

GOLDMAN SACHS GROUP INC
Form 424B2
January 24, 2019
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Filed Pursuant to Rule 424(b)(2)

Registration Statement No. 333-219206

GS Finance Corp.

\$3,560,000

Leveraged Buffered NASDAQ-100 Index®-Linked Notes due 2020

guaranteed by

The Goldman Sachs Group, Inc.

The notes do not bear interest. The amount that you will be paid on your notes on the stated maturity date (January 27, 2020) is based on the performance of the NASDAQ-100 Index® as measured from the trade date (January 22, 2019) to and including the determination date (January 22, 2020).

If the final index level on the determination date is greater than the initial index level of 6,646.813, the return on your notes will be positive and will equal 1.54 *times* the index return, subject to the maximum settlement amount of \$1,180 for each \$1,000 face amount of your notes. If the final index level declines by up to 5% from the initial index level, you will receive the face amount of your notes.

If the final index level declines by more than 5% from the initial index level, the return on your notes will be negative and you will lose approximately 1.0526% of the face amount of your notes for every 1% that the final index level has declined below 95% of the initial index level. See page PS-5. **You could lose a significant portion of the face amount of your notes.**

To determine your payment at maturity, we will calculate the index return, which is the percentage increase or decrease in the final index level from the initial index level. At maturity, for each \$1,000 face amount of your notes, you will receive an amount in cash equal to:

- if the index return is *positive* (the final index level is *greater than* the initial index level), the *sum* of (i) \$1,000 *plus* (ii) the *product* of (a) \$1,000 *times* (b) 1.54 *times* (c) the index return, subject to the maximum settlement amount;

- if the index return is *zero* or *negative* but *not below* -5% (the final index level is *equal to* the initial index level or is *less than* the initial index level, but not by more than 5%), \$1,000; or
- if the index return is *negative* and is *below* -5% (the final index level is *less than* the initial index level by more than 5%), the *sum* of (i) \$1,000 *plus* (ii) the *product* of (a) the buffer rate of approximately 105.26% (see page PS-5) *times* (b) the *sum* of the index return *plus* 5% *times* (c) \$1,000. **You will receive less than the face amount of your notes.**

You should read the disclosure herein to better understand the terms and risks of your investment, including the credit risk of GS Finance Corp. and The Goldman Sachs Group, Inc. See page PS-11.

The estimated value of your notes at the time the terms of your notes are set on the trade date is equal to approximately \$988 per \$1,000 face amount. For a discussion of the estimated value and the price at which Goldman Sachs & Co. LLC would initially buy or sell your notes, if it makes a market in the notes, see the following page.

Original issue date:	January 25, 2019	Original issue price:	100% of the face amount
Underwriting discount:	0.1% of the face amount	Net proceeds to the issuer:	99.9% of the face amount

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense. The notes are not bank deposits and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency, nor are they obligations of, or guaranteed by, a bank.

Goldman Sachs & Co. LLC

Pricing Supplement No. 5,092 dated January 22, 2019.

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The issue price, underwriting discount and net proceeds listed above relate to the notes we sell initially. We may decide to sell additional notes after the date of this pricing supplement, at issue prices and with underwriting discounts and net proceeds that differ from the amounts set forth above. The return (whether positive or negative) on your investment in notes will depend in part on the issue price you pay for such notes.

GS Finance Corp. may use this prospectus in the initial sale of the notes. In addition, Goldman Sachs & Co. LLC or any other affiliate of GS Finance Corp. may use this prospectus in a market-making transaction in a note after its initial sale. **Unless GS Finance Corp. or its agent informs the purchaser otherwise in the confirmation of sale, this prospectus is being used in a market-making transaction.**

Estimated Value of Your Notes

The estimated value of your notes at the time the terms of your notes are set on the trade date (as determined by reference to pricing models used by Goldman Sachs & Co. LLC (GS&Co.) and taking into account our credit spreads) is equal to approximately \$988 per \$1,000 face amount, which is less than the original issue price. The value of your notes at any time will reflect many factors and cannot be predicted; however, the price (not including GS&Co. s customary bid and ask spreads) at which GS&Co. would initially buy or sell notes (if it makes a market, which it is not obligated to do) and the value that GS&Co. will initially use for account statements and otherwise is equal to approximately the estimated value of your notes at the time of pricing, plus an additional amount (initially equal to \$12 per \$1,000 face amount).

Prior to July 22, 2019, the price (not including GS&Co. s customary bid and ask spreads) at which GS&Co. would buy or sell your notes (if it makes a market, which it is not obligated to do) will equal approximately the sum of (a) the then-current estimated value of your notes (as determined by reference to GS&Co. s pricing models) plus (b) any remaining additional amount (the additional amount will decline to zero on a straight-line basis from the time of pricing through July 21, 2019). On and after July 22, 2019, the price (not including GS&Co. s customary bid and ask spreads) at which GS&Co. would buy or sell your notes (if it makes a market) will equal approximately the then-current estimated value of your notes determined by reference to such pricing models.

About Your Prospectus

The notes are part of the Medium-Term Notes, Series E program of GS Finance Corp. and are fully and unconditionally guaranteed by The Goldman Sachs Group, Inc. This prospectus includes this pricing supplement and the accompanying documents listed below. This pricing supplement constitutes a supplement to the documents listed below, does not set forth all of the terms of your notes and therefore should be read in conjunction with such documents:

- Product supplement no. 1,738 dated July 10, 2017
- General terms supplement no. 1,734 dated July 10, 2017
- Prospectus supplement dated July 10, 2017
- Prospectus dated July 10, 2017

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The information in this pricing supplement supersedes any conflicting information in the documents listed above. In addition, some of the terms or features described in the listed documents may not apply to your notes.

We refer to the notes we are offering by this pricing supplement as the offered notes or the notes. Each of the offered notes has the terms described below. Please note that in this pricing supplement, references to GS Finance Corp., we, our and us mean only GS Finance Corp. and do not include its subsidiaries or affiliates, references to The Goldman Sachs Group, Inc., our parent company, mean only The Goldman Sachs Group, Inc. and do not include its subsidiaries or affiliates and references to Goldman Sachs mean The Goldman Sachs Group, Inc. together with its consolidated subsidiaries and affiliates, including us. The notes will be issued under the senior debt indenture, dated as of October 10, 2008, as supplemented by the First Supplemental Indenture, dated as of February 20, 2015, each among us, as issuer, The Goldman Sachs Group, Inc., as guarantor, and The Bank of New York Mellon, as trustee. This indenture, as so supplemented and as further supplemented thereafter, is referred to as the GSFC 2008 indenture in the accompanying prospectus supplement. The notes will be issued in book-entry form and represented by a master global note.

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Leveraged Buffered NASDAQ-100 Index®-Linked Notes due 2020

INVESTMENT THESIS

You should be willing to forgo:

- gains greater than a maximum settlement amount of 118% of the face amount in exchange for (i) 1.54x leveraged upside participation if the underlier return is positive and (ii) a buffer against loss of principal in the event of a decline of up to 5% in the final underlier level relative to the initial underlier level.
- interest payments and risk losing your entire investment for the potential to earn 154% of any positive underlier return up to a maximum settlement amount of 118% of the face amount.

Your maximum return on your notes will not be greater than 18%, and you could lose all or a portion of your investment if the underlier return is less than -5%.

DETERMINING THE CASH SETTLEMENT AMOUNT

At maturity, for each \$1,000 face amount, the investor will receive (in each case as a percentage of the face amount):

- if the final underlier level is greater than 100% of the initial underlier level, 100% *plus* 154% times the underlier return, subject to a maximum settlement amount of 118%;
- if the final underlier level is equal to or less than 100% of the initial underlier level but greater than or equal to 95% of the initial underlier level, 100%; or
- if the final underlier level is less than 95% of the initial underlier level, 100% *minus* approximately 1.0526% for every 1% that the final underlier level has declined below 95% of the initial underlier level

If the final underlier level declines by more than 5% from the initial underlier level, the return on the notes will be negative and the investor could lose their entire investment in the notes.

KEY TERMS

Issuer:	GS Finance Corp.
Guarantor:	The Goldman Sachs Group, Inc.
Underlier:	The NASDAQ-100 Index® (current Bloomberg symbol: NDX Index)
Face Amount:	\$3,560,000 in the aggregate; each note will have a face amount equal to \$1,000
Trade Date:	January 22, 2019
Settlement Date:	January 25, 2019
Determination Date:	January 22, 2020
Stated Maturity Date:	January 27, 2020
Initial Underlier Level:	6,646.813
Final Underlier Level:	The closing level of the underlier on the determination date
Underlier Return:	The <i>quotient</i> of (i) the final underlier level <i>minus</i> the initial underlier level <i>divided by</i> (ii) the initial underlier level, expressed as a positive or negative percentage
Upside Participation Rate:	154%
Buffer Level:	95% of the initial underlier level (equal to an underlier return of -5%)
Buffer Amount:	5%
Buffer Rate:	The <i>quotient</i> of the initial underlier level <i>divided by</i> the buffer level, which equals approximately 105.26%
Maximum Settlement Amount:	\$1,180
Cap Level:	Approximately 111.688% of the initial underlier level
CUSIP/ISIN:	40056ETY4 / US40056ETY40

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Hypothetical Final Underlier Level (as Percentage of Initial Underlier Level)	Hypothetical Cash Settlement Amount (as Percentage of Face Amount)
200.000%	118.000%
185.000%	118.000%
160.000%	118.000%
135.000%	118.000%
111.688%	118.000%
108.000%	112.320%
105.000%	107.700%
102.000%	103.080%
100.000%	100.000%
98.000%	100.000%
97.000%	100.000%
96.000%	100.000%
95.000%	100.000%
75.000%	78.947%
50.000%	52.632%
25.000%	26.316%
0.000%	0.000%

RISKS

Please read the section entitled "Additional Risk Factors Specific to Your Notes" of this pricing supplement as well as the risks and considerations described in the accompanying prospectus dated July 10, 2017, in the accompanying prospectus supplement dated

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July 10, 2017, under Additional Risk Factors Specific to the Underlier-Linked Notes in the accompanying product supplement no. 1,738 dated July 10, 2017, and under Additional Risk Factors Specific to the Notes in the accompanying general terms supplement no. 1,734 dated July 10, 2017.

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TERMS AND CONDITIONS

(Terms From Pricing Supplement No. 5,092 Incorporated Into Master Note No. 2)

These terms and conditions relate to pricing supplement no. 5,092 dated January 22, 2019 of GS Finance Corp. and The Goldman Sachs Group, Inc. with respect to the issuance by GS Finance Corp. of its Leveraged Buffered NASDAQ-100 Index®-Linked Notes due 2020 and the guarantee thereof by The Goldman Sachs Group, Inc.

The provisions below are hereby incorporated into master note no. 2, dated August 22, 2018. References herein to this note shall be deemed to refer to this security in such master note no. 2, dated August 22, 2018. Certain defined terms may not be capitalized in these terms and conditions even if they are capitalized in master note no. 2, dated August 22, 2018. Defined terms that are not defined in these terms and conditions shall have the meanings indicated in such master note no. 2, dated August 22, 2018, unless the context otherwise requires.

CUSIP / ISIN: 40056ETY4 / US40056ETY40

Company (Issuer): GS Finance Corp.

Guarantor: The Goldman Sachs Group, Inc.

Underlier: the NASDAQ-100 Index® (current Bloomberg symbol: NDX Index), or any successor underlier, as it may be modified, replaced or adjusted from time to time as provided herein

Face amount: \$3,560,000 in the aggregate on the original issue date; the aggregate face amount may be increased if the company, at its sole option, decides to sell an additional amount on a date subsequent to the trade date.

Authorized denominations: \$1,000 or any integral multiple of \$1,000 in excess thereof

Principal amount: On the stated maturity date, the company will pay, for each \$1,000 of the outstanding face amount, an amount, if any, in cash equal to the cash settlement amount.

Cash settlement amount:

- if the final underlier level is *greater than* the initial underlier level, the *sum* of (1) \$1,000 *plus* (2) the *product* of (i) \$1,000 *times* (ii) the upside participation rate *times* (iii) the underlier return, subject to the maximum settlement amount;
- if the final underlier level is *equal to* or *less than* the initial underlier level but *greater than* or *equal to* the buffer level, \$1,000; or
- if the final underlier level is *less than* the buffer level, the *sum* of (1) \$1,000 *plus* (2) the product of (i) \$1,000 *times* (ii) the buffer rate *times* (iii) the *sum* of the underlier return *plus* the buffer amount

Initial underlier level: 6,646.813

Final underlier level: the closing level of the underlier on the determination date, subject to adjustment as provided in Consequences of a market disruption event or non-trading day and Discontinuance or modification of the underlier below

Cap level: approximately 111.688% of the initial underlier level

Maximum settlement amount: \$1,180

Upside participation rate: 154%

Underlier return: the *quotient* of (1) the final underlier level *minus* the initial underlier level *divided* by (2) the initial underlier level, expressed as a percentage

Buffer level: 95% of the initial underlier level

Buffer rate: the *quotient* of the initial underlier level *divided* by the buffer level, which equals approximately 105.26%

Buffer amount: 5%

Trade date: January 22, 2019

Original issue date: January 25, 2019

Determination date: January 22, 2020, unless the calculation agent determines that a market disruption event occurs or is continuing on such day or such day is not a trading day. In that event, the determination date will be the first following trading day on which the calculation agent determines that a market disruption event does not occur

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and is not continuing. However, the determination date will not be postponed to a date later than the originally scheduled stated maturity date or, if the originally scheduled stated maturity date is not a business day, later than the first business day after the originally scheduled stated maturity date. If a market disruption event occurs or is continuing on the day that is the last possible determination date or such last possible day is not a trading day, that day will nevertheless be the determination date.

Stated maturity date: January 27, 2020, unless that day is not a business day, in which case the stated maturity date will be postponed to the next following business day. The stated maturity date will also be postponed if the determination date is postponed as described under Determination date above. In such a case, the stated maturity date will be postponed by the same number of business day(s) from but excluding the originally scheduled determination date to and including the actual determination date.

Closing level: for any given trading day, the official closing level of the underlier or any successor underlier published by the underlier sponsor on such trading day

Trading day: a day on which the respective principal securities markets for all of the underlier stocks are open for trading, the underlier sponsor is open for business and the underlier is calculated and published by the underlier sponsor

Successor underlier: any substitute underlier approved by the calculation agent as a successor underlier as provided under Discontinuance or modification of the underlier below

Underlier sponsor: at any time, the person or entity, including any successor sponsor, that determines and publishes the underlier as then in effect. The notes are not sponsored, endorsed, sold or promoted by the underlier sponsor or any of its affiliates and the underlier sponsor and its affiliates make no representation regarding the advisability of investing in the notes.

Underlier stocks: at any time, the stocks that comprise the underlier as then in effect, after giving effect to any additions, deletions or substitutions

Market disruption event: With respect to any given trading day, any of the following will be a market disruption event with respect to the underlier:

- a suspension, absence or material limitation of trading in underlier stocks constituting 20% or more, by weight, of the underlier on their respective primary markets, in each case for more than two

consecutive hours of trading or during the one-half hour before the close of trading in that market, as determined by the calculation agent in its sole discretion,

- a suspension, absence or material limitation of trading in option or futures contracts relating to the underlier or to underlier stocks constituting 20% or more, by weight, of the underlier in the respective primary markets for those contracts, in each case for more than two consecutive hours of trading or during the one-half hour before the close of trading in that market, as determined by the calculation agent in its sole discretion, or
- underlier stocks constituting 20% or more, by weight, of the underlier, or option or futures contracts, if available, relating to the underlier or to underlier stocks constituting 20% or more, by weight, of the underlier do not trade on what were the respective primary markets for those underlier stocks or contracts, as determined by the calculation agent in its sole discretion,

and, in the case of any of these events, the calculation agent determines in its sole discretion that such event could materially interfere with the ability of the company or any of its affiliates or a similarly situated person to unwind all or a material portion of a hedge that could be effected with respect to this note.

The following events will not be market disruption events:

- a limitation on the hours or numbers of days of trading, but only if the limitation results from an announced change in the regular business hours of the relevant market, and
- a decision to permanently discontinue trading in option or futures contracts relating to the underlier or to any underlier stock.

For this purpose, an absence of trading in the primary securities market on which an underlier stock is traded, or on which option or futures contracts relating to the underlier or an underlier stock are traded, will not include any time when that market is itself closed for trading under ordinary circumstances. In contrast, a suspension or limitation of trading in an underlier stock or in option or futures contracts, if available, relating to the underlier or an underlier stock in the primary market for that stock or those contracts, by reason of:

- a price change exceeding limits set by that market,
- an imbalance of orders relating to that underlier stock or those contracts, or

- a disparity in bid and ask quotes relating to that underlier stock or those contracts,

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will constitute a suspension or material limitation of trading in that stock or those contracts in that market.

Consequences of a market disruption event or a non-trading day: If a market disruption event occurs or is continuing on a day that would otherwise be the determination date or such day is not a trading day, then the determination date will be postponed as described under **Determination date** above.

If the calculation agent determines that the closing level of the underlier that must be used to determine the cash settlement amount is not available on the postponed determination date because of a market disruption event, a non-trading day or for any other reason (except as described under **Discontinuance or modification of the underlier** below), the calculation agent will nevertheless determine the closing level of the underlier based on its assessment, made in its sole discretion, of the level of the underlier on that day.

Discontinuance or modification of the underlier: If the underlier sponsor discontinues publication of the underlier and the underlier sponsor or any other person or entity publishes a substitute underlier that the calculation agent determines is comparable to the underlier and approves as a successor underlier, or if the calculation agent designates a substitute underlier, then the calculation agent will determine the amount payable on the stated maturity date by reference to such successor underlier.

If the calculation agent determines that the publication of the underlier is discontinued and there is no successor underlier, the calculation agent will determine the amount payable on the stated maturity date by a computation methodology that the calculation agent determines will as closely as reasonably possible replicate the underlier.

If the calculation agent determines that the underlier, the underlier stocks or the method of calculating the underlier is changed at any time in any respect including any split or reverse-split of the underlier and any addition, deletion or substitution and any reweighting or rebalancing of the underlier stocks and whether the change is made by the underlier sponsor under its existing policies or following a modification of those policies, is due to the publication of a successor underlier, is due to events affecting one or more of the underlier stocks or their issuers or is due to any other reason and is not otherwise reflected in the level of the underlier by the underlier sponsor pursuant to the then-current underlier methodology of the underlier, then the calculation agent will be permitted (but not required) to make such adjustments in the underlier or the method of its calculation as it believes are appropriate to ensure that the final underlier level, used to determine the amount payable on the stated maturity date, is equitable.

All determinations and adjustments to be made by the calculation agent with respect to the underlier may be made by the calculation agent in its sole discretion. The calculation agent is not obligated to make any such adjustments.

Calculation agent: Goldman Sachs & Co. LLC (GS&Co.)

Tax characterization: The holder, on behalf of itself and any other person having a beneficial interest in this note, hereby agrees with the company (in the absence of a change in law, an administrative determination or a judicial ruling to the contrary) to characterize this note for all U.S. federal income tax purposes as a pre-paid derivative contract in respect of the underlier.

Overdue principal rate: the effective Federal Funds rate

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The following examples are provided for purposes of illustration only. They should not be taken as an indication or prediction of future investment results and merely are intended to illustrate the impact that the various hypothetical underlier levels on the determination date could have on the cash settlement amount at maturity assuming all other variables remain constant.

The examples below are based on a range of final underlier levels that are entirely hypothetical; the underlier level on any day throughout the life of the notes, including the final underlier level on the determination date, cannot be predicted. The underlier has been highly volatile in the past meaning that the underlier level has changed considerably in relatively short periods and its performance cannot be predicted for any future period.

The information in the following examples reflects hypothetical rates of return on the offered notes assuming that they are purchased on the original issue date at the face amount and held to the stated maturity date. If you sell your notes in a secondary market prior to the stated maturity date, your return will depend upon the market value of your notes at the time of sale, which may be affected by a number of factors that are not reflected in the examples below, such as interest rates, the volatility of the underlier, the creditworthiness of GS Finance Corp., as issuer, and the creditworthiness of The Goldman Sachs Group, Inc., as guarantor. In addition, the estimated value of your notes at the time the terms of your notes are set on the trade date (as determined by reference to pricing models used by GS&Co.) is less than the original issue price of your notes. For more information on the estimated value of your notes, see *Additional Risk Factors Specific to Your Notes – The Estimated Value of Your Notes At the Time the Terms of Your Notes Are Set On the Trade Date (as Determined By Reference to Pricing Models Used By GS&Co.) Is Less Than the Original Issue Price Of Your Notes* on page PS-11 of this pricing supplement. The information in the examples also reflects the key terms and assumptions in the box below.

Key Terms and Assumptions

Face amount		\$1,000
Upside participation rate		154%
Cap level	approximately 111.688% of the initial underlier level	
Maximum settlement amount		\$1,180
Buffer level	95% of the initial underlier level	
Buffer rate	approximately 105.26%	
Buffer amount		5%

Neither a market disruption event nor a non-trading day occurs on the originally scheduled determination date

No change in or affecting any of the underlier stocks or the method by which the underlier sponsor calculates the underlier

Notes purchased on original issue date at the face amount and held to the stated maturity date

For these reasons, the actual performance of the underlier over the life of your notes, as well as the amount payable at maturity, if any, may bear little relation to the hypothetical examples shown below or to the historical underlier levels shown elsewhere in this pricing supplement. For information about the historical levels of the underlier during recent periods, see *The Underlier – Historical*

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Closing Levels of the Underlier below. Before investing in the offered notes, you should consult publicly available information to determine the levels of the underlier between the date of this pricing supplement and the date of your purchase of the offered notes.

Also, the hypothetical examples shown below do not take into account the effects of applicable taxes. Because of the U.S. tax treatment applicable to your notes, tax liabilities could affect the after-tax rate of return on your notes to a comparatively greater extent than the after-tax return on the underlier stocks.

The levels in the left column of the table below represent hypothetical final underlier levels and are expressed as percentages of the initial underlier level. The amounts in the right column represent the hypothetical cash settlement amounts, based on the corresponding hypothetical final underlier level, and are expressed as percentages of the face amount of a note (rounded to the nearest one-thousandth of a percent). Thus, a hypothetical cash settlement amount of 100.000% means that the value of the cash payment that we would deliver for each \$1,000 of the outstanding face amount of the offered notes on the stated maturity date would equal 100.000% of the face amount of a note, based on the corresponding hypothetical final underlier level and the assumptions noted above.

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Hypothetical Final Underlier Level (as Percentage of Initial Underlier Level)	Hypothetical Cash Settlement Amount (as Percentage of Face Amount)
200.000%	118.000%
185.000%	118.000%
160.000%	118.000%
135.000%	118.000%
111.688%	118.000%
108.000%	112.320%
105.000%	107.700%
102.000%	103.080%
100.000%	100.000%
98.000%	100.000%
97.000%	100.000%
96.000%	100.000%
95.000%	100.000%
75.000%	78.947%
50.000%	52.632%
25.000%	26.316%
0.000%	0.000%

If, for example, the final underlier level were determined to be 25.000% of the initial underlier level, the cash settlement amount that we would deliver on your notes at maturity would be approximately 26.316% of the face amount of your notes, as shown in the table above. As a result, if you purchased your notes on the original issue date at the face amount and held them to the stated maturity date, you would lose approximately 73.684% of your investment (if you purchased your notes at a premium to face amount you would lose a correspondingly higher percentage of your investment). If the final underlier level were determined to be 0.000% of the initial underlier level, you would lose your entire investment in the notes. In addition, if the final underlier level were determined to be 200.000% of the initial underlier level, the cash settlement amount that we would deliver on your notes at maturity would be capped at the maximum settlement amount, or 118.000% of each \$1,000 face amount of your notes, as shown in the table above. As a result, if you held your notes to the stated maturity date, you would not benefit from any increase in the final underlier level over approximately 111.688% of the initial underlier level.

The following chart shows a graphical illustration of the hypothetical cash settlement amounts that we would pay on your notes on the stated maturity date, if the final underlier level were any of the hypothetical levels shown on the horizontal axis. The hypothetical cash settlement amounts in the chart are expressed as percentages of the face amount of your notes and the hypothetical final underlier levels are expressed as percentages of the initial underlier level. The chart shows that any hypothetical final underlier level of less than 95.000% (the section left of the 95.000% marker on the horizontal axis) would result in a hypothetical cash settlement amount of less than 100.000% of the face amount of your notes (the section below the 100.000% marker on the vertical axis) and, accordingly, in a loss of principal to the holder of the notes. The chart also shows that any hypothetical final underlier level of greater than or equal to approximately 111.688% (the section right of the 111.688% marker on the horizontal axis) would result in a capped return on your investment.

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The cash settlement amounts shown above are entirely hypothetical; they are based on market prices for the underlier stocks that may not be achieved on the determination date and on assumptions that may prove to be erroneous. The actual market value of your notes on the stated maturity date or at any other time, including any time you may wish to sell your notes, may bear little relation to the hypothetical cash settlement amounts shown above, and these amounts should not be viewed as an indication of the financial return on an investment in the offered notes. The hypothetical cash settlement amounts on notes held to the stated maturity date in the examples above assume you purchased your notes at their face amount and have not been adjusted to reflect the actual issue price you pay for your notes. The return on your investment (whether positive or negative) in your notes will be affected by the amount you pay for your notes. If you purchase your notes for a price other than the face amount, the return on your investment will differ from, and may be significantly lower than, the hypothetical returns suggested by the above examples. Please read *Additional Risk Factors Specific to the Underlier-Linked Notes – The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors* on page S-32 of the accompanying product supplement no. 1,738.

Payments on the notes are economically equivalent to the amounts that would be paid on a combination of other instruments. For example, payments on the notes are economically equivalent to a combination of an interest-bearing bond bought by the holder and one or more options entered into between the holder and us (with one or more implicit option premiums paid over time). The discussion in this paragraph does not modify or affect the terms of the notes or the U.S. federal income tax treatment of the notes,

as described elsewhere in this pricing supplement.

