversely affect any right or protection of a director or officer of the Corporation under or pursuant to this Article EIGHTH that exists at the time of such amendment, modification or repeal. This Article EIGHTH may not be amended, modified or repealed except by the affirmative vote of not less than two-thirds (2/3) of the votes entitled to be cast by the holders of all outstanding shares of Voting Stock, voting together as one class.

NINTH. The Corporation shall not be authorized to issue non-voting capital stock to the extent prohibited by Section 1123(a)(6) of Title 11 of the United States Code ("Bankruptcy Code"); *provided, however*, that this Article NINTH (a) will have no further force and effect beyond that required under Section 1123 of the Bankruptcy Code, (b) will have only such force and effect, if any, for so long as such Section is in effect and applicable to the Corporation, and (c) in all events may be deemed void or eliminated in accordance with applicable law as from time to time in effect.

TENTH. A. (1) Definitions. For the purposes of this Article TENTH, the following terms shall have the following meanings:

"Adoption Date" shall mean the date on which this Amended and Restated Certificate of Incorporation is filed with the Secretary of State of the State of Delaware.

"Beneficial Ownership" shall mean ownership of Shares by a Person who would be treated as an owner of such Shares either directly or constructively through the application of Section 318(a) of the Code, as modified by Section 856(d)(5) of the Code. The terms "Beneficial Owner," "Beneficially Own," "Beneficially Owns" and "Beneficially Owned" shall have the correlative meanings.

"Beneficiary" shall mean an organization or organizations described in Sections 170(b)(1)(A) and 170(c) of the Code and identified by the Board of Directors as the beneficiary or beneficiaries of the Trust.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Common Stock" shall mean outstanding Common Stock of the Corporation as may be authorized and issued from time to time pursuant to Article FOURTH and any Shares convertible into or exchangeable for Common Stock as if such Shares had been so converted or exchanged.

"Excess Stock" shall mean Stock resulting from an event described in Section 3 of this Article TENTH.

"Existing Holder" shall mean Tenet so long as, but only for so long as, Ventas provides the Corporation on November 1st and May 1st of each year (each such date a "Certificate Delivery Date") with a certificate signed by an executive officer of Ventas certifying that (a) Tenet Beneficially Owns, and has Beneficially Owned at all times since May 1, 1998, in excess of nine percent (9.0%), in number of shares or value, of the outstanding Common Stock of Ventas, or nine and nine-tenths percent (9.9%), in number of shares or value, of the outstanding shares of any class or series of Preferred Stock of Ventas and (b) Tenet has the right under the Ventas Certificate of Incorporation to exceed such Beneficial Ownership limitations without any action on the part of the board of directors of Ventas (a "Certificate"); provided, however, that if Ventas fails to deliver such Certificate to the Corporation within 30 days following the applicable Certificate Delivery Date, then the Corporation shall notify Ventas in writing of such failure, in which case "Existing Holder" shall continue to mean Tenet until such Certificate delivery failure shall remain unremedied for a period of 30 days following the date Ventas receives such written notice. For the avoidance of doubt, in the event Ventas fails to deliver a Certificate to the Corporation within 30 days following written notification from Vencor, Tenet shall immediately cease to be an "Existing Holder" hereunder.

"Existing Holder Limit" shall mean (a) with respect to Common Stock, that number of shares of Common Stock of the Corporation which, when added to the amount of Common Stock Beneficially Owned by Ventas, would equal nine and nine-tenths percent (9.9%), in number of shares or value, of the outstanding Common Stock of the Corporation, (b) with respect to Preferred Stock, that number of shares of Preferred Stock of the Corporation which, when added to the amount of Preferred Stock Beneficially Owned by Ventas, would equal nine and nine-tenths percent (9.9%), in number of shares or value, of the outstanding shares of any class or series of Preferred Stock of the Corporation, or (c) with respect to any other combination of the Common Stock, Preferred Stock and any other equity securities of the Corporation which, when added to all such securities Beneficially Owned by Ventas would equal nine and nine-

tenths percent (9.9%) of (i) the total combined voting power of all classes of stock of the Corporation entitled to vote or (ii) the total value of shares of all classes of stock of the Corporation.

"Lessor" shall mean any Person (or an affiliate of any such Person) that leases real property to the Corporation and has or is an affiliate of an entity that has elected to be taxed as a REIT under the Code.

"Market Price" shall mean the last reported sales price reported on the New York Stock Exchange of Shares of the relevant class on the trading day immediately preceding the relevant date, or if the Shares of the relevant class are not then traded on the New York Stock Exchange, the last reported sales price of Shares of the relevant class on the trading day immediately preceding the relevant date as reported on any exchange or quotation system over which the Shares of the relevant class may be traded, or if the Shares of the relevant class are not then traded over any exchange or quotation system, then the market price of the Shares of the relevant class on the relevant date as determined in good faith by the Board of Directors of the Corporation.

"Person" shall mean an individual, corporation, partnership, limited liability company, estate, trust (including a trust qualified under Section 401(a) or 501(c)(17) of the Code), a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, private foundation within the meaning of Section 509(a) of the Code, joint stock company or other entity or any government or agency or political subdivision thereof and also includes a group as that term is used for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

"Preferred Stock" shall mean outstanding Preferred Stock of the Corporation as may be authorized and issued from time to time pursuant to Article Fourth and any Shares convertible into or exchangeable for Preferred Stock as if such Shares had been so converted or exchanged.

"Purported Beneficial Transferee" shall mean, with respect to any purported Transfer which results in Excess Stock, the purported beneficial transferee for whom the Purported Record Transferee would have acquired Shares, if such Transfer had been valid under Section A.(2) of this Article TENTH.

"Purported Record Transferee" shall mean, with respect to any purported Transfer which results in Excess Stock, the record holder of the Shares if such Transfer had been valid under Section A.(2) of this Article TENTH.

"REIT" shall mean an entity which has elected to be treated as a real estate investment trust under Subchapter M of the Code.

"Shares" shall mean any of the common or preferred shares of the Corporation as may be authorized and issued from time to time pursuant to Article Fourth.

"Tenet" shall mean Tenet Healthcare Corporation and its successors.

"Transfer" shall mean any sale, transfer, gift, assignment, devise or other disposition of Shares (including (a) the granting of any option or entering into any agreement for the sale, transfer or other disposition of Shares or (b) the sale, transfer, assignment or other disposition of any securities or rights convertible into or exchangeable for Shares), whether voluntary or involuntary, whether of record or beneficially and whether by operation of law or otherwise.

"Trust" shall mean any trust created by the Corporation as contemplated by Section B.(1) of this Article TENTH.

"Trustee" shall mean a Person, who shall be unaffiliated with the Corporation, any Purported Beneficial Transferee and any Purported Record Transferee, identified by the Board of Directors of the Corporation as the trustee of the Trust.

"Ventas" means Ventas, Inc. and its successors and assigns.

(2) Restrictions on Ownership and Transfer.

(a) From and after the Adoption Date, the Existing Holder shall not Beneficially Own Shares in excess of the Existing Holder Limit.

(b) From and after the Adoption Date, any Transfer that, if effective, would result in the Existing Holder Beneficially Owning Shares in excess of the Existing Holder Limit shall be void ab initio as to the Transfer of such Shares which would be otherwise Beneficially Owned by the Existing Holder in excess of the Existing Holder Limit, and the Existing Holder shall acquire no rights to such Shares.

(3) Designation of Excess Stock.

(a) If, notwithstanding the other provisions contained in this Article TENTH, at any time from and after the Adoption Date, there is a purported Transfer such that the Existing Holder would Beneficially Own Shares in excess of the Existing Holder Limit, then such number of Shares in excess of such Existing Holder Limit (rounded up to the nearest whole Share) shall be automatically designated as Excess Stock. Such designation shall be effective as of the close of business on the business day prior to the date of the purported Transfer.

(b) If, notwithstanding the other provisions contained in this Article TENTH, at any time from the Adoption Date, the Existing Holder purchases or otherwise acquires an interest in a Person which Beneficially Owns Shares (the "Purchase") and, as a result, the Existing Holder would Beneficially Own Shares in excess of the Existing Holder Limit, then such number of Shares in excess of such Existing Holder Limit (rounded up to the nearest whole Share) shall be automatically designated as Excess Stock. Such designation shall be effective as of the close of business on the business day prior to the date of the Purchase. In determining which Shares are designated as Excess Stock, Shares Beneficially Owned by the Existing Holder prior to the Purchase shall be designated as Excess Stock before any Shares Beneficially Owned by the Person an interest in which is being so Purchased.

(c) If, notwithstanding the other provisions contained in this Article TENTH, at any time from and after the Adoption Date, there is a redemption, repurchase, restructuring or other transaction with respect to a Person that Beneficially Owns Shares (the "Entity") and, as a result, the Existing Holder would Beneficially Own Shares in excess of the Existing Holder Limit, then such number of Shares in excess of such Existing Holder Limit (rounded up to the nearest whole Share) shall be automatically designated as Excess Stock. Such designation shall be effective as of the close of business on the business day prior to the date of the transfer. In determining which Shares are designated as Excess Stock, Shares Beneficially owned by the Entity shall be designated as Excess Stock before any Shares Beneficially Owned by the Existing Holder (independently of such Existing Holder's interest in the Entity) are so designated.

(d) If, notwithstanding the other provisions contained in this Article TENTH, at any time from the Adoption Date, an event, other than an event described in Section A.(3)(a) through (c) of this Article TENTH, occurs which would, if effective, result in the Existing Holder Beneficially Owning Shares in excess of the Existing Holder Limit, then the smallest number of Shares Beneficially Owned by such Existing Holder which, if designated as Excess Stock, would result in such Existing Holder's Beneficial Ownership of Shares not being in excess of such Existing Holder Limit, shall be automatically designated as Excess Stock. Such designation shall be effective as of the close of business on the business day prior to the date of the relevant event.

