UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
WESTERN DIVISION

In re:	:	Case No. 25-30191
The Bellevue Hospital	:	Chapter 11
	:	
Debtor.	:	Judge Mary Ann Whipple

DISCLOSURE STATEMENT FOR CHAPTER 11 PLAN OF REORGANIZATION OF THE BELLEVUE HOSPITAL

[NOT FOR SOLICITATION OF ACCEPTANCES]

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DISCLOSURE

THIS DISCLOSURE STATEMENT (THE "DISCLOSURE STATEMENT") FOR THE "CHAPTER 11 PLAN OF REORGANIZATION OF THE BELLEVUE HOSPITAL" (THE "PLAN") DESCRIBES THE TERMS AND PROVISIONS OF THE PLAN FILED FEBRUARY 28, 2025, IN THE CASE CAPTIONED ABOVE, PENDING BEFORE THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF OHIO, WESTERN DIVISION (THE "COURT"), UNDER CHAPTER 11 OF TITLE 11 OF THE UNITED STATES CODE, AS AMENDED (THE "CODE").

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF FEBRUARY 28, 2025, UNLESS ANOTHER TIME IS SPECIFIED HEREIN, AND NEITHER DELIVERY OF THIS DISCLOSURE STATEMENT NOR ANY EXCHANGE OF RIGHTS MADE IN CONNECTION WITH THIS DISCLOSURE STATEMENT SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS NOT BEEN ANY CHANGE IN THE FACTS SET FORTH HEREIN SINCE THE DATE THIS DISCLOSURE STATEMENT AND THE MATERIALS RELIED UPON IN PREPARATION OF THIS DISCLOSURE STATEMENT WERE COMPILED. **THIS DISCLOSURE STATEMENT IS PRESENTED SOLELY FOR INFORMATIONAL PURPOSES AND IS NOT BEING USED TO SOLICIT ACCEPTANCES OF THE PLAN.** NOTHING CONTAINED IN IT SHALL CONSTITUTE, OR BE DEEMED CONCLUSIVE, ADVICE ON THE TAX OR OTHER LEGAL EFFECTS OF ANY REORGANIZATION ON HOLDERS OF CLAIMS OR MEMBER INTERESTS IN CONNECTION WITH SUCH REORGANIZATION.

BECAUSE NO SOLICITATION OF ACCEPTANCES IS CONTEMPLATED IN THIS CASE, APPROVAL OF THIS DISCLOSURE STATEMENT BY THE COURT HAS

NOT BEEN SOUGHT. THUS, NO DETERMINATION HAS BEEN MADE BY THE COURT THAT THIS DISCLOSURE STATEMENT CONTAINS INFORMATION OF A KIND AND IN SUFFICIENT DETAIL TO ENABLE A HYPOTHETICAL INVESTOR TYPICAL OF HOLDERS OF CLAIMS OF THE RELEVANT CLASSES TO MAKE AN INFORMED JUDGMENT CONCERNING THE PLAN.

THERE HAS BEEN NO INDEPENDENT AUDIT OF THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT. ALTHOUGH THE DEBTOR BELIEVES ALL INFORMATION HEREIN IS ACCURATE, THE DEBTOR IS NOT ABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS WITHOUT ANY INACCURACY. THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN SUBMITTED BY THE DEBTOR'S MANAGEMENT BASED UPON THE DEBTOR'S RECORDS, CURRENT MARKET CONDITIONS, PAST EXPERIENCE, AND GENERAL PROJECTIONS PERTAINING TO THE OPERATION OF THE DEBTOR'S BUSINESS.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

ALLEN STOVALL NEUMAN & ASHTON LLP ("ASNA"), COUNSEL TO THE DEBTOR, IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED IN THE DISCLOSURE STATEMENT IS WITHOUT INACCURACY. ALTHOUGH GREAT EFFORT HAS BEEN MADE TO BE ACCURATE, ASNA HAS NOT INDEPENDENTLY VERIFIED THE INFORMATION CONTAINED IN THIS DISCLOSURE

STATEMENT, ALTHOUGH THEY HAVE NO ACTUAL KNOWLEDGE OF ANY INACCURACIES.

I. INTRODUCTION

The Bellevue Hospital ("Debtor"), the debtor and debtor in possession herein, hereby submits this Disclosure Statement in accordance with the procedures (the "Procedures") as outlined in that certain *Order Granting Motion for Entry of an Order (A) Approving Proposed Confirmation Procedures, and (B) Granting Related Relief* (Doc. 128) (the "Confirmation Procedures Order"). Among the Procedures are (i) the Senior Secured Creditor is deemed to have accepted the Plan based upon their acceptance thereof prior to the Petition Date, as permitted under § 1126 of the Code, (ii) all classes of impaired unsecured creditors are deemed to have rejected the Plan, (iii) solicitation of acceptances of the Plan by impaired unsecured creditors is unnecessary, and (iv) since the Debtor will not be soliciting acceptances of the Plan, no disclosure statement need be approved by the Court pursuant to § 1125 of the Code. Indeed, the Confirmation Procedures Order specifically provides that "***because the Debtor is not submitting a disclosure statement for approval by the Court, the Debtor is not authorized to solicit votes for its plan on a post-petition basis.***" (emphasis added). Nonetheless, and as required by the Confirmation Procedures Order, the Debtor is filing this Disclosure Statement contemporaneously with the filing of the Plan to allow creditors and parties in interest to evaluate the Plan, as, by its terms, nothing in the Confirmation Procedures Order prevents any objection to confirmation of the Plan from being filed relative to the statutory confirmation requirements found in § 1129 of the Code.

All parties in interest in the Case are encouraged to read the contents of this Disclosure Statement in determining whether to object to confirmation of the Plan. The terms used in this Disclosure Statement have the same meaning as defined in the Plan, unless the context otherwise

requires. A copy of the Plan is attached hereto and incorporated by reference as though fully rewritten herein as **Exhibit A**.

II. CONFIRMATION PROCESS AND HEARING

A. CONFIRMATION PROCESS

Because the Senior Secured Creditor, whose claims are impaired under the Plan[1], is deemed to have accepted the Plan on a pre-petition basis, the Plan has been accepted by an impaired class. As such, and despite the deemed rejection of the Plan by the class of impaired unsecured claims, the Court may nevertheless confirm the Plan if the Court finds that it accords fair and equitable treatment to the rejecting class or classes.[2]

B. CONFIRMATION HEARING

On _____, 2025, the Court entered an order fixing _____, 2025, at __:__ __.m. in the United States Bankruptcy Court, Northern District of Ohio, PNC Bank Building, 405 Madison Avenue, Toledo, Ohio 43604, as the date, time, and place for a hearing on confirmation of the Plan, and fixing _____, 2025, as the last date for the filing of any objections to confirmation of the Plan. The hearing on confirmation may be adjourned from time to time without further notice, with the exception of in-court announcement of adjourned dates and times at the hearing on confirmation or any adjournment thereof.

III. ABSENCE OF VOTING

A. NO FORM OF BALLOTS

As noted above, the Debtor is expressly prohibited under the Confirmation Procedures Order from soliciting acceptances of the Plan. Consequently, **no** form of ballot typically used for

[1] See Section III.C below for a discussion of what constitutes impairment.

[2] See Section IV.E below for a discussion of "cram down".

voting to accept or reject the Plan is attached hereto.

B. NO PARTIES ARE ENTITLED, OR NEED, TO VOTE

Under the Plan, classes have either been deemed to accept the Plan, deemed to have already accepted the Plan on a pre-petition basis, or deemed to reject the Plan, in all cases negating the need to solicit votes on the Plan. Specifically, the classes of claims represented by Classes 1 (certain priority claims), 2.1 (Huron County Treasurer), 2.2 (Sandusky County Treasurer), 2.4 (First National Bank of Bellevue), 2.5 (Firelands), and 2.6 (Other Secured Claims) are unimpaired under the Plan and are therefore deemed to have accepted the Plan pursuant to § 1126(f) of the Code. Pursuant to the Confirmation Procedures Order, the Senior Secured Creditor is deemed to have accepted the Plan on a pre-petition basis, resulting in Class 2.3, an impaired class of claims, accepting the Plan. Class 3, the claims of general unsecured creditors, is deemed to reject the Plan as directed by the Confirmation Procedures Order. And finally, because the Petition Date Members will not receive or retain anything under the Plan on account of their respective interests, Class 4 is deemed to have not accepted the Plan pursuant to § 1126(g) of the Code.

C. DEFINITION OF IMPAIRMENT

Under § 1124 of the Code, a class of claims or interests is "impaired" under a plan of reorganization unless, with respect to each claim or interest of such class, the plan:

> (1) leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder of such claim or interest; or
>
> (2) notwithstanding any contractual provision or applicable law that entitles the holder of a claim or interest to demand or receive accelerated payment of such claim or interest after the occurrence of a default:
>
> > (a) cures any such default that occurred before or after the commencement of the case under this title, other than a default of a kind specified in § 365(b)(2) of the Code or of a kind that § 365(b)(2) expressly does not require to be cured;

(b) reinstates the maturity of such claim or interest as such maturity existed before such default;

(c) compensates the holder of such claim or interest for damages incurred as a result of reasonable reliance by such holder on such contractual provision or such applicable law;

(d) if such claim or such interest arises from any failure to perform a nonmonetary obligation, other than a default arising from failure to operate a nonresidential real property lease subject to § 365(b)(1)(A), compensates the holder of such claim or such interest (other than the debtor or an insider) for any actual pecuniary loss incurred by such holder as a result of such failure; and

(e) does not otherwise alter the legal, equitable, or contractual rights to which such claim entitles the holder of such claim.