We cannot predict the actual final underlier level or what the market value of your notes will be on any particular trading day, nor can we predict the relationship between the underlier level and the market value of your notes at any time prior to the stated maturity date. The actual amount that you will receive, if any, at maturity and the rate of return on the offered notes will depend on the actual final underlier level determined by the calculation agent as described above. Moreover, the assumptions on which the hypothetical returns are based may turn out to be inaccurate. Consequently, the amount of cash to be paid in respect of your notes, if any, on the stated maturity date may be very different from the information reflected in the examples above.

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ADDITIONAL RISK FACTORS SPECIFIC TO YOUR NOTES

An investment in your notes is subject to the risks described below, as well as the risks and considerations described in the accompanying prospectus, in the accompanying prospectus supplement, under Additional Risk Factors Specific to the Notes in the accompanying general terms supplement no. 1,734 and under Additional Risk Factors Specific to the Underlier-Linked Notes in the accompanying product supplement no. 1,738. You should carefully review these risks and considerations as well as the terms of the notes described herein and in the accompanying prospectus, the accompanying prospectus supplement, the accompanying general terms supplement no. 1,734 and the accompanying product supplement no. 1,738. Your notes are a riskier investment than ordinary debt securities. Also, your notes are not equivalent to investing directly in the underlier stocks, i.e., the stocks comprising the underlier to which your notes are linked. You should carefully consider whether the offered notes are suited to your particular circumstances.

The Estimated Value of Your Notes At the Time the Terms of Your Notes Are Set On the Trade Date (as Determined By Reference to Pricing Models Used By GS&Co.) Is Less Than the Original Issue Price Of Your Notes

The original issue price for your notes exceeds the estimated value of your notes as of the time the terms of your notes are set on the trade date, as determined by reference to GS&Co.'s pricing models and taking into account our credit spreads. Such estimated value on the trade date is set forth above under Estimated Value of Your Notes; after the trade date, the estimated value as determined by reference to these models will be affected by changes in market conditions, the creditworthiness of GS Finance Corp., as issuer, the creditworthiness of The Goldman Sachs Group, Inc., as guarantor, and other relevant factors. The price at which GS&Co. would initially buy or sell your notes (if GS&Co. makes a market, which it is not obligated to do), and the value that GS&Co. will initially use for account statements and otherwise, also exceeds the estimated value of your notes as determined by reference to these models. As agreed by GS&Co. and the distribution participants, this excess (i.e., the additional amount described under Estimated Value of Your Notes) will decline to zero on a straight line basis over the period from the date hereof through the applicable date set forth above under Estimated Value of Your Notes. Thereafter, if GS&Co. buys or sells your notes it will do so at prices that reflect the estimated value determined by reference to such pricing models at that time. The price at which GS&Co. will buy or sell your notes at any time also will reflect its then current bid and ask spread for similar sized trades of structured notes.

In estimating the value of your notes as of the time the terms of your notes are set on the trade date, as disclosed above under Estimated Value of Your Notes, GS&Co.'s pricing models consider certain variables, including principally our credit spreads, interest rates (forecasted, current and historical rates), volatility, price-sensitivity analysis and the time to maturity of the notes. These pricing models are proprietary and rely in part on certain assumptions about future events, which may prove to be incorrect. As a result, the actual value you would receive if you sold your notes in the secondary market, if any, to others may differ, perhaps materially, from the estimated value of your notes determined by reference to our models due to, among other things, any differences in pricing models or assumptions used by others. See Additional Risk Factors Specific to the Underlier-Linked Notes The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors on page S-32 of the accompanying product supplement no. 1,738.

The difference between the estimated value of your notes as of the time the terms of your notes are set on the trade date and the original issue price is a result of certain factors, including principally the underwriting discount and commissions, the expenses incurred in creating, documenting and marketing the notes, and an estimate of the difference between the amounts we pay to GS&Co. and the amounts GS&Co. pays to us in connection with your notes. We pay to GS&Co. amounts based on what we would

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pay to holders of a non-structured note with a similar maturity. In return for such payment, GS&Co. pays to us the amounts we owe under your notes.

In addition to the factors discussed above, the value and quoted price of your notes at any time will reflect many factors and cannot be predicted. If GS&Co. makes a market in the notes, the price quoted by GS&Co. would reflect any changes in market conditions and other relevant factors, including any deterioration in our creditworthiness or perceived creditworthiness or the creditworthiness or perceived creditworthiness of The Goldman Sachs Group, Inc. These changes may adversely affect the value of your notes, including the price you may receive for your notes in any market making transaction. To the extent that GS&Co. makes a market in the notes, the quoted price will reflect the estimated value determined by reference to GS&Co.'s pricing models at that time, plus or minus its then current bid and ask spread for similar sized trades of structured notes (and subject to the declining excess amount described above).

Furthermore, if you sell your notes, you will likely be charged a commission for secondary market transactions, or the price will likely reflect a dealer discount. This commission or discount will further reduce the proceeds you would receive for your notes in a secondary market sale.

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There is no assurance that GS&Co. or any other party will be willing to purchase your notes at any price and, in this regard, GS&Co. is not obligated to make a market in the notes. See [Additional Risk Factors Specific to the Underlier-Linked Notes](#) [Your Notes May Not Have an Active Trading Market](#) on page S-31 of the accompanying product supplement no. 1,738.

The Notes Are Subject to the Credit Risk of the Issuer and the Guarantor

Although the return on the notes will be based on the performance of the underlier, the payment of any amount due on the notes is subject to the credit risk of GS Finance Corp., as issuer of the notes, and the credit risk of The Goldman Sachs Group, Inc. as guarantor of the notes. The notes are our unsecured obligations. Investors are dependent on our ability to pay all amounts due on the notes, and therefore investors are subject to our credit risk and to changes in the market's view of our creditworthiness. Similarly, investors are dependent on the ability of The Goldman Sachs Group, Inc., as guarantor of the notes, to pay all amounts due on the notes, and therefore are also subject to its credit risk and to changes in the market's view of its creditworthiness. See [Description of the Notes We May Offer](#) [Information About Our Medium-Term Notes, Series E Program](#) [How the Notes Rank Against Other Debt](#) on page S-4 of the accompanying prospectus supplement and [Description of Debt Securities We May Offer](#) [Guarantee by The Goldman Sachs Group, Inc.](#) on page 42 of the accompanying prospectus.

The Amount Payable on Your Notes Is Not Linked to the Level of the Underlier at Any Time Other Than the Determination Date

The final underlier level will be based on the closing level of the underlier on the determination date (subject to adjustment as described elsewhere in this pricing supplement). Therefore, if the closing level of the underlier dropped precipitously on the determination date, the cash settlement amount for your notes may be significantly less than it would have been had the cash settlement amount been linked to the closing level of the underlier prior to such drop in the level of the underlier. Although the actual level of the underlier on the stated maturity date or at other times during the life of your notes may be higher than the final underlier level, you will not benefit from the closing level of the underlier at any time other than on the determination date.

You May Lose Your Entire Investment in the Notes

You can lose your entire investment in the notes. The cash payment on your notes, if any, on the stated maturity date will be based on the performance of the underlier as measured from the initial underlier level to the closing level on the determination date. If the final underlier level is *less than* the buffer level, you will have a loss for each \$1,000 of the face amount of your notes equal to the *product* of (i) the buffer rate *times* (ii) the *sum* of the underlier return *plus* the buffer amount *times* (iii) \$1,000. Thus, you may lose your entire investment in the notes, which would include any premium to face amount you paid when you purchased the notes.

Also, the market price of your notes prior to the stated maturity date may be significantly lower than the purchase price you pay for your notes. Consequently, if you sell your notes before the stated maturity date, you may receive far less than the amount of your investment in the notes.

Your Notes Do Not Bear Interest

You will not receive any interest payments on your notes. As a result, even if the cash settlement amount payable for your notes on the stated maturity date exceeds the face amount of your notes, the overall return you earn on your notes may be less than you would have earned by investing in a non-indexed debt security of comparable maturity that bears interest at a prevailing market rate.

The Potential for the Value of Your Notes to Increase Will Be Limited

Your ability to participate in any change in the value of the underlier over the life of your notes will be limited because of the cap level. The maximum settlement amount will limit the cash settlement amount you may receive for each of your notes at maturity, no matter how much the level of the underlier may rise beyond the cap level over the life of your notes. Accordingly, the amount payable for each of your notes may be significantly less than it would have been had you invested directly in the underlier.

As Compared to Other Index Sponsors, Nasdaq, Inc. Retains Significant Control and Discretionary Decision-Making Over the NASDAQ-100 Index®, Which May Have an Adverse Effect on the Level of the NASDAQ-100 Index® and on Your Notes

Pursuant to the NASDAQ-100 Index® methodology, Nasdaq, Inc. retains the right, from time to time, to exercise reasonable discretion as it deems appropriate in order to ensure NASDAQ-100 Index® integrity, including, but not limited to, changes to quantitative inclusion criteria. Nasdaq, Inc. may also, due to special circumstances, apply discretionary adjustments to ensure and maintain quality of the NASDAQ-100 Index®. Although it is unclear how and to what extent this discretion could or would be exercised, it is possible that it could be exercised by Nasdaq, Inc. in a manner that materially and adversely affects the level of the NASDAQ-100 Index® and therefore your

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notes. Nasdaq, Inc. is not obligated to, and will not, take account of your interests in exercising the discretion described above.

You Have No Shareholder Rights or Rights to Receive Any Underlier Stock

Investing in your notes will not make you a holder of any of the underlier stocks. Neither you nor any other holder or owner of your notes will have any rights with respect to the underlier stocks, including any voting rights, any right to receive dividends or other distributions, any rights to make a claim against the underlier stocks or any other rights of a holder of the underlier stocks. Your notes will be paid in cash and you will have no right to receive delivery of any underlier stocks.

We May Sell an Additional Aggregate Face Amount of the Notes at a Different Issue Price

At our sole option, we may decide to sell an additional aggregate face amount of the notes subsequent to the date of this pricing supplement. The issue price of the notes in the subsequent sale may differ substantially (higher or lower) from the original issue price you paid as provided on the cover of this pricing supplement.

An Investment in the Offered Notes Is Subject to Risks Associated with Foreign Securities

The value of your notes is linked to an underlier that is comprised, in part, of stocks from one or more foreign securities markets. Investments linked to the value of foreign equity securities involve particular risks. Any foreign securities market may be less liquid, more volatile and affected by global or domestic market developments in a different way than are the U.S. securities market or other foreign securities markets. Both government intervention in a foreign securities market, either directly or indirectly, and cross-shareholdings in foreign companies, may affect trading prices and volumes in that market. Also, there is generally less publicly available information about foreign companies than about those U.S. companies that are subject to the reporting requirements of the U.S. Securities and Exchange Commission. Further, foreign companies are subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to U.S. reporting companies.

The prices of securities in a foreign country are subject to political, economic, financial and social factors that are unique to such foreign country's geographical region. These factors include: recent changes, or the possibility of future changes, in the applicable foreign government's economic and fiscal policies; the possible implementation of, or changes in, currency exchange laws or other laws or restrictions applicable to foreign companies or investments in foreign equity securities; fluctuations, or the possibility of fluctuations, in currency exchange rates; and the possibility of outbreaks of hostility, political instability, natural disaster or adverse public health developments. The United Kingdom has voted to leave the European Union (popularly known as Brexit). The effect of Brexit is uncertain, and Brexit has and may continue to contribute to volatility in the prices of securities of companies located in Europe and currency exchange rates, including the valuation of the euro and British pound in particular. Any one of these factors, or the combination of more than one of these factors, could negatively affect such foreign securities market and the price of securities therein. Further, geographical regions may react to global factors in different ways, which may cause the prices of securities in a foreign securities market to fluctuate in a way that differs from those of securities in the U.S. securities market or

other foreign securities markets. Foreign economies may also differ from the U.S. economy in important respects, including growth of gross national product, rate of inflation, capital reinvestment, resources and self-sufficiency, which may have a positive or negative effect on foreign securities prices.

If You Purchase Your Notes at a Premium to Face Amount, the Return on Your Investment Will Be Lower Than the Return on Notes Purchased at Face Amount and the Impact of Certain Key Terms of the Notes Will Be Negatively Affected

The cash settlement amount will not be adjusted based on the issue price you pay for the notes. If you purchase notes at a price that differs from the face amount of the notes, then the return on your investment in such notes held to the stated maturity date will differ from, and may be substantially less than, the return on notes purchased at face amount. If you purchase your notes at a premium to face amount and hold them to the stated maturity date, the return on your investment in the notes will be lower than it would have been had you purchased the notes at face amount or a discount to face amount. In addition, the impact of the buffer level and the cap level on the return on your investment will depend upon the price you pay for your notes relative to face amount. For example, if you purchase your notes at a premium to face amount, the cap level will only permit a lower positive return on your investment in the notes than would have been the case for notes purchased at face amount or a discount to face amount. Similarly, the buffer level, while still providing some protection for the return on the notes, will allow a greater percentage decrease in your investment in the notes than would have been the case for notes purchased at face amount or a discount to face amount.

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Your Notes May Be Subject to an Adverse Change in Tax Treatment in the Future

The tax consequences of an investment in your notes are uncertain, both as to the timing and character of any inclusion in income in respect of your notes.

The Internal Revenue Service announced on December 7, 2007 that it is considering issuing guidance regarding the proper U.S. federal income tax treatment of an instrument such as your notes, and any such guidance could adversely affect the tax treatment and the value of your notes. Among other things, the Internal Revenue Service may decide to require the holders to accrue ordinary income on a current basis and recognize ordinary income on payment at maturity, and could subject non-U.S. investors to withholding tax. Furthermore, in 2007, legislation was introduced in Congress that, if enacted, would have required holders that acquired instruments such as your notes after the bill was enacted to accrue interest income over the term of such instruments even though there will be no interest payments over the term of such instruments. It is not possible to predict whether a similar or identical bill will be enacted in the future, or whether any such bill would affect the tax treatment of your notes. We describe these developments in more detail under *Supplemental Discussion of Federal Income Tax Consequences* on page S-41 of the accompanying product supplement no. 1,738. You should consult your tax advisor about this matter. Except to the extent otherwise provided by law, GS Finance Corp. intends to continue treating the notes for U.S. federal income tax purposes in accordance with the treatment described under *Supplemental Discussion of Federal Income Tax Consequences* on page S-41 of the accompanying product supplement no. 1,738 unless and until such time as Congress, the Treasury Department or the Internal Revenue Service determine that some other treatment is more appropriate.

United States Alien Holders Should Consider the Withholding Tax Implications of Owning the Notes

The Treasury Department has issued regulations under which amounts paid or deemed paid on certain financial instruments (871(m) financial instruments) that are treated as attributable to U.S.-source dividends could be treated, in whole or in part depending on the circumstances, as a dividend equivalent payment that is subject to tax at a rate of 30% (or a lower rate under an applicable treaty), which in the case of any amounts a United States alien holder receives upon the sale, exchange or maturity of the notes, could be collected via withholding. If these regulations were to apply to the notes, we may be required to withhold such taxes if any U.S.-source dividends are paid on the stocks included in the underlier during the term of the notes. We could also require a United States alien holder to make certifications (e.g., an applicable Internal Revenue Service Form W-8) prior to the maturity of the notes in order to avoid or minimize withholding obligations, and we could withhold accordingly (subject to the United States alien holder's potential right to claim a refund from the Internal Revenue Service) if such certifications were not received or were not satisfactory. If withholding was required, we would not be required to pay any additional amounts with respect to amounts so withheld. These regulations generally will apply to 871(m) financial instruments (or a combination of financial instruments treated as having been entered into in connection with each other) issued (or significantly modified and treated as retired and reissued) on or after January 1, 2021, but will also apply to certain 871(m) financial instruments (or a combination of financial instruments treated as having been entered into in connection with each other) that have a delta (as defined in the applicable Treasury regulations) of one and are issued (or significantly modified and treated as retired and reissued) on or after January 1, 2017. In addition, these regulations will not apply to financial instruments that reference a qualified index (as defined in the regulations). We have determined that, as of the issue date of your notes, your notes will not be subject to withholding under these rules. In certain limited circumstances, however, you should be aware that it is possible for United States alien holders to be liable for tax under these rules with respect to a combination of transactions treated as having been entered into in connection with each other even when no withholding is required. You should consult your tax advisor concerning these regulations, subsequent official guidance and regarding any other possible alternative characterizations of your notes for U.S. federal income tax purposes.

Foreign Account Tax Compliance Act (FATCA) Withholding May Apply to Payments on Your Notes, Including as a Result of the Failure of the Bank or Broker Through Which You Hold the Notes to Provide Information to Tax Authorities

Please see the discussion under [United States Taxation](#) [Taxation of Debt Securities](#) [Foreign Account Tax Compliance Act \(FATCA\) Withholding](#) in the accompanying prospectus for a description of the applicability of FATCA to payments made on your notes.

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THE UNDERLIER

The NASDAQ-100 Index®

The NASDAQ-100 Index® includes 100 of the largest domestic and international non-financial stocks listed on The NASDAQ Stock Market based on market capitalization. The NASDAQ-100 Index® is a price return index and is calculated using a modified market capitalization-weighted methodology. The NASDAQ-100 Index® is calculated, maintained and published by Nasdaq, Inc. The base date for the NASDAQ-100 Index® is January 31, 1985, with a base value of 125.00, as adjusted. We have derived all information contained in this pricing supplement regarding the NASDAQ-100 Index® from publicly available information. Additional information about the NASDAQ-100 Index® is available on the following website: indexes.nasdaqomx.com/Index/Overview/NDX. We are not incorporating by reference the website or any material it includes in this pricing supplement.

As of January 22, 2019, the 103 stocks included in the NASDAQ-100 Index® were classified into seven industry sectors (with the approximate percentage currently included in such sectors indicated in parentheses): Technology (53.05%), Consumer Services (25.23%), Health Care (9.05%), Consumer Goods (6.30%), Industrials (5.24%), Telecommunications (0.76%) and Utilities (0.35%). (Sector designations are determined by the underlier sponsor using criteria it has selected or developed. Index sponsors may use very different standards for determining sector designations. In addition, many companies operate in a number of sectors, but are listed in only one sector and the basis on which that sector is selected may also differ. As a result, sector comparisons between indices with different index sponsors may reflect differences in methodology as well as actual differences in the sector composition of the indices.)

The top ten constituent stocks of the NASDAQ-100 Index® as of January 22, 2019, by weight, are: Microsoft Corporation (10.04%), Amazon.com Inc. (9.88%), Apple Inc. (9.01%), Alphabet Inc. Class C (4.67%), Facebook Inc. (4.43%), Alphabet Inc. Class A (4.10%), Intel Corporation (3.03%), Cisco Systems Inc. (2.77%), Comcast Corporation (2.18%) and PepsiCo Inc. (2.16%).

Underlier Stocks With Weights Equal to or in Excess of 5% of the NASDAQ-100 Index® as of January 22, 2019

Apple Inc., Microsoft Corporation, Amazon.com Inc. and Alphabet Inc. are registered under the Exchange Act. Companies with stocks registered under the Exchange Act are required to file financial and other information specified by the U.S. Securities and Exchange Commission (SEC) periodically. Information filed with the SEC can be inspected and copied at the SEC's public reference room located at 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. You may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. In addition, information filed by these underlier stock issuers with the SEC electronically can be reviewed through a web site maintained by the SEC. The address of the SEC's web site is sec.gov. Information filed with the SEC by each of the above-referenced underlier stock issuers under the Exchange Act can be

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located by referencing its SEC file number specified below.

The graphs below, except where otherwise indicated, show the daily historical closing prices of Apple Inc., Microsoft Corporation, Amazon.com Inc. and Alphabet Inc. from January 22, 2009 through January 22, 2019 (the stocks of Apple Inc., Microsoft Corporation and Amazon.com Inc. each comprise 5% or more of the NASDAQ-100 Index and the Class A common stock and the Class C common stock of Alphabet Inc. together comprise 5% or more of the NASDAQ-100 Index). We obtained the prices in the graphs below using data from Bloomberg Financial Services, without independent verification. We have taken the descriptions of the index stock issuers set forth below from publicly available information without independent verification.

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According to publicly available information, Apple Inc. designs, manufactures and markets mobile communication and media devices, personal computers, and portable digital music players, and sells a variety of related software, services, peripherals, networking solutions, and third-party digital content and applications. Information filed with the SEC by the underlier stock issuer under the Exchange Act can be located by referencing SEC file number 001-36743 for filings on or after November 12, 2014 and SEC file number 000-10030 for filings prior to November 12, 2014.

According to publicly available information, Microsoft Corporation develops, licenses and supports software products, services and devices and designs and sells hardware devices. Information filed with the SEC by the underlier stock issuer under the Exchange Act can be located by referencing SEC file number 001-37845 for filings on or after July 26, 2016 and SEC file number 000-14278 for filings prior to July 26, 2016.

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According to publicly available information, Amazon.com Inc. is an e-commerce company. Information filed with the SEC by the underlier stock issuer under the Exchange Act can be located by referencing SEC file number 000-22513.

As of January 22, 2019, the Class A common stock and the Class C common stock of Alphabet Inc. have a combined weight in the NASDAQ-100 Index of 8.77%. According to publicly available information, Alphabet Inc. is a collection of businesses, including

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Google, Access, Calico, CapitalG, GV, Nest, Verily, Waymo and X, that invest in infrastructure, security, data management, analytics, and AI. Information filed with the SEC by the underlier stock issuer under the Exchange Act can be located by referencing SEC file number 001-37580.

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As of January 22, 2019, the Class A common stock of Alphabet Inc. has a weight in the NASDAQ-100 Index of 4.10%.

As of January 22, 2019, the Class C common stock of Alphabet Inc. has a weight in the NASDAQ-100 Index of 4.67%.

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Construction of the NASDAQ-100 Index®

The NASDAQ-100 Index® is a modified market capitalization-weighted index. Except under extraordinary circumstances that may result in an interim evaluation, NASDAQ-100 Index® composition is reviewed on an annual basis in December. First, Nasdaq, Inc. determines which stocks meet the applicable eligibility criteria.

Selection Criteria for Initial Inclusion in the NASDAQ-100 Index®

To be eligible for initial inclusion in the NASDAQ-100 Index®, a stock must meet the following criteria:

- the issuer of the stock's primary U.S. listing must be exclusively listed on the NASDAQ Global Select Market or the NASDAQ Global Market (unless the stock was dually listed on another U.S. market prior to January 1, 2004 and has continuously maintained such listing);
- the stock must be issued by a non-financial company. Non-financial companies are those companies that are classified under any Industry Code except 8000 according to the Industry Classification Benchmark (ICB), a product of FTSE International Limited;
- the stock may not be issued by an issuer currently in bankruptcy proceedings;
- the stock must have a minimum three-month average daily trading volume (ADTV) of 200,000 shares (measured annually during the ranking review process). The ADTV is determined by calculating the average of the sum product of the stock's daily trading volume for each day during the previous three month period;
- if the issuer of the stock is organized under the laws of a jurisdiction outside the U.S., then such stock must have listed options on a recognized options market in the U.S. or be eligible for listed-options trading on a recognized options market in the U.S. (measured annually during the ranking review process);
- the issuer of the stock may not have entered into a definitive agreement or other arrangement which would likely result in the stock no longer being eligible for inclusion in the NASDAQ-100 Index®;

- the issuer of the stock may not have annual financial statements with an audit opinion that is currently withdrawn. This will be determined based upon a stock issuer's public filings with the SEC; and
- the stock must have seasoned on Nasdaq, NYSE or NYSE Amex. Generally, a company is considered to be seasoned if it has been listed on a market for at least three full months (excluding the first month of initial listing).

Stock types generally eligible for inclusion in the NASDAQ-100 Index® are common stocks, ordinary shares, ADRs and tracking stocks. Closed-end funds, convertible debentures, exchange traded funds, limited liability companies, limited partnership interests, preferred stocks, rights, shares or units of beneficial interest, warrants, units and other derivative stocks are not eligible for inclusion in the NASDAQ-100 Index®. For purposes of NASDAQ-100 Index® eligibility criteria, if the stock is a depositary receipt representing a stock of a non-U.S. issuer, then references to the issuer are references to the issuer of the underlying stock. The NASDAQ-100 Index® does not contain securities of investment companies.

Continued Eligibility Criteria

To be eligible for continued inclusion in the NASDAQ-100 Index®, a NASDAQ-100 Index® stock must meet the following criteria:

- the issuer of the stock's primary U.S. listing must be exclusively listed on the Nasdaq Global Select Market or the Nasdaq Global Market;
- the stock must be issued by a non-financial company;
- the stock may not be issued by an issuer currently in bankruptcy proceedings;
- the stock must have an ADTV of at least 200,000 shares (measured annually during the ranking review process);
- if the issuer of the stock is organized under the laws of a jurisdiction outside the U.S., then such stock must have listed options on a recognized options market in the U.S. or be eligible for listed-options trading on a recognized options market in the U.S.;

- the issuer must have an adjusted market capitalization equal to or exceeding 0.10% of the aggregate adjusted market capitalization of the NASDAQ-100 Index® at each month-end. In the event a company does not meet this criterion for two consecutive month-ends, it is removed from the NASDAQ-100 Index® effective after the close of trading on the third Friday of the following month; and
- the issuer of the stock may not have annual financial statements with an audit opinion that is currently withdrawn.

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All stocks meeting the above criteria will be considered eligible for inclusion in the NASDAQ-100 Index®. Those stocks which are found to meet the applicable eligibility criteria during the annual review are then ranked by market capitalization. While there is no minimum market capitalization requirement, inclusion will be determined based on the top 100 issuers with the largest market capitalization meeting all other eligibility requirements. Market capitalization is determined by multiplying a stock's last sale price by its total number of shares outstanding. The last sale price refers to the price at which a stock last traded during regular market hours as reported on such stock's index market, which may be the Nasdaq Official Closing Price (NOCP). The index market is the index eligible stock market for which the NASDAQ-100 Index® stock's prices are received and used by Nasdaq, Inc. for purposes of calculating the NASDAQ-100 Index®.