(4) Notice of Ownership or Attempted Ownership in Violation of Section A.(2). Any Person who acquires or attempts to acquire Beneficial Ownership of Shares in violation of Section A.(2) shall immediately give written notice to the Corporation of such event.

(5) Owners Required to Provide Information.

From and after the Adoption Date:

(a) Tenet shall, within 30 days after January 1 of each year, give written notice to the Corporation stating the number of Shares Beneficially Owned, if any, and a description of how such Shares are held. Furthermore, each Beneficial Owner shall provide to the Corporation such additional information as the Corporation may request in order to determine the effect, if any, of such Beneficial Ownership on the status as a REIT of any Lessor of the Corporation.

(b) Each Person who is a Beneficial Owner of Shares and each Person (including the stockholder of record) who is holding Shares for a Beneficial Owner shall provide to the Corporation such information as the Corporation may request, in good faith, in order to determine the effect of such Beneficial Ownership on the status of any Lessor of the Corporation as a REIT or any such Lessor's compliance with the regulations promulgated under the REIT provisions of the Code.

(c) Ventas shall provide to the Corporation information as the Corporation may request, in good faith, regarding (i) the Existing Holder's Beneficial Ownership of shares of stock in Ventas and (ii) Ventas' Beneficial Ownership of shares of stock in Vencor.

(6) Remedies for Breach. If the Board of Directors or its designees shall at any time determine in good faith that a Transfer has taken place in violation of Section A.(2) of this Article TENTH or that a Person intends to acquire or has attempted to acquire Beneficial Ownership of any Shares in violation of Section A.(2) of this Article TENTH, the Board of Directors shall take such action as it deems necessary to refuse to give effect or to prevent such Transfer (or any Transfer related to such intent), including but not limited to refusing to give effect to such Transfer on the books of the Corporation or instituting proceedings to enjoin such Transfer; provided, however, that any Transfers or attempted Transfers in violation of Sections A.(2)(a) and (b) of this Article TENTH shall automatically result in the designation of Excess Stock described in Section A.(3) of this Article TENTH, irrespective of any action (or non-action) by the Board of Directors.

(7) Ambiguity. In the case of an ambiguity in the application of any of the provisions of this Article TENTH, including any definition contained in Section A.(1) of this Article TENTH and any ambiguity with respect to which Shares are to be designated as Excess Stock in a given situation, the Board of Directors shall have the power to determine the application of the provisions of this Article TENTH with respect to any situation based on the facts known to it.

B. Excess Stock.

(1) Ownership in Trust. Upon any purported Transfer or other event that results in the designation of Shares as Excess Stock pursuant to Section A.(3) of this Article TENTH, such Excess Stock shall be deemed to have been transferred to the Trustee, as trustee of the Trust for the exclusive benefit of the Beneficiary. The Trust shall name a Beneficiary if one does not already exist, within five days of the discovery of any designation of any Excess Stock; provided, however, that the failure to so name a Beneficiary shall not affect the designation of Shares as Excess Stock or the transfer thereof to the Trustee. Excess Stock so held in trust shall be issued and outstanding stock of the Corporation. The Purported Record Transferee shall have no rights in such Excess Stock except as provided in Section B.(5) of this Article TENTH.

(2) Dividend Rights. Any dividends (whether taxable as a dividend, return of capital or otherwise) on Excess Stock shall be paid to the Trust for the benefit of the Beneficiary. Upon liquidation, dissolution or winding up, the Purported Record Transferee shall receive, for each Excess Stock, the lesser of (a) the amount per share of any distribution made upon liquidation, dissolution or winding up or (b) the price paid by the Purported Record Transferee for the Excess Stock, or if the Purported Record Transferee did not give value for the Excess Stock, the Market Price of the Excess Stock on the day of the event causing the Excess Stock to be in held in trust. Any such dividend paid or distribution paid to the Purported Record Transferee in excess of the amount provided in the preceding sentence prior to the discovery by the Trust that the Shares with respect to which the dividend or distribution was made had been designated as Excess Stock shall be repaid, upon demand, to the Trust for the benefit of the Beneficiary.

(3) Rights Upon Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of, or any distribution of the assets of, the Corporation, (a) subject to the preferential rights of the Preferred Stock, if any, as may be determined by the

Board of Directors of the Corporation and the preferential rights of the Excess Preferred Stock, if any, the Trust shall be entitled to receive, ratably with each other holder of Common Stock and Excess Common Stock, that portion of the assets of the Corporation available for distribution to the holders of Common Stock or Excess Common Stock which bears the same relation to the total amount of such assets of the Corporation as the number of Shares of Excess Common Stock held by such holder bears to the total number of Shares of Common Stock and Excess Common Stock then outstanding, and (b) each holder of Excess Preferred Stock shall be entitled to receive that portion of the assets of the Corporation which a holder of the Preferred Stock that was exchanged for such Excess Preferred Stock would have been entitled to receive had such Preferred Stock remained outstanding. The Trust, as holder of the Excess Stock in trust, shall distribute ratably to the Beneficiaries of the Trust, when determined, any such assets received in respect of the Excess Stock in any liquidation, dissolution or winding up of, or any distribution of the assets of the Corporation.

(4) Voting Rights. The Trustee shall be entitled to vote the Excess Stock on behalf of the Beneficiary on any matter. Subject to Delaware law, any vote cast by a Purported Record Transferee with respect to the Excess Stock prior to the discovery by the Corporation that the Excess Stock was held in trust will be rescinded ab initio; provided, however, that if the Corporation has already taken irreversible action with respect to a merger, reorganization, sale of all or substantially all of the assets, dissolution of the Corporation or other action by the Corporation, then the vote cast by the Purported Record Transferee shall not be rescinded. The owner of the Excess Stock will be deemed to have given an irrevocable proxy to the Trustee to vote the Excess Stock for the benefit of the Beneficiary.

Notwithstanding the provisions of this Article TENTH, until the Corporation has received written notification that Excess Stock have been transferred into a Trust, the Corporation shall be entitled to rely on its share transfer and other stockholder records for purposes of preparing lists of stockholders entitled to vote at meetings, determining the validity and authority of proxies and otherwise conducting votes of stockholders.

(5) Restrictions on Transfer. Excess Stock shall be transferable only as provided in this Section B.(5) of Article TENTH. At the direction of the Board of Directors, the Trustee shall transfer the Shares held in the Trust to a Person or Persons whose ownership of such Shares will not cause the Existing Holder to be treated as a Beneficial Owner of any such Shares. If such a transfer is made to such a Person or Persons, the interest of the Beneficiary shall terminate and proceeds of the sale shall be payable to the Purported Record Transferee and to the Beneficiary. The Purported Record Transferee shall receive the lesser of (a) the price paid by the Purported Record Transferee for the Shares or, if the Purported Record Transferee did not give value for the Shares, the Market Price of the Shares on the day of the event causing the Shares to be held in trust, or (b) the price received by the Trust from the sale or other disposition of the Shares. Any proceeds in excess of the amount payable to the Purported Record Transferee will be paid to the Beneficiary. The Trustee shall be under no obligation to obtain the highest possible price for the Excess Stock. It is expressly understood that the Purported Record Transferee may enforce the provisions of this Section against the Beneficiary.

C. Severability. If any provision of this Article TENTH or any application of any such provision is determined to be invalid by any Federal or state court having jurisdiction

over the issues, the validity of the remaining provisions shall not be affected and other applications of such provision shall be affected only to the extent necessary to comply with the determination of such court.

D. New York Stock Exchange Transactions. Nothing in this Article TENTH shall preclude the settlement of any transaction entered into through the facilities of the New York Stock Exchange or other national securities exchange. The fact that the settlement of any transaction occurs or takes place shall not negate the effect of any other provision of this Article TENTH and any transferee in such a transaction shall be subject to all of the provisions and limitations set forth in this Article TENTH.

E. Amendment of Article TENTH. For so long as there is an Existing Holder, this Article TENTH may not be amended, modified or repealed except by the affirmative vote of not less than ninety-five percent (95%) of each class of Voting Stock of the Corporation voting separately by class.

F. Termination. The provisions of this Article TENTH shall terminate and be of no further force and effect, automatically and with no action on the part of the Corporation, the Board of Directors or the shareholders of the Corporation, on the date on which there are no Existing Holders.

G Liability. Neither the Corporation, nor any director, officer, shareholder, employee, agent or representative thereof, shall have any liability whatsoever to anyone (including, without limitation, Lessor or any director, officer, shareholder, employee, agent, representative or creditor thereof) for any acts or omissions, with respect to the terms of this Article TENTH which acts (or omissions) are taken in good faith in accordance with the provisions of this Article TENTH.

H. Legend. (1) Each certificate for Common Stock shall bear the following legend:

> "The Common Stock represented by this certificate is subject to restrictions on ownership and transfer. The Existing Holder may not Beneficially Own any Common Stock in excess of the Existing Holder Limit. All capitalized terms used in this Legend have the meanings set forth in the Amended and Restated Certificate of Incorporation of the Corporation, a copy of which, including the restrictions on ownership and transfer, will be sent without charge to each stockholder who so requests. If the restrictions on ownership and transfer are violated, the Common Stock represented hereby will be automatically designated as Excess Stock which will be held in trust by the Trustee for the benefit of the Beneficiary."

Instead of the foregoing legend, the certificate may state that the Corporation will furnish a full statement about certain restrictions on transferability to a stockholder on request and without charge.

(2) Each certificate for Preferred Stock shall bear the following legend:

"The Preferred Stock represented by this certificate is subject to restrictions on ownership and transfer. The Existing Holder may not Beneficially Own any Preferred Stock in excess of the Existing Holder Limit. All capitalized terms used in this legend have the meanings set forth in the Amended and Restated Certificate of Incorporation of the Corporation, a copy of which, including the restrictions on ownership and transfer, will be sent without charge to each stockholder who so requests. If the restrictions on ownership and transfer are violated, the Preferred Stock represented hereby will be automatically designated as Excess Stock which will be held in trust by the Trustee for the benefit of the Beneficiary."