The following Classes of Claims and Membership Interests are impaired under the Plan:

CLASS 2.3: The Allowed Secured Claim of the Senior Secured Creditor

CLASS 3: All unsecured Allowed Claims not having priority under § 507 of the Code

CLASS 4: All Allowed Membership Interests of the Petition Date Members in the Debtor

The remaining Classes of Claims are not impaired under the Plan, and are deemed to have accepted the Plan:

CLASS 1: All Allowed Claims having priority under § 507(a) of the Code, other than Allowed Claims under § 503 of the Code having priority under § 507(a)(2) of the Code and Allowed Claims having priority under § 507(a)(8) of the Code

CLASS 2.1: The Allowed Secured Claim of the Huron County Treasurer

CLASS 2.2: The Allowed Secured Claim of the Sandusky County Treasurer

CLASS 2.4: The Allowed Secured Claim of First National Bank

CLASS 2.5: The Allowed Secured Claim of Firelands

CLASS 2.6: Other Secured Claims

IV. CONFIRMATION OF THE PLAN

A summary of certain requirements of the Code with respect to acceptance and confirmation of the Plan is set forth below. All defined terms used in this section without definition shall have the meaning assigned to such terms in the Plan.

A. REQUIREMENTS FOR CONFIRMATION

At the Confirmation Hearing (as defined below), in order to confirm the Plan, the Court will determine whether the requirements of § 1129 of the Code have been satisfied with respect to the Plan. If the requirements of § 1129 of the Code have been met, the Court shall enter an order confirming the Plan.

The requirements of § 1129 of the Code relevant to the Plan are as follows:

1. The Plan complies with the applicable provisions of the Code.

2. The Debtor has complied with the applicable provisions of the Code.

3. The Plan has been proposed in good faith and not by any means forbidden by law.

4. Any payment made or to be made from property of the estate by the Debtor or by a person issuing securities or acquiring property under the Plan, for services or for costs and expenses in, or in connection with, the Case, or in connection with the Plan and incident to the Case, has been disclosed to the Court, and if such payment is made prior to confirmation of the Plan, is reasonable, or if such payment is to be fixed after Confirmation of the Plan, is subject to the approval of the Court as reasonable.

5. The Debtor has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director, officer, or voting trustee of the Debtor, or of a successor to the Debtor under the Plan, and the appointment to, or continuance in, such office of such individual is consistent with the interests of creditors and with public policy; and the Debtor has disclosed the identity of any insider of the Debtor that will be employed or retained by the reorganized Debtor and the nature of any compensation for such insider.

6. With respect to each impaired Class of Claims under the Plan, either each holder of a Claim of such Class has accepted the Plan, or will receive or retain under the Plan (on account of such Claim) property of a value, as of

the Effective Date of the Plan, that is not less than the amount that such holder would so receive or retain if the Debtor were liquidated on such date under chapter 7 of the Code.

7. Each Class of Claims under the Plan has either accepted the Plan or is not impaired under the Plan. (***Alternatively, the Plan may be confirmed over the dissent of an impaired Class of Claims if the "cram-down" requirements of the Code are met***).

8. Except to the extent that the holder of a particular Claim against the Debtor has agreed to a different treatment of such Claim, the Plan provides that administrative expenses and priority Claims (other than tax claims) will be paid in full on the Effective Date of the Plan and that priority tax Claims will receive (on account of such Claims) regular installment payments in cash of a total value, as of the Effective Date, equal to the allowed amount of such Claim, over a period ending not more than five (5) years after the Petition Date, and made in a manner not less favorable than the most favored nonpriority unsecured Claim provided for by the Plan.

9. At least one (1) impaired Class of Claims has accepted the Plan, determined without including any acceptance of the Plan by any insider of the Debtor holding a Claim in such Class.

10. Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan.

The Debtor believes, and will demonstrate at the Confirmation Hearing, that the Plan satisfies all the statutory requirements of chapter 11 of the Code, that the Debtor has complied or will have complied with all of the requirements of chapter 11 of the Code, and that the Debtor's proposal of the Plan is made in good faith.

B. CLASSIFICATION OF CLAIMS AND MEMBER INTERESTS

Section 1123 of the Code requires that a plan of reorganization designate classes of claims (other than certain priority claims) and interests. Section 1122 of the Code provides that a claim or interest may be placed in a class with other claims and interests only if such claims and interests are "substantially similar" in any such class. The Debtor believes that the classification scheme in the Plan satisfies the Code's standards.

The Plan divides Claims against, and interests in, the Debtor into Classes. A single Claim may be divided into different parts for classification and treatment under the Plan, in that a Claim is in a particular Class only to the extent that it fits within the description of that Class and is in another, different Class to the extent that it fits within the description of such other Class.

C. BEST INTEREST TEST

Notwithstanding the deemed rejection of the Plan by impaired Classes of Claims and interests thereunder, in order to confirm the Plan, under § 1129(a)(7) of the Code, the Court may determine that, with respect to each holder of a Claim or interest in such rejecting impaired Class, the Plan is in the "best interest" of each holder within such Class. The "best interest" test requires the Court to find that the Plan provides to each such holder of a Claim or interest a recovery, which has a present value at least equal to the present value of the distribution that such holder would receive from the Debtor, if the Debtor were instead liquidated under chapter 7 of the Code.

To calculate what non-accepting holders would receive if a debtor were liquidated under chapter 7, the Court must first determine the dollar amount that would be generated upon disposition of that debtor's assets. The aggregate amount so generated would be reduced by the costs of liquidating such debtor. Such costs would be expected to include the fees of a trustee (as well as those of counsel and other professionals that such trustee has employed), selling expenses, and claims arising from such trustee's rejection of obligations assumed or otherwise incurred during the pendency of the debtor's case.

Further, distributions to unsecured creditors in any chapter 7 liquidation would not occur immediately upon completion of the debtor's liquidation, but would be delayed pending determination of the aggregate amount of unsecured claims against the debtor. Such a determination could entail delay and lost opportunity cost even for those creditors whose claims were ultimately allowed.

D. CONFIRMATION HEARING

Section 1128(a) of the Code requires the Court, after notice, to hold a hearing on confirmation of the Plan (the "Confirmation Hearing"). THE CONFIRMATION HEARING FOR THE PLAN IS SCHEDULED TO BEGIN ON _____, 2025 at __:__ __.M. EASTERN STANDARD TIME.

Section 1128(b) provides that any party in interest may object to confirmation of the Plan. Any objection to confirmation of the Plan, together with proof of service, must be made in writing, explaining your position, and filed with the Clerk of the Bankruptcy Court, by mail or electronically, at:

PNC Bank Building
405 Madison Avenue
Toledo, OH 43604

or

www.ohnb.uscourts.gov

Electronically filed objections must be in compliance with the Court's *Electronic Case Filing (ECF) Administrative Procedures Manual*, which can be viewed on the Court's website at http://www.ohnb.uscourts.gov. A copy of any such objection must be served upon ASNA in accordance with the ECF Procedures, or by ordinary U.S. mail, postage prepaid, on or before _____ ___, 2025, at the following address:

ALLEN STOVALL NEUMAN & ASHTON LLP
c/o Richard K. Stovall, Esq.
10 West Broad Street
Suite 2400
Columbus, OH 43215

Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014. UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED, IT WILL NOT BE CONSIDERED BY THE COURT.

E. CRAMDOWN: CONFIRMATION WITHOUT ACCEPTANCE BY ALL IMPAIRED CLASSES

The Code contains provisions for confirmation of a plan of reorganization even if the plan is not accepted by all impaired classes, provided that at least one impaired class of claims has accepted it (determined without including any acceptance by any insider holding a claim of such class). These "cramdown" provisions for confirmation of a plan despite the non-acceptance of one or more impaired classes of claims or interests are set forth in § 1129(b) of the Code.

In the event that an impaired Class of Claims or interests does not accept the Plan, the Debtor must then demonstrate to the Court, with respect to each such impaired Class, that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to that Class. If the Debtor is able to demonstrate these factors, the Court may still confirm the Plan.

Additionally, under the Code, a plan is considered "fair and equitable" with respect to a non-accepting impaired class of claims and interests if the following conditions are met:

1. <u>Secured Claims.</u>

Either (a) each impaired secured creditor retains the liens securing such claims to the extent of the allowed amount of such claim and receives on account of such claim deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the effective date of the plan, of at least the value of such holder's interest in the estate's interest in such property; or (b) the plan provides for the sale, subject to § 363(k) of the Code of any property free and clear of any liens in favor of creditors, with such liens attaching to the proceeds of such sale and the treatment of such liens on proceeds satisfying the requirements of either clauses (a) or (c) herein; or (c) the secured creditor receives under the plan the "indubitable equivalent" of its claim.

2. Unsecured Claims.

Either (a) each impaired unsecured creditor receives or retains property of a value, as of the effective date of the plan, equal to the amount of its allowed claim; or (b) the holder of any claim or interest that is junior to the claims of the dissenting class will not receive or retain any property under the plan.

3. Interests.

Either (a) each impaired interest holder receives or retains property of a value, as of the effective date of the plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled, or the value of such interest; or (b) the holder of any interest that is junior to the interests of the dissenting class will not receive or retain any property under the plan.