NASDAQ-100 Index® eligible stocks which are already in the NASDAQ-100 Index® and whose issuer is ranked in the top 100 eligible companies based on market capitalization are retained in the NASDAQ-100 Index®. An index stock issuer ranking 101 to 125 based on market capitalization will also be retained for inclusion in the NASDAQ-100 Index® if such issuer was previously ranked in the top 100 issuers as of the last annual ranking review or was added to the NASDAQ-100 Index® subsequent to the previous ranking review and continues to meet all eligibility criteria. Index stock issuers not meeting such criteria are replaced. The replacement stocks are those eligible stocks not currently in the NASDAQ-100 Index® whose issuers have the next largest market capitalization.

The data used in the process of ranking by market capitalization includes end of October market data and is updated for total shares outstanding submitted in an index stock issuer's publicly filed SEC document via the Electronic Data Gathering, Analysis and Retrieval system (EDGAR) through the end of November. If a stock is a depositary receipt, the total shares outstanding is the actual depositary shares outstanding as reported by the depositary banks.

The final list of constituents included in the NASDAQ-100 Index®, including any replacements made during the annual review, is made effective after the close of trading on the third Friday in December. Generally, the list of annual additions and deletions as a result of the annual review is publicly announced by Nasdaq, Inc. via a press release in the early part of December, in conjunction with an announcement on Nasdaq, Inc.'s website.

NASDAQ-100 Index® Calculation

The discussion below describes the price return calculation of the NASDAQ-100 Index®. As compared to the total return or notional net total return versions of the NASDAQ-100 Index®, the price return version is ordinarily calculated without regard to cash dividends on the NASDAQ-100 Index® stocks. However, all NASDAQ-100 Index® calculations reflect extraordinary cash distributions and special dividends.

The NASDAQ-100 Index® is a modified market capitalization-weighted index. The value of the NASDAQ-100 Index® equals the NASDAQ-100 Index® market value *divided* by the NASDAQ-100 Index® divisor. The overall NASDAQ-100 Index® market value is the aggregate of each NASDAQ-100 Index® stock's market value, as may be adjusted for any corporate actions. A NASDAQ-100 Index® stock's market value is determined by multiplying the last sale price by its index share weight, also known as index shares. Index shares are equal to the total number of shares outstanding for a NASDAQ-100 Index® stock. In other words, the value of the NASDAQ-100 Index® is equal to (i) the *sum* of the *products* of (a) the index shares of each of the NASDAQ-100 Index® stocks *multiplied* by (b) each such stock's last sale price (adjusted for corporate actions, if any), *divided* by (ii) the divisor of the NASDAQ-100 Index®.

The price return NASDAQ-100 Index® divisor is calculated as the ratio of (i) the start of day market value of the NASDAQ-100 Index® *divided* by (ii) the previous day NASDAQ-100 Index® value.

If trading in a NASDAQ-100 Index® stock is halted on its primary listing market, the most recent last sale price for that stock is used for all NASDAQ-100 Index® computations until trading on such market resumes. Similarly, the most recent last sale price is used if trading in a NASDAQ-100 Index® stock is halted on its primary listing market before the market opens.

The NASDAQ-100 Index® is calculated in U.S. dollars during the U.S. market trading day based on the last sale price and are disseminated once per second from 09:30:01 until 17:16:00 ET. The closing value of the NASDAQ-100 Index® may change up until 17:15:00 ET due to corrections to the last sale price of the NASDAQ-100 Index® stocks. The official closing value of the NASDAQ-100 Index® is ordinarily disseminated at 17:16:00 ET.

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NASDAQ-100 Index® Maintenance

Changes to NASDAQ-100 Index® Constituents

Changes to the NASDAQ-100 Index® constituents may be made during the annual ranking review. In addition, if at any time during the year other than the annual review, it is determined that an index stock issuer no longer meets the criteria for continued inclusion in the NASDAQ-100 Index®, or is otherwise determined to have become ineligible for continued inclusion in the NASDAQ-100 Index®, it is replaced with the largest market capitalization issuer not currently in the NASDAQ-100 Index® that meets the applicable eligibility criteria for initial inclusion in the NASDAQ-100 Index®.

Ordinarily, a stock will be removed from the NASDAQ-100 Index® at its last sale price. However, if at the time of its removal the NASDAQ-100 Index® stock is halted from trading on its primary listing market and an official closing price cannot readily be determined, the NASDAQ-100 Index® stock may, in Nasdaq, Inc.'s discretion, be removed at a price of \$0.00000001 (zero price). This zero price will be applied to the NASDAQ-100 Index® stock after the close of the market but prior to the time the official closing value of the NASDAQ-100 Index® is disseminated.

Divisor Adjustments

The divisor is adjusted to ensure that changes in NASDAQ-100 Index® constituents either by corporate actions (that adjust either the price or shares of a NASDAQ-100 Index® stock) or NASDAQ-100 Index® participation outside of trading hours do not affect the value of the NASDAQ-100 Index®. All divisor changes occur after the close of the applicable index stock markets.

Quarterly NASDAQ-100 Index® Rebalancing

On a quarterly basis coinciding with the quarterly scheduled index shares adjustment procedures in March, June and September, as discussed below, the NASDAQ-100 Index® will be rebalanced if it is determined that (1) the current weight of the single NASDAQ-100 Index® stock with the largest market capitalization is greater than 24.0% of the NASDAQ-100 Index® or (2) the collective weight of those stocks whose individual current weights are in excess of 4.5% exceeds 48.0% of the NASDAQ-100 Index®. If either one or both of the above weight distribution conditions are met upon quarterly review, or Nasdaq, Inc. determines that a special rebalancing is necessary, a weight rebalancing will be performed.

If the first weight distribution condition is met and the current weight of the single NASDAQ-100 Index® stock with the largest market capitalization is greater than 24.0%, then the weights of all stocks with weights greater than 4.5% will be scaled down proportionately toward 1.0% until the adjusted weight of the single largest NASDAQ-100 Index® stock reaches 20.0%.

If the second weight distribution condition is met and the collective weight of those stocks whose individual current weights are in excess of 4.5% (or adjusted weights in accordance with the previous step, if applicable) exceeds 48.0% of the NASDAQ-100 Index®, then the weights of all stocks with weights greater than 4.5% in that group will be scaled down proportionately toward 1.0% until their collective weight, so adjusted, is equal to 40.0%.

On an annual basis coinciding with the annual evaluation in December, the NASDAQ-100 Index® will be rebalanced if it is determined that the collective weight of the five largest NASDAQ-100 Index® stocks by weight, when added together, exceeds 40.0% of the NASDAQ-100 Index®. In addition, a special rebalancing of the NASDAQ-100 Index® may be conducted at any time if it is determined necessary to maintain the integrity of the NASDAQ-100 Index®. If the weight distribution requirement is met upon the annual evaluation or it is determined that a special rebalancing is required, a weight rebalancing will be performed. If the collective weight of the five largest NASDAQ-100 Index® stocks by weight, when added together, exceeds 40.0% of the NASDAQ-100 Index® at the time of the annual evaluation, those top five NASDAQ-100 Index® stocks will be scaled down proportionately towards 1.0% for the collective weight, so adjusted, to be set to 38.5%. The excess weight due to capping from the five largest, capped NASDAQ-100 Index® stocks is redistributed to the remaining NASDAQ-100 Index® stocks. Thereafter, all other NASDAQ-100 Index® stocks are capped at 4.5% and the weight is proportionally redistributed to all NASDAQ-100 Index® stocks that have not yet been capped. If, after capping the top five NASDAQ-100 Index® stocks to reduce the aggregate weight to 38.5%, the fifth largest NASDAQ-100 Index® stock has a weight less than 4.5%, all remaining securities are capped at the weight of the fifth largest NASDAQ-100 Index® stock.

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In the event of a special rebalance, either coinciding with the quarterly review or annual evaluation (or at any other point in time where necessary), prior month-end shares outstanding and prices for each NASDAQ-100 Index® stock are utilized to calculate the weights that require capping and the associated index shares. If a special rebalance were to occur in accordance with the quarterly scheduled index adjustment or annual evaluation, the index weights will be determined anew based upon the last sale prices and aggregate capitalization of the NASDAQ-100 Index® at the close of trading on the last calendar day in February, May, August and November. Changes to the index shares will be made effective after the close of trading on the third Friday in March, June, September and December, and an adjustment to the divisor is made to ensure continuity of the NASDAQ-100 Index®. Ordinarily, new rebalanced index weights will be determined by applying the above procedures to the current index weights. However, Nasdaq, Inc. may, from time to time, determine rebalanced weights, if necessary, by applying the above procedure to the actual current market capitalization of the NASDAQ-100 Index® components. In such instances, Nasdaq, Inc. would announce the different basis for rebalancing prior to its implementation.

At the quarterly rebalancing, data is cutoff as of the previous month end and no changes are made to the NASDAQ-100 Index® from that cutoff until the quarterly index share change effective date, except in the case of changes due to corporate actions with an ex-date.

Corporate Actions and NASDAQ-100 Index® Adjustments

Aside from changes resulting from quarterly rebalancing, intra-quarter changes in index shares driven by corporate events can also result from a change in a NASDAQ-100 Index® stock's total shares outstanding that is greater than 10.0%. If a stock is a depositary receipt, the total shares outstanding is the actual depositary shares outstanding as reported by the depositary banks. Changes in the price and/or index shares driven by corporate events such as stock dividends, stock splits and certain spin-offs and rights issuances are adjusted on the ex-date. Changes in total shares outstanding are determined by an index stock issuer's public filings with the SEC. If the change in total shares outstanding arising from other corporate actions is greater than or equal to 10.0%, the change is made as soon as practicable. Otherwise, if the change in total shares outstanding is less than 10.0%, then all such changes are accumulated and made effective at one time on a quarterly basis after the close of trading on the third Friday in each of March, June, September and December. The index shares are derived from the stock's total shares outstanding. The index shares are then adjusted by the same percentage amount by which the total shares outstanding have changed.

The following corporate actions will be made effective on the ex-date. If there is no ex-date announced by the index exchange, there will be no adjustment to the NASDAQ-100 Index® as a result of a corporate action.

Stock Split and Stock Dividend. A stock split and stock dividend is the action of a NASDAQ-100 Index® stock in increasing its index shares and decreasing the par value proportionately. There is no flow of capital into or out of the company. The number of index shares in the NASDAQ-100 Index® increases but the market

capitalization of the stock remains unchanged. The price of the NASDAQ-100 Index® stock is adjusted to reflect the ratio of a stock split and stock dividend and a corresponding inverse adjustment to the index shares is made.

Reverse Stock Split. A reverse stock split is the action of a NASDAQ-100 Index® stock in decreasing its index shares and decreasing the par value in proportion. There is no flow of capital into or out of the company. The number of index shares in the NASDAQ-100 Index® decreases but the market capitalization of the stock remains unchanged. The price of the NASDAQ-100 Index® stock is adjusted to reflect the ratio of the reverse stock split and a corresponding inverse adjustment to the index shares is made.

Special Cash Dividends. A dividend is considered special if the information provided by the listing exchange in their announcement of the ex-date indicates that the dividend is special. Other nomenclature for a special dividend may include, but is not limited to, extra , extraordinary , non-recurring , one-time and unusual . The price of the NASDAQ-100 Index® stock in the NASDAQ-100 Index® is adjusted for the amount of the special cash dividend.

Cash and Stock Dividends. If a NASDAQ-100 Index® stock is paying a cash and stock dividend on the same date, the cash dividend is applied *before* the stock dividend unless otherwise indicated in the information provided by the index exchange. Additionally, in the case of an optional dividend which allows the holder to choose

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between receiving cash or stock, the adjustment will be made in the manner in which the dividend has been announced by the index exchange.

Stock Distribution of Another Stock. If a NASDAQ-100 Index® stock is distributing shares of a different stock, the value of the NASDAQ-100 Index® stock will be adjusted downward to reflect the ratio of the distribution. There is no adjustment to index shares. If the stock being distributed is another class of common shares of the same issuer, the value of the existing NASDAQ-100 Index® stock will be adjusted downward to reflect the ratio of the distribution with no adjustment to index shares, and the new class of shares may be added to the NASDAQ-100 Index® on a pro-rata basis.

Spin-offs. If a NASDAQ-100 Index® stock is spinning off a stock, the value of the NASDAQ-100 Index® stock will be adjusted downward to reflect the ratio of the distribution. There is no adjustment to index shares. If a when-issued market is established for the spin-off company, the price of the NASDAQ-100 Index® stock is adjusted downward by the value of the spinoff. The value of the spin-off is determined by multiplying the spin-off ratio by the when-issued price. In the event the value of the spinoff has not been established as indicated above then no price adjustment is made to the NASDAQ-100 Index® stock. The new stock resulting from the spin-off transaction is not added to the NASDAQ-100 Index®.

Rights Offerings. The price of a NASDAQ-100 Index® stock is adjusted on the ex-date for rights offerings if the rights are transferable and the offering has a subscription price on an equivalent per share basis that is less than the closing price of the underlying stock (the NASDAQ-100 Index® stock the right entitles a holder to purchase) on the day prior to the ex-date. The price of the NASDAQ-100 Index® stock is adjusted downward for the value of the right. The value of the right is equal to (1) (i) the previous last sale price of the underlying stock *minus* (ii) the *sum* of (a) the subscription price of the right *plus* (b) the cash dividend of the underlying stock, if any, *divided* by (2) the number of rights required to purchase one share *plus* one.

Corporate actions are implemented in the NASDAQ-100 Index® in accordance with the NASDAQ-100 Index® maintenance rules discussed above. The divisor will also be adjusted as a result of corporate actions that adjust either the price or shares of a NASDAQ-100 Index® stock. Nasdaq, Inc. will make announcements prior to the effective date of any corporate actions.

In the case of mergers and acquisitions, the index stock issuer may be removed the day following the shareholder vote or the expected expiration of the tender offer, provided the acquisition is not contested. In the event the acquisition is contested, the removal of the NASDAQ-100 Index® stock will occur as soon as reasonably practicable, once results have been received indicating that the acquisition will likely be successful.

If a company files for bankruptcy, the NASDAQ-100 Index® stock or stocks of the issuer will be removed from the NASDAQ-100 Index® as soon as practicable thereafter. The value of the NASDAQ-100 Index® stock will be considered \$0.00000001 if no other applicable price can be observed on the Nasdaq Global Select Market or the Nasdaq Global Market.

Discretionary Adjustments

In addition to the above, Nasdaq, Inc. may, from time to time, exercise reasonable discretion as it deems appropriate in order to ensure NASDAQ-100 Index® integrity, including, but not limited to, changes to quantitative inclusion criteria. Nasdaq, Inc. may also, due to special circumstances, if deemed essential, apply discretionary adjustments to ensure and maintain the quality of the NASDAQ-100 Index® construction and calculation.

Market Disruption Events

If a NASDAQ-100 Index® stock does not trade on its primary listing market on a given day or such index market has not opened for trading, the most recent last sale price from the index market (adjusted for corporate actions, if any) is used. If a NASDAQ-100 Index® stock is halted from trading on its index market during the trading day, the most recent last sale price is used until trading resumes.

Corrections and Calculations

The closing value of the NASDAQ-100 Index® may change up until 17:15:00 ET due to corrections to the last sale price of the NASDAQ-100 Index® stocks. In the event that a change has been made to the NASDAQ-100

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Index® intraday, Nasdaq, Inc. will make an announcement describing such change. In the event a NASDAQ-100 Index® calculation has been corrected retroactively, an announcement will be provided.

License Agreement between Nasdaq, Inc. and GS Finance Corp.

The Product(s) is not sponsored, endorsed, sold or promoted by NASDAQ, Inc. or its affiliates (NASDAQ, with its affiliates, are referred to as the Corporations). The Corporations have not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to, the Product(s). The Corporations make no representation or warranty, express or implied to the owners of the Product(s) or any member of the public regarding the advisability of investing in securities generally or in the Product(s) particularly, or the ability of the NASDAQ-100® Index to track general stock market performance. The Corporations' only relationship to GS Finance Corp. (Licensee) is in the licensing of the Nasdaq®, NASDAQ-100 Index®, and certain trade names of the Corporations and the use of the NASDAQ-100 Index® which is determined, composed and calculated by NASDAQ without regard to Licensee or the Product(s). NASDAQ has no obligation to take the needs of the Licensee or the owners of the Product(s) into consideration in determining, composing or calculating the NASDAQ-100 Index®. The Corporations are not responsible for and have not participated in the determination of the timing of, prices at, or quantities of the Product(s) to be issued or in the determination or calculation of the equation by which the Product(s) is to be converted into cash. The Corporations have no liability in connection with the administration, marketing or trading of the Product(s).

The Corporations do not guarantee the accuracy and/or uninterrupted calculation of Nasdaq-100 Index® or any data included therein. The Corporations make no warranty, express or implied, as to results to be obtained by Licensee, owners of the product(s), or any other person or entity from the use of the Nasdaq-100 Index® or any data included therein. The Corporations make no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the Nasdaq-100 Index® or any data included therein. Without limiting any of the foregoing, in no event shall the Corporations have any liability for any lost profits or special, incidental, punitive, indirect, or consequential damages, even if notified of the possibility of such damages.

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Historical Closing Levels of the Underlier

The closing level of the underlier has fluctuated in the past and may, in the future, experience significant fluctuations. Any historical upward or downward trend in the closing level of the underlier during the period shown below is not an indication that the underlier is more or less likely to increase or decrease at any time during the life of your notes.

You should not take the historical levels of the underlier as an indication of the future performance of the underlier. We cannot give you any assurance that the future performance of the underlier or the underlier stocks will result in your receiving an amount greater than the outstanding face amount of your notes on the stated maturity date.

Neither we nor any of our affiliates make any representation to you as to the performance of the underlier. Before investing in the offered notes, you should consult publicly available information to determine the levels of the underlier between the date of this pricing supplement and the date of your purchase of the offered notes. The actual performance of the underlier over the life of the offered notes, as well as the cash settlement amount, may bear little relation to the historical closing levels shown below.

The graph below shows the daily historical closing levels of the underlier from January 22, 2009 through January 22, 2019. We obtained the closing levels in the graph below from Bloomberg Financial Services, without independent verification.

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SUPPLEMENTAL DISCUSSION OF U.S. FEDERAL INCOME TAX CONSEQUENCES

You will be obligated pursuant to the terms of the notes in the absence of a change in law, an administrative determination or a judicial ruling to the contrary to characterize each note for all tax purposes as a pre-paid derivative contract in respect of the underlier, as described under Supplemental Discussion of Federal Income Tax Consequences on page S-41 of the accompanying product supplement no. 1,738. Pursuant to this approach, it is the opinion of Sidley Austin LLP that upon the sale, exchange or maturity of your notes, it would be reasonable for you to recognize capital gain or loss equal to the difference, if any, between the amount of cash you receive at such time and your tax basis in your notes. Pursuant to Treasury regulations, Foreign Account Tax Compliance Act (FATCA) withholding (as described in United States Taxation Taxation of Debt Securities Foreign Account Tax Compliance Act (FATCA) Withholding in the accompanying prospectus) will generally apply to obligations that are issued on or after July 1, 2014; therefore, the notes will generally be subject to the FATCA withholding rules.

SUPPLEMENTAL PLAN OF DISTRIBUTION; CONFLICTS OF INTEREST

See Supplemental Plan of Distribution on page S-49 of the accompanying product supplement no. 1,738 and Plan of Distribution Conflicts of Interest on page 94 of the accompanying prospectus. GS Finance Corp. estimates that its share of the total offering expenses, excluding underwriting discounts and commissions, will be approximately \$10,000.

GS Finance Corp. will sell to GS&Co., and GS&Co. will purchase from GS Finance Corp., the aggregate face amount of the offered notes specified on the front cover of this pricing supplement. GS&Co. proposes initially to offer the notes to the public at the original issue price set forth on the cover page of this pricing supplement. GS&Co. is an affiliate of GS Finance Corp. and The Goldman Sachs Group, Inc. and, as such, will have a conflict of interest in this offering of notes within the meaning of Financial Industry Regulatory Authority, Inc. (FINRA) Rule 5121. Consequently, this offering of notes will be conducted in compliance with the provisions of FINRA Rule 5121. GS&Co. will not be permitted to sell notes in this offering to an account over which it exercises discretionary authority without the prior specific written approval of the account holder.

We will deliver the notes against payment therefor in New York, New York on January 25, 2019. Under Rule 15c6-1 of the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes on any date prior to two business days before delivery will be required to specify alternative settlement arrangements to prevent a failed settlement.

We have been advised by GS&Co. that it intends to make a market in the notes. However, neither GS&Co. nor any of our other affiliates that makes a market is obligated to do so and any of them may stop doing so at any time without notice. No assurance can be given as to the liquidity or trading market for the notes.

The notes will not be listed on any securities exchange or interdealer quotation system.

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VALIDITY OF THE NOTES AND GUARANTEE

In the opinion of Sidley Austin LLP, as counsel to GS Finance Corp. and The Goldman Sachs Group, Inc., when the notes offered by this pricing supplement have been executed and issued by GS Finance Corp., the related guarantee offered by this pricing supplement has been executed and issued by The Goldman Sachs Group, Inc., and such notes have been authenticated by the trustee pursuant to the indenture, and such notes and the guarantee have been delivered against payment as contemplated herein, (a) such notes will be valid and binding obligations of GS Finance Corp., enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, concepts of reasonableness and equitable principles of general applicability (including, without limitation, concepts of good faith, fair dealing and the lack of bad faith), provided that such counsel expresses no opinion as to the effect of fraudulent conveyance, fraudulent transfer or similar provision of applicable law on the conclusions expressed above and (b) such related guarantee will be a valid and binding obligation of The Goldman Sachs Group, Inc., enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, concepts of reasonableness and equitable principles of general applicability (including, without limitation, concepts of good faith, fair dealing and the lack of bad faith), provided that such counsel expresses no opinion as to the effect of fraudulent conveyance, fraudulent transfer or similar provision of applicable law on the conclusions expressed above. This opinion is given as of the date hereof and is limited to the laws of the State of New York and the General Corporation Law of the State of Delaware as in effect on the date hereof. In addition, this opinion is subject to customary assumptions about the trustee's authorization, execution and delivery of the indenture and the genuineness of signatures and certain factual matters, all as stated in the letter of such counsel dated July 10, 2017, which has been filed as Exhibit 5.6 to the registration statement on Form S-3 filed with the Securities and Exchange Commission by GS Finance Corp. and The Goldman Sachs Group, Inc. on July 10, 2017.

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We have not authorized anyone to provide any information or to make any representations other than those contained or incorporated by reference in this pricing supplement, the accompanying product supplement no. 1,738, the accompanying general terms supplement no. 1,734, the accompanying prospectus supplement or the accompanying prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This pricing supplement, the accompanying product supplement no. 1,738, the accompanying general terms supplement no. 1,734, the accompanying prospectus supplement and the accompanying prospectus is an offer to sell only the notes offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this pricing supplement, the accompanying product supplement no. 1,738, the accompanying general terms supplement no. 1,734, the accompanying prospectus supplement and the accompanying prospectus is current only as of the respective dates of such documents.

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GS Finance Corp.

Leveraged Buffered NASDAQ-100
Index®-Linked Notes due 2020

guaranteed by

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Goldman Sachs & Co. LLC

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Interest income

1,314 170 1,484

Interest expense and other

(3,514) (2,872) (44,881)(c) (51,267)

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Income from continuing operations before income taxes and equity in net earnings of affiliate

51,523 45,146 (47,785) 48,884

Income tax expense

(21,757) (17,090) 19,382(d) (19,465)

Equity in net earnings of affiliate

763 763

Income from continuing operations

30,529 28,056 (28,403) 30,182

Income attributable to noncontrolling interests

(482) (482)

Income from continuing operations attributable to Gentiva shareholders

\$30,529 \$27,574 \$(28,403) \$29,700

Basic earnings per common share:

Income from continuing operations attributable to Gentiva shareholders

\$1.03 \$1.00

Weighted average shares outstanding

29,715 29,715

Diluted earnings per common share:

Income from continuing operations attributable to Gentiva shareholders

\$1.00 \$0.97

Weighted average shares outstanding

30,568 30,568

See notes to unaudited pro forma condensed consolidated statements of operations.

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NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(a) The pro forma adjustments reflect our preliminary estimates of the purchase price allocation related to the Odyssey acquisition. However, we have not yet completed the valuation studies necessary to determine with any certainty the fair values of the assets we acquired and the liabilities we assumed pursuant to the Merger and the related allocation of purchase price. The purchase price allocation is subject to change based upon finalization of appraisals and valuation studies that we will arrange to obtain and the final purchase price allocation may differ materially from the preliminary estimates included in the pro forma statements included herein. Additionally, the pro forma statements of operations data do not reflect the non-recurring expenses that we expect to incur in connection with the Transactions, including approximately \$29.8 million relating to fees to investment bankers, attorneys, accountants and other professional advisors and other Transaction-related costs that will not be capitalized as deferred financing costs.

The pro forma statements of operations data do not reflect the effects of all anticipated cost savings and any related non-recurring costs to achieve those cost savings.

(b) For purposes of computing pro forma adjustments, we have assumed that the historical values of tangible assets acquired, liabilities assumed and noncontrolling interests reflect fair value. We have estimated a fair value adjustment for identifiable intangible assets such as tradenames and contracts of \$60.0 million based solely on comparing the size of the Odyssey acquisition to other acquisitions made by Gentiva and estimating a value for these identifiable intangible assets relative to the values ascribed to similar identifiable intangible assets from valuation studies performed in connection with other Gentiva acquisitions. These identifiable intangible assets are being amortized using the straight-line method over assumed estimated useful lives of ten years for purposes of the pro forma information. As a result, the Pro Forma Condensed Consolidated Statements of Operations reflect amortization expense of \$3.0 million for the six month periods and \$6.0 million for the twelve month period as a component of selling, general and administrative expenses. In addition, we have assumed a fair value adjustment of \$100.0 million for non-amortizing identifiable intangible assets such as certificates of need and licenses based on the accounting treatment of such items in other Gentiva acquisitions. The remaining excess of the purchase price over the fair value of tangible and identifiable intangible assets acquired, liabilities assumed and noncontrolling interests is recorded as goodwill. Goodwill is not amortized but will be subject to annual impairment tests in accordance with generally accepted accounting principles.