Instead of the foregoing legend, the certificate may state that the Corporation will furnish a full statement about certain restrictions on transferability to a stockholder on request and without charge.

ELEVENTH. The Corporation expressly elects not to be governed by Section 203 of the General Corporation Law of the State of Delaware.

TWELFTH. A. In the event that the Corporation proposes to redeem, repurchase or otherwise reacquire Shares or engage in any other transaction the result of which would increase Ventas' Beneficial Ownership in the Corporation in excess of nine and ninety-nine hundredths percent (9.99%) (an "Accretive Transaction"), then:

1. The Corporation shall give written notice to Ventas fifteen days prior to the consummation of the Accretive Transaction, specifying the material terms of the Accretive Transaction, including, if applicable, the price per Share to be paid by the Corporation in the Accretive Transaction (the "Accretive Transaction Per Share Price") and the number and percentage of each class of stock of the Corporation to be acquired in the Accretive Transaction.

2. Such written notice shall constitute an offer by the Corporation to purchase from Ventas, on the date immediately prior to the closing of the proposed Accretive Transaction (the "Article Twelfth Closing Date"), by wire transfer of immediately available funds, a number of Shares, at a price per share equal to the Article Twelfth Purchase Price (as defined below), such that after the consummation of the proposed Accretive Transaction, Ventas' Beneficial Ownership shall not exceed nine and ninety-nine hundredths percent (9.99%). For the avoidance of doubt, Ventas shall not be required to accept such offer.

3. The "Article Twelfth Purchase Price" shall equal the Accretive Transaction Per Share Price; provided, however, that if (x) the number of Shares to be purchased from Ventas pursuant to Section A.(2) of this Article TWELFTH exceeds 25,000 and (y) the Accretive Transaction giving rise to such repurchase obligation is a non-arm's-length transaction (including without limitation a repurchase of Shares from employees, officers or directors of the Corporation), then the "Article Twelfth Purchase Price" shall equal the greater of (a) the Accretive Transaction Per Share Price and (b) either (i) if the Shares are admitted for trading on a national securities exchange, the average closing price of the

Shares for the ten trading days prior to the Article Twelfth Closing Date on the principal national securities exchange on which the Shares are admitted for trading, or (ii) if the Shares are not admitted for trading on a national securities exchange, but are admitted for trading on an interdealer quotation system, the average closing price of the Shares for the ten trading days prior to the Article Twelfth Closing Date on such interdealer quotation system, or (iii) if the Shares are not admitted for trading on a national securities exchange or on an interdealer quotation system, the fair market value as agreed upon in good-faith by Ventas and the Corporation. The Corporation shall make a supplemental payment to Ventas in the event that the actual Accretive Transaction Per Share Price exceeds the Accretive Transaction Per Share Price used to calculate the Article Twelfth Purchase Price.

4. If Ventas accepts the Corporation's offer contemplated by Section A.(2) of this Article TWELFTH by written notice to the Corporation no less than five days prior to the Article Twelfth Closing Date, the Shares to be repurchased from Ventas and the cash consideration therefor shall be transferred to and held in escrow as of the Article Twelfth Closing Date pending consummation of the Accretive Transaction. If the proposed Accretive Transaction is not consummated within fifteen days of the Article Twelfth Closing Date, and only in such event, then the repurchase of Shares by the Corporation from Ventas shall be rescinded and shall be null and void ab initio. In the event the proposed Accretive Transaction is consummated within such fifteen day period, the escrow shall be and shall be deemed to have been terminated immediately prior to the consummation of the Accretive Transaction and the Shares and funds shall be and shall be deemed to have been released to the Corporation and Ventas at such time, respectively.

B. Ventas shall promptly notify the Corporation in writing immediately upon any change in its Beneficial Ownership in the Corporation. Ventas shall not purchase or acquire any Shares of the Corporation other than from the Corporation so as to increase its Beneficial Ownership percentage in the Corporation to over 5%.

C. Any Accretive Transaction that is consummated by the Corporation in violation of this Article TWELFTH shall be null and void.

D. This Article TWELFTH may not be amended, modified or repealed except by the affirmative vote of not less than ninety-five percent (95%) of each class of Voting Stock of the Corporation, voting separately as a class.

E. Capitalized terms used in this Article TWELFTH but not otherwise defined shall have the meaning ascribed to them in Article TENTH. For purposes of this Article TWELFTH, "Ventas" shall mean Ventas, Inc., its subsidiaries, and their respective successors and assigns.

F. The provisions of this Article TWELFTH shall terminate and be of no further force and effect, automatically and with no action on the part of the Corporation, the Board of Directors or the shareholders of the Corporation, on the date on which Ventas ceases to Beneficially Own any Common Stock.

IN WITNESS WHEREOF, this Amended and Restated Certificate of Incorporation has been executed as of the 20th day of April, 2001 on behalf of the Corporation by Richard A. Schweinhart, its Senior Vice President and Chief Financial Officer, thereby acknowledging under penalties of perjury that the foregoing Amended and Restated Certificate of Incorporation is the act and deed of the Corporation and that the facts stated therein are true.

VENCOR, INC.

By _____
Name: Richard A. Schweinhart
Title: Senior Vice President and
Chief Financial Officer

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

In re:	)	Case Nos. 99-3199 (MFW)
	)	through 99-3327 (MFW)
Vencor, Inc., et al.,	)	
	)	Chapter 11
Debtors and Debtors in Possession.	)	
	)	Jointly Administered

CERTIFIED: AS A TRUE COPY: ATTEST: 3/29/01
DAVID D. BIRD, CLERK
U.S. BANKRUPTCY COURT
BY: Deputy Clerk

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER UNDER 11 U.S.C. § 1129 AND RULE 3020 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE CONFIRMING THE FOURTH AMENDED PLAN OF REORGANIZATION OF VENCOR, INC., et al.

Upon the Fourth Amended Joint Plan Of Reorganization of Vencor, Inc. And Affiliated Debtors Under Chapter 11 Of The Bankruptcy Code, dated as of December 14, 2000 (including all amendments and modification thereof and exhibits thereto, the "Plan") (D.I. 4031), filed with this Court by the above-captioned debtors and debtors in possession (collectively, the "Debtors"), and the Fourth Amended Disclosure Statement Pursuant To Section 1125 Of The Bankruptcy Code With Respect To The Joint Plan Of Reorganization Of Vencor Inc. And Affiliated Debtors Under Chapter 11 Of The Bankruptcy Code and the Short-Form of Fourth Amended Disclosure Statement Pursuant To Section 1125 Of The Bankruptcy Code With Respect To The Joint Plan Of Reorganization Of Vencor, Inc. And Affiliated Debtors Under Chapter 11 Of The Bankruptcy Code dated as of December 14, 2000 (respectively, the "Disclosure Statement" (D.I. 4031), the "Short-Form Disclosure Statement" (D.I. 4032), and collectively, the "Disclosure Materials"), and the Fourth Amended Plan Supplement To Joint Plan of Reorganization of Vencor, Inc. And Affiliated Debtors Under Chapter 11 Of The Bankruptcy Code (including all amendments and modification of the exhibits thereto, the "Plan

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Supplement") (D.I. 4588) filed with this Court by the Debtors; and upon (a) the hearing before this Court on December 6, 2000 to consider approval of the Disclosure Materials and (b) the Order dated December 6, 2000 approving the Disclosure Materials (the "Disclosure Materials Order") (D.I. 4108); and solicitation of acceptances of the Plan having been authorized by Order dated December 7, 2000, establishing voting procedures and approving form of ballots and notices (the "Voting Procedures Order") (D.I. 3828); and it appearing from the affidavits of mailing and publication filed with this Court and the Voting Affidavit (as defined herein) that copies of the Disclosure Statement (including the Plan as annexed thereto as Exhibit A) or Short-Form Disclosure Statement, notice of the Confirmation Hearing (as defined herein), and ballots for acceptances or rejections of the Plan, were transmitted to the holders of Claims against and Interests in Vencor, Inc., et al. and other parties in interest as required by the Voting Procedures Order, and such transmissions at such time being due and adequate notice under the circumstances, and that notice of the Confirmation Hearing was published in the manner required by the Voting Procedures Order, and the Voting Procedures Order fixing February 15, 2001 at 4:00 p.m. (Eastern Standard Time) as the deadline for filing of objections to confirmation of the Plan; and upon the declaration of George C. Vitelli (D.I. 5807), the declaration of John K. Hunebery (D.I. 5806) and the statement of the Department of Justice in support of the Plan (D.I. 5815); and upon the Ventas Entities' response in conditional support of the Plan (D.I. 5814); and upon this Court's Order, dated January 16, 2001 extending the time for Ventas, Inc. and Ventas Realty, Limited Partnership to vote on the Plan and/or file a response or objection to confirmation of the Plan (the "Ventas Voting Stipulation") (D.I. 5008); and upon the affidavit of Edward L. Kuntz dated February 20, 2001, filed in support of confirmation of the Plan (D.I. 5779); and upon the affidavit of Steven M. Zelin dated February 21, 2001, filed in support of

confirmation of the Plan (D.I. 5777); and a hearing to consider confirmation of the Plan having been held before this Court commencing on March 1, 2001 (the "Confirmation Hearing"); and upon the full and complete record of the Confirmation Hearing, including without limitation the exhibits presented and the testimonial proffers that were accepted into evidence, and all matters and proceedings heretofore part of the record in these cases; and for the reasons set forth on the record by the Court; and after due deliberation and sufficient cause appearing therefor;

FINDINGS OF FACT AND CONCLUSIONS OF LAW

IT IS HEREBY FOUND AND DETERMINED THAT:

1. All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan, unless the context otherwise requires.

2. This Court has jurisdiction over the Reorganization Cases pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. Confirmation of the Plan is a core proceeding under 28 U.S.C. § 157(b)(2), and this Court has exclusive jurisdiction to determine whether the Plan complies with the applicable provisions of title 11 of the United States Code (the "Bankruptcy Code") and the Federal Rules of Bankruptcy Procedures (the "Bankruptcy Rules") and should be confirmed.