The Debtor believes that the Plan does not discriminate unfairly with respect to any impaired Classes and meets the "fair and equitable" test with respect to all impaired Classes of Allowed Claims and allowed Membership Interests. Initially, in light of the fact that the Debtor is a not-for-profit entity, technically there are no "interests" as such term is defined in the Code, and the fact that the Petition Date Members are receiving nothing under the Plan on account of their Membership Interests support the conclusion that the cramdown provisions as detailed in paragraphs 2(b) and 3(b) above are satisfied in this Case in that no holder of a Claim or interest junior to unsecured creditors or to the Petition Date Members will receive any property under the Plan. Therefore, the Debtor contends that the Plan may be confirmed by the Court, even if it is deemed rejected by the holders of Allowed Claims in Class 3 or the holders of the allowed Membership Interests in Class 4.

F. EFFECT OF CONFIRMATION

Except as otherwise provided in the Plan or the Confirmation Order, and in addition to other consequences of Confirmation as disclosed herein, entry by the Court of a Confirmation Order with respect to the Plan will constitute the rejection of all executory contracts and unexpired

leases not expressly assumed under the Plan or by previous Court order; constitutes authorization for Debtor's use of funds of the estate to meet any cash requirement in its Case; and will act as a discharge, effective as of the Effective Date of the Plan, in favor of the Debtor of all Claims against the Debtor that arose at any time before the entry of the Confirmation Order.

Except as otherwise provided in the Plan and the Confirmation Order, upon the Effective Date, all property of the Debtor will vest in the Debtor free and clear of all liens, claims, and interests of all creditors of and interest holders in the Debtor.

V. GENERAL INFORMATION REGARDING THE DEBTOR[3]

A. GENERAL

Overview of Business Operations

The Debtor is a membership organization governed by a board of trustees. The Debtor was originally established as an Ohio not-for-profit corporation in 1914, known as The Bellevue Hospital Association, with a vision to provide modern medical care to the local community. Starting with just 24 beds and 9 basinets, the hospital steadily expanded to accommodate growing healthcare needs. Through the mid-20th century, it added new facilities, including a surgical suite, laboratory, and an Intensive Care Unit in the 1970s. It also became the first small hospital in Ohio to offer an inpatient alcohol detoxification and rehabilitation program, further cementing its commitment to community health. Its name was changed to The Bellevue Hospital in 1974. By the early 2000s, the hospital had invested in cutting-edge diagnostic imaging technology, expanded private patient rooms, and ultimately built a new, modern facility that opened in 2005. This move ensured the hospital could continue serving the community with state-of-the-art equipment and specialized healthcare programs. In recent years, the Debtor has continued to

[3] Much of the information contained herein is derived from the *Declaration of Sara K. Brokaw* and the *Declaration of Darrell M. Lentz* filed in the Case on the Petition Date. *See* Docs. 35 and 36.

evolve, adding new services and technology. A $7 million renovation of the Eagle Crest Health Park in 2018 expanded rehabilitation and specialty care offerings. In 2022, the hospital introduced Da Vinci robotic surgical devices to enhance minimally invasive procedures. Today, the Debtor remains one of the largest employers in the area, dedicated to its mission of delivering high-quality, compassionate care close to home.

Membership in the Debtor is composed of The Bellevue Hospital Association[4] (the "Association") (60 percent), Firelands Regional Health System ("Firelands") (20 percent) and Fisher-Titus Health f/k/a Norwalk Area Health Systems, Inc. ("Fisher Titus") (20 percent).[5] The Debtor is governed by a nine-member Board of Trustees responsible for oversight and strategic direction of the organization. The board also includes two representatives from Firelands, two from Fisher-Titus, the Medical Staff President as an ex-officio member, and an Emeritus Trustee.

The Debtor has interests in several subsidiary entities (collectively, the "Debtor Subsidiaries"), including the following:[6]

- The Bellevue Hospital Foundation (the "Foundation") – The Debtor is the sole member in the Foundation, which is an Ohio not-for-profit corporation. The Foundation raises funds for and transfers funds to the Debtor and maintains the Debtor's capital campaign fund.

- Bellevue Professional Services, Inc. ("BPSI") – The Debtor is the sole shareholder of

[4] This entity is an Ohio not-for-profit corporation separate from the Debtor and was formed in 2002.

[5] Both Firelands and Fisher Titus are Ohio not-for-profit corporations. Pursuant to that certain Definitive Agreement executed December 17, 2002, by and among the Association, Firelands, and Fisher Titus, Firelands and Fisher Titus each made an equity investment of $7,500,000 in the Debtor to enable the Debtor to construct a new hospital facility.

[6] The Debtor is either the sole member or holds a controlling membership interest in each of the listed Debtor Subsidiaries. The Debtor also holds a minority, non-controlling interest in several other entities, each of which will be set forth in the Debtor's Schedules when filed in the case. Some of these entities include, without limitation: East-West Holdings, Ltd., Northwest Ohio Medical Equipment, LLC, The Firelands Bellevue Urgent Care LLC, The Firelands Bellevue Real Estate Holding Company LLC, and North Coast Healthcare Collaborative, LLC. A chart reflecting these entities is attached hereto as **Exhibit B**.

BPSI, which is an Ohio professional corporation.[7] BPSI provides clinical and medical professional services to the residents of the cities of Bellevue and Clyde, Ohio, and the surrounding area.

- Bellevue Hospital Pain Management, LLC ("BPM") – The Debtor is a 51% member of BPM, which is an Ohio limited liability company. BPM operates a pain management practice in the Debtor's main medical campus.

- Prairie Ridge, LLC ("PR") – The Debtor is the sole member in PR, which is an Ohio limited liability company. PR was organized to develop real estate adjacent to the Debtor's location.

- Bellevue Hospital Medical Holdings, LLC ("BHMH") – The Debtor is the sole member of BHMH, which is an Ohio limited liability company. BHMH was organized to accept a membership interest in Northern Ohio Medical Specialists, LLC, an Ohio limited liability company.

The Debtor is a major provider of health care services to residents of the cities of Bellevue, Clyde, and Fremont, Ohio, and other surrounding communities. The Debtor saw approximately 1,200 admissions, 2,000 surgeries, 14,000 emergency room visits, and 400 births in fiscal year 2024. The 129,000 square foot hospital campus contains seven operating rooms, including three specialty suites for cystoscopy and endoscopy, and utilizes two da Vinci robot surgical devices which were obtained in 2022 under a pay-for-use arrangement. In 2018, the Debtor also completed the construction of the Eagle Crest Health Park, a 32,000 square foot facility across from the hospital, which houses the Debtor's rehabilitation services and therapy pool, a large OB/GYN practice, an orthopedic practice, wound care, as well as a retail gym.

[7] BPSI is an Ohio Professional Association incorporated in 1996 pursuant to Chapter 1785 of the Ohio Rev. Code. Prior to 1999, Ohio's corporate practice of medicine doctrine restricted the employment of licensed physicians to Ohio Professional Associations. The doctrine has since been abolished. See past versions of Ohio Rev. Code, Chapter 1785, on how professional associations restricted the ownership of their shares to licensed professionals. Pursuant to The Bellevue Hospital Trust Agreement, a licensed physician holds legal title to BPSI's shares for the benefit of The Bellevue Hospital, whereby the beneficial rights of the shares flow exclusively to the hospital. The Professional Association trust structure was approved by the Ohio Attorney General in Adv. Op. 90-072 (November 8, 1990).

The Debtor's medical staff consists of 217 physicians across 25 specialties. In addition, the Debtor is supported by 52 highly skilled advanced practice providers. This team includes 20 nurse practitioners (NPs), 15 physician assistants (PAs), 16 certified registered nurse anesthetists, and 1 certified nurse-midwife. The NPs and PAs practice in the areas of Cardiology, Emergency Medicine, Family Medicine, Neurology, Oncology, Orthopedic Surgery, Pain Management, Podiatric Surgery, and Telehealth (Telehospitalist and Teleneurology). Together, they bring a wide range of expertise and specialized care to meet the needs of patients and ensure high-quality, comprehensive healthcare services.

Total gross revenue for 2023 and 2024 from all sources, inclusive of the Debtor Subsidiaries, was approximately $53,940,000 and $59,180,000, respectively. Net operating income/(loss) for the same periods were ($9,833,700) and ($4,078,000), respectively.[8] The information on **Exhibit C** hereto reflects a summary of the Debtor's balance sheets and income statements, on a consolidated basis, for the years 2019 through 2024 generated from the Debtor's past audited financial statements and internal reports.

Among the services offered through the Debtor are cancer care and infusion, cardiac and pulmonary rehab, diagnostic imaging, emergency, laboratory, occupational health, orthopedics, rehabilitation and respiratory therapy, and surgery.

The Debtor, its Laboratory Department and Sleep Disorders Center are accredited by The Joint Commission, which consists of the American College of Physicians, American College of Surgeons, American Medical Association, American Dental Association, and the American Hospital Association. The Debtor has earned the "Gold Seal of Approval" by demonstrating

[8] Based upon internal unaudited consolidating statements of operations of the Debtor and its Subsidiaries for years 2023 and 2024.

compliance with national standards for healthcare quality and safety in hospitals. The Debtor is a member of the American Hospital Association, the Ohio Hospital Association, and the Hospital Council of Northwest Ohio.