Selling, general and administrative expenses in the Pro Forma Condensed Consolidated Statements of Operations also reflect the pro forma adjustment to reverse Odyssey's amortization of its existing identifiable intangible assets of \$141,000 and \$96,000 for the six month periods ending June 28, 2009 and July 4, 2010, respectively, and \$347,000 for the twelve month period as the related asset balances will be eliminated under the purchase method of accounting.

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(c) Reflects pro forma adjustments to interest expense as follows:

(in thousands)	Year ended January 3, 2010	Six Months ended June 28, 2009	Six Months ended July 4, 2010
New senior secured term loan facility(1)	\$ 50,625	\$ 25,313	\$ 25,313
Senior Notes(2)	37,375	18,688	18,688
New revolving credit facility borrowings(3)	1,605	815	789
Fees on outstanding letters of credit(4)	2,245	1,123	1,123
Commitment fees(5)	250	125	125
Total pro forma increase to cash interest expense	92,100	46,064	46,038
Amortization of capitalized debt issuance costs(6)	10,228	5,114	5,114
Total pro forma increase to total interest expense	102,328	51,178	51,152
Less: Reduction of Gentiva's existing interest expense and fees(7)	(8,711)	(4,765)	(3,399)
Less: Odyssey's historical interest expense and fees(8)	(6,574)	(3,491)	(2,872)
Total pro forma adjustment to interest expense	\$ 87,043	\$ 42,922	\$ 44,881

- (1) Reflects pro forma interest expense on the new \$750 million senior secured term loan facility at an assumed minimum LIBOR rate of 1.75% plus an applicable margin of 5.00%. A 0.125% increase in the interest rate on the floating rate debt would result in an increase in total annual pro forma interest expense of approximately \$0.9 million.
- (2) Reflects pro forma interest expense on the \$325 million of Senior Notes at 11.5% per annum.
- (3) Reflects pro forma interest expense on average assumed borrowings of \$30 million under the new revolving credit facility at the historical one month LIBOR rate in effect for the applicable period plus an applicable margin of 5.00%.
- (4) Reflects pro forma annual fees of 5.00% on average assumed outstanding letters of credit of \$45 million.
- (5) Reflects pro forma commitment fees of 0.50% on the \$50 million average available balance under the new revolving credit facility. The average available balance represents the \$125 million senior secured revolving credit facility less borrowings of \$30 million and assumed outstanding letters of credit of approximately \$45 million.
- (6) Reflects non-cash amortization of capitalized deferred financing costs related to the Transactions over the term of the related facilities.
- (7) Reflects Gentiva's historical interest expense on its then-existing term loan, letter of credit fees and commitment fees on its unused revolving credit facility.
- (8) Reflects Odyssey's historical interest expense on its then-existing term loan, adjusted to reflect interest rate swap agreements, letter of credit fees and commitment fees on its unused revolving credit facility.

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- (d) Represents the estimated reduction of the pro forma tax provision resulting from the combination of the consolidated tax groups of Gentiva and Odyssey, consideration of their resulting tax attributes and the impact of the pro forma adjustments. This adjustment is preliminary and is subject to additional analysis. The impact of the pro forma tax provision adjustments results in an effective tax rate of 39.9% on pre-tax income from continuing operations, exclusive of the gain on sale of assets, net. There was no tax expense relating to the gain on sale of assets due to the utilization of a capital loss carryforward.
- (e) Pro forma depreciation and amortization expense is as follows:

(in thousands)	Year ended January 3, 2010	Six Months ended June 28, 2009	Six Months ended July 4, 2010
Depreciation and amortization	\$ 29,220	\$ 14,163	\$ 15,225

Depending on the final purchase price allocation for our acquisition of Odyssey, depreciation and amortization expense may increase or decrease.

Table of Contents**UNAUDITED PRO FORMA CONDENSED BALANCE SHEET**

As of July 4, 2010

(in thousands)

	Gentiva	Odyssey	Pro Forma Adjustments	Pro Forma As Adjusted
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 191,066	\$ 164,501	\$ (295,400)(a)	\$ 60,167
Accounts receivables, net	168,541	102,984		271,525
Deferred tax assets	14,300	10,219		24,519
Prepaid expenses and other current assets	25,358	9,793		35,151
Total current assets	399,265	287,497	(295,400)	391,362
Long-term investments				
Note receivable from affiliate	25,000			25,000
Investment in affiliate	25,100			25,100
Fixed assets, net	65,258	19,064		84,322
Intangible assets, net	253,085	19,155	140,845(b)	413,085
Goodwill	304,080	192,390	603,918(c)	1,100,388
Other assets	26,943	2,669	55,711(d)	85,323
Total assets	\$ 1,098,731	\$ 520,775	\$ 505,074	\$ 2,124,580
LIABILITIES AND SHAREHOLDERS EQUITY				
Current liabilities:				
Accounts payable	\$ 5,967	\$ 3,586	\$	\$ 9,553
Payroll and related taxes	24,701	27,675	(4,844)(e)	47,532
Deferred revenue	40,149			40,149
Medicare liabilities	16,145	13,690		29,835
Obligations under insurance programs	44,037		16,051(f)	60,088
Accrued nursing home costs		17,347	1,187(g)	18,534
Other accrued expenses	35,465	44,681	(21,419)(h)	58,727
Current portion of long-term debt		33,340	5,410(i)	38,750
Total current liabilities	166,464	140,319	(3,615)	303,168
Long-term debt	232,000	77,128	757,122(i)	1,066,250
Deferred tax liabilities, net	71,895	15,261	58,346(j)	145,502
Other liabilities	23,602	2,687		26,289
Shareholders' equity:				
Common stock	3,040	39	(39)(k)	3,040
Additional paid-in capital	365,731	131,849	(131,849)(k)	365,731
Retained earnings	248,483	221,808	(245,608)(k)	224,683
Accumulated other comprehensive loss, net of income taxes		(763)	763(k)	
Treasury stock	(12,484)	(69,954)	69,954(k)	(12,484)
Total shareholders' equity	604,770	282,979	(306,779)	580,970
Noncontrolling interests		2,401		2,401

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Total liabilities and shareholders' equity	\$ 1,098,731	\$ 520,775	\$ 505,074	\$ 2,124,580
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See notes to unaudited pro forma condensed consolidated balance sheet.

Table of Contents**NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET**

- (a) The following table sets forth the estimated sources and uses of cash in the Transactions, assuming they had occurred on July 4, 2010 (in millions):

Sources	
New revolving credit facility(1)	\$ 30.0
New senior secured term loan facility(2)	750.0
Senior Notes	325.0
Cash and cash equivalents of Gentiva and Odyssey	295.4
	\$ 1,400.4
Uses:	
Odyssey equity consideration(3)	\$ 963.9
Repayment of Gentiva existing senior credit facility(4)	232.7
Repayment of Odyssey existing indebtedness(5)	112.7
Estimated transaction fees and expenses(6)	91.1
	\$ 1,400.4

- (1) In connection with the Merger, we entered into a \$125 million revolving credit facility with a five-year maturity. We borrowed \$30 million under the new revolving credit facility at the closing of the Merger, and we issued \$45 million of letters of credit to replace existing letters of credit.
- (2) In connection with the Merger, we entered into a senior secured term loan facility, \$200 million of which is a term loan A facility having a five-year final maturity and \$550 million of which is a term loan B facility having a six-year final maturity. The entire amount of the new senior term loan facility was drawn at the closing of the Merger.
- (3) Reflects amounts payable to holders of Odyssey common stock and to holders of options and restricted stock units granted under Odyssey's compensation plans.
- (4) The entire principal amount, plus accrued interest on Gentiva's existing senior credit facility, was paid in full at the closing of the Merger.
- (5) Reflects the face amount of Odyssey's existing indebtedness plus accrued interest, together with the amount payable to terminate the related interest rate swaps.
- (6) Reflects the estimated fees and expenses associated with the Transactions, as described in the table below (in thousands):

Deferred financing costs:	
Financing fees(i)	\$ 57,400
Other financing costs(ii)	3,900
Total deferred financing costs	61,300
Costs to be expensed by Gentiva:	
Other financing and transaction costs(ii)	29,800
Total estimated transaction costs	\$ 91,100

- (i) Reflects estimated financing fees we incurred in connection with the new senior secured credit facilities and the Senior Notes, which will be capitalized and amortized over the terms of the applicable indebtedness.

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- (ii) Represents Transaction costs, other than those included in (i) above, including fees attributable to professional advisors and other fees associated with the completion of the Transactions, which will be allocated between deferred financing costs and expenses associated with the Transactions, based on a study which is not yet complete. Accordingly, the actual amounts allocated to deferred financing costs and Transaction expenses, and the corresponding amount of amortization and current expense, respectively, may be different from the amounts presented herein.

- (b) Reflects the preliminary pro forma adjustments relating to intangible assets as described in the table below (in thousands):

Estimated fair value of intangible assets acquired(1):	
Amortizable intangible assets	\$ 60,000
Non-amortizing intangible assets	100,000
	160,000
Less: Elimination of Odyssey's existing intangible assets, net	(19,155)
Net adjustment to intangible assets	\$ 140,845

- (1) For purposes of computing pro forma adjustments, we have assumed that the historical values of tangible assets acquired, liabilities assumed and noncontrolling interests reflect fair value. We have estimated a fair value adjustment for identifiable intangible assets such as tradenames and contracts of \$60.0 million based solely on comparing the size of the Odyssey acquisition to other acquisitions made by Gentiva and estimating a value for these identifiable intangible assets relative to the values ascribed to similar identifiable intangible assets from valuation studies performed in connection with other Gentiva acquisitions. These identifiable intangible assets are being amortized using the straight-line method over assumed estimated useful lives of ten years. In addition, we have assumed a fair value adjustment of \$100.0 million for non-amortizing identifiable intangible assets such as certificates of need and licenses based on the accounting treatment of such items in other Gentiva acquisitions. The remaining excess of the purchase price over the fair value of tangible and identifiable intangible assets acquired, liabilities assumed and noncontrolling interests is recorded as goodwill as noted in note (c). We have not yet completed the valuation studies necessary to determine with any certainty the fair values of the assets we acquired and the liabilities we assumed pursuant to the Merger and the related allocation of purchase price. The purchase price allocation is subject to change based upon finalization of appraisals and valuation studies that we will arrange to obtain and the final purchase price allocation may differ materially from the preliminary estimates included in the pro forma statements included herein.

- (c) Reflects the preliminary estimated excess of purchase price over the fair values of assets acquired and liabilities assumed as a result of the following assumed purchase price allocation (in thousands):

Purchase of equity	\$ 963,900
Odyssey historical stockholders' equity	(282,979)
Initial excess of purchase price over historical stockholders' equity	680,921
Add: Historical Odyssey goodwill and intangible assets, net	211,545
Subtotal	892,466
Less: Preliminary allocation to intangible assets per note(b)	(160,000)
Add: Net adjustment to non-current deferred tax(1)	63,842
Unallocated excess purchase price	796,308
Reversal of Odyssey's existing goodwill	(192,390)

Net adjustment to goodwill

\$ 603,918

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(1) Reflects the recognition of non-current deferred tax liabilities related to the preliminary allocation to intangible assets of \$160.0 million using an effective tax rate of 39.9%. This adjustment is preliminary and is subject to additional analysis. See note (j).

(d) Reflects the capitalization of estimated financing costs in connection with the indebtedness we incurred in the Transactions consisting of the new senior secured credit facilities and the Senior Notes, which will be amortized over the terms of the applicable indebtedness, less the elimination of Odyssey's historical unamortized debt issuance costs, as follows (in thousands):

Estimated deferred financing costs related to the Transactions	\$ 61,300
Write-off of Gentiva debt issuance costs	(2,920)
Write-off of Odyssey debt issuance costs	(2,669)
Net adjustment to other assets	\$ 55,711

(e) Reflects the reclassification of approximately \$4.8 million of Odyssey's accrued employee benefits costs from accrued payroll and related taxes to obligations under insurance programs to conform to Gentiva's presentation format.

(f) Reflects the net adjustment of obligations under insurance programs as a result of the reclassification of certain Odyssey current liabilities to conform to Gentiva's presentation format (in thousands):

Accrued employee benefit costs	\$ 4,844
Accrued workers' compensation expense	11,207
Net adjustment to obligations under insurance programs	\$ 16,051

(g) Reflects the reclassification of approximately \$1.2 million of Gentiva's accrued nursing home costs from other accrued expenses.

(h) Reflects the net adjustment of other accrued expenses as a result of the reclassification of certain current liabilities and adjustments as a result of the Transactions as follows (in thousands):

Odyssey's accrued workers' compensation expense	\$ (11,207)
Gentiva's accrued nursing home costs	(1,187)
Accrued interest payments (notes (a)(4) and (a)(5))	(1,848)
Termination of Odyssey's interest rate swap agreement (note (a)(5))	(1,177)
Assumed tax benefit on financing and transaction costs to be expensed by Gentiva	(6,000)
Net adjustment to other accrued expenses	\$ (21,419)

(i) Reflects the net adjustments to long-term debt as a result of the Transactions as follows (in thousands):

	Current Portion	Long-Term Portion	Total Debt
New revolving credit facility	\$	\$ 30,000	\$ 30,000
New senior secured term loan facility	38,750	711,250	750,000
Senior Notes		325,000	325,000
Repayment of Gentiva then-existing credit facility		(232,000)	(232,000)
Repayment of Odyssey then-existing indebtedness	(33,340)	(77,128)	(110,468)
Net adjustments to long-term debt	\$ 5,410	\$ 757,122	\$ 762,532

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(j) Reflects the net adjustment to net non-current deferred tax liabilities as follows (in thousands):

Reduction of non-current deferred tax liabilities related to historical Odyssey intangible assets and goodwill	\$ (5,910)
Reduction in non-current deferred tax assets resulting from the termination of the interest rate swap	414
Estimated increase in non-current deferred tax liabilities relating to the identifiable intangible assets resulting from the Transactions (as noted in Item (c)(1))	63,842
Net adjustment to deferred tax liabilities	\$ 58,346

(k) Reflects the net adjustment to shareholders' equity, as follows (in thousands):

Elimination of Odyssey's shareholders' equity	\$ (282,979)
Other financing and transaction costs, net of tax(1)	(23,800)
Total pro forma adjustment to shareholders' equity	\$ (306,779)

(1) Represents other financing and transaction costs to be expensed by Gentiva of \$29.8 million as noted in note (a)(6) above, less an assumed tax benefit of \$6.0 million as noted in note (h) above. The assumed tax benefit is estimated at a rate below the effective tax rate due to the non-deductibility of certain financing and transaction costs for tax purposes.

Table of Contents**SELECTED FINANCIAL DATA**

The historical consolidated statement of income data, consolidated balance sheet data and consolidated cash flow data as of and for each of the fiscal years in the five-year period ended January 3, 2010 included in the following selected financial data have been derived from our audited consolidated financial statements. For the five fiscal year periods presented below, our fiscal year ended on the Sunday nearest to December 31. Beginning with our fiscal year 2010, our fiscal year will end on December 31. Our fiscal year 2009 included 53 weeks compared to all other fiscal years presented, which included 52 weeks. The historical consolidated statement of income data, consolidated balance sheet data and consolidated cash flow data as of and for the six months ended July 4, 2010 and June 28, 2009 have been derived from our unaudited financial statements, which, in the opinion of management, include all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of the results for the unaudited interim periods. You should read the following information together with our consolidated financial statements and notes thereto as well as Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the fiscal year ended January 3, 2010 and our Quarterly Report on Form 10-Q for the six months ended July 4, 2010, each of which is incorporated by reference herein.

(in thousands)	Fiscal Year					Six Months Ended	
	2005 (52 weeks)	2006 (52 weeks)	2007 (52 weeks)	2008 (52 weeks)	2009 (53 weeks)	June 28, 2009	July 4, 2010
Statement of Income Data							
Net revenues	\$ 866,856(1)	\$ 1,061,468(2)	\$ 1,171,349	\$ 1,239,536(4)	\$ 1,152,460	\$ 561,202	\$ 594,230
Cost of services and goods sold	541,399	620,551	671,154	682,024	553,530	268,025	275,839
Gross profit	325,457(1)	440,917(2)	500,195	557,512(4)	598,930	293,177	318,391
Selling, general and administrative expenses	(295,799)(1)	(394,569)(2)	(422,526)(3)	(468,582)(4)	(490,866)(5)	(240,033)(6)	(264,771)(6)
Gain on sale of assets, net				107,933	5,998(5)	5,747(6)	103
Interest income	2,946	3,284	3,204	2,290	3,037	1,618	1,314
Interest expense and other	(1,068)	(24,685)	(27,285)	(19,377)	(9,211)	(5,880)	(3,514)
Income from continuing operations before taxes and equity in net earnings of affiliate	31,536	24,947	53,588	179,776	107,888	54,629	51,523
Income tax expense	(8,396)	(9,065)	(22,002)	(28,295)	(39,164)	(19,634)	(21,757)
Equity in net earnings of affiliate				(35)	1,072	541	763
Income from continuing operations	23,140	15,882	31,586	151,446(4)	69,796	35,536	30,529
Discontinued operations, net of tax(6)	225	4,894	1,242	2,004	(10,614)	(419)	(2,285)
Net income	23,365	20,776	32,828	153,450(4)	59,182	35,117	28,244

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Basic earnings per share:							
Income from continuing operations	\$ 0.99	\$ 0.60	\$ 1.14	\$ 5.30	\$ 2.40	\$ 1.22	\$ 1.03
Discontinued operations	0.01	0.18	0.04	0.07	(0.37)	(0.01)	(0.08)
Net income	1.00	0.78	1.18	5.37	2.03	1.21	0.95
Weighted average shares outstanding-basic							
	23,267	26,480	27,798	28,578	29,103	28,952	29,715

Diluted earnings per share:							
Income from continuing operations	\$ 0.93	\$ 0.58	\$ 1.11	\$ 5.15	\$ 2.34	\$ 1.20	\$ 1.00
Discontinued operations	0.01	0.18	0.04	0.06	(0.36)	(0.01)	(0.08)
Net income	0.94	0.76	1.15	5.21	1.98	1.19	0.92
Weighted average shares outstanding-diluted							
	24,927	27,317	28,599	29,439	29,822	29,606	30,568

Balance Sheet Data (at end of period)

Cash items and short-term investments(7)							
	\$ 88,367	\$ 57,235	\$ 67,431	\$ 69,201	\$ 152,410	\$ 103,920	\$ 191,066
Working capital	129,326	115,749	128,527	125,400	198,250	159,393	232,800
Total assets	326,565	843,882	882,233	973,497	1,067,935	1,007,564	1,098,731
Long-term debt and capital leases							
	737	343,198	309,262	252,188	232,466	237,775	232,295
Shareholders equity	182,154	274,325	323,429	494,971	571,163	535,923	604,770

Cash Flow Data

Cash flows provided by operating activities							
	\$ 21,790	\$ 51,447	\$ 62,671	\$ 70,700	\$ 105,108	\$ 49,462	\$ 47,979
Cash flows provided by (used in) investing activities							
	7,651	(209,296)	(34,809)	38,684	(17,232)	(6,434)	(5,317)
Cash flows (used in) provided by financing activities							
	(22,748)	152,142	(24,591)	(54,350)	(4,667)	(12,759)	(4,006)

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- (1) Net revenues and gross profit for fiscal 2005 include \$3.6 million associated with the favorable settlement of Gentiva's Medicare cost report appeal for 1999. Selling, general and administrative expenses include restructuring and other special charges of \$0.9 million.
- (2) Net revenues and gross profit for fiscal 2006 include \$1.9 million associated with the favorable settlement of Gentiva's Medicare cost report appeal for 1999. Selling, general and administrative expenses include restructuring and other special charges of \$7.7 million.
- (3) Selling, general and administrative expenses for fiscal 2007 include restructuring expenses related to our acquisition of The Healthfield Group, Inc. and other special charges of \$2.4 million. See Note 8 to Gentiva's audited consolidated financial statements incorporated by reference in this prospectus. See "Where You Can Find More Information" on page iii.
- (4) On September 25, 2008, we completed the disposition of 69 percent of our equity ownership interest in our CareCentrix ancillary care benefit management business for total consideration of approximately \$135 million. Statement of Income Data for fiscal 2008 includes CareCentrix operating results through September 24, 2008 and includes Gentiva's equity in the net loss of CareCentrix Holdings for the period September 25, 2008 through December 28, 2008. Selling, general and administrative expenses for fiscal 2008 include special charges of \$2.7 million. In addition, net income includes \$107.9 million from a pre-tax gain related to the CareCentrix Transaction and reflects an effective tax rate of 15.7 percent due primarily to the CareCentrix Transaction. See Notes 4, 8 and 15 to Gentiva's audited consolidated financial statements incorporated by reference in this prospectus. See "Where You Can Find More Information" on page iii.
- (5) Selling, general and administrative expenses for fiscal 2009 include special charges of \$2.4 million. In addition, net income includes \$6.0 million from a gain related to the (i) sale of assets and certain branch offices that specialized primarily in pediatric home care services and (ii) sale of assets associated with two branch offices in upstate New York providing home health services under New York Medicaid programs. See Notes 4, 8 and 15 to Gentiva's audited consolidated financial statements incorporated by reference in this prospectus. See "Where You Can Find More Information" on page iii.
- (6) Selling, general and administrative expenses for the first six months of 2009 include charges relating to restructuring and merger and acquisition activities of \$1.5 million. In addition, net income for the first six months of 2009 included \$5.7 million from a gain related to the sale of certain branch offices that specialized primarily in pediatric home care services. Selling, general and administrative expenses for the first six months of 2010 included net charges relating to legal settlements, restructuring and merger and acquisition costs of \$18.0 million, which comprised (i) settlement costs and legal fees of \$4.2 million related to a three-year old commercial contractual dispute involving Gentiva's former subsidiary, CareCentrix, (ii) incremental charges of \$9.5 million in connection with an agreement in principle, subject to final approvals, between Gentiva and the government to resolve the matters which were subject to a 2003 subpoena relating to Gentiva's cost reports for the 1998 and 2000 periods and (iii) restructuring and merger and acquisition costs of \$4.3 million. See Notes 4 and 8 to Gentiva's unaudited consolidated financial statements incorporated by reference in this prospectus. See "Where You Can Find More Information" on page iii.
- (7) During the fourth quarter of 2009, Gentiva committed to a plan to exit its HME and IV businesses and met the requirements to designate these businesses as held for sale. As such, Gentiva has reflected the financial results of the operating segments as discontinued operations, including a write-down of goodwill associated with these businesses of approximately \$9.6 million for fiscal 2009. See Notes 2 and 3 to Gentiva's audited consolidated financial statements incorporated by reference in this prospectus. See "Where You Can Find More Information" on page iii.
- (8) Cash items and short-term investments include restricted cash of \$22.0 million at end of fiscal years 2005 through 2007, which represented segregated cash funds designated as collateral under Gentiva's insurance programs.

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DESCRIPTION OF THE NEW NOTES

In this Description of the New Notes, the terms Gentiva, we, us and our refer only to Gentiva Health Services, Inc. and not to any of its subsidiaries.

The Original Notes were issued under an indenture (the Indenture), dated as of August 17, 2010, among Gentiva Health Services, Inc., the Guarantors and The Bank of New York Mellon Trust Company, N.A., as trustee. The New Notes will also be issued under the Indenture. The terms of the New Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (the Trust Indenture Act). The Original Notes, the New Notes and any additional notes issued under the indenture (referred to herein collectively as the Notes), will be treated as a single class of debt securities under the Indenture, including for purposes of determining whether the required percentage of holders have given their approval for consent to an amendment or waiver or joined in directing the trustee to take certain actions on behalf of all of the holders.

The following description is a summary of the material provisions of the Indenture but does not restate the Indenture in its entirety and is qualified in its entirety by reference to the complete text of the Indenture. We urge you to read the Indenture because it, and not this description, defines your rights as holders of the Notes. The Indenture is incorporated by reference into this prospectus and is available from us upon request. See Where You Can Find More Information on page iii.

You can find the definitions of certain terms used in this description under the subheading Certain Definitions. Certain defined terms used in this description but not defined under the subheading Certain Definitions have the respective meanings assigned to them in the Indenture.

The registered holder of a Note will be treated as the owner of it for all purposes. Only registered holders will have rights under the Indenture.

Brief Description of the New Notes and the Subsidiary Guarantees

The New Notes

The New Notes will be:

unsecured, senior obligations of Gentiva;

fully and unconditionally guaranteed, jointly and severally, by the Guarantors on an unsecured, senior basis;

pari passu in right of payment with all existing and future unsubordinated Indebtedness of Gentiva, including Indebtedness under the Credit Agreement;

effectively subordinated to all Secured Debt of Gentiva, including Indebtedness under the Credit Agreement, to the extent of the value of the collateral securing such Indebtedness;

structurally subordinated to all existing and future Indebtedness and other liabilities and preferred stock of Subsidiaries of Gentiva that are not Guarantors; and

senior in right of payment to all existing and future Subordinated Obligations of Gentiva.

The Subsidiary Guarantees

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The New Notes will be guaranteed by the Guarantors. Each Subsidiary Guarantee will be:

an unsecured, senior obligation of that Guarantor;

pari passu in right of payment with all existing and future unsubordinated Indebtedness of such Guarantor, including its Guarantee of all obligations under the Credit Agreement;

effectively subordinated to all Secured Debt of such Guarantor, including its Guarantee under the Credit Agreement, to the extent of the value of such Guarantor's collateral securing such Indebtedness;

structurally subordinated to all existing and future Indebtedness and other liabilities and preferred stock of any Subsidiaries of such Guarantor that are not Guarantors; and

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senior in right of payment to all existing and future Subordinated Obligations of such Guarantor.

Principal, Maturity and Interest

Gentiva will issue up to \$325.0 million aggregate principal amount of New Notes in exchange for Original Notes in this exchange offer. Subject to compliance with the covenant described under the caption **Certain Covenants Incurrence of Indebtedness and Issuance of Preferred Stock** below, Gentiva may issue additional Notes under the Indenture from time to time after this exchange offer. The Notes and any additional notes subsequently issued under the Indenture will be treated as a single class for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. Gentiva will issue the New Notes in denominations of \$1,000 and integral multiples of \$1,000.