3. This Court takes judicial notice of the docket of the Reorganization Cases maintained by the Clerk of the Court and/or its duly appointed agent, including, without limitation, all pleadings and other documents filed, all orders entered, and all evidence and arguments made, proffered or adduced at, the hearings held before the Court during the pendency of the Reorganization Cases, including, without limitation, the hearing to consider the adequacy of the Disclosure Materials.

4. The Debtors, as proponents of the Plan, have the burden of proving the elements of Section 1129 by a preponderance of the evidence.

5. Notice of the Confirmation Hearing and the relevant deadlines for submission of objections and ballots, as prescribed by this Court in the Voting Procedures Order, has been provided and is adequate and sufficient pursuant to Section 1128 of the Bankruptcy Code, Rules 2002(b) and 3020 of the Bankruptcy Rules and other applicable law and rules. Notice provided of the Confirmation Hearing and the relevant deadlines for submission of objections and ballots and service of the Disclosure Materials upon the individuals subject to the Debtors' Motion for an Order Pursuant to Section 105(a) of the Bankruptcy Code and Rule 1009(a) of The Federal Rules of Bankruptcy Procedure Disallowing Certain Scheduled Claims For Purposes Of Voting On The Fourth Amended Joint Plan Of Reorganization Under Chapter 11 Of The Bankruptcy Code, as set forth in the Affidavit of Mailing of Bridget Gallerie dated January 10, 2001 and the Affidavit of Kathy Gerber dated January 23, 2001, is adequate and sufficient pursuant to Section 1128 of the Bankruptcy Code, Rules 2002(b) and 3020 of the Bankruptcy Rules and other applicable law and rules.

6. Ballots were transmitted to holders of claims in classes eligible to vote on the Plan (the "Voting Classes") in accordance with the Voting Procedures Order.

7. The Debtors solicited votes for the Plan from the Voting Classes in good faith and in a manner consistent with the Bankruptcy Code.

8. The affidavits of Diane Rocano, dated February 25, 2001 (the "Voting Affidavit") (D.I. 5801) and March 7, 2001 (the "Supplemental Voting Affidavit") (D.I.T.B.D.), are consistent with Bankruptcy Rule 3018.

9. The classification scheme of Claims and Interests under the Plan is reasonable. Claims or Interests in each Class are substantially similar to other Claims or Interests in such Class, and the Plan therefore satisfies the requirements of Section 1122(a) of the Bankruptcy Code.

10. The Plan provides for the treatment of Allowed Administrative Claims and Allowed Priority Tax Claims. In addition, the Plan establishes the following Classes of Claims and Interests: Class 1 (Priority Claims); Class 2 (Secured Claims); Class 3A (Convenience Claims); Class 3B (Trade Claims, Malpractice and Other Litigation Claims, Benefits Claims, Indemnification Claims, Employee Contact Claims and Unsecured Claims that are not Convenience Claims); Class 4 (Senior Debt Claims); Class 5 (Veritas Claim); Class 6 (Class 6 Claims); Class 7A (Subordinated Noteholder Claims); Class 7B (Noteholder Securities Fraud Claims); Class 8 (Put Rights); Class 10 (Punitive Damage Claims); Class 11A (Preferred Equity Interests); Class 11B (Preferred Equity Securities Fraud Claims); Class 12A (Common Equity Interests); and Class 12B (Common Equity Securities Fraud Claims). The Plan satisfies the requirements of Section 1123(a)(1) of the Bankruptcy Code.

11. The Plan establishes as Class 3A a class of claims consisting only of unsecured claims that are reduced to or less than $3,000.00. Pursuant to Section 1122(b) of the Bankruptcy Code, this is a reasonable amount necessary for administrative convenience.

12. The following Classes of Claims are impaired and comprise the Classes entitled to vote under the Plan: Classes 3A, 3B, 4, 5, 6, 7A and 8 (collectively, the "Voting Classes"). The following Classes of Claims are unimpaired under the Plan: Classes 1 and 2. The following Classes of Claims or Interests are deemed to reject the Plan by virtue of receiving no distributions thereunder, except as otherwise provided for under this Order: Classes 7B, 10,

11A, 11B, 12A and 12B. The treatment of Claims in unimpaired Classes is specified in Article IV of the Plan, and the treatment of Claims and Interests in impaired Classes is specified in Article V of the Plan. Therefore, the Plan satisfies the requirements of Sections 1123(a)(2) and 1123(a)(3) of the Bankruptcy Code.

13. The Plan provides for the same treatment of each Claim or Interest of a particular Class, and the Plan satisfies the requirements of Section 1123(a)(4) of the Bankruptcy Code.

14. The Plan provides for adequate means for its implementation, and therefore satisfies the requirements of Section 1123(a)(5) of the Bankruptcy Code.

15. The Plan provides for the amendment of the Certificates of Incorporation of the Debtors in substantially the form of the Vencor Amended and Restated Certificate of Incorporation and the Form of Certificate of Amendment of the Certificate of Incorporation of Each Corporate Debtor filed with this Court in the Plan Supplement on December 29, 2000 (collectively and as may be amended or modified, the "Amended Certificates of Incorporation"), which prohibit the issuance of nonvoting equity securities. Any revisions to the Amended Certificates of Incorporation filed on or prior to the Effective Date also shall prohibit the issuance of a non-voting equity securities. Accordingly, the Plan complies with Section 1123(a)(6) of the Bankruptcy Code.

16. The Plan impairs or leaves unimpaired, as the case may be, each Class of Claims or Interests, and the Plan therefore is consistent with the provisions of Section 1123(b)(1) of the Bankruptcy Code.

17. The Plan provides for the treatment under Section 365 of the Bankruptcy Code, of all executory contracts and unexpired leases not previously assumed or rejected or the

subject of a motion either to assume or reject pursuant to such section, and the Plan therefore complies with the provisions of Section 1123(b)(2) of the Bankruptcy Code.

18. Furthermore, the provisions of the Plan constitute a good faith compromise and settlement of all Claims and Interests, and all controversies respecting Claims and Interests are resolved pursuant to the Plan. This Confirmation Order constitutes the Court's approval of all such compromises and settlements which, based upon the representations by the Debtors, all other testimony proffered and evidence introduced at the Confirmation Hearing and the full record of the Reorganization Cases, the Court finds to be fair, equitable, within the range of reasonableness and in the best interests of the Debtors, the Estates, creditors and other parties in interest. Accordingly, the Plan satisfies Section 1123(b)(3) of the Bankruptcy Code.

19. The Plan contains no provision that is inconsistent with the applicable provisions of the Bankruptcy Code and therefore satisfies Section 1123(b)(6) of the Bankruptcy Code.

20. The Government Settlement and the allowance and settlement of the Class 6 Claims and the payment of such claims, as set forth in Sections 5.05 and 6.12 of the Plan, constitute a good faith compromise and settlement pursuant to Bankruptcy Rule 9019, and the Government Settlement, including the settlement amount allocated for each of the Qui Tam Actions as enumerated on Schedule E to the Plan, is fair, adequate and reasonable under all the circumstances. As to United States, et al. ex rel. Phillips-Minks, et al. v. Behavioral Healthcare Corp., et al. referenced on Schedule E and Exhibit 5 to the Plan, the government's settlement of this Qui Tam Action is effective to the extent the United States has authority to compromise and settle this Qui Tam Action. In the event the United States does not have authority to compromise

and settle this Qui Tam Action, the Claims relating to this Qui Tam Action shall be treated as stated on the record at the Confirmation Hearing.

21. The treatment provided to the Veritas Entities under the Plan, including, without limitation, under Section 5.04 and Article XI of the Plan, constitute a good faith compromise and settlement pursuant to Bankruptcy Rule 9019.

22. All settlements in these cases, including but not limited to settlements with the creditors in Classes 3A, 3B, 4, 5, 6, 7A, 8 and 10, constitute good faith compromises and settlements pursuant to Bankruptcy Rule 9019.

23. Pursuant to Section 1123(b)(3)(B) of the Bankruptcy Code, the Plan, except as provided therein, provides for the retention and enforcement of all claims, rights and causes of action of the Debtors and the Estates, whether prepetition or postpetition, and regardless of whether such claims, rights or causes of action arise under any or all agreements and applicable law or equity, exclusively by the Reorganized Debtors. Under the Plan, all such claims, rights and causes of action of the Debtors and the Estates, upon the Effective Date, shall vest in the Reorganized Debtors and may be pursued by the Reorganized Debtors except to the extent released under the Plan. Accordingly, the retention and enforcement of all such claims, rights and causes of action of the Debtors and the Estates exclusively by the Reorganized Debtors will benefit the Debtors' creditors and the requirements of Sections 550(a) and 1123(b)(3)(B) of the Bankruptcy Code are satisfied.

24. The Plan complies with the applicable provisions of the Bankruptcy Code, including, without limitation, Sections 1122 and 1123 of the Bankruptcy Code. Therefore, the Plan satisfies the requirements of Section 1129(a)(1) of the Bankruptcy Code. In addition, in

accordance with Bankruptcy Rule 3016(a), the Plan is dated and identified with the names of the Debtors.