The Debtor is a stable community centerpiece, with an unwavering commitment to serve others and its community through meaningful relationships that enhance its community, state-of-the-art facilities, strong affiliations, and well trained, dedicated employees. The Debtor saves lives and enriches the livelihood of residents in its four-county service area. It helps to keep its community safe and well. It provides personalized and local healthcare on a 24 hour, 7 days a week basis. The Debtor strives to be a source of community pride and positive economic impact.

Pre-Petition Debt

The Debtor's long-term debt is comprised of four bond issues. They are the Village of Port Jefferson Hospital Revenue Bonds – Series 2012; the City of Bellevue Hospital Revenue Bonds – Series 2012; the County of Sandusky Hospital Revenue Bonds – Series 2012; and the County of Sandusky Hospital Revenue Bonds – Series 2017. The Trustee for each bond issue is the Bank of New York Mellon Trust Company, N.A., in its capacity as Master Trustee pursuant to that certain *Master Trust Indenture*, dated as of July 1, 2003 (the "Master Trustee"). The bonds were issued pursuant to that certain *Master Trust Indenture*, dated as of July 1, 2003, by and between the Master Trustee (as successor in trust to Fifth Third Bank ("Fifth Third")) and the Debtor, who is the sole Obligated Issuer[9] thereunder and sole member of the Obligated Group bound thereby, as supplemented, amended, or otherwise modified from time to time (the "Indenture"). The Debtor's liability under these bonds and Indenture include: (i) Obligation No. 6, dated as of August 28, 2012, made by the Debtor to Fifth Third in the original principal amount of $10,000,000, (ii)

[9] Capitalized terms used but not otherwise defined in this recital shall have the meanings given to them in the Indenture (defined herein).

Obligation No. 7, dated as of September 12, 2012, made by the Debtor to Fifth Third in the original principal amount of $8,500,000, (iii) Obligation No. 8, dated as of October 3, 2012, made by the Debtor to Fifth Third in the original principal amount of $2,569,152.82, and (iv) Obligation No. 9, dated as of November 30, 2017, made by Debtor to Fifth Third in the original principal amount of $9,000,000 (collectively with all other amounts owed by the Debtor and its affiliates and Subsidiaries to Fifth Third, the "Senior Obligations"). The outstanding principal balance of the Senior Obligations, exclusive of accrued and unpaid interest, fees, costs, and expenses, as of the filing of this case is $17,331,975.54.

The Senior Obligations are secured by (a) first-priority mortgage liens on certain of the Debtor's real estate, including the hospital facilities located at 1400 West Main Street, Bellevue, Ohio 44811, and an office building located at 102 Commerce Park Drive, Bellevue, Ohio 44811; and (b) first priority liens and security interests in substantially all of the Debtor's tangible and intangible personal property, including all of the Debtor's accounts, accounts receivable, cash, and cash equivalents, including Employee Retention Credit refunds, grants due and payable to the Debtor from the Federal Emergency Management Agency, and approximately $2,400,000.00 of the Debtor's funds on deposit and invested with LPL Financial, LLC, which funds are (a) subject to a Pledge Agreement dated as of March 27, 2024, by and between the Debtor and the Master Trustee for the Benefit of Fifth Third; and (b) subject to the Master Trustee's control pursuant to one or more control agreements.[10]

The Debtor's debts also include a loan from Firelands made in June 2024 and is evidenced by an $800,000 Promissory Note. The Debtor's obligations to Firelands under this loan are secured

[10] Concurrently with the filing of this Case, the funds on deposit and invested in various market securities through LPL Financial, LLC, were liquidated and transferred to a blocked account held at Fifth Third and were made available to the Debtor for operating and chapter 11 expenses in accordance with a court approved order authorizing use of cash collateral. *See* Docs. 88 & 152.

by a pledge and security interest in: (a) twenty-five (25) units in The Firelands-Bellevue Real Estate Holding Company, LLC, and (b) twenty-five (25) units in The Firelands Bellevue Urgent Care Operating Company, LLC. As of the date of this Disclosure Statement, the outstanding principal balance owing to Firelands is $800,000.00.

The balance of the Debtor's debts generally consists of various equipment vendors and suppliers, some holding specific liens on the products or equipment and systems sold to the Debtor through financing or capital lease arrangements. The Debtor has approximately $4.0 million in general unsecured debt

B. INDUSTRY CHALLENGES

Nationwide, over the past year, over twenty (20) rural and community hospitals have closed. Industry reports indicate that 360 rural hospitals remain at risk of closing over the next two to three years due to financial challenges. Rural and community hospitals face multiple continuing challenges, such as:

- Cost increases and inflation outpacing reimbursement gains from Medicare and Medicaid;
- Increases in third-party payer denials, which has the effect of delaying access to payment for care, thereby disproportionately impacting community hospitals who are already operating with small margins;
- Payer indifference to the actual costs of providing hospital care further exacerbating the financial position of rural and small community hospitals;
- Provider shortages (it is estimated that 66% of provider shortages occur in rural areas);
- Pandemic funding is waning, leaving small community hospitals with the same challenges and headwinds as they were facing pre-pandemic; and

- Lack of connection to a larger system for resources, supply chain, etc., negatively impacts community hospitals.

The Debtor was not immune to these overarching, industry-wide issues. Over the past several years the Debtor attempted to meet these challenges by proactively working to improve its operations. Efforts were made to enhance revenue by adding physicians to expand and provide orthopedics, mid-wife deliveries and pediatrics, general and vascular surgery, and oncology, and by revising the hospitalist program, all in an effort to generate additional revenue consistent with market demands. The Debtor also renegotiated a significant contract with a commercial payor resulting in more favorable and enhanced terms. Focus was also directed at efforts to reduce operating expenses. The number of administrative personnel was reduced, and changes were made to employee benefit programs that were designed to reduce salaries and benefit costs. In addition, the Debtor acted to evaluate and modify its laboratory services, pathology, pediatrics, anesthesia, electronic health records, and debt collection contracts, all in an effort to reduce costs.

C. WHY CHAPTER 11?

Notwithstanding the Debtor's best efforts, by July 2024, the Debtor began to face stringent liquidity challenges. The Debtor retained VMG Health ("VMG"), a nationally recognized consultant in the healthcare industry, first to advise it as to its future strategic direction, such as seeking an acquisition partner, and thereafter to implement a marketing process targeted to local, regional, and national health care systems with identifiable strategic or geographical interest, including both Firelands and Fisher Titus, as part of a request for proposal and eventual sale or other transaction.

After completing its analysis and marketing efforts to seek proposals for the acquisition of the Debtor, VMG identified Firelands as the likely potential purchaser of the assets or equity of the Debtor using a set of objective criteria to form its decision. On November 12, 2024, the Debtor

approved entering into a due diligence process with Firelands with the goal of restructuring the Debtor through a sale of its assets or a member substitution in a chapter 11 bankruptcy proceeding.

Thereafter, Firelands, the Debtor, and Fifth Third engaged in good faith, arm's length negotiations regarding the terms by which Firelands would be substituted as the sole holder member in the Debtor, together with a settlement of the Senior Obligations to be accomplished through the initiation of this chapter 11 case and the filing and confirmation of a chapter 11 plan of reorganization which would include the restructuring of the Debtor's indebtedness and other obligations, including the Senior Obligations and Firelands' obligations pursuant to a Restructuring Support Agreement (the "RSA").

In addition to the chapter 11 plan confirmation process outline in the RSA, the RSA provided restructuring support from Fifth Third in the form of authorized use of cash collateral and from Firelands in the form of a debtor-in-possession financing facility not to exceed $1,500,000 in order for the Debtor to operate in the ordinary course throughout its chapter 11 case and fund court approved fees and expenses of the estates' professionals and advisors. Finally, the Member Substitution Agreement to be entered into between the Debtor and Firelands (see Exhibit A to the Plan), now serves as a "stalking horse bid", subject to better and higher offers, through a Court-approved bid process.[11]

D. SIGNIFICANT EVENTS DURING THE CASE

Continuation of Business; Automatic Stay

The Case was assigned to the Honorable Mary Ann Whipple, United States Bankruptcy Judge for the Northern District of Ohio. Since the Petition Date, the Debtor has continued to operate its business and manage its properties as debtor-in-possession under Code §§ 1107(a) and

[11] The RSA was filed with the Court, and was the subject of a motion filed by the Debtor seeking Court authority to assume the RSA. *See* Doc. 75.

1108. No trustee has been appointed in the Case.

An immediate effect of the filing of the Debtor's bankruptcy petition was the imposition of the automatic stay under the Code that, with limited exceptions, enjoined the commencement or continuation of all collection efforts by creditors, the enforcement of liens against property of the Debtor, and the commencement or continuation of litigation against the Debtor. This relief provided the Debtor with the "breathing room" necessary to assess and reorganize its business. The automatic stay remains in effect, unless modified by the Court, until consummation of the Plan.

"First Day" and Administrative Orders

At the beginning of the Case, or shortly thereafter, the Court entered several orders that the Debtor requested for purposes of maintaining its ongoing operations and to ensure that the chapter 11 filing would not disrupt those operations. These orders, among other things, authorized the Debtor to pay certain pre-petition claims and granted other relief necessary to facilitate the Debtor's transition between pre-petition and post-petition operations. The orders authorized, among other things:

- the maintenance of certain of the Debtor's bank accounts as existed before the Petition Date;
- the continuation of utility services during the Case;
- the Debtor's use of cash collateral and authorization to borrow from Firelands under a post-petition debtor-in-possession financing arrangement;
- the payment of employees' accrued pre-petition wages and expense reimbursement, associated withholding tax obligations, and obligations associated with the Debtor's employee benefits plans;

- the Debtor, in its discretion, to pay the pre-petition claims of certain vendors deemed to be critical to the Debtor's reorganization efforts pursuant to a protocol authorized by the Court subject to agreement of the Office of the United States Trustee (the "UST') and the Senior Secured Creditor;
- the Debtor to continue to issue refunds of pre-petition patient overpayments, whether made by the patient or their insurance payor, in the ordinary course of operations; and
- the Debtor to have Kroll Restructuring Administration LLC ("Kroll") appointed as claims and noticing agent in this case, as well as to assist as an administrative advisor in the preparation of the Debtor's Schedules and Statement of Financial Affairs.