The New Notes will mature on September 1, 2018.

Interest on the New Notes will accrue at the rate of 11.5% per annum and will be payable semi-annually in arrears on March 1 and September 1, commencing on March 1, 2011. Gentiva will make each interest payment to the holders of record on the immediately preceding February 15 and August 15.

Interest on the New Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year composed of twelve 30-day months.

Payments on the New Notes

Principal of, premium, if any, and interest on the New Notes will be payable at the office or agency maintained by Gentiva for such purposes or, at the option of Gentiva, payment of interest may be made by check mailed to the holders of the New Notes at their respective addresses set forth in the register of holders; provided that all payments of principal, premium, if any, and interest with respect to the New Notes represented by one or more global notes registered in the name of or held by The Depository Trust Company (DTC) or its nominee will be made through the facilities of DTC. Until otherwise designated by Gentiva, Gentiva's office or agency will be the office of the trustee maintained for such purpose.

Transfer and Exchange

A holder may transfer or exchange New Notes in accordance with the Indenture. The registrar and the trustee may require a holder to furnish appropriate endorsements and transfer documents in connection with a transfer of New Notes. Holders will be required to pay all taxes due on transfer. Gentiva will not be required to transfer or exchange any New Note selected for redemption. Also, Gentiva will not be required to transfer or exchange any New Note for a period of 15 days before a selection of Notes to be redeemed.

Subsidiary Guarantees

The New Notes will be guaranteed by each direct and indirect Restricted Subsidiary that guarantees Gentiva's obligations under the Credit Agreement. The Subsidiary Guarantees will be joint and several, full and unconditional obligations of the Guarantors. The obligations of each Guarantor under its Subsidiary Guarantee will be limited as necessary to prevent such Subsidiary Guarantee from constituting a fraudulent conveyance under applicable law. See **Risk Factors Risks Related to the New Notes and the Exchange Offer Federal and state fraudulent transfer laws may permit a court to void the guarantees, and, if that occurs, you may be required to return payments received from us or the guarantors.**

Not all of Gentiva's subsidiaries will guarantee the New Notes. Our non-guarantor Subsidiaries consist of our captive insurance subsidiaries and certain not-for-profit entities. As of July 4, 2010, after giving effect to the Transactions, our non-guarantor Subsidiaries would have accounted for a *de minimis* amount of our total indebtedness and liabilities outstanding, all of which would have been structurally senior to the Notes.

Each Guarantor may consolidate with or merge into or sell all or substantially all of its assets to (A) Gentiva or another Guarantor without limitation or (B) any other Person upon the terms and conditions set forth in the Indenture. See **Certain Covenants Merger, Consolidation or Sale of Assets.**

The Subsidiary Guarantee of a Guarantor will be released and such Guarantor will be relieved of its obligations under its Subsidiary Guarantee:

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(1) in connection with any sale or other disposition of all or substantially all of the assets of that Guarantor (including by way of merger or consolidation) to a Person that is not (after giving effect to such transaction), Gentiva or a Restricted Subsidiary of Gentiva, if the sale or other disposition does not violate the Asset Sale provisions of the Indenture; *provided, however*, that such Guarantor is also released from its guarantees and all

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pledges and security, if any, granted in connection with the Credit Agreement and any other Indebtedness of Gentiva or any Restricted Subsidiary of Gentiva;

(2) in connection with any sale or other disposition of all of the Capital Stock of that Guarantor to a Person that is not (after giving effect to such transaction), Gentiva or a Restricted Subsidiary of Gentiva, if the sale or other disposition does not violate the Asset Sale provisions of the Indenture; *provided, however*, that such Guarantor is released from its guarantees and all pledges and security, if any, granted in connection with the Credit Agreement and any other Indebtedness of Gentiva or any Restricted Subsidiary of Gentiva;

(3) if Gentiva designates any Restricted Subsidiary that is a Guarantor as an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture;

(4) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions Legal Defeasance and Covenant Defeasance and Satisfaction and Discharge ; or

(5) upon the contemporaneous release or discharge of all Guarantees by such Guarantor which would have required such Guarantor to guarantee the New Notes pursuant to the covenant described under Certain Covenants Additional Subsidiary Guarantees (including, without limitation, the Guarantee of obligations under the Credit Agreement).

Ranking

The Indebtedness evidenced by the New Notes and each Subsidiary Guarantee will be unsecured, general obligations of Gentiva and the relevant Subsidiary Guarantor, respectively, senior in right of payment, as set forth in the Indenture, to the payment of any future Indebtedness of Gentiva or the relevant Subsidiary Guarantor, as the case may be, that is expressly subordinated in right of payment to the New Notes or the Subsidiary Guarantees. The New Notes and Subsidiary Guarantees will be *pari passu* in right of payment with all existing and future unsecured unsubordinated obligations of Gentiva or the relevant Subsidiary Guarantor, as the case may be. Although *pari passu* in right of payment, the New Notes and Subsidiary Guarantees will be effectively subordinated to Secured Debt of Gentiva and the applicable Subsidiary Guarantor, to the extent of the value of the assets securing such Indebtedness, including the obligations of Gentiva under, and such Subsidiary Guarantor's guarantee, if any, of Gentiva's obligations under the Credit Agreement.

After giving effect to the Transactions, at July 4, 2010, Gentiva and the Guarantors would have had approximately \$780 million of Secured Debt outstanding and would have had availability for up to \$95.0 million of additional borrowings under our Revolving Facility (without taking into account approximately \$45.0 million of letters of credit issued to replace existing letters of credit). In addition, our non-guarantor Subsidiaries would have had a *de minimis* amount of liabilities, including trade payables, but excluding intercompany obligations.

Although the Indenture contains limitations on the amount of additional Indebtedness that Gentiva and the Guarantors may incur, under certain circumstances the amount of such Indebtedness could be substantial, and, in any case, such Indebtedness may be Secured Debt. See Certain Covenants Incurrence of Indebtedness and Issuance of Preferred Stock.

Gentiva's operations are currently conducted through its Subsidiaries, and not all of its Subsidiaries will guarantee the New Notes.

The New Notes will be effectively subordinated to all existing and future obligations, including Indebtedness, of any Restricted Subsidiaries that do not guarantee the New Notes and of any Unrestricted Subsidiaries. Claims of creditors of these Subsidiaries, including trade creditors, will generally have priority as to the assets of these Subsidiaries over the claims of Gentiva and the holders of Gentiva's Indebtedness, including the New Notes.

Optional Redemption

At any time prior to September 1, 2014, Gentiva may redeem all or any portion of the Notes, at once or over time, after giving the required notice under the Indenture at a redemption price equal to the greater of:

(a) 100% of the principal amount of the Notes to be redeemed; and

(b) the sum of the present values of (1) the redemption price of the Notes at September 1, 2014 (as set forth below) and (2) the remaining scheduled payments of interest from the redemption date through September 1, 2014, but excluding accrued and unpaid interest through the redemption date, discounted to the redemption date (assuming a 360 day year consisting of twelve 30 day months), at the Treasury Rate plus 50

basis points;

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plus, in either case, accrued and unpaid interest, including Additional Interest, if any, to but excluding the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

In addition, prior to September 1, 2013, Gentiva may, at its option, redeem up to 35% of the aggregate principal amount of the Notes issued under the Indenture at a redemption price equal to 111.500% of the aggregate principal amount thereof, plus accrued and unpaid interest, and Additional Interest, if any, thereon to the redemption date, subject to the right of holders of Notes to receive interest due on the relevant interest payment date, with the net cash proceeds of one or more Equity Offerings of Gentiva or any direct or indirect parent of Gentiva to the extent such net cash proceeds are contributed to Gentiva; provided that:

at least 65% of the sum of the aggregate principal amount of Notes originally issued under the Indenture remain outstanding immediately after the occurrence of such redemption excluding Notes held by Gentiva or any of its Subsidiaries; and

such redemption occurs within 180 days after the date of closing of such Equity Offering.

Except pursuant to the preceding paragraphs, the Notes are not redeemable at Gentiva's option prior to September 1, 2014.

On or after September 1, 2014, Gentiva may redeem all or a part of the Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and Additional Interest, if any, on the Notes redeemed, to the applicable redemption date, if redeemed during the 12-month period beginning on September 1 of the years indicated below:

Year	Percentage
2014	105.750%
2015	102.875%
2016 and thereafter	100.000%

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the trustee will select Notes for redemption as follows:

(1) if the Notes are listed on any national securities exchange, in compliance with the requirements of the principal national securities exchange on which the Notes are listed; or

(2) if the Notes are not listed on any national securities exchange, on a pro rata basis or by lot.

No Notes of \$1,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each holder of Notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture. Notices of redemption may not be conditional.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A registered Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the holder of notes upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

Mandatory Redemption

Except to the extent that Gentiva is required to offer to purchase the Notes as set forth below under Repurchase at the Option of Holders, Gentiva is not required to make mandatory redemption or sinking fund payments with respect to the Notes. Gentiva may acquire Notes by means

other than a redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise, in accordance with applicable securities laws.

Repurchase at the Option of Holders

Change of Control

Upon the occurrence of a Change of Control, each holder of Notes will have the right to require Gentiva to repurchase all or any part (equal to \$1,000 or an integral multiple of \$1,000) of that holder's Notes pursuant to the

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offer described below (the Change of Control Offer) on the terms set forth in the Indenture. In the Change of Control Offer, Gentiva will offer a payment in cash (the Change of Control Payment) equal to 101% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest and Additional Interest, if any, on the Notes repurchased, to the date of purchase.

Within 10 days following any Change of Control, Gentiva will mail a notice to each holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the Change of Control payment date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date of such Change of Control, pursuant to the procedures required by the Indenture and described in such notice. Gentiva will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the change of control provisions of the Indenture, Gentiva will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the change of control provisions of the Indenture by virtue of such compliance.

On the Change of Control payment date, Gentiva will, to the extent lawful:

- (1) accept for payment all Notes or portions of notes properly tendered and not withdrawn pursuant to the Change of Control Offer;
- (2) deposit with the paying agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and
- (3) deliver or cause to be delivered to the trustee the Notes properly accepted together with an officers' certificate stating the aggregate principal amount of Notes or portions of notes being purchased by Gentiva.

The paying agent will promptly mail to each holder of Notes properly tendered the Change of Control Payment for such Notes, and the trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder a registered note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; provided that each registered note will be in a principal amount of \$1,000 or an integral multiple of \$1,000.

The provisions described above that require Gentiva to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the Indenture are applicable to the Change of Control event. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the holders of the Notes to require that Gentiva repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

Gentiva will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by Gentiva and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of all or substantially all of the properties or assets of Gentiva and its Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes to require Gentiva to repurchase its Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of Gentiva and its Subsidiaries taken as a whole to another Person or group may be uncertain.

Also see Risk Factors Risks Related to the New Notes and the Exchange Offer We may be unable to purchase the New Notes upon a change of control contained elsewhere in this prospectus.

Asset Sales

Gentiva will not, and will not permit any Restricted Subsidiary to, consummate an Asset Sale unless:

- (1) Gentiva (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to (i) the Fair Market Value of the assets sold, leased, transferred, conveyed or otherwise disposed of or Equity Interests of any Restricted Subsidiary issued, sold, transferred, conveyed or otherwise disposed of or (ii) in the case of assets sold, leased, transferred, conveyed or otherwise disposed of or Equity Interests of a joint venture sold, transferred, conveyed or otherwise disposed of, in each case pursuant to the terms of a joint venture agreement, shareholders agreement or equivalent instrument, a value specified by or calculated pursuant to such agreement or instrument;

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(2) at least 75% of the consideration received in the Asset Sale by Gentiva or such Restricted Subsidiary is in the form of cash, Cash Equivalents or Additional Assets. For purposes of this clause (2), each of the following will be deemed to be cash:

(a) any liabilities, as shown on Gentiva's or such Restricted Subsidiary's most recent balance sheet, of Gentiva or any Restricted Subsidiary (other than liabilities that are by their terms subordinated to the Notes or any Subsidiary Guarantee) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases Gentiva or such Restricted Subsidiary from further liability; and

(b) any securities, notes or other obligations received by Gentiva or any such Restricted Subsidiary from such transferee that are converted by Gentiva or such Restricted Subsidiary into cash within 180 days, to the extent of the cash received in that conversion; and

(c) any Designated Non-cash Consideration received by Gentiva or any of its Restricted Subsidiaries in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Non-cash Consideration received pursuant to this clause (c) that is at the time outstanding, not to exceed the greater of 1.0% of Total Assets or \$20.0 million at the time of receipt of such Designated non-Cash Consideration (with the Fair Market Value of each item of Designated non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value); and

(3) an amount equal to 100% of the Net Proceeds from such Asset Sale is applied by Gentiva (or such Restricted Subsidiary, as the case may be):

(a) to prepay, repay, redeem or purchase Secured Debt of Gentiva or any Guarantor or Indebtedness of a Wholly Owned Subsidiary that is not a Guarantor (in each case other than Indebtedness owed to Gentiva or an Affiliate of Gentiva) within 365 days from the later of the date of such Asset Sale or the receipt of such Net Proceeds, provided such prepayment, repayment, redemption or purchase permanently retires, or reduces the related loan commitment (if any) for, such Indebtedness in an amount equal to the principal amount so prepaid, repaid, redeemed or purchased;

(b) to the extent Gentiva elects, to acquire Additional Assets or to make capital expenditures in a Permitted Business within 365 days from the later of the date of such Asset Sale or the receipt of such Net Proceeds; and/or

(c) to make an offer to the holders of the Notes (and to holders of other Indebtedness of Gentiva that is *pari passu* with the Notes) to purchase Notes (and such other *pari passu* Indebtedness of Gentiva) pursuant to and subject to the conditions contained in the Indenture, as set forth below;

provided, that in the case of clause (b) above, a binding commitment shall be treated as a permitted application of the Net Proceeds from the date of such commitment so long as the Issuer or a Restricted Subsidiary enters into such commitment with the good faith expectation that such Net Proceeds will be applied to satisfy such commitment within 180 days of such commitment (an *Acceptable Commitment*); provided further that if any such *Acceptable Commitment* is later cancelled or terminated for any reason before such Net Proceeds are applied, then such Net Proceeds shall constitute *Excess Proceeds*. Pending the final application of any Net Proceeds, Gentiva may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by the Indenture.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the preceding paragraph will constitute *Excess Proceeds*. When the aggregate amount of *Excess Proceeds* exceeds \$25.0 million, Gentiva will make an Asset Sale Offer to all holders of Notes to purchase the maximum principal amount of Notes and, if Gentiva is required to do so under the terms of any other Indebtedness that is *pari passu* with the Notes, such other Indebtedness on a pro rata basis with the Notes, that may be purchased out of the *Excess Proceeds*. The offer price in any Asset Sale Offer will be equal to 100% of principal amount plus accrued and unpaid interest and Additional Interest, if any, to the date of purchase, and will be payable in cash. If any *Excess Proceeds* remain after consummation of the purchase of all properly tendered and not withdrawn Notes pursuant to an Asset Sale Offer, Gentiva may use such remaining *Excess Proceeds* for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and other *pari passu* Indebtedness tendered into such Asset Sale Offer exceeds the amount of *Excess Proceeds*, the trustee will select the Notes and such other *pari passu* Indebtedness to be purchased on a pro rata basis. Upon completion of each Asset Sale Offer, the amount of *Excess Proceeds* will be reset at zero.

Gentiva will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of the Indenture, Gentiva will comply with the applicable

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securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sale provisions of the Indenture by virtue of such compliance.

The Credit Agreement provides that certain change of control or asset sale events with respect to Gentiva would constitute a default under such agreement. Any future credit agreements or other agreements relating to Secured Debt to which Gentiva becomes a party may contain similar restrictions and provisions. In the event a Change of Control or Asset Sale occurs at a time when Gentiva is prohibited from purchasing Notes, Gentiva could seek the consent of its secured lenders to permit the purchase of Notes or could attempt to refinance the borrowings that contain such prohibition. If Gentiva does not obtain such a consent or repay such borrowings, Gentiva will remain prohibited from purchasing Notes. In such case, Gentiva's failure to purchase tendered Notes would constitute an Event of Default under the Indenture which would, in turn, constitute a default under the Credit Agreement (or future credit agreement).

Certain Covenants

Restricted Payments

Gentiva will not, and will not permit any Restricted Subsidiary to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution (A) on account of Gentiva's or any Restricted Subsidiary's Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving Gentiva or any Restricted Subsidiary) or (B) to the direct or indirect holders of Gentiva's or any Restricted Subsidiary's Equity Interests in their capacity as such (other than dividends or distributions (i) payable in Equity Interests (other than Disqualified Stock) of Gentiva or (ii) to Gentiva or a wholly owned Restricted Subsidiary or to all holders of Capital Stock of such Restricted Subsidiary on a pro rata basis);

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving Gentiva) any Equity Interests of Gentiva or any Restricted Subsidiary (other than from Gentiva or any Restricted Subsidiary);

(3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Obligations, except a payment of interest or principal at the Stated Maturity thereof; or

(4) make any Restricted Investment,

(all such payments and other actions set forth in these clauses (1) through (4) above being collectively referred to as **Restricted Payments**), unless, at the time of and after giving effect to such Restricted Payment:

(a) no Default or Event of Default has occurred and is continuing;

(b) Gentiva would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the most recently ended four-quarter period, have been permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described below under the caption **Incurrence of Indebtedness and Issuance of Preferred Stock**; and

(c) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by Gentiva and the Restricted Subsidiaries after the Issue Date (excluding Restricted Payments permitted by clauses (2), (3), (4), (5), (6), (7), (8), (9), (10) and (11) of the next succeeding paragraph), is less than the sum, without duplication, of

(I) 50% of the Consolidated Net Income of Gentiva for the period (taken as one accounting period) beginning on July 5, 2010 to the end of Gentiva's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit); plus

(II) 100% of the aggregate net cash proceeds received by Gentiva since the Issue Date as a contribution to its common equity capital or from the issue or sale of Equity Interests of Gentiva (other than Disqualified Stock) or from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of Gentiva, in either case, that have been converted into or exchanged for such Equity Interests of Gentiva (other than Equity Interests or Disqualified Stock or debt securities sold to a Subsidiary of Gentiva); plus

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(III) 100% of the aggregate amount received in cash and the Fair Market Value of property and marketable securities convertible into cash received by means of the sale or other disposition (other than to Gentiva or its Restricted Subsidiaries) of Restricted Investments made after the Issue Date by Gentiva or its Restricted Subsidiaries and repurchases and redemptions of such Restricted Investments from Gentiva or its

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Restricted Subsidiaries and repayments of loans or advances which constitute Restricted Investments by Gentiva or its Restricted Subsidiaries made after the Issue Date; plus

(IV) to the extent that any Unrestricted Subsidiary of Gentiva designated as such after the Issue Date is redesignated as a Restricted Subsidiary after the Issue Date or has been merged, consolidated or amalgamated with or into, or transfers or conveys assets to, or is liquidated into Gentiva or a Restricted Subsidiary, the lesser of (i) the Fair Market Value of Gentiva's Investment in such Subsidiary as of the date of such redesignation or (ii) such Fair Market Value as of the date on which such Subsidiary was originally designated as an Unrestricted Subsidiary after the Issue Date (other than to the extent it constituted a Permitted Investment); plus

(V) 50% of any dividends received by Gentiva or its Restricted Subsidiaries after the Issue Date from an Unrestricted Subsidiary of Gentiva, to the extent that such dividends were not otherwise included in the Consolidated Net Income of Gentiva for such period.

So long as no Default or Event of Default has occurred and is continuing or would be caused thereby, the preceding provisions will not prohibit:

(1) the payment of any dividend within 60 days after the date of declaration of the dividend, if at the date of declaration the dividend payment would have complied with the provisions of the Indenture;

(2) the making of any Restricted Payment in exchange for, or out of the net cash proceeds of the substantially concurrent sale (other than to a Restricted Subsidiary of Gentiva) of, Equity Interests of Gentiva (other than Disqualified Stock); *provided, however*, that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from clause (c)(II) of the preceding paragraph;

(3) the redemption, repurchase, defeasance or other acquisition of any Subordinated Obligations of Gentiva or any Guarantor with the net cash proceeds from an incurrence of Permitted Refinancing Indebtedness; *provided, however*, that the amount of any such net cash proceeds that are utilized for any such redemption, repurchase, retirement, defeasance or other acquisition will be excluded from clause (c)(II) of the preceding paragraph;

(4) the redemption, repurchase or other acquisition or retirement for value of any Equity Interests of Gentiva or any Restricted Subsidiary of Gentiva (a) held by any current or future member of Gentiva's (or any Restricted Subsidiary's) management pursuant to any management equity subscription plan or agreement, stock option or stock purchase plan or agreement or employee benefit plan as may be adopted by Gentiva from time to time or (b) from an employee of Gentiva upon the termination of such employee's employment with Gentiva; *provided, however*, that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests in reliance on this clause (4) may not exceed \$5.0 million in any 12-month period (with unused amounts carried over to succeeding years subject to a maximum of \$10.0 million in any fiscal year); provided further, that such amount in any fiscal year may be increased by an amount equal to the net cash proceeds from the sale of Equity Interests of Gentiva to current or future members of management, directors or employees that occurs after the Issue Date to the extent not financed by loans from Gentiva or a Restricted Subsidiary (provided that the amount of any such net cash proceeds will be excluded from clause (c)(II) of the immediately preceding paragraph);

(5) repurchases, acquisitions or retirements of Equity Interests of Gentiva deemed to occur upon the exercise of stock options or similar rights under employee benefit plans of Gentiva or its Subsidiaries if such Equity Interests represents all or a portion of the exercise price thereof;

(6) any Restricted Payments made in connection with the Transactions and the fees and expenses related thereto to the extent permitted by the covenant described under Transactions with Affiliates ;

(7) payment of ordinary dividends on Disqualified Stock issued after the Issue Date to persons other than stockholders of Gentiva pursuant to the terms thereof as in effect on the date of issuance; *provided*, that such Disqualified Stock was issued in accordance with the covenant described below under the caption Incurrence of Indebtedness and Issuance of Preferred Stock and such dividends are included in Fixed Charges;

(8) the repurchase, redemption or other acquisition for value of Equity Interests of Gentiva or any direct or indirect parent representing solely fractional shares of such Equity Interests in connection with a merger, consolidation, amalgamation or other combination involving Gentiva or any direct or indirect parent;

(9) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Obligations in accordance with provisions similar to those set forth under the caption Repurchase at the Option of Holders Change of Control or provisions similar to those set forth under the caption Repurchase at the Option of Holders Asset Sales ; *provided* that, prior to or simultaneously with such purchase, repurchase, redemption, defeasance or other acquisition or retirement, Gentiva has made the Change of Control Offer or Asset Sale Offer, as applicable, as provided in such covenants and has completed the repurchase or

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redemption of all Notes validly tendered for payment in connection with such Change of Control Offer or Asset Sale Offer;

(10) the repurchase of Gentiva's Equity Interests pursuant to a repurchase plan approved by Gentiva's Board of Directors in an aggregate amount not to exceed \$5.0 million per fiscal year; or

(11) other Restricted Payments in an aggregate amount not to exceed \$20.0 million.

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the assets, property or securities proposed to be transferred or issued by Gentiva or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. If Gentiva or a Restricted Subsidiary makes a Restricted Payment which at the time of the making of such Restricted Payment would in the good faith determination of Gentiva be permitted under the provisions of the Indenture, such Restricted Payment shall be deemed to have been made in compliance with the Indenture notwithstanding any subsequent adjustments made in good faith to Gentiva financial statements affecting Consolidated Net Income of Gentiva for any period.

Incurrence of Indebtedness and Issuance of Preferred Stock

Gentiva will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, incur, issue, assume, Guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "incur") any Indebtedness (including Acquired Debt), and Gentiva will not issue any Disqualified Stock and will not permit any Restricted Subsidiary to issue any shares of preferred stock (including Disqualified Stock) other than to Gentiva or to a Guarantor; *provided, however*, that (i) Gentiva may incur Indebtedness (including Acquired Debt) or issue Disqualified Stock, (ii) any of Gentiva's Restricted Subsidiaries that are Guarantors may incur Indebtedness (including Acquired Debt) and (iii) any of Gentiva's Restricted Subsidiaries that are not Guarantors may incur Acquired Debt, in each case, if the Fixed Charge Coverage Ratio for Gentiva's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock is issued would have been at least (x) if such incurrence or issuance is made on or prior to August 15, 2013, 2.25 to 1 and (y) if such incurrence or issuance is made thereafter, 2.50 to 1, in all cases determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the preferred stock or Disqualified Stock had been issued, as the case may be, at the beginning of such four-quarter period.