25. The Debtors, as proponents of the Plan, have complied with each of the applicable provisions of the Bankruptcy Code including, without limitation, Sections 1125 and 1126 of the Bankruptcy Code, and therefore have satisfied the requirements of Section 1129(a)(2) of the Bankruptcy Code, as follows: (a) the Debtors are proper debtors under Section 109 of the Bankruptcy Code and proper proponents of the Plan under Section 1121(a) of the Bankruptcy Code; (b) the Debtors have complied with each of the applicable provisions of the Bankruptcy Code, except as otherwise provided or permitted by orders of the Court; and (c) the Debtors have complied with each of the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Voting Procedures Order and the Ventas Voting Stipulation in transmitting notices and solicitation materials and in soliciting and tabulating votes on the Plan.

26. The Plan has been proposed in good faith and not by any means forbidden by law. In determining that the Plan has been proposed in good faith, the Court has examined the totality of the circumstances surrounding the filing and prosecution of the Debtors' Reorganization Cases and the formulation of the Plan. The Debtors' chapter 11 cases were filed and the Plan was proposed with the proper purpose of reorganizing the Debtors, and expeditiously making distributions to their creditors. Furthermore, the Plan is the product of extensive, arms' length negotiations among the Debtors, Ventas, the United States, the Creditors' Committee, certain holders of the Senior Debt Claims and Subordinated Noteholders, and each of their respective counsel and financial advisors. The Plan reflects the results of these negotiations and is reflective of the interests of all the Estates' constituencies. Thus, the Plan satisfies the requirements of Section 1129(a)(3) of the Bankruptcy Code.

27. Any payments made or to be made by the Debtors for services or for costs and expenses in, or in connection with, the Debtors' chapter 11 cases have, to the extent required by the Bankruptcy Code, the Bankruptcy Rules and the Orders of this Court, been approved by, or are subject to the approval of, this Court as reasonable. Accordingly, the Plan satisfies the requirements of Section 1129(a)(4) of the Bankruptcy Code.

28. Section 8.07 of the Plan provides that Reorganized Vencor shall have a board of directors consisting of seven (7) directors. The Board of Directors or other current internal governance, as applicable, of the other Reorganized Directors shall initially remain the same. The names and affiliations of the persons designated pursuant to Section 8.07 of the Plan as the initial members of the board of directors of each of the Reorganized Debtors were disclosed to this Court prior to the Confirmation Hearing. In addition, the Debtors disclosed the identity of any insiders that will be employed by the Reorganized Debtors and the nature of their compensation. The appointment to such office of each of the proposed directors and officers of each of the Reorganized Debtors is consistent with the interests of creditors and equity security holders and with public policy with respect to the manner of selection of any officer or director of the Reorganized Debtors. Accordingly, the Plan complies with Section 1123(a)(7) and 1129(a)(5) of the Bankruptcy Code.

29. Section 1129(a)(6) of the Bankruptcy Code is satisfied because the Plan does not provide for any change in rates over which a governmental regulatory commission has jurisdiction.

30. With respect to each impaired Class of Claims or Interests, each holder of a Claim or Interest in such Class: (a) has accepted the Plan; or (b) will receive or retain under the Plan, on account of such Claim or Interest, property of a value, as of the Effective Date of the

Plan, that is not less than the amount that such holder would so receive or retain if such Debtor were to be liquidated under chapter 7 of the Bankruptcy Code on such date. Accordingly, the Plan is in the best interests of the creditors and satisfies the requirements of Section 1129(a)(7) of the Bankruptcy Code.

31. As evidenced by the Voting Affidavit and the Supplemental Voting Affidavit, the Plan has been accepted by each of the Voting Classes in accordance with Section 1126 of the Bankruptcy Code and consistent with Bankruptcy Rule 3018, the Voting Procedures Order and the Ventas Voting Stipulation.

32. The Plan is deemed rejected, pursuant to Section 1126(g) of the Bankruptcy Code, by the members of Classes 7B, 10, 11A, 11B, 12A and 12B, who will receive no distribution and retain no interest on account of their respective Claims or Interests, except as otherwise provided for under this Order.

33. With respect to each Class of Claims or Interests designated by the Plan, other than Classes 7B, 10, 11A, 11B, 12A and 12B, either: (a) such Class has accepted the Plan; or (b) such Class is not impaired under the Plan. Accordingly, the requirements of Section 1129(a)(8) of the Bankruptcy Code have been satisfied with respect to all Claims and Interests other than those in Classes 7B, 10, 11A, 11B, 12A and 12B. The Plan nevertheless may be confirmed with respect to these Classes because, as stated below, the requirements of Section 1129(b) of the Bankruptcy Code are satisfied with respect to these Classes.

34. The treatment of Allowed Administrative Claims, Allowed Tax Claims and Allowed Priority Claims under Sections 2.01, 2.03 and 4.01 of the Plan satisfies the applicable requirements of Section 1129(a)(9)(A),(B) and (C) of the Bankruptcy Code.

35. The Plan has been accepted by Classes 3A, 3B, 4, 5, 6 and 7A, and, therefore, has been accepted by at least one impaired Class of Claims or Interests, which acceptance has been determined without including any acceptances of the Plan by any insider holding a Claim in such Class. Accordingly, the requirements of Section 1129(a)(10) of the Bankruptcy Code are satisfied with respect to the Plan.

36. The Plan satisfies Section 1129(a)(11) of the Bankruptcy Code because confirmation of the Plan is not likely to be followed by liquidation or the need for further financial reorganization of the Reorganized Debtors.

37. The fees payable by the Debtors to the United States Trustee or the Clerk of this Court, as provided under 28 U.S.C. § 1930(a)(6), constitute administrative expenses entitled to priority under Section 507(a)(1) of the Bankruptcy Code and the treatment of such fees in the Plan satisfies the requirements of Section 1129(a)(12) of the Bankruptcy Code.

38. To the extent the Debtors are required to continue to provide any retiree benefits (as that term is defined under Section 1114 of the Bankruptcy Code), such benefits shall be continued under the Plan, and the Plan satisfies the requirements of Section 1129(a)(13) of the Bankruptcy Code.

39. The requirements of Section 1129(b) of the Bankruptcy Code are satisfied as to holders of Claims in Classes 7B, 10, 11A, 11B, 12A and 12B because the Plan does not discriminate unfairly, and is fair and equitable, with respect to each Class of Claims or Interests that is Impaired under, and that has not accepted, the Plan, and no holder of any Interests of the Debtors that is junior to the Interests of such Classes will receive or retain any property under the Plan on account of such junior Interests.

40. Other than the Plan, no plan has been filed in these cases. Accordingly, the requirements of Section 1129(c) of the Bankruptcy Code have been satisfied.

41. No party in interest that is a governmental unit has requested that the Court not confirm the Plan on the grounds that the principal purpose of the Plan is the avoidance of taxes or the avoidance of the application of Section 5 of the Securities Act of 1933, 15 U.S.C. § 77e, and the principal purpose of the Plan is not such avoidance. Accordingly, the Plan satisfies the requirements of Section 1129(d) of the Bankruptcy Code.

42. To the extent the terms of this Order may be construed to constitute modifications to the Plan (the "Plan Modifications"), such Plan Modifications do not materially or adversely affect or change the treatment of any Claim against or Interest in any Debtor. Accordingly, pursuant to Bankruptcy Rule 3019, the Plan Modifications do not require additional disclosure under Section 1125 of the Bankruptcy Code or the resolicitation of acceptances or rejections under Section 1126 of the Bankruptcy Code, nor do they require that holders of Claims against or Interests in any Debtor to be afforded an opportunity to change previously cast acceptances or rejections of the Plan as filed with the Court. Disclosure of the Plan Modifications on the record at the Confirmation Hearing constitutes due and sufficient notice thereof under the circumstances of these Reorganization Cases. All references to the Plan in this Order shall be to the Plan as so modified.

43. Based upon the record before the Court, the Debtors and their agents, counsel and financial advisors have solicited votes on the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code and are entitled to the protections afforded by Section 1125(e) of the Bankruptcy Code and the exculpatory and injunctive provisions set forth in Article XI of the Plan.

44. The Debtors, the Ventas Entities, each of their respective Representatives, benefit plan administrators and trustees, and their officers, directors, employees, agents, advisors, legal and financial advisors, attorneys, professionals, principals and agents, the Creditors' Committee and its members, officers, directors, employees, agents, advisors, legal and financial advisors, attorneys, professionals, principals and agents, the holders of the Senior Debt Claims, their officers, directors, employees, agents, advisors, legal and financial advisors, attorneys, professionals, principals and agents, and the Subordinated Noteholders, their officers, directors, employees, agents, advisors, legal and financial advisors, attorneys, professionals, principals and agents (each of the foregoing solely in their capacity as such), have acted in good faith and in compliance with the applicable provisions of the Bankruptcy Code pursuant to Section 1125(e) of the Bankruptcy Code and 1129(a)(3) of the Bankruptcy Code, with respect to the administration of the Plan, the solicitation of acceptances with regard thereto and the property to be distributed thereunder.

45. The Court may properly retain jurisdiction over the matters set forth in Section 13.01 of the Plan.

46. Upon entry of this Order, each of the conditions to confirmation contained in Section 10.01 of the Plan shall have been satisfied.

DECREES

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

1. To the extent that any objections have not been withdrawn or resolved by stipulation prior to the entry of this Confirmation Order or are not resolved by the relief granted herein or as stated on the record of the Confirmation Hearing, all such objections are hereby

overruled. The stipulations entered into with (a) the State of Georgia, Department of Revenue (D.I. 5834), (b) the Louisiana Department of Revenue (D.I. 5835), (c) the Missouri Department of Revenue (D.I. 5836), (d) the Tennessee Department of Revenue (D.I. 5837), and (e) the Texas Tax Authorities (D.I. 5838) fully resolve the objections raised by these parties and govern the treatment of the claims of these entities under the Plan.

2. The findings of this Court set forth above and the conclusions of law stated herein shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding by Bankruptcy Rule 9014. To the extent any findings of fact shall be determined to be a conclusion of law, it shall be so deemed, and vice versa.