Additionally, the Debtor has filed several motions to address the process for further, post-petition marketing of its assets and/or the opportunity to undertake the role of the Substitute Member under the Plan, as well as the process and procedure for confirming the Plan. In particular, the Debtor filed its *Motion for Entry of an Order (A) Authorizing the Assumption of the Restructuring Support Agreement, (B) Approving Bid Procedures and Scheduling an Auction, and (C) Granting Related Relief* (Doc. 75) which the Court granted by an agreed order entered February 21, 2025 (Doc. 127). The Debtor also filed its *Motion for Entry of an Order (A) Approving Proposed Confirmation Procedures, and (B) Granting Related Relief* (Doc. 78) which the Court granted on February 21, 2025, by entry of the Confirmation Procedures Order (Doc. 128).

Other motions and applications filed by the Debtor in the early stages of the Case which have been approved by the Court include:

- approval of the Debtor's retention of ASNA as its bankruptcy counsel, and of Frantz Ward, LLP, as its special corporate counsel;

- approval of the Debtor's retention of Juniper Advisory, LLC, as the Debtor's investment banker in the Case;
- approval of the Debtor's retention of HL4 Consulting, LLC, for the continued employment of its manager, Darrell M. Lentz, as the Debtor's interim chief financial officer in the Case;
- the establishment of a bar date for the filing of proofs of claim in the Case;
- approval of a key employee incentive program; and
- approval of procedures for the interim payment of compensation to the professionals in the Case.

VI. SELECTED OPERATING AND FINANCIAL DATA

A. OPERATING PROFIT AND LOSS STATEMENTS

Given the timing of this Disclosure Statement, no Monthly Operating Report for the Debtor has yet been filed in the Case. The first such report (for the Debtor's operations during February 2025 since the Petition Date) will not be due until March 20, 2025. However, attached hereto as **Exhibit D,** are copies of the Debtor's internally generated reports that reflect the preliminary financial results of its limited post-petition operations. Additionally, as previously referenced above, attached hereto as **Exhibit C** is a summary of the Debtor's consolidating balance sheet and income statements for the years 2019 through 2024.

B. FINANCIAL INFORMATION

The referenced financial information represents the best estimate of Debtor's management as to the items set forth therein and is believed to be based upon assumptions that are reasonable.

THE FINANCIAL INFORMATION CONTAINED HEREIN HAS NOT BEEN AUDITED. THE RECORDS KEPT BY DEBTOR WERE UTILIZED IN FORMULATING THE PROJECTIONS. THE BOOKKEEPING PERFORMED BY DEBTOR WAS DONE INTERNALLY AND DEBTOR HAS NO REASON NOT TO RELY ON THE ACCURACY

OF SAID INTERNAL RECORD-KEEPING. DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS WITHOUT ANY INACCURACIES.

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ALLEN STOVALL NEUMAN & ASHTON LLP, COUNSEL FOR THE DEBTOR, IS UNABLE TO WARRANT OR REPRESENT THAT THE FINANCIAL INFORMATION CONTAINED HEREIN IS WITHOUT INACCURACY. ALLEN STOVALL NEUMAN & ASHTON LLP HAS NOT VERIFIED THE FINANCIAL INFORMATION CONTAINED HEREIN, ALTHOUGH IT HAS NO ACTUAL KNOWLEDGE OF ANY INACCURACIES.

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The primary physical assets of the Debtor are its fee simple interests in real estate, including the hospital facilities located at 1400 West Main Street, Bellevue, Ohio 44811, and an office building located at 102 Commerce Park Drive, Bellevue, Ohio 44811. Other assets generally include miscellaneous bank accounts, receivables, contingent and unliquidated claims and reimbursement rights, various vehicles, equipment, supplies, furnishings, and joint venture interests. Further detail, and indications of book value, may be found on the summary of the Debtor's 2024 consolidating balance sheet attached hereto as **Exhibit B**.

The Debtor's financial performance has faced significant challenges in recent years, with declining revenue, worsening margins, and liquidity concerns. Total operating revenue peaked at $74.4 million in 2021 but fell to $53.9 million in 2023 before a slight recovery to $59.2 million in 2024. The operating EBIDA margin, which was 15.3% in 2021, turned negative in 2022 and remained at (10.0)% in 2023. However, an improvement plan that launched in July 2024, has already begun to drive measurable improvements. A rebalanced physician portfolio and

operational enhancements across the board have helped stabilize financial performance, improving the operating EBIDA margin from (10.0)% in 2023 to nearly breakeven in 2024. While declining revenue remains a concern, the marked improvement in operating losses suggests, to the Debtor, that the system is moving in the right direction toward financial recovery.

VII. DESCRIPTION OF THE PLAN

A. INTRODUCTION

A summary of the principal provisions of the Plan is set forth below.

THE AMOUNT OF CLAIMS IN THE VARIOUS CLASSES AND THE NUMBER OF HOLDERS IN SUCH CLASSES CANNOT NOW BE EXACTLY DETERMINED IN THAT THERE ARE CLAIMS WHICH HAVE BEEN ASSERTED WHICH THE DEBTOR MAY DEEM OBJECTIONABLE. THE DEBTOR ANTICIPATES THAT CLAIMS MAY BE OBJECTED TO IF NEGOTIATIONS WITH RESPECT TO THE CLAIMS ARE UNSUCCESSFUL. THEREFORE, THE AMOUNTS OF CLAIMS IN THE VARIOUS CLASSES SET FORTH HEREIN ARE ESTIMATES.

B. DEFINITIONS

A number of capitalized terms are defined for use in the Plan. Capitalized terms used herein and not defined herein have their respective meanings assigned to them in the Plan.

C. SUMMARY OF TREATMENT OF CLAIMS

Section 1123 of the Code provides that a plan of reorganization shall classify the claims of a debtor's creditors, as well as interests in the debtor. No payments will be made except as set forth in the Plan. The Plan divides Claims and Membership Interests into Classes and sets forth the treatment afforded to each Class. Parties in interest should note that, with respect to the Plan, only Allowed Claims in each Class will be paid in accordance with the provisions thereof. Claims that are not allowed will not be paid.

In accordance with § 1123(a)(1) of the Code, with respect to the Plan, Allowed Claims having priority under § 507(a)(2) and Allowed Claims having priority under § 507(a)(8) have not been classified and are excluded from the foregoing Classes.

Administrative Expense Claims

Under the Plan, Allowed Claims under § 503 of the Code having priority under § 507(a)(2) of the Code will be paid in full as follows: (1) if the Claim is Allowed by that time, on the Effective Date; (2) within ten (10) business days of the allowance of the Claim, if it is Allowed after the Effective Date; or (3) upon such other terms as may be agreed upon by the holder of the Claim and the Debtor.

The Plan further provides that all requests for allowance of Claims and administrative expenses having priority under § 507(a)(2) of the Code, other than those arising under the DIP Facility or those arising in favor of trade creditors in the ordinary course of the Debtor's operations, but including fee applications, must be filed with the Court under § 503(b) of the Code by the Administrative Expense Claim Deadline. Failure to file an administrative expense Claim by the Administrative Expense Claim Deadline will result in the holder of the Claim being forever barred from asserting the Claim, except as provided in the Plan.

With respect to repayment of the DIP Facility, the Plan provides that the amount owing thereunder shall be paid in full on the Effective Date, or on such other later date and on such terms as may be agreed upon by the Debtor and the DIP Lender.

All Allowed Claims of a kind specified in § 507(a)(2) of the Code arising from fees payable under 28 U.S.C. § 1930(a) and Code § 1129(a)(12), will be paid by the Debtor in full upon the later of allowance by the Court, the Effective Date, or such later date and on such terms as may be agreed upon by the Debtor and the claimant.

Priority Tax Claims

Under the Plan, unsecured Allowed Claims of Governmental Units having priority under § 507(a)(8) of the Code, if any, will be paid in accordance with § 1129(a)(9)(C) of the Code. Each holder will receive payment in full of the total value of its Claim, with interest at the applicable governmental rate, split into equal monthly payments starting with the first day of the first full month following confirmation and ending on the date that is 5 years from the Petition Date. The final payments on these Claims will be for the remaining balance owed on the respective Claims with interest.

Treatment of Classes of Unimpaired Claims

CLASS 1: *All Allowed Claims having priority under § 507(a) of the Code, other than Allowed Claims under § 503 of the Code having priority under § 507(a)(2) of the Code and Allowed Claims having priority under § 507(a)(8) of the Code*

Under the Plan, each holder of an Allowed Claim having priority under § 507(a) of the Code, other than Allowed Claims under § 503 of the Code having priority under § 507(a)(2) of the Code and Allowed Claims having priority under § 507(a)(8) of the Code, will be paid in full, in cash, upon the later of the Effective Date of the Plan, or the date on which the Claim is Allowed by a final non-appealable order.