The first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness (collectively, "Permitted Debt"):

(1) the incurrence by Gentiva or any Guarantor of additional Indebtedness and letters of credit under one or more Credit Facilities and Guarantees thereof by the Guarantors; provided that the aggregate principal amount of all Indebtedness and letters of credit of Gentiva and the Guarantors incurred pursuant to this clause (1) (with letters of credit, being deemed to have a principal amount equal to the maximum potential liability of Gentiva and the Guarantors thereunder) does not exceed \$875.0 million;

(2) the incurrence by Gentiva and the Restricted Subsidiaries of the Existing Indebtedness (other than Indebtedness incurred under clauses (1) and (3) of this paragraph);

(3) the incurrence by Gentiva and the Guarantors of Indebtedness represented by the Notes and the incurrence by the Guarantors of the Subsidiary Guarantees of the Notes;

(4) the incurrence by Gentiva or any Restricted Subsidiary of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used or useful in the business of Gentiva or such Restricted Subsidiary, in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (4), not to exceed, at any time outstanding, the greater of (a) \$30.0 million or (b) 1.5% of Total Assets;

(5) the incurrence by Gentiva or any Restricted Subsidiary of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to extend, defease, renew, refund, refinance or replace Indebtedness (other than intercompany Indebtedness) that was incurred under the first paragraph of this covenant or clauses (2), (3), (4) or this clause (5) of this paragraph;

(6) the incurrence by Gentiva or any Restricted Subsidiary of intercompany Indebtedness, or the issuance of preferred stock, between or among Gentiva and any Restricted Subsidiary; *provided, however*, that:

(a) if Gentiva or a Guarantor is the obligor on such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full in cash of all Obligations with respect to the Notes or the Subsidiary Guarantees, as the case may be; and

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(b)(i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than Gentiva or a Restricted Subsidiary and (ii) any subsequent sale or other transfer of any such Indebtedness to a Person that is not either Gentiva or a Restricted Subsidiary shall be deemed, in each case, to constitute an incurrence of such Indebtedness by Gentiva or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);

(7) the incurrence of Indebtedness of Gentiva or any Restricted Subsidiary consisting of guarantees, indemnities, holdbacks or obligations in respect of purchase price adjustments in connection with the acquisition or disposition of assets, including without limitation, shares of Capital Stock of Restricted Subsidiaries or contingent payment obligations incurred in connection with the acquisition of assets which are contingent on the performance of the assets acquired, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such assets or shares of Capital Stock of such Restricted Subsidiary for the purpose of financing such acquisition;

(8) the incurrence of Indebtedness of Gentiva or any Restricted Subsidiary represented by (a) letters of credit for the account of Gentiva or any Restricted Subsidiary or (b) other obligations to reimburse third parties pursuant to any surety bond or other similar arrangements, which letters of credit or other obligations, as the case may be, are intended to provide security for workers' compensation claims, payment obligations in connection with sales tax and insurance or other similar requirements in the ordinary course of business;

(9) the incurrence by Gentiva or any Restricted Subsidiary of Hedging Obligations that are incurred in the normal course of business and consistent with past business practices for the purpose of fixing or hedging currency or interest rate risk (including with respect to any floating rate Indebtedness that is permitted by the terms of the Indenture to be outstanding in connection with the conduct of their respective businesses) and not for speculative purposes;

(10) the Guarantee by Gentiva or any of the Guarantors of Indebtedness of Gentiva or a Restricted Subsidiary that was permitted to be incurred by another provision of this covenant;

(11) the incurrence by Gentiva or any Restricted Subsidiary of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided, however*, that such Indebtedness is extinguished within five Business Days following its incurrence;

(12) the incurrence of Acquired Debt; *provided, however*, that after giving effect to such incurrence, either:

(a) Gentiva would be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the first paragraph of this covenant; or

(b) the Fixed Charge Coverage Ratio of Gentiva and the Restricted Subsidiaries is equal to or greater than immediately prior to such incurrence;

(13) the incurrence by Gentiva or any Restricted Subsidiary of Indebtedness arising in connection with endorsement of instruments for deposit in the ordinary course of business;

(14) the incurrence by Gentiva or any Restricted Subsidiary of Indebtedness to the extent that the net proceeds thereof are promptly deposited to defease or to satisfy and discharge all Notes then outstanding; and

(15) the incurrence by Gentiva or any Guarantor of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (15), not to exceed the greater of \$35.0 million or 1.75% of Total Assets.

For purposes of determining compliance with this covenant, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (15) above or is entitled to be incurred pursuant to the first paragraph of this covenant, in each case, as of the date of incurrence thereof, Gentiva shall, in its sole discretion, classify (or later reclassify in whole or in part, in its sole discretion) such item of Indebtedness in any manner that complies with this covenant and such Indebtedness will be treated as having been incurred pursuant to such clauses or the first paragraph hereof, as the case may be, designated by Gentiva. Indebtedness under the Credit Agreement outstanding on the Issue Date was deemed to have been incurred on such date in reliance of the exception provided in clause (1) of the definition of Permitted Debt. Accrual of interest or dividends, the accretion of accreted value or liquidation preference and the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or preferred stock will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Stock or preferred stock for purposes of this covenant.

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Liens

Gentiva will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, incur, assume or permit to suffer to exist any Lien (other than Permitted Liens) of any nature whatsoever against any assets of Gentiva or any Restricted Subsidiary (including Capital Stock of a Restricted Subsidiary), whether owned at the Issue Date or thereafter acquired, which Lien secured Indebtedness or trade payables, unless contemporaneously therewith:

- (1) in the case of any Lien securing an obligation that ranks *pari passu* with the Notes or a Subsidiary Guarantee, effective provision is made to secure the Notes or such Subsidiary Guarantee, as the case may be, at least equally and ratably with or prior to such obligation with a Lien on the same assets of Gentiva or such Restricted Subsidiary, as the case may be; and
- (2) in the case of any Lien securing a Subordinated Obligation, effective provision is made to secure the Notes or such Subsidiary Guarantee, as the case may be, with a Lien on the same assets of Gentiva or such Restricted Subsidiary, as the case may be, that is prior to the Lien securing such Subordinated Obligation.

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

Gentiva will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

- (a) pay dividends or make any other distributions on its Capital Stock to Gentiva or any Restricted Subsidiary, or with respect to any other interest or participation in, or measured by, its profits, or pay any indebtedness owed to Gentiva or any Restricted Subsidiary;
- (b) make loans or advances to Gentiva or any Restricted Subsidiary; or
- (c) transfer any of its properties or assets to Gentiva or any Restricted Subsidiary.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

- (1) agreements governing Existing Indebtedness, Credit Facilities (including the Credit Agreement) or any other agreements in effect on the Issue Date and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of those agreements; provided that the amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the Issue Date;
- (2) the Indenture, the Notes and the Subsidiary Guarantees;
- (3) applicable law, rule, regulation or order;
- (4) any agreement or other instrument governing Indebtedness or Capital Stock of a Person acquired by Gentiva or any Restricted Subsidiary as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; provided that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the Indenture to be incurred;
- (5) customary non-assignment provisions in leases and other contracts entered into in the ordinary course of business;
- (6) purchase money obligations for property acquired in the ordinary course of business that impose restrictions on that property of the nature described in clause (c) of the first paragraph of this covenant;
- (7) any agreement for the sale or other disposition of a Restricted Subsidiary or the assets of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending its sale or other disposition or the sale or other disposition of its assets;

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(8) Permitted Refinancing Indebtedness; *provided, however*, that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(9) Liens securing Indebtedness otherwise permitted to be incurred under the provisions of the covenant described above under the caption Liens that limit the right of the debtor to dispose of the assets subject to such Liens;

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(10) provisions with respect to the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, stock sale agreements and other similar agreements entered into in the ordinary course of business;

(11) customary restrictions on the disposition or distribution of assets or property, in each case contained in any joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements entered into in the ordinary course of business;

(12) restrictions on cash or other deposits or net worth imposed by customers or required by insurance, surety or bonding companies, in each case, under contracts entered into in the ordinary course of business; and

(13) encumbrances or restrictions under any agreement, amendment, modification, restatement, renewal, supplement, refunding, replacement or refinancing that extends, renews, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing clauses (2), (4), (6) or (9) or in this clause (13), provided that the terms and conditions of any such encumbrances or restrictions are not materially more restrictive, taken as a whole, than those contained in the agreements being amended, modified, restated, renewed, supplemented, refunded, replaced or refinanced as determined by the Board of Directors of Gentiva in its reasonable and good faith judgment.

Merger, Consolidation or Sale of Assets

Neither Gentiva nor any Guarantor may, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not Gentiva or such Guarantor, as the case may be, is the surviving corporation) or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of Gentiva or any Guarantor, in one or more related transactions, to another Person; unless:

(1) either:

(a) Gentiva or such Guarantor, as the case may be, is the surviving corporation; or

(b) the Person formed by or surviving any such consolidation or merger (if other than Gentiva or such Guarantor, as the case may be) or to which such sale, assignment, transfer, conveyance or other disposition has been made is a corporation organized or existing under the laws of the United States, any state of the United States or the District of Columbia;

(2) except as otherwise described with respect to the release of Subsidiary Guarantees of Guarantors under the caption *Subsidiary Guarantees* above, the Person formed by or surviving any such consolidation or merger (if other than Gentiva or such Guarantor, as the case may be) or the Person to which such sale, assignment, transfer, conveyance or other disposition has been made assumes all the obligations of Gentiva or such Guarantor, as the case may be, under the Notes and the Indenture pursuant to agreements reasonably satisfactory to the trustee;

(3) immediately after such transaction no Default or Event of Default exists; and

(4) except with respect to a consolidation or merger of Gentiva with or into a Guarantor, or a Guarantor with or into another Guarantor, Gentiva or such Guarantor, as the case may be, or the Person formed by or surviving any such consolidation or merger (if other than Gentiva or such Guarantor), or to which such sale, assignment, transfer, conveyance or other disposition has been made will, on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described under the caption *Incurrence of Indebtedness and Issuance of Preferred Stock* above.

Notwithstanding the preceding clause (4), any Restricted Subsidiary of Gentiva may consolidate with, merge into or transfer all or part of its properties and assets to Gentiva or one or more Guarantors.

In addition, Gentiva may not, directly or indirectly, lease all or substantially all of its properties or assets, in one or more related transactions, to any other Person.

Except as described with respect to the release of Subsidiary Guarantees of Guarantors under the caption *Subsidiary Guarantees* above, the entity formed by or surviving any consolidation or merger (if other than Gentiva or a Guarantor) will succeed to, and be substituted for, and may exercise every right and power of, such Guarantor under the Indenture.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors of Gentiva may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted

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Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by Gentiva and its Restricted Subsidiaries in the Subsidiary properly designated will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the first paragraph of the covenant described above under the caption Certain Covenants Restricted Payments or Permitted Investments, as determined by Gentiva. That designation will be permitted only if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if the redesignation would not cause a Default.

Transactions with Affiliates

Gentiva will not, and will not permit any Restricted Subsidiary to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or Guarantee with, or for the benefit of, any Affiliate (each, an Affiliate Transaction), unless:

(1) the Affiliate Transaction is on terms that are no less favorable to Gentiva or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by Gentiva or such Restricted Subsidiary with an unrelated Person; and

(2) Gentiva delivers to the trustee:

(a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of \$10.0 million, (i) a resolution of the Board of Directors set forth in an officers certificate certifying that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors or (ii) a copy of an opinion as to the fairness to Gentiva or such Restricted Subsidiary from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing; and

(b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of \$20.0 million, an opinion as to the fairness to Gentiva or such Restricted Subsidiary from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(1) transactions between or among Gentiva and/or any Restricted Subsidiary;

(2) sales of Equity Interests (other than Disqualified Stock) to Affiliates of Gentiva;

(3) reasonable and customary directors fees, indemnification and similar arrangements, consulting fees, employee salaries, bonuses or employment agreements, compensation or employee benefit arrangements, incentive and severance arrangements with any officer, director or employee of Gentiva or a Restricted Subsidiary entered into in the ordinary course of business;

(4) any transactions made in compliance with the covenant described above under the caption Restricted Payments ;

(5) loans and advances to officers and employees of Gentiva or any Restricted Subsidiary in the ordinary course of business in accordance with the past practices of Gentiva or any Restricted Subsidiary;

(6) the Transactions and the payment of all fees and expenses related to the Transactions;

(7) transactions with a Person (other than an Unrestricted Subsidiary) that is an Affiliate of Gentiva solely because Gentiva owns directly, or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;

(8) written agreements entered into or assumed in connection with acquisitions of other businesses with Persons who were not Affiliates prior to such transactions approved by a majority of the Board of Directors of Gentiva; and

(9) any agreement as in effect as of the date of the Indenture or any amendment thereto so long as any such amendment is not more disadvantageous to the holders in any material respect than the original agreement as in effect on the date of the Indenture.

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Additional Subsidiary Guarantees

If, on or after the Issue Date (unless such acquired or created Domestic Subsidiary is properly designated as an Unrestricted Subsidiary):

(1) Gentiva or any of its Domestic Subsidiaries acquires or creates another Domestic Subsidiary that incurs any Indebtedness or guarantees any Indebtedness of Gentiva or its Domestic Subsidiaries, in each case pursuant to clause (1) of the definition of "Permitted Debt"; or

(2) any Domestic Subsidiary of Gentiva incurs Indebtedness or guarantees Indebtedness of Gentiva or any of its Domestic Subsidiaries, in each case pursuant to clause (1) of the definition of "Permitted Debt" and that Domestic Subsidiary was not a Guarantor immediately prior to such incurrence or Guarantee (an "Additional Obligor"),

then within 30 days after the incurrence of such debt or guarantee, such newly acquired or created Domestic Subsidiary or Additional Obligor, as the case may be, will become a Guarantor and guarantee Gentiva's obligations in respect of the Notes and execute and deliver an opinion of counsel satisfactory to the trustee as soon as reasonably practicable after the date on which it was acquired or created or incurred, as the case may be.

Reports

So long as any Notes are outstanding, Gentiva will furnish to the trustee and, upon request, to beneficial owners of Notes, all of the information and reports referred to in clauses (1) and (2) below within the time periods specified in the Commission's rules and regulations (whether or not Gentiva is required to file such information):

(1) all quarterly and annual financial information that would be required to be contained in a filing with the Commission on Forms 10-Q and 10-K if Gentiva were required to file such Forms, including a Management's Discussion and Analysis of Financial Condition and Results of Operations and, with respect to the annual information only, a report on the annual financial statements by Gentiva's certified independent accountants; and

(2) all current reports that would be required to be filed with the Commission on Form 8-K if Gentiva were required to file such reports;

provided, that if Gentiva files such reports electronically with the Commission's Electronic Data Gathering Analysis and Retrieval System (or any successor or replacement system) within such time periods, Gentiva shall not be required to furnish such reports to the Trustee and the holders of the Notes.

In addition, Gentiva and the Guarantors have agreed that, for so long as any Notes remain outstanding, they will furnish to the holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Events of Default and Remedies

Each of the following is an Event of Default:

(1) default for 30 days in the payment when due of interest on, or Additional Interest with respect to, the Notes;

(2) default in payment when due of the principal of or premium, if any, on the Notes;

(3) failure by Gentiva or any Restricted Subsidiary to comply with the provisions described under the caption "Certain Covenants - Merger, Consolidation or Sale of Assets";

(4) failure by Gentiva or any Restricted Subsidiary for 30 days after notice to comply with the provisions described under the captions "Repurchase at the Option of Holders - Asset Sales," "Repurchase at the Option of Holders - Change of Control," "Certain Covenants - Restricted Payments," "Certain Covenants - Incurrence of Indebtedness and Issuance of Preferred Stock";

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(5) failure by Gentiva or any Restricted Subsidiary to comply with any of its other agreements in the Indenture or the Notes for 60 days after notice has been given to Gentiva;

(6) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by Gentiva or any Restricted Subsidiary (or the payment of which is guaranteed by Gentiva or any Restricted Subsidiary) whether such Indebtedness or Guarantee now exists, or is created after the date of the Indenture, if that default:

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(a) is caused by a failure to pay principal of, or interest or premium, if any, on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "Payment Default"); or

(b) results in the acceleration of such Indebtedness prior to its express maturity;

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates \$20.0 million or more;

(7) failure by Gentiva or any Restricted Subsidiary to pay final non-appealable judgments (to the extent not paid or covered by insurance provided by a reputable carrier) aggregating in excess of \$20.0 million, which judgments are not paid, discharged or stayed for a period of 60 days;

(8) except as permitted by the Indenture, any Subsidiary Guarantee shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor, or any Person acting on behalf of any Guarantor, shall deny or disaffirm its obligations under its Subsidiary Guarantee; and

(9) certain events of bankruptcy or insolvency described in the Indenture with respect to Gentiva or any Significant Subsidiary or any group of Subsidiaries that, taken together, would constitute a Significant Subsidiary.

In the case of an Event of Default arising from certain events of bankruptcy or insolvency, with respect to Gentiva, any Subsidiary that would constitute a Significant Subsidiary or any group of Subsidiaries that, taken together, would constitute a Significant Subsidiary, all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the trustee or the holders of at least 25% in principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately.

Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, holders of a majority in principal amount of the then outstanding Notes may direct the trustee in its exercise of any trust or power. The trustee may withhold from holders of the Notes notice of any continuing Default or Event of Default if it determines that withholding such notice is in their interest, except a Default or Event of Default relating to the payment of principal or interest or Additional Interest.

The holders of at least a majority in aggregate principal amount of the Notes then outstanding by notice to the trustee may on behalf of the holders of all of the Notes waive any existing Default or Event of Default and its consequences under the Indenture (except a continuing Default or Event of Default in the payment of interest or Additional Interest on, or the principal of, the Notes) and rescind any acceleration and its consequences with respect to the Notes, *provided* such rescission would not conflict with any judgment of a court of competent jurisdiction.

In the case of any Event of Default occurring by reason of any willful action or inaction taken or not taken by or on behalf of Gentiva with the intention of avoiding payment of the premium that Gentiva would have had to pay if Gentiva then had elected to redeem the Notes pursuant to the optional redemption provisions of the Indenture, an equivalent premium will also become and be immediately due and payable to the extent permitted by law upon the acceleration of the Notes. If an Event of Default occurs by reason of any willful action (or inaction) taken (or not taken) by or on behalf of Gentiva with the intention of avoiding the prohibition on redemption of the Notes, then the premium specified in the Indenture will also become immediately due and payable to the extent permitted by law upon the acceleration of the Notes.

Gentiva is required to deliver to the trustee annually a statement regarding compliance with the Indenture. Upon becoming aware of any Default or Event of Default, Gentiva is required to deliver to the trustee a statement specifying such Default or Event of Default.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of Gentiva or any Guarantor, as such, will have any liability for any obligations of Gentiva or the Guarantors under the Notes, the Indenture, the Subsidiary Guarantees, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

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Legal Defeasance and Covenant Defeasance

Gentiva may, at its option and at any time, elect to have all of its obligations discharged with respect to the outstanding Notes and all obligations of the Guarantors discharged with respect to their Subsidiary Guarantees (Legal Defeasance) except for:

- (1) the rights of holders of outstanding Notes to receive payments in respect of the principal of, or interest or premium and Additional Interest, if any, on such Notes when such payments are due from the trust referred to below;
- (2) Gentiva's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;
- (3) the rights, powers, trusts, duties and immunities of the trustee, and Gentiva's and the Guarantors' obligations in connection therewith; and
- (4) the Legal Defeasance provisions of the Indenture.

In addition, Gentiva may, at its option and at any time, elect to have the obligations of Gentiva and the Guarantors released with respect to certain covenants that are described in the Indenture (Covenant Defeasance) and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership, rehabilitation and insolvency events) described under "Events of Default and Remedies" will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

- (1) Gentiva must irrevocably deposit with the trustee, in trust, for the benefit of the holders of the Notes, cash in U.S. dollars, non-callable Government Securities, or a combination of cash in U.S. dollars and non-callable Government Securities, in amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, or interest and premium and Additional Interest, if any, on the outstanding Notes on the stated maturity or on the applicable redemption date, as the case may be, and Gentiva must specify whether the Notes are being defeased to maturity or to a particular redemption date;
- (2) in the case of Legal Defeasance, Gentiva has delivered to the trustee an opinion of counsel reasonably acceptable to the trustee confirming that (a) Gentiva has received from, or there has been published by, the Internal Revenue Service a ruling or (b) since the date of the Indenture, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such opinion of counsel will confirm that, the holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;
- (3) in the case of Covenant Defeasance, Gentiva has delivered to the trustee an opinion of counsel reasonably acceptable to the trustee confirming that the holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;
- (4) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit);
- (5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under any material agreement or instrument (other than the Indenture) to which Gentiva or any of its Subsidiaries is a party or by which Gentiva or any of its Subsidiaries is bound;
- (6) Gentiva must deliver to the trustee an officers' certificate stating that the deposit was not made by Gentiva with the intent of preferring the holders of Notes over the other creditors of Gentiva with the intent of defeating, hindering, delaying or defrauding creditors of Gentiva or others; and

(7) Gentiva must deliver to the trustee an officers certificate and an opinion of counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Amendment, Supplement and Waiver

Except as provided in the next two succeeding paragraphs, the Indenture or the Notes may be amended or supplemented with the consent of the holders of at least a majority in principal amount of the Notes then outstanding

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(including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing Default or compliance with any provision of the Indenture or the Notes may be waived with the consent of the holders of a majority in principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

Without the consent of each holder affected, an amendment or waiver may not (with respect to any Notes held by a non-consenting holder):

- (1) reduce the principal amount of Notes whose holders must consent to an amendment, supplement or waiver;
- (2) reduce the principal of or change the fixed maturity of any Note or alter the provisions with respect to the redemption or repurchase of the Notes relating to the covenant (and applicable definitions) described under the caption Repurchase at the Option of Holders Change of Control above;
- (3) reduce the rate of, or change the time for payment of, interest on any Note;
- (4) waive a Default or Event of Default in the payment of principal of, or interest or premium, or Additional Interest, if any, on the Notes (except a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount of the Notes and a waiver of the payment default that resulted from such acceleration);
- (5) make any Note payable in currency other than U.S. dollars;
- (6) make any change in the provisions (including applicable definitions) of the Indenture relating to waivers of past Defaults or the rights of holders of Notes to receive payments of principal of, or interest or premium or Additional Interest, if any, on the Notes;
- (7) waive a redemption or repurchase payment with respect to any Note (including a payment required by the provisions described under the caption Repurchase at the Option of Holders above);
- (8) make any change in any Subsidiary Guarantees that would adversely affect the holders of the Notes or release any Guarantor from any of its obligations under its Subsidiary Guarantee or the Indenture, except in accordance with the terms of the Indenture;
- (9) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without the consent of any holder of Notes, Gentiva, the Guarantors and the trustee may amend or supplement the Indenture or the Notes:

- (1) to cure any ambiguity, defect or inconsistency;
- (2) to provide for uncertificated Notes in addition to or in place of certificated Notes;
- (3) to provide for the assumption of Gentiva's and each Guarantor's obligations to holders of Notes in the case of a merger or consolidation or sale of all or substantially all of Gentiva's assets;
- (4) to make any change that would provide any additional rights or benefits to the holders of Notes or that does not adversely affect the legal rights under the Indenture of any such holder;
- (5) to provide for or confirm the issuance of additional notes otherwise permitted to be incurred by the Indenture;
- (6) to comply with requirements of the Commission in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act;
- (7) to evidence and provide for the acceptance of appointment by a successor trustee;
- (8) to conform the text of the Indenture, Subsidiary Guarantees or the Notes to any provision of the Description of the Notes contained in the Offering Memorandum to the extent that such provision in the Description of the Notes was intended to be a verbatim recitation of a provision of

the Indenture, the Subsidiary Guarantees or the Notes; or

(9) to make any amendment to the provisions of the Indenture relating to the transfer and legending of Notes as permitted by the Indenture, including, without limitation, to facilitate the issuance and administration of the Notes; *provided, however*, that such amendment does not adversely affect the rights of holders of notes to transfer notes.

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Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

(1) either:

(a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to Gentiva, have been delivered to the trustee for cancellation; or

(b) all Notes that have not been delivered to the trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year, and Gentiva has irrevocably deposited or caused to be deposited with the trustee as trust funds in trust solely for the benefit of the holders, cash in U.S. dollars, non-callable U.S. Government Securities, or a combination of cash in U.S. dollars and non-callable U.S. Government Securities, in such amounts as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire indebtedness on the Notes not delivered to the trustee for cancellation for principal, premium and Additional Interest, if any, and accrued interest to the date of maturity or redemption;

(2) no Default or Event of Default has occurred and is continuing on the date of the deposit or will occur as a result of the deposit, and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which Gentiva or any Guarantor is a party or by which Gentiva or any Guarantor is bound;

(3) Gentiva has paid or caused to be paid all sums payable by it under the Indenture; and

(4) Gentiva has delivered irrevocable instructions to the trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be.

In addition, Gentiva must deliver an officers' certificate and an opinion of counsel to the trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Concerning the Trustee

If the trustee becomes a creditor of Gentiva or any Guarantor, the Indenture limits its right to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest, it must (i) eliminate such conflict within 90 days, (ii) apply to the Commission for permission to continue or (iii) resign.

The holders of a majority in principal amount of the then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the trustee, subject to certain exceptions. The Indenture provides that in case an Event of Default occurs and is continuing, the trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any holder of Notes, unless such holder has offered to the trustee security and indemnity satisfactory to it against any loss, liability or expense.

Certain Definitions

Set forth below are certain defined terms used in this description. Reference is made to the Indenture for a full disclosure of all such terms used in the Indenture, as well as any other capitalized terms used herein for which no definition is provided.

Acquired Debt means Indebtedness of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary or at the time it merges or consolidates with or into Gentiva or any of its Subsidiaries or that is assumed in connection with the acquisition of assets from such Person and in each case not incurred by such Person in connection with, or in anticipation or contemplation of, such Person becoming a Restricted Subsidiary of Gentiva or such acquisition, merger or consolidation.

Additional Assets means:

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(1) any property or assets (other than Indebtedness and Capital Stock) in a Permitted Business;

(2) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by Gentiva or a Restricted Subsidiary; or

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(3) Capital Stock constituting a non-controlling interest in any Person that at such time is a Restricted Subsidiary;

provided, however, that any such Restricted Subsidiary described in clauses (2) or (3) above is primarily engaged in a Permitted Business.

Additional Interest means the additional interest, if any, to be paid on the Notes as described in the registration rights agreement.

Affiliate of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, *control*, as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms *controlling*, *controlled by* and *under common control with* have correlative meanings.

Asset Sale means the sale, lease, transfer, conveyance or other disposition of any assets (including, without limitation, Equity Interests in, or other securities of, a Subsidiary) or rights, other than sales, leases, transfers, conveyances or other dispositions of inventory in the ordinary course of business consistent with past practices; provided that the sale, conveyance or other disposition of all or substantially all of the assets of Gentiva and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the Indenture described above under the caption

Repurchase at the Option of Holders Change of Control and/or the provisions described above under the caption Certain Covenants Merger, Consolidation or Sale of Assets and not by the provisions described under the caption Repurchase at the Option of Holders Asset Sales.