3. The Plan complies with the requirements of Sections 1122, 1123 and 1129 of the Bankruptcy Code.

4. To the extent the IRS holds an allowed claim properly classified, and to the extent entitled to interest, the interest rate shall be at the federal statutory rate as provided by the Internal Revenue Code.

5. The Plan (as modified by any modifications contained in this Confirmation Order) is confirmed under Section 1129 of the Bankruptcy Code.

6. The provisions of the Plan and this Confirmation Order, including the findings of fact and conclusions of law set forth herein, are nonseverable and mutually dependent.

7. Plan Classification Controlling. The classification of Claims and Interests for purposes of the distributions to be made under the Plan shall be governed solely by the terms of the Plan. The classifications and amounts of Claims, if any, set forth in the Ballots tendered or returned by the Debtors' creditors in connection with voting on the Plan (i) were set forth on the Ballots solely for purposes of voting to accept or reject the Plan, (ii) do not necessarily represent,

and in no event shall be deemed to modify or otherwise affect the actual classification of such Claims or Interests under the Plan for distribution purposes and (iii) shall not be binding on the Debtors, the Estates, or the Reorganized Debtors.

8. Certain Effects of Confirmation; Discharge; Injunction; Releases. All of the provisions of Article XI, including Sections 11.01, 11.02(a), 11.02(b), 11.03; 11.04, 11.05, 11.06, 11.07 and 11.08 of the Plan, as restated or amended by this paragraph, are incorporated herein by reference as if set forth herein in extenso. Notwithstanding anything to the contrary contained in the Plan, nothing in Article XI of the Plan shall be construed as providing a discharge or release of any claims that have been or may be asserted by Cornerstone Insurance Company ("Cornerstone") against any of the Ventas Parties or by one or more of the Ventas Parties against Cornerstone. The evidence presented in connection with the Confirmation Hearing establishes that the releases of the nondebtor Entities contained in Article XI of the Plan are fair and necessary to the reorganization of the Debtors, and that the nondebtor Entities receiving the benefit of the releases contained in Article XI of the Plan have made substantial contributions toward the reorganization of the Debtors, which are integral to the effectuation of the Plan and the consummation of the transactions contemplated therein (including, without limitation, the funding of distributions to holders of Allowed Claims and the Debtors' performance under the contracts and leases assumed pursuant to the Plan).

9. Retention and Enforcement of Estates' Claims and Rights. Except as set forth in the Plan or this Confirmation Order, the Debtors shall not be deemed to have waived or relinquished:

(i) any rights or causes of action (prepetition or postpetition) that the Debtors or the Reorganized Debtors may have currently or which the Reorganized Debtors may choose to assert on behalf of their Estates under any

provision of the Bankruptcy Code or any similar applicable non-bankruptcy law, including without limitation, (i) breach of contract claims, (ii) the avoidance of any transfer by or obligation of the Debtors or (iii) the turnover of any property to the Estates, all of which are expressly reserved by the Plan and may only be pursued by the Reorganized Debtors;

(ii) any claim, cause of action, right of setoff, or other legal or equitable defense which the Debtors had immediately prior to the Petition Date, against or with respect to any Claim left unaltered or Unimpaired by the Plan. The Reorganized Debtors shall have, retain, reserve and be entitled to assert all such claims, causes of action, rights of setoff and other legal or equitable defenses which they had immediately prior to the Petition Date fully as if the chapter 11 cases had not been commenced; and all of the Reorganized Debtors' legal and equitable rights respecting any Claim left unaltered or Unimpaired by the Plan may be asserted after the Confirmation Date to the same extent as if the chapter 11 cases had not been commenced.

10. As of the Effective Date, the Government Settlement and the allowance and settlement of the Class 6 Claims and the payment of such claims, as set forth in Sections 5.05 and 6.12 of the Plan, is approved as a good faith compromise and settlement pursuant to Bankruptcy Rule 9019, and the Government Settlement, including the settlement amount allocated for each of the Qui Tam Actions as enumerated on Schedule E to the Plan, is fair, adequate and reasonable under all the circumstances. As to United States, et al. ex rel. Phillips-Minks, et al. v. Behavioral Healthcare Corp., et al. referenced on Schedule E and Exhibit 5 to the Plan, the government's settlement of this Qui Tam Action is effective to the extent the United States has authority to compromise and settle this Qui Tam Action. In the event the United States does not have authority to compromise and settle this Qui Tam Action, the Claims relating to this Qui Tam Action shall be treated as stated on the record at the Confirmation Hearing.

11. As of the Effective Date, the treatment provided to the Ventas Entities under the Plan, including, without limitation, under Section 5.04 and Article XI of the Plan, constitute a good faith compromise and settlement pursuant to Bankruptcy Rule 9019.

12. All settlements in these cases, including settlements with the creditors in Class 3A, 3B, 4, 5, 6, 7A, 8 and 10 are hereby approved as good faith compromises and settlements pursuant to Bankruptcy Rule 9019.

13. Binding Effect. Pursuant to Section 1141 of the Bankruptcy Code, effective as of the Confirmation Date, but subject to the occurrence of the Effective Date, and except as expressly provided in the Plan, the Plan Documents or this Confirmation Order, the provisions of the Plan (including the exhibits to, and all documents and agreements contemplated by and executed pursuant to the Plan) and this Confirmation Order shall be binding on (i) the Debtors, (ii) the Reorganized Debtors, (iii) all holders of Claims against and Interests in the Debtors, whether or not impaired under the Plan and whether or not, if impaired, such holders accepted the Plan, and (iv) each Person or Entity acquiring property under the Plan. The holders of liens satisfied, discharged and released under the Plan shall execute any and all documentation reasonably requested by the Debtors or the Reorganized Debtors evidencing the satisfaction, discharge and release of such liens and such liens shall be deemed satisfied, discharged and released by operation of this Order.

14. Revesting of Assets. On the Effective Date, the assets of the Debtors shall vest in the Reorganized Debtors. 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 Court. All property of the Reorganized Debtors shall be free and clear of all Claims and Interests, and all such Claims and Interests shall be both discharged and released to the Reorganized Debtors, except as specifically provided in the Plan, the New Collateral Documents, the New Senior Secured Credit Agreement, the New Senior Secured Notes, the Exit Facility, the Amended Ventas Leases, the Tax Refund Escrow

Agreement or any other Plan Document or any documents or instruments executed in accordance therewith, or the Confirmation Order.

15. Assumption and Rejection of Contracts and Leases. Subject to Section 5.04 of the Plan, on the Effective Date, all executory contracts and unexpired leases, including the Five Ventas Leases as assumed and simultaneously amended to become the Amended Ventas Leases, of the Estates shall be assumed by the Debtors pursuant to the provisions of Sections 365 and 1123 of the Bankruptcy Code, except: (i) any executory contract or unexpired lease that is the subject of a separate motion filed pursuant to Section 365 of the Bankruptcy Code by the Debtors prior to the Confirmation Date; (ii) such contracts or leases as are listed on Exhibit 8 to the Plan Supplement filed by the Debtors on or before the Effective Date; and (iii) all executory contracts or unexpired leases rejected under the Plan or by order of the Court entered before the Effective Date and not subsequently assumed pursuant to an order of the Court. Any order entered after the Confirmation Date by the Bankruptcy Court, after notice and hearing, authorizing the rejection of an executory contract or unexpired lease (other than a contract or lease governed by Section 5.04 of the Plan) shall cause such rejection to be a prepetition breach under Sections 365(g) and 502(g) of the Bankruptcy Code, as if such relief were granted and such order were entered prior to the Confirmation Date. Any Claims arising out of the rejection of executory contracts or leases (other than a contract or lease governed by Section 5.04 of the Plan) must be filed with the Court within the later of the time set by any Final Order rejecting such executory contract or unexpired lease or 30 days after the Effective Date. Any Claims not filed within such time will be forever barred from assertion against any of the Debtors or Reorganized Debtors, their Estates and their property. Except as provided in Section 5.04 of the Plan, the Reorganized Debtors shall pay allowed cure amounts arising from the assumption of

executory contracts or leases as Administrative Claims under the Plan without the need for the filing of a proof of claim by the claimant. In addition to the retention of jurisdiction provision contained in Section 13.01 of the Plan and subject to the provisions thereof, the Court expressly retains jurisdiction to resolve any disputes between the Reorganized Debtors and a party to an executory contract or lease that is assumed regarding the cure amount that is owed as a result of the assumption of the contract or lease, which either party can seek to resolve by application to the Court on or after forty-five (45) days after the Effective Date if the parties are unable to resolve the dispute consensually.

16. General Authorizations. The Debtors and the Reorganized Debtors are authorized and empowered pursuant to Sections 105 and 1142(b) of the Bankruptcy Code, and as applicable, Section 303 of the General Corporation Law of the State of Delaware, 8 Del. Code § 303, and any other applicable state law to take any and all actions reasonably necessary to implement the transactions contemplated by the Confirmation Order (including without limitation transactions contemplated by the Plan and Plan Documents as confirmed under the Confirmation Order), all without further corporate action or action by (or vote of) directors or stockholders of the Debtors or Reorganized Debtors, including, without limitation, the following: (a) to reconstitute the board of directors of each Reorganized Debtor; (b) to amend the Reorganized Debtors' respective certificates of incorporation and by-laws, including without limitation to effectuate a change of name with respect to Reorganized Vencor and certain of the other Reorganized Debtors, provided that any such amended certificates of incorporation and amended bylaws shall continue to prohibit the issuance of non-voting equity securities; (c) to merge any or all of the Debtors; (d) to enter into, execute and deliver the Exit Facility and the Plan Documents, including without limitation the New Senior Secured Credit Agreement, the

New Senior Secured Notes, the New Collateral Documents, the Amended Ventas Leases, the Registration Rights Agreement, the New Warrant Agreement and the Tax Refund Escrow Agreement; (e) to adopt and implement the Long-Term Incentive Plan, the Restricted Share Plan and the New Stock Option Plan, and to pay the Performance Bonuses and Retention Bonuses, to the extent not previously authorized by the Court and/or paid by the Debtors; and (f) to authorize the appropriate officers of the Reorganized Debtors to execute any documents, instruments or agreements necessary, and perform any act that is desirable or required to comply with the terms and conditions of the Plan and consummation of the Plan, including all documents necessary and appropriate to execute and consummate the Exit Facility. Such actions are approved in all respects and shall be deemed to have occurred and be effective on the Effective Date.