CLASS 2.1: *The Allowed Secured Claim of the Huron County Treasurer*

Under the Plan, the Allowed Secured Claim of the Huron County Treasurer for real estate taxes arising from and relating to the Debtor's real estate properties will be paid as and when due under applicable non-bankruptcy law. Any such obligations that are due and payable as of the Effective Date, whether accruing prior to or after the Petition Date, will be paid on the Effective Date.

CLASS 2.2: *The Allowed Secured Claim of the Sandusky County Treasurer*

Under the Plan, the Allowed Secured Claim of the Sandusky County Treasurer for real estate taxes arising from and relating to the Debtor's real estate properties will be paid as and when due under applicable non-bankruptcy law. Any such obligations that are due and payable as of the Effective Date, whether accruing prior to or after the Petition Date, will be paid on the Effective Date.

CLASS 2.4: *The Allowed Secured Claim of First National Bank*

Under the Plan, except to the extent that First National Bank agrees to a less favorable treatment, on the Effective Date or as soon thereafter as reasonably practicable, in full and final satisfaction, compromise, settlement, and release of and in exchange for the Allowed Secured Claim of First National Bank, First National Bank will receive, at the option of the Debtor, (i) payment in full of such Claim, (ii) a transfer by conveyance, assignment, or otherwise of the Debtor's right, title, and interest in and to the collateral securing such Claim, or (iii) such other treatment rendering such First National Bank's Allowed Secured Claim unimpaired.

CLASS 2.5 *The Allowed Secured Claim of Firelands*

Under the Plan, the Allowed Secured Claim of Firelands will be paid (i) in accordance with the terms and conditions of the pre-petition agreements in effect as of the Petition Date between Firelands and the Debtor, with any such obligations that were due and payable as the Effective Date, whether accruing prior to or after the Petition Date, being paid on the Effective Date and the maturity of any such obligations being reinstated to that in effect prior to any such defaults; or (ii) on such other terms and conditions as the Debtor and Firelands may agree on or after the Effective Date.

CLASS 2.6: *Other Secured Claims*

Under the Plan, except to the extent that a holder of an Other Secured Claim agrees to a less favorable treatment, on the Effective Date or as soon thereafter as reasonably practicable, in full and final satisfaction, compromise, settlement, and release of and in exchange for such Other Secured Claim, each holder of an Other Secured Claim will receive, at the option of the Debtor, (i) payment in full of such holder's Other Secured Claim, (ii) a transfer by conveyance, assignment, or otherwise of the Debtor's right, title, and interest in and to the collateral securing such Claim, or (iii) such other treatment rendering such holder's Other Secured Claim unimpaired.

Treatment of Classes of Impaired Claims and Membership Interests

CLASS 2.3: *The Allowed Secured Claim of the Senior Secured Creditor*

Under the Plan, the Allowed Secured Claim of the Senior Secured Creditor will be satisfied in full by the payment of $15,000,000 in immediately available funds on the Effective Date. The Plan further provides that upon receipt thereof, the Senior Secured Creditor will promptly release, or consent to the prompt release, of all liens it holds in any and all assets of the Debtor, including the Senior Collateral.

CLASS 3: *Unsecured Allowed Claims not having priority under §507 of the Code*

Under the Plan, each holder of an unsecured Allowed Claim not having priority under § 507 of the Code will receive, in full satisfaction thereof, at the time specified in Article VIII of the Plan, its pro-rata portion of the Retained Actions Net Proceeds Disbursements.

CLASS 4: *All Allowed Membership Interests of the Petition Date Members in the Debtor*

Under the Plan, upon the Effective Date, the respective Membership Interests of the Petition Date Members in the Debtor will be terminated and cancelled. The Plan further provides that at that time, all membership rights and privileges of the Petition Date Members in the Debtor

will cease, including such rights and privileges each Petition Date Member may have arising under the Definitive Agreement, which will be deemed under the Plan to be terminated effective as of the Petition Date.

D. DESCRIPTION OF CLAIMS

While the precise amount and nature of all Claims cannot now be determined with 100% accuracy, it appears probable that the Claims set forth below will exist as of the date of Confirmation. The following is a description of the various Claims against the Debtor, both pre-petition and as a result of the chapter 11 proceeding, as currently known.

1. Administrative Expense and Priority Claims

In accordance with § 1123(a)(1) of the Bankruptcy Code, all Allowed Claims of a kind specified in § 507(a)(2) and of the kind specified in § 507(a)(8) of the Code, have not been classified under either Plan. Aside from such Claims arising under the DIP Facility (which amount is projected to be approximately $505,000 as of the Effective Date)[12] and or those arising in favor of trade creditors in the ordinary course of the Debtor's operations the payment of which, when due, is accounted for and projected in the Budget, the Allowed Claims against the estate having priority under § 507(a)(2) of the Code, will consists primarily of amounts due to the Debtor's professionals: ASNA, Frantz Ward, Juniper, and Kroll. As reflected in the Budget, the Debtor projects that such amounts will total approximately $1,265,000, but that these amounts will be paid throughout the course of the Case, thereby avoiding the need to satisfy a large aggregate Claim amount on the Effective Date.[13]

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[12] *See* Exhibit A (the "Budget") to the *Final Order (I) Authorizing the Debtor to Obtain Post-Petition Secured Financing; (II) Authorizing the Debtor's Use of Cash Collateral; (III) Granting Adequate Protection to the Prepetition Secured Parties; and (IV) Granting Related Relief* (the "Final DIP Order") (Doc. 152).

[13] Of this projected amount, $90,000 was budgeted for and made part of the carve-out under the Final DIP Order for payment of counsel fees retained by an unsecured creditors' committee but as of the date of this Disclosure Statement no such committee has been organized and appointed in the Case.

Similarly, and as reflected in the Budget, the Debtor anticipates that there will be an administrative expense Claim of $105,000 due on the Effective Date arising from a key employee incentive plan, as detailed earlier herein. The Budget reflects payment of this sum.

Another expected significant source of administrative expense claims arises from claims of vendors of goods received by the Debtor on credit within the 20 days prior to the Petition Date, as contemplated under § 503(b)(9) of the Code. The Debtor estimates that the total of such claims may be approximately $240,000.

Unsecured Allowed Claims of Governmental Units having priority under § 507(a)(8) of the Code are also not classified. The Debtor is unaware of any such Claims. If any exist, under the Plan they will be satisfied in accordance with § 1129(a)(9)(C) of the Code, with each holder receiving payment in full of the total value of its Claim, with interest at the applicable governmental rate, divided into equal monthly payments starting with the first day of the first full month following Confirmation and ending on the date that is 5 years from the Petition Date. The Plan further provides that the final payments on these Claims will be for the remaining balance owed on the respective Claims, with interest.

2. Classified Unsecured Priority Claims

CLASS 1 ***Allowed Claim having priority under § 507(a) of the Code, other than Allowed Claims under § 503 of the Code having priority under § 507(a)(2) of the Code and Allowed Claims having priority under § 507(a)(8) of the Code***

Under Article III of the Plan, the Allowed Claims having priority under § 507(a) of the Code, other than Allowed Claims under § 503 of the Code having priority under § 507(a)(2) of the Code and Allowed Claims having priority under § 507(a)(8) of the Code, are classified in Class 1. **This class is unimpaired**.

The Debtor expects that the majority of the Allowed Claims in this Class relate to wages and the like having priority under § 507(a)(4) of the Code and employee benefit plan contributions having priority under § 507(a)(5) of the Code. In accordance with the *Order Granting Motion for an Order (I) Authorizing the Debtor to (A) Pay Certain Prepetition Employee Compensation and Related Items, and (B) Continue Employee Benefit Programs, and (II) Granting Related Relief* (Doc. 86) and in accordance with the Member Substitution Agreement, these claims either (i) have been paid or (ii) will be assumed and honored in the ordinary course of the Debtor's business[14].

Under the Plan, any Allowed Claims in this Class either not paid nor assumed prior to or on the Effective Date will be satisfied in full by payment in cash by the Debtor on the Effective Date, or in a manner to which such claimants may otherwise agree.

As an unimpaired Class, pursuant to § 1126(f) of the Code, Class 1 is conclusively presumed to have accepted the Plan.

3. Secured Claims

CLASS 2.1 ***The Allowed Secured Claim of the Huron County Treasurer***

Under Article III of the Plan, the Allowed Secured Claim of the Huron County Treasurer is classified in Class 2.1. **It is unimpaired**. Based upon the most recent billing received by the Debtor, the net current real estate taxes due the Huron County Treasurer for the full year of 2024 is $4,904.72, with half having been due in the month prior to the Petition Date, and payment for the second half of 2024 due in July of this year. Pursuant to the Plan, the Debtor will pay these real estate taxes as and when due under applicable non-bankruptcy law. Any such obligations that are due and payable as of the Effective Date, whether accruing prior to or after the Petition Date, will be paid on the Effective Date.

[14] *See* section 2.4(e) to Member Substitution Agreement. Exhibit A to Plan.

As an unimpaired Class, pursuant to § 1126(f) of the Code, Class 2.1 is conclusively presumed to have accepted the Plan.

CLASS 2.2 ***The Allowed Secured Claim of the Sandusky County Treasurer***

Under Article III of the Plan, the Allowed Secured Claim of the Sandusky County Treasurer is classified in Class 2.2. **It is unimpaired**. Based upon the most recent billings received by the Debtor, the aggregate net current real estate taxes due the Sandusky County Treasurer for the full year of 2024 is $95,960.64, with half having been due in the month prior to the Petition Date, and payment for the second half of 2024 due in July of this year. Pursuant to the Plan, the Debtor will pay these real estate taxes as and when due under applicable non-bankruptcy law. Any such obligations that are due and payable as of the Effective Date, whether accruing prior to or after the Petition Date, will be paid on the Effective Date.