Notwithstanding the preceding paragraph, the following items will not be deemed to be Asset Sales:

(1) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than \$10.0 million;

(2) a sale, lease, transfer, conveyance or other disposition of assets between or among Gentiva and its Restricted Subsidiaries;

(3) an issuance of Equity Interests by a Restricted Subsidiary to Gentiva or to another Restricted Subsidiary;

(4) a sale, lease, transfer, conveyance or other disposition effected in compliance with the provisions described under the caption Certain Covenants Merger, Consolidation or Sale of Assets ;

(5) a Restricted Payment or Permitted Investment that is permitted by the covenant described above under the caption Certain Covenants Restricted Payments ;

(6) a transfer of property or assets that are obsolete, expired, damaged or worn-out equipment and that are no longer useful in the conduct of Gentiva or its Subsidiaries business and that is disposed of in the ordinary course of business;

(7) a Permitted Asset Swap;

(8) the sale or other disposition of cash or Cash Equivalents;

(9) the unwinding of any Hedging Obligations;

(10) the sale or other disposition of any Equity Interest of, or any Investment in, an Unrestricted Subsidiary for Fair Market Value;

(11) granting of a Lien permitted by the Indenture and the Credit Agreement; and

(12) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in a bankruptcy or similar proceeding and exclusive of factoring or similar arrangements.

Attributable Debt in respect of a sale and leaseback transaction means, at the time of determination, the present value of the obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and leaseback transaction including any period for which such lease has been extended or may, at the option of the lessor, be extended. Such present value shall be calculated using a discount rate

equal to the rate of interest implicit in such transaction, determined in accordance with GAAP.

Beneficial Owner has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular person (as that term is used in

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Section 13(d)(3) of the Exchange Act), such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition. The terms *Beneficially Owns* and *Beneficially Owned* have a corresponding meaning.

Board of Directors means:

- (1) with respect to a corporation, the board of directors of the corporation;
- (2) with respect to a partnership, the Board of Directors of the general partner of the partnership; and
- (3) with respect to any other Person, the board or committee of such Person serving a similar function.

Capital Lease Obligation means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet in accordance with GAAP.

Capital Stock means:

- (1) in the case of a corporation, authorized stock of such corporation;
- (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and
- (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

Cash Equivalents means:

- (1) United States dollars;
- (2) securities having maturities of not more than 365 days from the date of acquisition issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality of the United States government (provided that the full faith and credit of the United States is pledged in support of those securities);
- (3) certificates of deposit and eurodollar time deposits with maturities of 365 days or less from the date of acquisition, bankers' acceptances with maturities not exceeding 365 days and overnight bank deposits, in each case, with any lender party to the Credit Agreement or with any domestic commercial bank having capital and surplus in excess of \$500.0 million and a Thomson Bank Watch Rating of *B* or better;
- (4) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;
- (5) commercial paper rated at least A-1 by S&P or at least P-1 by Moody's, and in each case maturing within 365 days after the date of acquisition; and
- (6) money market funds at least 90% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (5) of this definition.

Change of Control means the occurrence of any of the following:

- (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of consolidation, merger or amalgamation), in one or a series of related transactions, of all or substantially all of the properties or assets of Gentiva and its Restricted Subsidiaries, taken as a whole, to any person or group (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act);

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(2) the consummation of any transaction (other than a consolidation, merger or amalgamation) the result of which is that any person or group (as defined above) becomes the Beneficial Owner, directly or indirectly, of more than 35% of the Voting Stock of Gentiva, measured by voting power rather than number of shares; or

(3) Gentiva consolidates, merges or amalgamates with or into, any Person, or any Person consolidates, merges or amalgamates with or into, Gentiva, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of Gentiva or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where (x) the Voting Stock of Gentiva outstanding immediately prior to such transaction is converted into or exchanged for Voting Stock (other than Disqualified Stock) of the surviving or

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transferee Person constituting a majority of the outstanding shares of such Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance) and (y) no person or group (as defined above) is the Beneficial Owner, directly or indirectly, of more than 35% of the Voting Stock of such surviving or transferee Person.

Code means the Internal Revenue Code of 1986, as amended.

Commission means the Securities and Exchange Commission.

Consolidated Cash Flow means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus:

(1) an amount equal to (i) any extraordinary loss plus (ii) any net loss realized by such Person or any of its Subsidiaries in connection with an Asset Sale, to the extent such losses were deducted in computing such Consolidated Net Income; plus

(2) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; plus

(3) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued and whether or not capitalized (including, without limitation, amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, imputed interest with respect to Attributable Debt, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations), to the extent that any such expense was deducted in computing such Consolidated Net Income; plus

(4) depreciation, amortization (including amortization of goodwill and other intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash expenses or charges (excluding any such non-cash expense or charge to the extent that it represents an accrual of or reserve for expenses or charges to be paid in cash in any future period) of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash expenses or charges were deducted in computing such Consolidated Net Income; plus

(5) the amount of any restructuring charge, including any one-time costs incurred in connection with acquisitions after the Issue Date and one-time costs related to the closure and/or consolidation of facilities; plus

(6) any net loss (or minus any net gain) resulting in such period from Hedging Obligations; plus

(7) any expenses or charges (other than depreciation or amortization expense) related to any Equity Offering, Permitted Investment, acquisition, disposition, recapitalization or the incurrence of Indebtedness permitted to be incurred by the Indenture (including a refinancing thereof) (whether or not successful), including such fees, expenses or charges related to the Transactions, in each case deducted (and not added back) in computing Consolidated Net Income for such period; minus

(8) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business;

in each case, on a consolidated basis and determined in accordance with GAAP.

Consolidated Net Income means, with respect to any specified Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; provided that without duplication:

(1) the Net Income (but not loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or distributions paid in cash to the specified Person or a Restricted Subsidiary of the Person;

(2) the Net Income of any Restricted Subsidiary will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment,

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decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders;

(3) the Net Income of any Person acquired during the specified period for any period prior to the date of such acquisition will be excluded;

(4) the cumulative effect of a change in accounting principles will be excluded;

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(5) unrealized non-cash gains and losses with respect to Hedging Obligations will be excluded;

(6) any non-cash compensation expense recorded from grants of stock appreciation or similar rights, stock options, restricted stock or other rights will be excluded; and

(7) the amortization of any premiums, fees or expense incurred in connection with the Transactions or any amounts required or permitted by Accounting Principles board Opinions No. 16 (including non-cash write-ups and non-cash charges relating to inventory and fixed assets, in each case arising in connection with the Transactions) and No. 17 (including non-cash charges relating to intangibles and goodwill), in each case in connection with the Transactions will be excluded.

Credit Agreement means that certain Credit Agreement, entered into as of August 17, 2010, among Gentiva, each lender from time to time party thereto, and Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, General Electric Capital Corporation, as Syndication Agents, and Barclays Bank PLC and SunTrust Bank, as Co-Documentation Agents (as such may be amended from time to time and inclusive of any and all incremental and other facilities thereunder).

Credit Facilities means, one or more debt facilities or agreements (including, without limitation, the Credit Agreement) or commercial paper facilities, in each case with banks or other institutional lenders or investors providing for revolving credit loans, term loans (including, without limitation, additional notes issued under the Indenture), receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced (including any agreement to extend the maturity thereof and adding additional borrowers or guarantors) in whole or in part from time to time under the same or any other agent; lender or group of lenders and including increasing the amount of available borrowings thereunder; provided that such increase is permitted by the Incurrence of Indebtedness and Issuance of Preferred Stock covenant above.

Default means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

Designated non-Cash Consideration means the Fair Market Value of non-cash consideration received by Gentiva or any of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as Designated non-Cash Consideration pursuant to an officers' certificate, setting forth the basis of such valuation, less the amount of Cash Equivalents received in connection with a subsequent sale of such Designated non-Cash Consideration.

Disqualified Stock means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 91 days after the date on which the Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require Gentiva to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that Gentiva may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under the caption Certain Covenants Restricted Payments.

Domestic Subsidiary means any Restricted Subsidiary of Gentiva that was formed under the laws of the United States or any state or territory of the United States or the District of Columbia.

Equity Interests means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

Equity Offering means any private or public sale of common stock of Gentiva other than:

(1) offerings related to equity securities issuable under any employee benefit plan of Gentiva or any of its Restricted Subsidiaries; and

(2) issuances to any Subsidiary of Gentiva.

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Existing Indebtedness means Indebtedness of Gentiva and its Restricted Subsidiaries (other than Indebtedness under the Notes or the Subsidiary Guarantees) outstanding on the Issue Date after giving effect to the application of the proceeds of the Original Notes until such amounts are repaid.

Fair Market Value means, with respect to any asset, property or service, the price that could be negotiated in an arm's length free market transaction, for cash, between a willing seller and a willing buyer, neither of whom is under pressure or compulsion to complete the transaction. Unless otherwise specified in the Indenture,

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Fair Market Value shall be determined, except as otherwise specified, (i) if the Fair Market Value is equal to or less than \$10.0 million, by the principal financial officer of Gentiva acting reasonably and in good faith and (ii) if the Fair Market Value exceeds \$10.0 million, by the Board of Directors of Gentiva, or any committee thereof, acting reasonably and in good faith and shall be evidenced by a board resolution attached to an officers certificate.

Fixed Charge Coverage Ratio means with respect to any specified Person for any period, the ratio of the Consolidated Cash Flow of such Person and its Restricted Subsidiaries for such period to the Fixed Charges of such Person and its Restricted Subsidiaries for such period. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases or redeems any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the Calculation Date), then the Fixed Charge Coverage Ratio will be calculated giving pro forma effect to such incurrence, assumption, guarantee, repayment, repurchase or redemption of Indebtedness, or such issuance, repurchase or redemption of preferred stock, and the use of the proceeds therefrom as if the same had occurred at the beginning of the applicable four-quarter reference period.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

- (1) acquisitions that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations and including any related financing transactions, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date will be given pro forma effect (calculated in accordance with Regulation S-X) as if they had occurred on the first day of the four-quarter reference period and Consolidated Cash Flow for such reference period will be calculated without giving effect to clause (3) of the proviso set forth in the definition of Consolidated Net Income :
- (2) any operating expense reductions or synergies projected in good faith to result from the Transactions of the nature used in connection with the calculation of Adjusted EBITDA as set forth in footnote 1 to the Summary Unaudited Pro Forma Consolidated Information under Summary in the Offering Memorandum shall be given pro forma effect;
- (3) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date, will be excluded;
- (4) Fixed Charges consisting of non-cash items arising from changes in or the adopting of accounting principles will be excluded; and
- (5) the Fixed Charges attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date.

Fixed Charges means, with respect to any specified Person for any period, the sum, without duplication, of:

- (1) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, including, without limitation, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, Attributable Debt, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations; plus
- (2) the consolidated interest expense of such Person and its Restricted Subsidiaries that was capitalized during such period; plus
- (3) any interest expense on Indebtedness of another Person that is guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries, whether or not such Guarantee or Lien is called upon; plus
- (4) the product of (a) all cash dividends paid on any series of preferred stock of such Person or any of its Restricted Subsidiaries, other than dividends on Equity Interests payable solely in Equity Interests of Gentiva (other than Disqualified Stock) or to Gentiva or a Restricted Subsidiary of Gentiva, times (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal, in each case, on a consolidated basis and in accordance with GAAP.

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GAAP means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and

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pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which were in effect on the Issue Date.

Guarantee means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness.

Guarantors means any Subsidiary that executes a Subsidiary Guarantee in accordance with the provisions of the Indenture and their respective successors and assigns.

Hedging Obligations means, with respect to any specified Person, the obligations of such Person under:

- (1) interest rate swap agreements, interest rate cap agreements and interest rate collar agreements; and
- (2) other agreements or arrangements designed to protect such Person against fluctuations in interest rates.

Indebtedness means, with respect to any specified Person, any indebtedness of such Person, whether or not contingent:

- (1) in respect of borrowed money;
- (2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);
- (3) in respect of banker's acceptances;
- (4) representing Capital Lease Obligations;
- (5) representing the balance deferred and unpaid of the purchase price of any property, except any such balance that constitutes an accrued expense or trade payable; or
- (6) representing any Hedging Obligations;

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with GAAP. In addition, the term *Indebtedness* includes (x) all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person), provided that the amount of such Indebtedness will be the lesser of (A) the Fair Market Value of such asset at such date of determination and (B) the amount of such Indebtedness, and (y) to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person.

The amount of any Indebtedness outstanding as of any date will be:

- (a) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount; and
- (b) the principal amount of the Indebtedness, together with any interest on the Indebtedness that is more than 30 days past due, in the case of any other Indebtedness.

Investments means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other obligations), advances or capital contributions (excluding commission, travel and similar advances, fees and compensation paid to officers, directors and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. *Investments* shall exclude extensions of trade credit on commercially reasonable terms in the ordinary course of business. If Gentiva or any Restricted Subsidiary of Gentiva sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary of Gentiva such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary of Gentiva, Gentiva will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Equity Interests of such Restricted Subsidiary not sold or disposed of. The acquisition by Gentiva or any Subsidiary of Gentiva of a Person that holds an Investment in a third Person will be deemed to be an Investment by Gentiva or such Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investment held by the acquired Person in such third Person.

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Issue Date means the date of original issuance of the Original Notes under the Indenture.

Lien means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under

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applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

Merger means the merger of GTO Acquisition Corp. with and into Odyssey HealthCare, Inc. pursuant to the Merger Agreement.

Merger Agreement means the Agreement and Plan of Merger by and among Gentiva Health Services, Inc., GTO Acquisition Corp. and Odyssey HealthCare, Inc., dated as of May 23, 2010.

Moody's means Moody's Investors Services, Inc. or any successor to the rating agency business thereof.

Net Income means, with respect to any specified Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends, excluding, however:

(1) any gain or loss, together with any related provision for taxes on such gain or loss, realized in connection with: (a) any Asset Sale; or (b) the disposition of any securities by such Person or any of its Restricted Subsidiaries or the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries; and

(2) any extraordinary gain or loss, together with any related provision for taxes on such extraordinary gain or loss.

Net Proceeds means the aggregate cash proceeds received by Gentiva or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of (1) the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, brokerage and sales fees and commissions, and any relocation expenses incurred as a result of the Asset Sale, (2) taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any non-uncertain available tax credits or deductions and any tax sharing arrangements, (3) amounts required to be applied to the repayment of Indebtedness, other than Indebtedness under a Credit Facility, secured by a Lien on the asset or assets that were the subject of such Asset Sale, (4) any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with GAAP, (5) in the case of any Asset Sale by a Restricted Subsidiary, payments to holders of Equity Interests in such Restricted Subsidiary in such capacity (other than such Equity Interests held by Gentiva or any Restricted Subsidiary thereof) to the extent that such payment is required to permit the distribution of such proceeds in respect of the Equity Interests in such Restricted Subsidiary held by Gentiva or any Restricted Subsidiary thereof and (6) appropriate amounts to be provided by Gentiva or its Restricted Subsidiaries as a reserve against liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined in accordance with GAAP; provided that amounts initially held in reserve pursuant to clause (6) no longer so held shall at that time become Net Proceeds; provided that cash and/or Cash Equivalents in which Gentiva or a Restricted Subsidiary has an individual beneficial ownership shall not be deemed to be received by Gentiva or a Restricted Subsidiary until such time as such cash and/or Cash Equivalents are free from any restrictions under agreements with the other beneficial owners of such cash and/or Cash Equivalents that prevent Gentiva or a Restricted Subsidiary from applying such cash and/or Cash Equivalents to any permitted use described under the caption "Repurchase at the Option of Holders" Asset Sales.

Obligations means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

Offering Memorandum means the Offering Memorandum relating to the Original Notes, dated August 12, 2010.

Permitted Asset Swap means sales, transfers or other dispositions of assets, including all of the outstanding Capital Stock of a Restricted Subsidiary, for consideration at least equal to the Fair Market Value of the assets sold or disposed of, but only if the consideration received consists of Capital Stock of a Person that becomes a Restricted Subsidiary engaged in, or property or assets (other than cash, except to the extent used as a bona fide means of equalizing the value of the property or assets involved in the swap transaction) of a nature or type or that are used in, a business having property or assets of a nature or type, or engaged in a business similar or related to the nature or type of the property and assets of, or business of, Gentiva and the Restricted Subsidiaries existing on the date of such sale or other disposition.

Permitted Business means any business that is reasonably similar, ancillary or related to, or a reasonable extension, development or expansion of, the businesses in which Gentiva and its Restricted Subsidiaries are engaged in on the Issue Date.

Permitted Investments means:

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- (1) any Investment in Gentiva or a Restricted Subsidiary;
- (2) any Investment in Cash Equivalents;
- (3) any Investment by Gentiva or any Restricted Subsidiary in or to acquire a Person, if as a result of such Investment:
 - (a) such Person becomes a Restricted Subsidiary; or
 - (b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, Gentiva or a Subsidiary;
- (4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under the caption **Repurchase at the Option of Holders Asset Sales** ;
- (5) any acquisition of assets solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of Gentiva;
- (6) any Investments received in compromise of obligations of such persons incurred in the ordinary course of trade creditors or customers that were incurred in the ordinary course of business, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer;
- (7) Hedging Obligations;
- (8) Investments the payment for which is Capital Stock (other than Disqualified Stock) of Gentiva;
- (9) Investments in prepaid expenses, negotiable instruments held for collection, utility and workers compensation, performance and similar deposits made in the ordinary course of business;
- (10) loans and advances to officers and employees of Gentiva or any Restricted Subsidiary in an aggregate amount for all such loans and advances not to exceed \$5.0 million at any time outstanding;
- (11) Investments in any Person to the extent such Investment represents the non-cash portion of the consideration received in connection with an Asset Sale consummated in compliance with the covenant described under **Repurchase at the Option of Holders Asset Sales** ;
- (12) Investments existing on the date of the Indenture;
- (13) endorsements of negotiable instruments and documents in the ordinary course of business;
- (14) repurchases of notes; and
- (15) other Investments in any Person having an aggregate Fair Market Value (measured on the date each such investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (15) that are at the time outstanding, not to exceed the greater of (a) \$30.0 million or (b) 1.5% of Total Assets.

Permitted Lien means:

- (1) Liens for taxes, assessments or governmental charges or claims either (a) not delinquent or (b) contested in good faith by appropriate proceedings and as to which Gentiva or the Restricted Subsidiaries shall have set aside on its books such reserves as may be required pursuant to GAAP;
- (2) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, suppliers, materialmen, repairmen and other Liens imposed by law incurred in the ordinary course of business;

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(3) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money);

(4) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(5) judgment Liens not giving rise to a Default so long as such Liens are adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment have not been finally terminated or the period within which the proceedings may be initiated has not expired;

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(6) easements, rights-of-way, zoning restrictions and other similar charges, restrictions or encumbrances in respect of real property or immaterial imperfections of title which do not, in the aggregate, impair in any material respect the ordinary conduct of the business of Gentiva and the Restricted Subsidiaries taken as a whole;

(7) Liens securing reimbursement obligations with respect to commercial letters of credit which encumber documents and other assets relating to such letters of credit and products and proceeds thereof;

(8) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual or warranty requirements of Gentiva or any Restricted Subsidiary, including rights of offset and setoff;

(9) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash and Cash Equivalents on deposit in one or more of accounts maintained by Gentiva or any Restricted Subsidiary, in each case granted in the ordinary course of business in favor of the bank or banks with which such accounts are maintained, securing amounts owing to such bank with respect to cash management and operating account arrangements, including those involving pooled accounts and netting arrangements; provided that in no case shall any such Liens secure (either directly or indirectly) the repayment of any Indebtedness;

(10) leases or subleases granted to others that do not materially interfere with the ordinary course of business of Gentiva or any Restricted Subsidiary;

(11) Liens arising from filing uniform commercial code financing statements regarding leases;

(12) Liens securing all of the Notes and Liens securing any Subsidiary Guarantee;

(13) Liens securing Hedging Obligations entered into for bona fide hedging purposes of Gentiva or any Restricted Subsidiary not for the purpose of speculation;

(14) Liens existing on the Issue Date securing Indebtedness outstanding on the Issue Date;

(15) Liens in favor of Gentiva or a Guarantor;

(16) Liens securing Indebtedness under Credit Facilities (including, for the avoidance of doubt, the Credit Agreement) in an aggregate principal amount not to exceed the greater of (x) the amount permitted to be incurred pursuant to clause (1) of the definition of "Permitted Debt" and (y) an amount that does not cause the Secured Leverage Ratio of Gentiva to exceed 2.5 to 1.0;

(17) Liens securing purchase money obligations and Capitalized Lease Obligations incurred pursuant to clause (4) of the definition of "Permitted Debt"; provided that such Liens shall not extend to any asset other than the specified asset being financed and additions and improvements thereon;

(18) Liens securing Acquired Indebtedness permitted to be incurred under the Indenture; provided that the Liens do not extend to assets not subject to such Lien at the time of acquisition (other than improvements thereon) and are no more favorable to the lienholders than those securing such Acquired Indebtedness prior to the incurrence of such Acquired Debt by Gentiva or a Restricted Subsidiary;

(19) Liens on assets of a Person existing at the time such Person is acquired or merged with or into or consolidated with the Issuer or any such Restricted Subsidiary (and not created in anticipation or contemplation thereof);

(20) Liens to secure Refinancing Indebtedness of Indebtedness secured by Liens referred to in the foregoing clauses (12), (14), (18) and (19); provided that in the case of Liens securing Refinancing Indebtedness of Indebtedness secured by Liens referred to in the foregoing clauses (14), (18) and (19), such Liens do not extend to any additional assets (other than improvements thereon and replacements thereof);

(21) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods; and

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(22) Liens incurred in the ordinary course of business of Gentiva or any Restricted Subsidiary with respect to obligations that do not in the aggregate exceed \$30.0 million at any one time outstanding; and

(23) encumbrances upon the transfer, sale or other disposition of Equity Interests pursuant to the terms of a joint venture agreement, shareholders agreement or equivalent instrument.

Permitted Refinancing Indebtedness means any Indebtedness of Gentiva or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund other Indebtedness of Gentiva or any of its Restricted Subsidiaries (other than intercompany Indebtedness); *provided, however*, that:

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(1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness extended, refinanced, renewed, replaced, defeased or refunded (plus all accrued interest on the Indebtedness and the amount of all expenses and premiums incurred in connection therewith);

(2) such Permitted Refinancing Indebtedness has a final maturity date the same as or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;

(3) such Permitted Refinancing Indebtedness is subordinated in right of payment to the Notes on terms at least as favorable to the holders of notes as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; and

(4) such Indebtedness is incurred either by Gentiva or by the Subsidiary who is the obligor on the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded.

Person means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

Restricted Investment means an Investment other than a Permitted Investment.

Restricted Subsidiary of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary.

S&P means Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business or any successor to the rating agency business thereof.

Secured Debt means any Indebtedness secured by a Lien.

Secured Leverage Ratio means, with respect to any Person at any date, the ratio of (1) Secured Debt of such Person and its Restricted Subsidiaries as of such date of calculation (determined on a consolidated basis in accordance with GAAP) to (2) Consolidated Cash Flow of such Person for the four full fiscal quarters for which internal financial statements prepared in accordance with GAAP are available immediately preceding such date on which such additional Indebtedness is incurred. In the event that Gentiva or any of its Restricted Subsidiaries incurs or redeems any Secured Debt subsequent to the commencement of the period for which the Secured Leverage Ratio is being calculated but prior to the event for which the calculation of the Secured Leverage Ratio is made, then the Secured Leverage Ratio shall be calculated giving pro forma effect to such incurrence or redemption of Indebtedness as if the same had occurred at the beginning of the applicable four fiscal quarter period. The Secured Leverage Ratio shall be calculated in a manner consistent with the definition of Fixed Charge Coverage Ratio, including any pro forma adjustments to Consolidated Cash Flow as set forth therein (including for acquisitions).

Significant Subsidiary means any Subsidiary that would be a significant subsidiary as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such regulation is in effect on the Issue Date.

Stated Maturity means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

Subordinated Obligations means any Indebtedness of Gentiva that is subordinate or junior in right of payment to the Notes pursuant to a written agreement to that effect.

Subsidiary means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

Subsidiary Guarantee means the Guarantee of the Notes by each of the Guarantors pursuant to the Indenture and any additional Guarantee of the Notes to be executed by any Subsidiary of Gentiva pursuant to the covenant described above under the caption Certain Covenants Additional Subsidiary Guarantees.

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Total Assets means the total consolidated assets of Gentiva and its Subsidiaries, as shown on the most recent balance sheet of Gentiva.

Transactions means the Merger, including the payment of the merger consideration in connection therewith, the issuance of the Notes and the execution of and borrowings on the Issue Date under, the Credit Agreement and the related transactions described in the Offering Memorandum, in particular as described under the section entitled The Proposed Odyssey Acquisition and Financing.

Treasury Rate means, at the time of computation, the yield to maturity of United States Treasury Securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) which has become publicly available at least two business days prior to the redemption date or, if such Statistical Release is no longer published, any publicly available source of similar market data) most nearly equal to the period from the redemption date to September 1, 2014; *provided, however*, that if the period from the redemption date to September 1, 2014 is not equal to the constant maturity of a United States Treasury Security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury Securities for which such yields are given, except that if the period from the redemption date to September 1, 2014 is less than one year, the weekly average yield on actually traded United States Treasury Securities adjusted to a constant maturity of one year shall be used.

Unrestricted Subsidiary means any Subsidiary of Gentiva or any successor to any of them) that is designated by the Board of Directors as an Unrestricted Subsidiary pursuant to a Board Resolution, but only to the extent that such Subsidiary:

(1) is not party to any agreement, contract, arrangement or understanding with Gentiva or any Restricted Subsidiary of Gentiva unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to Gentiva or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of Gentiva;

(2) is a Person with respect to which neither Gentiva nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and

(3) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of Gentiva or any of its Restricted Subsidiaries.

Any designation of a Subsidiary of Gentiva as an Unrestricted Subsidiary will be evidenced to the trustee by filing with the trustee a certified copy of the Board Resolution giving effect to such designation and an officers' certificate certifying that such designation complied with the preceding conditions and was permitted by the covenant described above under the caption Certain Covenants Designation of Restricted and Unrestricted Subsidiaries. If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of Gentiva as of such date and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described under the caption Certain Covenants Incurrence of Indebtedness and Issuance of Preferred Stock, Gentiva will be in default of such covenant. The Board of Directors of Gentiva may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of Gentiva of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation will be permitted only if (1) such Indebtedness is permitted under the covenant described under the caption Certain Covenants Incurrence of Indebtedness and Issuance of Preferred Stock, and (2) no Default or Event of Default would be in existence following such designation.