17. Subordination Rights. Subject to the provisions of Section 8.15 of the Plan, as of the Effective Date, to the fullest extent permitted by applicable law (including but not limited to subsections (a) or (c) of Section 510 of the Bankruptcy Code), all Claims against and Interests in the Debtors and all rights and claims between or among creditors or holders of Interests relating in any manner whatsoever to Claims against or Interests in the Debtors, based on any subordination rights, either contractual, legal or equitable, shall be terminated and discharged in the manner provided for in the Plan, and all such Claims, Interests and rights so based and all such subordination rights to which any Entity may be entitled shall be irrevocably waived by the acceptance by such Entity of the Plan or of any distribution pursuant to the Plan.

18. Status of Corporate Indemnities. The continuance of the Corporate Indemnities by the Reorganized Debtors, as provided in Section 12.03 of the Plan, shall be authorized and approved in all respects without any requirement of further action by stockholders or directors of any of the Debtors or Reorganized Debtors.

19. No Post-Confirmation Amendment or Filing of Claims. Except as otherwise provided herein or in the Plan, a Claim may not be filed or amended after the Confirmation Date without the prior authorization of the Court and, even with such Court authorization may be amended by the holder of such Claim solely to decrease, but not to increase, the amount or priority of the Claim. Except as otherwise permitted herein or in the Plan, a Claim filed or amended after the Confirmation Date shall be deemed disallowed in full and expunged without any action by the Debtors or the Reorganized Debtors if prior Court authorization has not been obtained.

20. Payment of Fees. As set forth in Section 14.07 of the Plan, all fees payable pursuant to Section 1930 of Title 28 of the United States Code shall be paid on or before the Effective Date, and to the extent required and unless relieved of these obligations by further Order of the Court, shall be paid until the Reorganization Cases are closed.

21. Retention of Jurisdiction. Notwithstanding confirmation of the Plan or occurrence of the Effective Date, and except as specified in the Exit Facility, this Court shall retain such jurisdiction as is legally permissible, including, without limitation, for the purposes set forth in Section 13.01 of the Plan and for the determination of cure amounts as described in this Order, subject to the limitations set forth in Section 13.01 of the Plan.

22. Modification of Plan. Subject to Section 14.12 of the Plan, after the entry of this Order, the Reorganized Debtors may, upon order of the Court, amend or modify the Plan in accordance with Section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan, as modified by this Order.

23. The treatment of Class 10 (Punitive Damage Claims) under the Plan is hereby amended pursuant to Section 1127(b) of the Bankruptcy Code to provide solely with respect to any Allowed Punitive Damage Claims that have been filed in the State of Florida ("Florida Punitive Damage Claims") that such Claims shall be treated as Class 3B Claims in an amount up to the lesser of (a) any applicable state law limits with respect to such Claim or (b) the greater of (i) $500,000 or (ii) three times any compensatory damages award (the "Punitive Damage Amount"). To the extent that any judgment with respect to any Florida Punitive Damage Claim exceeds the Punitive Damage Amount, the amount in excess of the Punitive Damage Amount shall be treated as a Class 10 Claim and the Claimant shall receive no payment for such excess amount.

24. Exemption from Securities Laws. The exemption from the requirements of Section 5 of the Securities Act of 1933, 15 U.S.C. § 77e, and any state and local law requiring registration for the offer or sale of a security provided for in Section 1145 of the Bankruptcy Code shall apply to the New Senior Secured Notes, the New Common Stock (including New Common Stock issued under the Performance Plan), the New Warrants, and the New Stock Options issued pursuant to the Plan.

25. Exemptions from Taxation. Pursuant to Section 1146(c) of the Bankruptcy Code: (1) the issuance, distribution, transfer or exchange of the New Senior Secured Notes and the entry into the Exit Facility or (2) the making, delivery or recording of any other instrument of transfer under, in furtherance of, or in connection with, the Plan, including any mortgages, deeds of trust, deed to secure debt, assignments or other instruments of transfer executed in connection with any transactions arising out of, contemplated by or in any way related to the Plan or this Confirmation Order (and including without limitation the Security Documents, as defined in

Schedule A, attached hereto) granted by any of the Reorganized Debtors in favor of Morgan Guaranty Trust Company as Collateral Agent), shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, documentary transfer tax, mortgage recording tax or other similar tax or governmental assessment, and the appropriate state and local governmental officials or agents, including but not limited to the land title recording officers of Alabama, Florida, Georgia, Minnesota, Oklahoma, Tennessee, Virginia, and counties therein, and the City of New Orleans, Louisiana shall be, and hereby are, ordered and directed to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

26. Validity of Liens. The liens granted pursuant to the Exit Facility and the New Senior Secured Notes and the New Senior Secured Credit Agreement shall be legal, valid and enforceable first priority liens, except as otherwise provided in the Exit Facility, the New Senior Secured Credit Agreement and the New Senior Secured Notes, and the documents to be executed and delivered pursuant thereto shall constitute the legal, valid and binding obligations of the Reorganized Debtors that are parties thereto.

27. References to Plan Provisions. The failure specifically to include or reference any particular provision of the Plan in this Confirmation Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Plan be confirmed in its entirety.

28. Confirmation Order Controlling. If there is any direct conflict between the Plan and this Confirmation Order, the terms of this Confirmation Order shall control.

29. Reversal. If any or all of the provisions of this Confirmation Order are hereafter reversed, modified or vacated by subsequent order of this Court or any other Court, subject to Section 14.12 of the Plan, such reversal, modification or vacatur shall not affect the validity or enforceability of the acts or obligations incurred or undertaken under or in connection with the Plan prior to the Debtors' receipt of written notice of such order including, without limitation, the obligations and indebtedness created under the Exit Facility. Notwithstanding any such reversal, modification or vacatur of this Confirmation Order, but subject to Section 14.12 of the Plan, any such act or obligation incurred or undertaken pursuant to, and in reliance on, this Confirmation Order prior to the effective date of such reversal, modification or vacatur shall be governed in all respects by the provisions of this Confirmation Order and the Plan and all related documents or any amendments or modifications thereto.

30. No Stay of Confirmation Order. Pursuant to Bankruptcy Rule 3020(e), this Order shall not be stayed and shall be effective upon entry on the docket of this Court.

31. Applicable Non-Bankruptcy Law. To the extent provided in Sections 1123(a) and 1142(a) of the Bankruptcy Code, the provisions of this Confirmation Order, the Plan or any amendments or modifications thereto shall apply and be enforceable notwithstanding any otherwise applicable nonbankruptcy law.

32. Dissolution of the Creditors' Committee. On the Effective Date, the Creditors' Committee shall cease to exist and its members, employees or agents (including without limitation, attorneys, financial advisors, and any other professionals) shall be released and discharged in their capacity as such from all further authority, duties, responsibilities, and obligations related to, arising from or in connection with the Reorganization Cases except with respect to: (i) any matters pending before the Court to which the Creditors' Committee is a

party, until such objections or matters are resolved, (ii) all fee applications filed or to be filed after the Effective Date pursuant to Section 330 of the Bankruptcy Code by or on behalf of members of the Creditors' Committee or any professionals employed by the Debtors or the Creditors' Committee, (iii) effectuating consummation of the Plan and (iv) any post-confirmation modifications to the Plan or the Confirmation Order.

33. Record Date for Distributions. The record date for determining the holders of the Senior Debt Claims and the Subordinated Noteholders entitled to receive distributions under the Plan shall be the Confirmation Date.

34. Distribution of New Common Stock and New Warrants. On the Effective Date the Reorganized Debtors shall deliver all of the New Common Stock and New Warrants to be distributed to the holders of Allowed Class 4, 5 and 7A Claims to the Exchange Agent on behalf of such holders (or in the case of Ventas Realty, Limited Partnership, any designee named by Ventas Realty, Limited Partnership prior to the Effective Date) in accordance with the provisions of Article VI of the Plan. Pursuant to Section 6.02 of the Plan, the Debtors have designated Wells Fargo Bank of Minnesota, N.A. ("Wells Fargo"), as the Exchange Agent, and the Court hereby approves the designation of Wells Fargo as the Exchange Agent. Holders of Allowed Claims in Classes 4 and 7A who do not receive distributions of New Common Stock or New Warrants due to their failure to comply with the procedural requirements of Article VI related to the distribution of such securities shall be treated in the same manner as provided in Section 6.09 of the Plan for holders of Claims that cannot be located within one (1) year of the Effective Date, and the distributions that would otherwise be made to such holders shall instead be reallocated and distributed pro rata among the remaining holders of Claims in the same Class.

35. Administrative Claims Bar Date. All applications for payment of fees and expenses pursuant to Section 330 and 503(b) of the Bankruptcy Code which were incurred before the Effective Date must be filed with the Court on or before 4:00 p.m. (Eastern Standard Time) on the date that is the forty-five (45) days after the Effective Date; provided however that the foregoing shall not apply to the Class 5 Claim. Any Person who fails to file such an application with the Court on or before such time and date shall be forever barred from asserting such claim against any of the Debtors, the Reorganized Debtors, or their property, and the holder thereof shall be enjoined from commencing or continuing any action, employment of process or act to collect, offset or recover such claim. Notwithstanding any prior order of this Court in these Reorganization Cases, all requests for approval and payment of professionals' fees and reimbursement of expenses, whether or not previously applied for by interim application, may be included in such professionals' final applications for payment of Claims as set forth herein and in the Plan. Objections, if any, to such claims shall be filed and served not later than five (5) business days prior to the date set by the Court for the hearing to consider such claims.