As an unimpaired Class, pursuant to § 1126(f) of the Code, Class 2.2 is conclusively presumed to have accepted the Plan.

CLASS 2.3 ***The Allowed Secured Claim of the Senior Secured Creditor***

Under Article IV of the Plan, the Allowed Secured Claim of the Senior Secured Creditor is classified in Class 2.3. **It is impaired**. The Debtor is informed and believes that, as of the Petition Date, the outstanding principal balance of the Senior Obligations was $17,331,975.54, exclusive of accrued and unpaid interest, fees, costs, and expenses. Pursuant to the Plan, the Allowed Secured Claim of the Senior Secured Creditor will be satisfied in full by the payment of $15,000,000 in immediately available funds on the Effective Date. The Plan further provides that upon receipt thereof, the Senior Secured Creditor will promptly release, or consent to the prompt release, of all liens it holds in any and all assets of the Debtor, including the Senior Collateral.

Pursuant to the Confirmation Procedures Order, Class 2.3 is deemed to have accepted the Plan based on their acceptance prior to the commencement of the Case.

CLASS 2.4 ***The Allowed Secured Claim of First National Bank***

Under Article III of the Plan, the Allowed Secured Claim of First National Bank is classified in Class 2.4. **It is unimpaired**. Pursuant to a Proof of Claim filed in the Case by First National Bank, the balance owing as of the Petition Date to First National Bank was $322,434.81, and was secured by a security interest in certain of the Debtor's accounts receivable relating to a loan program for direct pay patients of the Debtor. Under the Plan, except to the extent that First National Bank agrees to a less favorable treatment, on the Effective Date or as soon thereafter as reasonably practicable, in full and final satisfaction, compromise, settlement, and release of and in exchange for the Allowed Secured Claim of First National Bank, First National Bank will receive, at the option of the Debtor, (i) payment in full of such Claim, (ii) a transfer by conveyance, assignment, or otherwise of the Debtor's right, title, and interest in and to the collateral securing such Claim, or (iii) such other treatment rendering such First National Bank's Allowed Secured Claim unimpaired.

As an unimpaired Class, pursuant to § 1126(f) of the Code, Class 2.4 is conclusively presumed to have accepted the Plan.

CLASS 2.5 ***The Allowed Secured Claim of Firelands***

Under Article III of the Plan, the Allowed Secured Claim of Firelands is classified in Class 2.5. **It is unimpaired**. The Debtor is indebted to Firelands pursuant to the terms of a Promissory Note in the amount of $800,000, and related documents, with such debt secured by pledges and security interests in 25 units owned by the Debtor in the Firelands-Bellevue Real Estate Holding Company, LLC, and 25 units owned by the Debtor in the Firelands-Bellevue Urgent Care

Operating Company, LLC. Under the Plan, the Allowed Secured Claim of Firelands will be paid (i) in accordance with the terms and conditions of the pre-petition agreements in effect as of the Petition Date between Firelands and the Debtor, with any such obligations that were due and payable as of the Effective Date, whether accruing prior to or after the Petition Date, being paid on the Effective Date and the maturity of any such obligations being reinstated to that in effect prior to any such defaults; or (ii) on such other terms and conditions as the Debtor and Firelands may agree on or after the Effective Date.

As an unimpaired Class, pursuant to § 1126(f) of the Code, Class 2.5 is conclusively presumed to have accepted the Plan.

CLASS 2.6 ***Other Secured Claims***

Under Article III of the Plan, any and all Other Secured Claims are classified in Class 2.5. **They are unimpaired**. Pursuant to the Plan, except to the extent that a holder of an Other Secured Claim agrees to less favorable treatment, on the Effective Date or as soon thereafter as reasonably practicable, in full and final satisfaction, compromise, settlement, and release of and in exchange for such Other Secured Claim, each holder of an Other Secured Claim will receive, at the option of the Debtor, (i) payment in full of such holder's Other Secured Claim, (ii) a transfer by conveyance, assignment, or otherwise of the Debtor's right, title, and interest in and to the collateral securing such Claim, or (iii) such other treatment rendering such holder's Other Secured Claim unimpaired. Because of the valuation of the Debtor's assets and the extent of the Senior Secured Obligations, the Debtor believes that there are no Claims that will fall within this Class. Any creditor possessing a security interest in the Debtor's assets is likely an unsecured creditor under the provisions of § 506(a)(1) of the Code. Additionally, several creditors who may have filed financing statements relative to specific leased items of equipment or software are treated under

the Plan as parties to executory contracts to be assumed or rejected as provided in Article IX of the Plan.

As an unimpaired Class, pursuant to § 1126(f) of the Code, Class 2.6 is conclusively presumed to have accepted the Plan.

4. Unsecured Claims

CLASS 3 ***All unsecured Allowed Claims not having priority under § 507 of the Code***

Under Article IV of the Plan, all unsecured Allowed Claims not having priority under § 507 of the Code are classified in Class 3. **They are impaired**. The Debtor is informed and believes that the aggregate amount of all unsecured Allowed Claims not having priority under § 507 of the Code is approximately $4.0 million. Under the Plan, each holder of an unsecured Allowed Claim not having priority under § 507 of the Code will receive, in full satisfaction thereof, at the time specified in Article VIII of the Plan, its pro-rata portion of the "Retained Actions Net Proceeds Disbursements" which term is defined in the Plan as each of those certain disbursements of Retained Actions Net Proceeds to be made by the Appointed Estate Retained Actions Representative pursuant to Article VIII of the Plan for the benefit of holders of Allowed Claims in Class 3 of the Plan. "Retained Actions Net Proceeds" is defined in the Plan as any consideration received as a result of a settlement of any of the Retained Action or from the enforcement of any judgment obtained with respect to any of the Retained Actions, less all costs and expenses incurred by or on behalf of the Appointed Estate Retained Actions Representative in realizing such consideration. Retained Actions is defined in the Plan as any and all Claims, demands, and causes of action, including all of the Claims of the kind specified in §§ 544, 547, 548, 549, 550, 551, and 553(b) of the Code, accruing prior to the Effective Date in respect of the Debtor against any person or entity, and further including those Claims, demands, and causes of actions listed on Exhibit B to the Plan. These Claims include, without limitation, Claims arising under §§ 544(a) and 550(a)

of the Code for the recovery of funds held under The Bellevue Hospital Deferred Compensation Plan, which funds are in the approximate amount of $592,000. Given the uncertainty of litigation and difficulty in evaluating or quantifying recoveries, presently there is no reliable method to estimate the anticipated distribution to the holders of Allowed Claims in Class 3.

Pursuant to the Confirmation Procedures Order, Class 3 is deemed to have rejected the Plan.

5. Membership Interests

CLASS 4 ***All Allowed Membership Interests of the Petition Date Members in the Debtor***

Under Article IV of the Plan, all Allowed Membership Interests of the Petition Date Members in the Debtor are classified in Class 4. **They are impaired**. Pursuant to the Plan, upon the Effective Date the respective Membership Interests of the Petition Date Members in the Debtor will be terminated and cancelled. The Plan further provides that thereupon, all membership rights and privileges of the Petition Date Members in the Debtor will cease, including such rights and privileges each Petition Date Member may have arising under the Definitive Agreement, which will be deemed terminated effective as of the Petition Date. As defined in the Plan, the Petition Date Members are, collectively, the Association, Firelands, and Fisher Titus. The Definitive Agreement is that certain *Definitive Agreement* by, between, and among the Debtor and the Petition Date Members executed December 17, 2002.

Pursuant to § 1126(g) of the Code, since the Petition Date Members will not be receiving or retaining any property under the Plan on account of their respective interests, Class 4 is deemed not to have accepted the Plan.

E. OTHER PROVISIONS OF THE PLAN

1. Means of Execution

a. General Provisions

Pursuant to Article VIII of the Plan, all payments and other distributions of consideration described in the Plan will be made as set forth in the Plan unless an objection to a particular claim has been filed, in which case the payments or other distributions set forth in the Plan as to that particular claimant shall be made or commenced on the later of the first day of the calendar month following the Claim Determination Date or the date provided for in the Plan, at which time such payment or other distribution will be made to such claimant so as to provide such claimant with an amount equal to the aggregate percentage of payments and distributions made to date to all other holders of Allowed Claims in the same class whose particular claims were not subject to an objection.