Voting Stock of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

Weighted Average Life to Maturity means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amount of such Indebtedness.

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EXCHANGE OFFER

Purpose of the Exchange Offer

On August 17, 2010, we completed the issuance of the Original Notes in a private placement to qualified institutional buyers in the United States in reliance on rule 144A under the Securities Act and outside the United States in reliance on Regulation S under the Securities Act. Accordingly, the Original Notes may not be reoffered, resold or otherwise transferred in the United States absent registration under the Securities Act or pursuant to an available exemption from registration thereunder. On August 17, 2010, we entered into a registration rights agreement with the initial purchasers of the Original Notes, pursuant to which we agreed to use our commercially reasonable efforts to file and to have declared effective a registration statement under the Securities Act with respect to a registered offer to exchange the Original Notes for the New Notes and to consummate the exchange offer.

In addition, we have agreed to keep the exchange offer open for at least 20 business days, or longer if required by applicable law. We are offering the New Notes pursuant to this prospectus to satisfy our obligations under the registration rights agreement.

We are making this exchange offer in reliance on interpretations of the staff of the SEC set forth in several no-action letters. We have not, however, sought our own no-action letter. Based on interpretations by the SEC's staff in no-action letters issued to other parties, we believe that a holder of New Notes issued in the exchange offer may transfer the New Notes without complying with the registration and prospectus delivery requirements of the Securities Act if such holder:

is not an affiliate of Gentiva within the meaning of Rule 405 under the Securities Act;

is not a broker-dealer tendering Original Notes acquired directly from Gentiva for its own account;

acquired the Original Notes in the ordinary course of its business; and

has no arrangements or understandings with any person to participate in this exchange offer for the purpose of distributing the Original Notes and has made representations to Gentiva to that effect.

Each broker-dealer that receives New Notes for its own account in exchange for Original Notes, where such Original Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such New Notes. The letter of transmittal states that by so acknowledging and delivering a prospectus, a broker-dealer will not be considered to admit that it is an underwriter within the meaning of the Securities Act. For a period of 180 days after the expiration date of the exchange offer, we will make this prospectus, as it may be amended or supplemented from time to time, available to broker-dealers for use in connection with any resales. See Plan of Distribution.

Except as described above, this prospectus may not be used for an offer to resell, resale or other transfer of New Notes.

The exchange offer is not being made to, nor will we accept tenders for exchange from, holders of Original Notes in any jurisdiction in which the exchange offer or the acceptance of tenders would not be in compliance with the securities or blue-sky laws of such jurisdiction.

Terms of the Exchange Offer

Upon the terms and subject to the conditions of the exchange offer, we will accept any and all Original Notes validly tendered and not withdrawn prior to 5:00 p.m., New York City time, on the expiration date for the exchange offer. The date of acceptance for exchange of the Original Notes, and completion of the exchange offer, is the exchange date, which will be as soon as practicable following the expiration date (unless extended as described in this prospectus). Promptly following the exchange date, we will issue an aggregate principal amount of up to \$325.0 million of New Notes for a like principal amount of outstanding Original Notes tendered and accepted in connection with the exchange

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offer. The New Notes issued in connection with the exchange offer will be delivered promptly following the exchange date. Holders may tender some or all of their Original Notes in connection with the exchange offer, but only in \$1,000 increments of principal amount.

The terms of the New Notes will be identical in all material respects to the terms of the Original Notes, except that:

the New Notes will have been registered under the Securities Act, and thus the New Notes will generally not be subject to the restrictions on transfer applicable to the Original Notes, nor will they bear restrictive legends;

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the New Notes will have a different CUSIP number from the Original Notes;

the New Notes will not be entitled to registration rights; and

the New Notes will not have the right to earn additional interest under circumstances relating to our registration obligations. The New Notes will evidence the same debt as the Original Notes and will be issued under the Indenture and entitled to the same benefits under the Indenture as the Original Notes. As of the date of this prospectus, \$325.0 million in aggregate principal amount of the Original Notes is outstanding. This prospectus and a letter of transmittal are being sent to all registered holders of outstanding Original Notes. There will be no fixed record date for determining registered holders entitled to participate in this exchange offer.

In connection with the issuance of the Original Notes, we arranged for the Original Notes originally purchased by qualified institutional buyers and those sold in reliance on Regulation S under the Securities Act to be issued and transferable in book-entry form through the facilities of DTC, acting as depository. The New Notes will be issued in the form of Global Notes registered in the name of DTC or its nominee, and each beneficial owner's interest in it will be transferable in book-entry form through DTC. See Description of the New Notes Transfer and Exchange.

The exchange offer is not conditioned upon any minimum aggregate principal amount of outstanding Original Notes being tendered for exchange.

We intend to conduct the exchange offer in accordance with the provisions of the registration rights agreement, the applicable requirements of the Securities Act and the Exchange Act and the rules and regulations of the SEC.

Holders of Original Notes do not have any appraisal or dissenters' rights in connection with the exchange offer. Original Notes that are not tendered for exchange or are tendered but not accepted in connection with the exchange offer will remain outstanding and be entitled to the benefits of the Indenture, but will not be entitled to any registration rights or additional interest under the registration rights agreement. See Issuances of New Notes; Consequences of Failures to Properly Tender Original Notes in the Exchange Offer.

We shall be considered to have accepted validly tendered Original Notes if and when we have given oral or written notice to the exchange agent. The exchange agent will act as agent for the tendering holders for the purposes of receiving the New Notes from us.

If any tendered Original Notes are not accepted for exchange because of an invalid tender, the occurrence of certain other events described in this prospectus or otherwise, we will return the Original Notes to the tendering holder, without expense to such holder, promptly after the expiration date.

Holders who tender Original Notes will not be required to pay brokerage commissions or fees or, subject to the instructions in the letter of transmittal, transfer taxes on exchange of Original Notes in connection with the exchange offer. We will pay all charges and expenses, other than certain applicable taxes described below, in connection with the exchange offer. See Fees and Expenses.

Expiration Date; Extensions; Amendments

The expiration date for the exchange offer is 5:00 p.m., New York City time, on December 16, 2010, unless extended by us in our sole discretion, in which case the term expiration date shall mean the latest date and time to which the exchange offer is extended. We reserve the right, in our sole discretion, to extend the exchange offer at any time and from time to time before the expiration date by giving written notice to The Bank of New York Mellon Trust Company, N.A, the exchange agent, and by timely public announcement. During any extension of the exchange offer, all Original Notes previously tendered in the exchange offer will remain subject to the exchange offer.

We reserve the right, in our sole discretion:

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to terminate the exchange offer if, in our reasonable judgment, any of the conditions described below shall not have been satisfied and shall not have been waived by us; or

to amend the terms of the exchange offer in any manner.

If we amend the exchange offer in a manner that we consider material, we will disclose such amendment by means of a prospectus supplement, and we will extend the exchange offer for a period of five to ten business days.

If we determine to extend, amend or terminate the exchange offer, we will publicly announce this determination by making a timely release through an appropriate news agency.

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Interest on the New Notes

The New Notes will bear interest at 11.5% per annum from the most recent date to which interest on the Original Notes has been paid or, if no interest has been paid on the Original Notes, from the Issue Date. Interest will be payable semi-annually in arrears on March 1 and September 1 of each year.

Conditions to the Exchange Offer

Notwithstanding any other term of the exchange offer, we will not be required to accept for exchange, or exchange New Notes for, any Original Notes and may terminate the exchange offer as provided in this prospectus before acceptance of the Original Notes, if prior to the expiration date:

the exchange offer violates any applicable law; or

the exchange offer violates any applicable interpretation of the staff of the SEC.

The conditions listed above are for our sole benefit and may be asserted by us regardless of the circumstances giving rise to any of these conditions. We may waive these conditions in our reasonable discretion in whole or in part at any time and from time to time prior to the expiration date. The failure by us at any time to exercise any of the above rights shall not be considered a waiver of such right, and such right shall be considered an ongoing right which may be asserted at any time and from time to time.

If we determine in our reasonable discretion that any of the conditions are not satisfied, we may:

refuse to accept any Original Notes and return all tendered Original Notes to the tendering holders;

extend the exchange offer and retain all Original Notes tendered before the expiration of the exchange offer, subject, however, to the rights of holders to withdraw these Original Notes (see [Withdrawal of Tenders](#) below); or

waive unsatisfied conditions relating to the exchange offer and accept all properly tendered Original Notes which have not been withdrawn.

In addition, we will not accept any Original Notes tendered for exchange, and no New Notes will be issued in exchange for any Original Notes, if at that time any stop order is threatened or in effect relating to:

the registration statement of which this prospectus forms a part; or

the qualification of the Indenture under the Trust Indenture Act.

Procedures For Tendering

Unless the tender is being made in book-entry form, to tender in the exchange offer, a holder must:

complete, sign and date the letter of transmittal, or a facsimile of it;

have the signatures guaranteed if required by the letter of transmittal; and

mail or otherwise deliver the letter of transmittal or the facsimile, the Original Notes and any other required documents to the exchange agent prior to 5:00 p.m., New York City time, on the expiration date.

Any financial institution that is a participant in DTC's Book-Entry Transfer Facility system may make book-entry delivery of the Original Notes by causing DTC to transfer the Original Notes into the exchange agent's account. Although delivery of Original Notes may be effected through book-entry transfer into the exchange agent's account at DTC, the letter of transmittal (or facsimile), with any required signature guarantees and any other required documents, must, in any case, be transmitted to and received or confirmed by the exchange agent at its address set forth under the caption "Exchange Agent" below, prior to 5:00 p.m., New York City time, on the expiration date. Delivery of documents to DTC in accordance with its procedures does not constitute delivery to the exchange agent.

The tender by a holder of Original Notes will constitute an agreement between us and the holder in accordance with the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal.

The method of delivery of Original Notes and the letter of transmittal and all other required documents to the exchange agent is at the election and risk of the holders. Instead of delivery by mail, we recommend that holders use an overnight or hand delivery service. In all cases, holders should allow sufficient time to assure delivery to the exchange agent before the expiration date. No letter of transmittal or Original Notes should be sent to us. Holders

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may request their respective brokers, dealers, commercial banks, trust companies or nominees to effect the tenders for such holders.

Any beneficial owner whose Original Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender should contact the registered holder promptly and instruct such registered holder to tender on behalf of the beneficial owner. If the beneficial owner wishes to tender on that owner's own behalf, the beneficial owner must, prior to completing and executing the letter of transmittal and delivering such beneficial owner's Original Notes, either make appropriate arrangements to register ownership of the Original Notes in such beneficial owner's name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time.

Signatures on letters of transmittal or notices of withdrawal must be guaranteed by an eligible guarantor institution within the meaning of Rule 17Ad-15 under the Exchange Act, unless the Original Notes tendered pursuant thereto are tendered:

by a registered holder who has not completed the box entitled "Special Registration Instructions" or "Special Delivery Instructions" on the letter of transmittal; or

for the account of an eligible guarantor institution.

In the event that a signature on a letter or transmittal or a notice of withdrawal is required to be guaranteed, such guarantee must be by:

a member firm of a registered national securities exchange or of the Financial Industry Regulatory Authority, Inc.;

a commercial bank or trust company having an office or correspondent in the United States; or

an eligible guarantor institution.

If the letter of transmittal is signed by a person other than the registered holder of any Original Notes, the Original Notes must be endorsed by the registered holder or accompanied by a properly completed bond power, in each case signed or endorsed in blank by the registered holder.

If the letter of transmittal or any Original Notes or bond powers are signed or endorsed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing and, unless waived by us, submit evidence satisfactory to us of their authority to act in that capacity with the letter of transmittal.

We will determine all questions as to the validity, form, eligibility (including time of receipt) and acceptance and withdrawal of tendered Original Notes in our sole discretion. We reserve the absolute right to reject any and all Original Notes not properly tendered or any Original Notes whose acceptance by us would, in the opinion of our counsel, be unlawful. We also reserve the right to waive any defects, irregularities or conditions of tender as to any particular Original Notes either before or after the expiration date. Our interpretation of the terms and conditions of the exchange offer (including the instructions in the letter of transmittal) will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of Original Notes must be cured within a time period we will determine. Although we intend to request the exchange agent to notify holders of defects or irregularities relating to tenders of Original Notes, neither we, the exchange agent nor any other person will have any duty or incur any liability for failure to give such notification. Tendere of Original Notes will not be considered to have been made until such defects or irregularities have been cured or waived. Any Original Notes received by the exchange agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned by the exchange agent to the tendering holders, unless otherwise provided in the letter of transmittal, promptly following the expiration date.

In addition, we reserve the right, as set forth above under the caption "Conditions to the Exchange Offer", to terminate the exchange offer. By tendering, each holder represents to us, among other things, that:

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the New Notes acquired in connection with the exchange offer are being obtained in the ordinary course of business of the person receiving the New Notes, whether or not such person is the holder;

neither the holder nor any such other person has an arrangement or understanding with any person to participate in the distribution of such New Notes; and

neither the holder nor any such other person is our affiliate (as defined in Rule 405 under the Securities Act).

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Each broker-dealer that receives New Notes for its own account in exchange for Original Notes, where such Original Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such New Notes. See Plan of Distribution.

Guaranteed Delivery Procedures

A holder who wishes to tender its Original Notes and:

whose Original Notes are not immediately available;

who cannot deliver the holder's Original Notes, the letter of transmittal or any other required documents to the exchange agent prior to the expiration date; or

who cannot complete the procedures for book-entry transfer before the expiration date;

may effect a tender if:

the tender is made through an eligible guarantor institution;

before the expiration date, the exchange agent receives from the eligible guarantor institution:

(i) a properly completed and duly executed notice of guaranteed delivery by facsimile transmission, mail or hand delivery,

(ii) the name and address of the holder, and

(iii) the certificate number(s) of the Original Notes and the principal amount of Original Notes tendered, stating that the tender is being made and guaranteeing that, within three New York Stock Exchange trading days after the expiration date, the letter of transmittal and the certificate(s) representing the Original Notes (or a confirmation of book-entry transfer), and any other documents required by the letter of transmittal will be deposited by the eligible guarantor institution with the exchange agent; and

the exchange agent receives, within three New York Stock Exchange trading days after the expiration date, a properly completed and executed letter of transmittal or facsimile, as well as the certificate(s) representing all tendered Original Notes in proper form for transfer or a confirmation of book-entry transfer, and all other documents required by the letter of transmittal.

Upon request, the exchange agent will send to you a notice of guaranteed delivery if you wish to tender your Original Notes according to the guaranteed delivery procedures.

Withdrawal of Tenders

Except as otherwise provided herein, tenders of Original Notes may be withdrawn at any time prior to 5:00 p.m., New York City time, on the expiration date.

To withdraw a tender of Original Notes in connection with the exchange offer, a written or facsimile transmission notice of withdrawal must be received by the exchange agent at its address set forth herein prior to 5:00 p.m., New York City time, on the expiration date. Any such notice of

withdrawal must:

specify the name of the person who deposited the Original Notes to be withdrawn;

identify the Original Notes to be withdrawn (including the certificate number(s) and principal amount of such Original Notes);

be signed by the depositor in the same manner as the original signature on the letter of transmittal by which such Original Notes were tendered (including any required signature guarantees) or be accompanied by documents of transfer sufficient to have the Trustee register the transfer of such Original Notes into the name of the person withdrawing the tender; and

specify the name in which any such Original Notes are to be registered, if different from that of the depositor.

We will determine all questions as to the validity, form and eligibility (including time of receipt) of such notices of withdrawal. Any Original Notes so withdrawn will be considered not to have been validly tendered for purposes of the exchange offer, and no New Notes will be issued in exchange for such withdrawn Original Notes unless such Original Notes are validly re-tendered. Any Original Notes which have been tendered but which are not accepted for exchange or which are withdrawn will be returned to the holder without cost to such holder promptly

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after withdrawal, rejection of tender or termination of the exchange offer. Properly withdrawn Original Notes may be re-tendered at any time prior to the expiration date by following one of the procedures described above under the caption "Procedures for Tendering".

Information Regarding the Registration Rights Agreement; Additional Interest

As noted, we are effecting this exchange offer to comply with the registration rights agreement. The registration rights agreement requires us to use our commercially reasonable efforts to:

file with the SEC a registration statement for the exchange offer;

cause such registration statement to be declared effective under the Securities Act;

have such registration statement remain effective until the closing of the exchange offer;

commence the exchange offer promptly after the exchange offer registration statement is declared effective by the SEC; and

consummate the exchange offer not later than March 15, 2011.

In addition, if because of any change in law or in applicable interpretations thereof by the staff of the SEC, we are not permitted to effect the exchange offer or under certain other circumstances, we must use our commercially reasonable efforts to file a shelf registration statement for the resale of the Original Notes cause such registration statement to be declared effective under the Securities Act.

If the exchange offer for the Original Notes is not completed on or prior to March 15, 2011, the interest rate on the Original Notes will increase by 0.25% per annum for the first 90-day period thereafter, and the amount of such Additional Interest will increase by an additional 0.25% per annum for each subsequent 90-day period, up to a maximum of 1.0% per annum over the original interest rate on the Original Notes. Additional Interest will also become payable if any of the following occurs: if (i) any required shelf registration statement is not timely filed with the SEC, (ii) any required shelf registration statement is not timely declared effective by the SEC or (iii) any registration statement required by the registration rights agreement is filed and declared effective but thereafter ceases to be effective or fails to be usable for its intended purpose, each of the foregoing as prescribed by the terms of the registration rights agreement. Additional Interest would cease to be payable upon consummation of the exchange offer or upon cure of all applicable registration defaults as described above.

This foregoing description of the registration rights agreement is only a summary and is qualified in its entirety by reference to the full text of the registration rights agreement, which we have previously filed with the SEC and which is incorporated by reference herein. See "Where You Can Find More Information."

Exchange Agent

We have appointed The Bank of New York Mellon Trust Company, N.A. as exchange agent in connection with the exchange offer. Questions and requests for assistance, requests for additional copies of this prospectus or of the letter of transmittal should be directed to the exchange agent at its offices at: The Bank of New York Mellon, Corporate Trust Operations, Reorganization Unit, 101 Barclay Street 7 East, New York, New York 10286, Attention: Mr. William Buckley. The exchange agent's telephone number is (212) 815-5788 and facsimile number is (212) 298-1915.

Fees and Expenses

We will not make any payment to brokers, dealers or others soliciting acceptances of the exchange offer. We will pay certain other expenses to be incurred in connection with the exchange offer, including the fees and expenses of the exchange agent and certain accounting and legal fees. We will pay all transfer taxes, if any, applicable to the exchange of the outstanding Original Notes under the exchange offer, except as set forth under "Transfer Taxes."

Accounting Treatment

The New Notes will be recorded at the same carrying value as the Original Notes as reflected in our accounting records on the date of the exchange. Accordingly, we will not recognize any gain or loss for accounting purposes upon the completion of the exchange offer. The expenses of the exchange offer that we pay will increase our deferred financing costs and will be amortized over the term of the Notes in accordance with generally accepted accounting principles.

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Issuance of New Notes; Consequences of Failures to Properly Tender Original Notes in the Exchange Offer

Issuance of the New Notes in exchange for the Original Notes in the exchange offer will be made only after timely receipt by the exchange agent of the certificate(s) representing the Original Notes (or a confirmation of book-entry transfer), a properly completed and duly executed letter of transmittal (or an agent's message from DTC) and all other required documents. Therefore, holders of the Original Notes desiring to tender such Original Notes in exchange for New Notes should allow sufficient time to ensure timely delivery. We are under no duty to give notification of defects or irregularities of tenders of Original Notes for exchange. Original Notes that are not tendered or that are tendered but not accepted by us will, following completion of the exchange offer, continue to be subject to the existing restrictions upon transfer thereof under the Securities Act, and, upon completion of the exchange offer, certain registration rights under the registration rights agreement will terminate. In the event the exchange offer is completed, we will not be required to register the remaining Original Notes. Remaining Original Notes will continue to be subject to the following restrictions on transfer:

the remaining Original Notes may be resold only (i) if registered pursuant to the Securities Act, (ii) if an exemption from registration is available or (iii) if neither such registration nor such exemption is required by law; and

the remaining Original Notes will bear a legend restricting transfer in the absence of registration or an exemption therefrom. We do not anticipate that we will register the remaining Original Notes under the Securities Act. To the extent that Original Notes are tendered and accepted in connection with the exchange offer, any trading market for remaining Original Notes could be adversely affected. See Risk Factors Risks Related to the New Notes and the Exchange Offer. If you do not exchange your Original Notes, they may be difficult to resell.

Transfer Taxes

We will pay all transfer taxes, if any, applicable to the exchange of outstanding Original Notes under the exchange offer. The tendering holder, however, will be required to pay any transfer taxes, whether imposed on the registered holder or any other person, if:

New Notes are to be delivered to, or issued in the name of, any person other than the registered holder of the Original Notes tendered;

tendered outstanding Original Notes are registered in the name of any other person other than the person signing the letter of transmittal; or

a transfer tax is imposed for any reason other than the exchange of Original Notes pursuant to the exchange offer. If satisfactory evidence of payment of such taxes is not submitted with the letter of transmittal, the amount of such transfer taxes will be billed to the tendering holder.

Other

Participating in the exchange offer is voluntary, and you should carefully consider whether to accept. You are urged to consult your financial and tax advisors in making your decision on what action to take.

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CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion summarizes certain U.S. federal income consequences relating to an exchange of an Original Note for a New Note pursuant to the exchange offer. This discussion does not purport to be a complete analysis of all the potential tax considerations. It is based on the provisions of the Internal Revenue Code of 1986, as amended (the Code), the Treasury regulations promulgated or proposed thereunder, judicial authority, published administrative positions of the Internal Revenue Service (the IRS) and other applicable authorities, all as in effect on the date of this document, and all of which are subject to change, possibly on a retroactive basis. We have not sought any ruling from the IRS with respect to the statements made and the conclusions reached in this summary, and there can be no assurance that the IRS will agree with our statements and conclusions.

This summary deals only with holders that purchased their Original Notes at their original issuance at their issue price and that hold their Original Notes and will hold the New Notes as capital assets within the meaning of section 1221 of the Code (generally, property held for investment). This summary does not purport to deal with all aspects of U.S. federal income taxation that might be relevant to a particular holder in light of the holder's particular circumstances or status, nor does it address tax considerations applicable to an investor that may be subject to special tax rules, like a financial institution, tax-exempt organization, S corporation, partnership or other pass-through entity or investors in those entities, regulated investment company, real estate investment trust, insurance company, broker, dealer or trader in securities or currencies, a person who holds a note as part of a hedge, straddle, synthetic security, conversion transaction or other risk reduction transaction, a person whose functional currency is not the U.S. dollar, a controlled foreign corporation, a passive foreign investment company, certain former citizens or residents of the United States, or a taxpayer subject to the alternative minimum tax. Moreover, the effect of any applicable state, local or non-U.S. tax laws is not discussed.

The exchange of an Original Note for a New Note pursuant to the exchange offer will not constitute a taxable event for U.S. federal income tax purposes. Consequently, you will not recognize gain or loss on receipt of a New Note, your tax basis in the New Note will be the same as your tax basis in the Original Note immediately before the exchange and your holding period for the New Note will include your holding period for the Original Note exchanged therefor.

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PLAN OF DISTRIBUTION

The staff of the SEC has taken the position that any broker-dealer that receives New Notes for its own account in the exchange offer in exchange for Original Notes that were acquired by such broker-dealer as a result of market-making or other trading activities, may be deemed to be an underwriter within the meaning of the Securities Act and must deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such New Notes. Any broker-dealer that holds Original Notes that were acquired for the account of such broker-dealer as a result of market-making activities or other trading activities (other than Original Notes acquired directly from Gentiva or any affiliate of Gentiva) may exchange such Original Notes pursuant to the exchange offer.

Each broker-dealer that receives New Notes for its own account pursuant to this exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such New Notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of New Notes received in exchange for Original Notes where such Original Notes were acquired as a result of market-making activities or other trading activities. For a period of 180 days after the expiration date of this exchange offer, we will make this prospectus, as amended or supplemented from time to time, available to any broker-dealer for use in connection with any such resale. In addition, until 180 days from the date of this prospectus, all dealers effecting transactions in the New Notes may be required to deliver a prospectus.

We will not receive any proceeds from any sale of New Notes by any holder. New Notes received by broker-dealers for their own account pursuant to this exchange offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the New Notes or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such New Notes. Any broker-dealer that resells New Notes that were received by it for its own account pursuant to this exchange offer and any broker or dealer that participates in a distribution of such New Notes may be deemed to be an underwriter within the meaning of the Securities Act, and any profit on any such resale of New Notes and any commission or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The letter of transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act.

For a period of 180 days after the expiration date, we will promptly send additional copies of this prospectus and any amendment or supplement to this prospectus to any broker-dealer that requests such documents in the letter of transmittal. We have agreed to pay all expenses incident to this exchange offer (including the expenses of one counsel for the holders of the Notes) other than commissions or concessions of any brokers or dealers and will indemnify the holders of the Notes (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

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LEGAL MATTERS

The validity of the New Notes and the guarantees offered hereby will be passed upon for us by Greenberg Traurig, LLP, Miami, Florida.

EXPERTS

The financial statements and financial statement schedule of Gentiva Health Services, Inc. incorporated in this prospectus by reference to Gentiva Health Services, Inc.'s Current Report on Form 8-K/A (Amendment No. 1) dated October 20, 2010 and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this prospectus by reference to the Annual Report on Form 10-K of Gentiva Health Services, Inc. for the year ended January 3, 2010 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements of Odyssey HealthCare, Inc. appearing in Gentiva Health Services Inc.'s Current Report on Form 8-K/A (Amendment No. 1) dated October 20, 2010 for the year ended December 31, 2009 (except for Note 22, as to which the date is October 19, 2010), have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

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Until 180 days from the date of this prospectus, all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.