36. Allowance of Malpractice and Other Litigation Claims. The Debtors and/or Reorganized Debtors shall file an objection to and/or contest the allowance of the Malpractice and Other Litigation Claims on or before the expiration of one-hundred and twenty (120) days from the Effective Date (hereinafter the "Objection Deadline"). Failure of the Debtors or Reorganized Debtors to file an objection to a Malpractice and Other Litigation Claim on or before the expiration of the Objection Deadline shall constitute the allowance of the Malpractice and Other Litigation Claim subject only to the liquidation of the Malpractice and Other Litigation Claim in a court of competent jurisdiction. Further, upon the occurrence of either the filing of the objection to a Malpractice and Other Litigation Claim by a Debtor or Reorganized

Debtor or the deemed allowance of the claim, the automatic stay of 11 U.S.C. § 362 shall be lifted and the claimant shall be authorized to take all steps necessary to liquidate the Malpractice and Other Litigation Claim; provided however, that (i) the liquidation of the Malpractice and Other Litigation Claim shall be undertaken solely for the purpose of liquidating the claimant's Malpractice and Other Litigation Claim against the Debtors for purposes of receiving distributions under the Plan, and/or receiving such insurance proceeds as may be available to such claimant with respect to such claim; and (ii) the Court shall retain jurisdiction over the Malpractice and Other Litigation Claims to resolve any disputes that may arise between the Debtors, the Reorganized Debtors and the claimants regarding the liquidation of the Malpractice and Other Litigation Claims and the payment of distributions under the Plan for such claims, subject to the restrictions on jurisdiction contained in 28 U.S.C. § 157.

37. Nothing herein shall be deemed to limit or otherwise preclude a Debtor and a holder of a Malpractice and Other Litigation Claim from resolving a Malpractice and Other Litigation Claim by settlement. In addition, to the extent that a Malpractice and Other Litigation Claim is resolved for an amount, the payment of which comes exclusively from the Debtors' and/or Reorganized Debtors' insurance carriers, then no further order or intervention by the Court is required.

38. The Debtors and Reorganized Debtors reserve the right to seek a further order of the Court establishing a mediation or alternative dispute resolution procedure for the liquidation of the Malpractice and Other Litigation Claims arising in those states in which mediation and/or alternative dispute resolution procedures are not a mandatory element of the state court process.

39. Indenture Trustee Fees. To the extent that, as of the Effective Date, any pending Administrative Expense Claims of the Indenture Trustees (including a good faith estimate provided to the Debtors by each of the Indenture Trustees of its fees and expenses accruing through the Effective Date), are not yet allowed, the Debtors shall establish on the Effective Date a separate Cash reserve (the "Indenture Trustees Reserve") for the Indenture Trustees in the amount of any such outstanding Administrative Expense Claims including the estimated fees and expenses.

40. The obligation of the Reorganized Vencor to pay the Indenture Trustees their fees and expenses shall be secured by the amounts in the Indenture Trustee Reserve established for the Indenture Trustees and the lien rights of the Indenture Trustees under the respective indentures governing the Subordinated Notes shall be deemed to attach to the Cash in the Indenture Trustee Reserve to the same extent as if the Cash in the Indenture Trustees Reserve were property received by the Indenture Trustees pursuant to the Plan. The Indenture Trustees shall be conclusively deemed to have taken any and all action required to perfect their lien rights as to the Cash in the Indenture Trustees Reserve, including, without limitation, any requirement of possession for such perfection.

41. In consideration for the foregoing, and subject to the establishment of the Indenture Trustee Reserve, the Indenture Trustees are deemed to have waived their lien rights in the property to be distributed under the Plan to the holders of the Subordinated Notes. Upon the payment by the Debtors or Reorganized Vencor of the Allowed Administrative Expenses Claims of the Indenture Trustees the lien rights of the Indenture Trustees in the Indenture Trustee Reserve shall be extinguished.

42. Transfer of Ventas Claims. Any transfer of a Class 5 Claim held by a Ventas Entity shall be effective and recognized for distribution purposes of the Plan upon the filing with the Clerk of the Bankruptcy Court by the respective Ventas Entity of a notice of the transfer.

43. Post-Confirmation Notices. On or before the tenth (10) Business Day following the date of the entry of this Confirmation Order, the Debtors or the Reorganized Debtors, as appropriate, shall serve notice of entry of this Confirmation Order pursuant to Bankruptcy Rules 2002(f)(7), 2002(k) and 3020(c) to all creditors, indenture trustees and equity security holders of the Debtors as of the date hereof.

44. Subject to Section 14.12 of the Plan, the form of the Amended Ventas Leases (as appropriately conformed for each master lease portfolio as described in the form admitted as an exhibit at the Confirmation Hearing), the Excess Stock Trust Agreement, the Tax Refund Escrow Agreement, the Registration Rights Agreement, the New Senior Secured Notes, the New Senior Secured Credit Agreement and the Amended and Restated Certificate of Incorporation shall be substantially in the forms submitted as exhibits at the Confirmation Hearing or in the case of the Registration Rights Agreement, filed with the Court, and shall be executed and delivered on the Effective Date.

45. If the Effective Date does not occur, this Order shall be deemed vacated and of no force and effect.

46. Postpetition Claims. Notwithstanding any provision of the Plan, for any Claims arising on or after the Petition Date that represent liabilities incurred by the Debtors in the ordinary course of business during these Reorganization Cases the Debtors shall remain obligated to pay such Claims as and when they become due and payable in the ordinary course of business, without the need for Filing an application with the Court before the bar date for

Administrative Claims or at any other time and without regard to the terms of or any limitation of the Plan, and in accordance with the terms and conditions of any judgment, award or agreement relating thereto; this paragraph specifically applies without limitation to Postpetition Personal Injury Claims alleged against the Debtors that arose on or after the Petition Date which may be determined, liquidated and resolved in the ordinary course of business. Holders of Postpetition Personal Injury Claims are authorized to liquidate such Claims to judgment, settlement or otherwise without further order of the Court and to seek payment as set forth herein.

Dated: Wilmington, Delaware
March 12, 2001

UNITED STATES BANKRUPTCY JUDGE

215499

SCHEDULE A

Security Documents

"Security Documents" shall mean: leasehold and fee mortgages, assignments of leases and rents, security agreements, fixture filings and financing statements; leasehold and fee deeds of trust, assignments of leases and rents, security agreements, fixture filings and financing statements; leasehold and fee deeds to secure debt, assignments of leases and rents, security agreements, fixture filings and financing statements; UCC-[1] financing statements with respect to the foregoing instruments; and UCC-[2] fixture filings with respect to the foregoing instruments.

This schedule is intended to include all Security Documents relating to property that is owned or leased by Vencor, Inc. or Vencor Operating, Inc. located in any of the following jurisdictions:

Alabama	Arizona	Arkansas
Jefferson Madison Mobile	Maricopa Pima Yavapai	Pulaski
California	**Colorado**	**Connecticut**
Alameda Bakersfield Kern Los Angeles Orange Riverside Sacramento San Bernardino San Diego San Francisco San Luis Obispo San Joaquin San Mateo Shasta Ventura	Arapahoe Adams Denver	Fairfield Hartford New London

Delaware	Florida	Georgia
	Brevard Broward Clay Dade Palm Beach Pinellas Hernando Hillsborough Lee Manatee Pasco Sarasota Seminole	Bibb Chatham Clayton Cobb De Kalb Fayette Fulton Houston Meriwether
Idaho	**Illinois**	**Indiana**
Ada Boise Canyon Gem Latah Ney Perce Shoshone Washington	Cook De Kalb	Boone Barholomew Clark Delaware Elkhard Floyd Harrison Howard Lawrence LaGrange Marion Marshall Vanderburgh Vigo Wells
Iowa	**Kansas**	**Kentucky**
		Boyle Casey Clark Davies Fayette Hardin Jefferson Marshall Marion McLean

		Mercer Warren
Louisiana Caddo Parish Orleans Parish Saint Tammany Parish	**Maine** Kennebec Knox Lincoln Oxford Penobscot Sagadahoc York	**Massachusetts** Barnstable Berkshire Bershire Bristol Essex Franklin High Street Lancaster Middlesex Norfolk Plymouth Stoughton Suffolk West Roxbury Worcester
Michigan Wayne	**Minnesota** Hennepin	**Mississippi** Alcorn Rankin
Missouri Cole Jackson St. Louis	**Montana** Beaverhead Cascade	**Nebraska** Lancaster
Nevada Clark	**New Hampshire** Hanover Hillsborough Merrimack Strafford	**New Jersey**

New Mexico	North Carolina	Ohio
Bernalillo	Alamance Buncombe Duplin Durham Forsyth Gaston Guilford Halifax Hertford Lenoir Lincoln Mecklenburg Nash New Hanover Orange Pasquotank Union Vance Wake	Coshocton Fairfield Franklin Guernsey Hocking Lake Licking Lucas Marion Ross Summit Warren Washington
Oklahoma	**Oregon**	**Pennsylvania**
Oklahoma	Jackson Marion	Allegheny Berks Northampton Philadelphia
Puerto Rico	**Rhode Island**	**South Carolina**
	Providence	
Tennessee	**Texas**	**Utah**
Davidson Hamilton Putnam Shelby	Bexar Dallas Harris Tarrant	Weber Washington Salt Lake

Vermont	Virginia	Washington
Chittenden	Arlington Princess Anne Suffolk	Clark Cowlitz King Pierce Snohomish Whatcom
Wisconsin	**Wyoming**	
Brown Kenosha Langlade Manitowoc Marathon Milwaukee Outgamie Racine Winnebago Wood	Carbon Fremont Laramie Sweetwater	