Article VIII of the Plan also provides that all payments or other distributions provided for by the Plan to holders of Allowed Claims in Classes 1, 2.1, 2.2, 2.3, 2.4, 2.5, and 2.6 thereof will be made from funds of the Debtor as of the Effective Date, funds received from the Substitute Member pursuant to the Membership Substitution Agreement, funds generated subsequent to the Effective Date by the Debtor through its operations, and funds realized through the sale by the Debtor of any of its property. All payments or other distributions provided for by the Plan to holders of Allowed Claims in Class 3 thereof will be made solely from funds realized through the prosecution and enforcement of Claims, demands, and causes of action retained under the Plan by the Appointed Estate Retained Actions Representative pursuant to Article VII hereof, less any costs associated with recovering such funds.

b. Post-Confirmation Financing

Paragraph 2 of Article VIII of the Plan provides that the Debtor may enter into new lending relationships with lenders so as to obtain financing for its operations subsequent to the Effective Date and to assist it in performing its obligations under the Plan, including the payment of Allowed Claims as contemplated and required under the Plan. Consequently, under the Plan, upon Confirmation, the Debtor will have the right to enter into new lending relationships should the need arise on terms and provisions, and under such conditions, as are consistent with the Plan.

c. Objections to Claims

Pursuant to Paragraph 3 of Article VIII of the Plan, the Debtor will have the exclusive right to review and, if deemed appropriate, pursue all objections to Claims asserted against the Debtor's estate and included in Classes 1, 2.1, 2.2, 2.4, and 2.6 thereof. [15] The Debtor, should it choose to file such an objection, may determine to prosecute or settle such objection in such manner and on such terms, as the Debtor, in its sole discretion, may determine. Any and all objections to such Claims by the Debtor must be filed by ninety (90) days after the Effective Date, or be forever barred. Further under the Plan, the Appointed Estate Retained Actions Representative will have the exclusive right to review and, if deemed appropriate, pursue all objections to claims asserted against the Debtor's estate and included in Class 3 thereof, including in connection with any litigation he, she, or it may bring in such capacity. The Plan provides that any and all objections to such Claims by the Appointed Estate Retained Actions Representative must be filed by one hundred twenty (120) days after the Effective Date, or be forever barred.

[15] The Claims in classes 2.3 and 2.5 have previously been deemed Allowed in the Case and are not subject to objection by any party. *See* Doc. 88

d. Retained Actions Net Proceeds Disbursements

Pursuant to paragraph 4 of Article VIII of the Plan, commencing on the first day of the third full calendar quarter following the calendar quarter in which the Effective Date falls, and continuing thereafter on a semi-annual basis, the Appointed Estate Retained Actions Representative, on behalf of the Debtor, will distribute all Retained Actions Net Proceeds then in his, her, or its possession, less such Disputed Claims Reserve as he, she, or it may reasonably determine, to holders of Allowed Claims in Class 3, on the basis as provided in Article IV of the Plan.

e. Post-Confirmation Fees and Reports

Paragraph 5 of Article VIII of the Plan provides that, following Confirmation, through the closing of the Case under Code § 350 and entry of a final decree pursuant to Bankruptcy Rule 3022, the Debtor will pay all fees payable under 28 U.S.C. § 1930(a)(6), and will timely file with the Court, and serve, any and all requisite reports of the actions taken, the progress made toward the consummation of the Plan, and the time frame anticipated until a final report and motion for the entry of a final decree can be filed with the Court.

f. Substitution of Member; Amendment of Articles of Incorporation and Code of Regulations of Debtor

Pursuant to Article X of the Plan, as of the Effective Date, pursuant to the terms of the Member Substitution Agreement, which terms are fully incorporated in the Plan by reference and in exchange for the Acquisition Amount, the Substitute Member will become the sole corporate member of the Debtor, the Articles of Incorporation of the Debtor and the Code of Regulations of the Debtor will each be amended and restated as therein provided, and the Debtor's Board of Directors will be as stated therein. Under the Plan the Debtor is authorized to file with all appropriate Governmental Units such documentation as may be necessary to reflect any and all

modifications and amendments required thereunder, the revised nature of Debtor's organizational structure, and the modification to the identity of the Substitute Member as the sole member of the Debtor.

2. Executory Contracts and Unexpired Leases

The Code gives chapter 11 debtors, as debtors in possession, the power, subject to the approval of the bankruptcy court, to assume or reject executory contracts or unexpired leases. Rejection or assumption may be effected either pursuant to a plan of reorganization or by order of the bankruptcy court entered upon application of a debtor after notice and a hearing. If an executory contract or unexpired lease is rejected, the other party to the agreement may file a claim for damages incurred by reason of its rejection, however, the amount of damages may be limited under the Code. In the case of assumption of an executory contract or unexpired lease, the Code requires that a debtor promptly cure any existing default (other than certain types of default based upon bankruptcy or the debtor's financial condition) and provide adequate assurances of future performance under such executory contracts or unexpired leases.

Pursuant to Article IX of the Plan, and under § 365 of the Code, the Debtor is specifically assuming any and all participation agreements with Medicare, the U.S. Department of Health and Human Services, the Centers for Medicare and Medicaid Services (including those with any contractors or related programs thereof), Ohio Medicaid, any other applicable State Plan Medicaid program, and the U.S. Department of Defense TRICARE program, if applicable (including those with any contractors or related programs thereof), as well as the contracts and leases identified on Schedule 3.13 to the Member Substitution Agreement, a copy of which is attached to the Plan as Exhibit A. The assumption effectuated thereby will be effective upon the Effective Date, at which time (unless otherwise agreed to by the counterparty to any executory contract and the Debtor) the Debtor will cure any and all defaults and provide adequate assurance of future performance. All

executory contracts and unexpired leases neither specifically assumed under the Plan nor previously assumed or rejected in the Case will be deemed rejected as of the Petition Date, and any Claims arising from such rejections will be included in Class 3 of the Plan. The Plan further provides that Confirmation will constitute approval by the Court of any and all such rejections. The Plan further provides that specifying an agreement in the Plan, or including a contract or lease in Schedule 3.13 to the Member Substitution Agreement, will not constitute an admission by the Debtor that such agreement, contract, or lease constitutes an executory contract or unexpired lease, or that the Debtor has any liability thereunder. The Debtor reserves under the Plan the right to amend such Schedule 3.13 to the Member Substitution Agreement through the Effective Date to add or remove any contract or lease.

The Plan further provides a means of addressing certain consequences of disputes regarding (a) the amount of any cure payments, (b) the ability of the Debtor to provide "adequate assurance of future performance", as defined in § 365 of the Code under the contract or lease to be assumed, and (c) any other matter pertaining to any such assumption. Specifically, the Plan provides that any cure payments required by § 365 of the Code would not be made until, and after, the entry of a Final Order resolving the dispute and approving the assumption. Alternatively, in the event of any such dispute, the Debtor would have the right under the Plan to reject the applicable executory contract or unexpired lease notwithstanding its prior listing in the Plan or on Schedule 3.13 to the Member Substitution Agreement.

The anticipated cure obligations relating to the lease and contract assumptions under the Plan are identified on Schedule 3.13 to the Member Substitution Agreement.

3. Appointment of Appointed Estate Retained Action Representative; and Retention of Certain Causes of Action and Enforcement Thereof

Article VII of the Plan provides for the retention and prosecution, subsequent to the Effective Date, of the Retained Actions. The term "Retained Actions" is defined under the Plan as any and all Claims, demands, and causes of action, including all of the Claims of a kind specified in §§ 544, 547, 548, 549, 550, 551, and 553(b) of the Code, accruing prior to the Effective Date in respect of the Debtor against any person or entity, and further including those claims, demands, and causes of actions listed on Exhibit B to the Plan. Included among the defined Retained Actions for the Debtor is a listing with respect to causes of action under Chapter 5 of the Bankruptcy Code. Specifically, paragraph 2 of Exhibit B to the Plan refers to "(a)ny and all preference, fraudulent transfer, or avoidance claims, and any other claims arising under chapter 5 of the Code or similar state law, including, without limitation, claims relating to each and every payment, if any, identified in response to Questions 3 and 4 of the Statement of Financial Affairs filed by the Debtor in the Case[16], and claims arising under §§ 544(a) and 550(a) of the Code for the recovery of funds held under The Bellevue Hospital Deferred Compensation Plan."[17]

Pursuant to Article VII of the Plan, upon the Effective Date, and by virtue of Confirmation of the Plan, an Appointed Estate Retained Actions Representative will be appointed by the Court as the representative of Debtor's estate pursuant to § 1123(b)(3)(B) of the Code for the purpose of retaining and enforcing the Retained Actions. As a representative of the Debtor, the Appointed Estate Retained Actions Representative will retain the Retained Actions and may, in his, her, or its

[16] Question 3 of the Statement of Financial Affairs reads, in relevant part, "List payments or transfers…to any creditor…within 90 days immediately before filing this case unless the aggregate value of all property transferred to that creditor is less than $7,575…" Question 4 of the Statement of Financial Affairs reads, in relevant part, "List payments or transfers…made within 1 year before filing this case on debt owed to an insider or guaranteed or cosigned by an insider unless the aggregate value of all property transferred to that creditor is less than $7,575…"

[17] The Debtor is informed and believes that as of December 31, 2024, the aggregate balance in The Bellevue Hospital Deferred Compensation Plan was $592,052.56.

sole discretion, determine to prosecute or release any such Retained Actions and, if prosecuted, compromise and settle such Retained Actions on such terms as he, she, or it deems reasonable with no further notice to holders of Allowed Claims being necessary. The Plan further provides that the Appointed Estate Retained Actions Representative may retain such professionals as he, she, or it may determine, and on such terms and conditions as he, she, or it may determine, without the need for approval by the Court under § 327 of the Code, or otherwise. Any professional so retained may be compensated, and its expenses may be reimbursed, by the Appointed Estate Retained Actions Representative without the need for approval by the Court under §§ 330 or 331 of the Code, or otherwise. Retained Actions Net Proceeds will be distributed as provided in Article VIII of the Plan. Finally, under the Plan, the identity of the Appointed Estate Retained Actions Representative shall be disclosed in a filing made in the Case no later than five (5) business days prior to the Confirmation Hearing.

Generally, the Code permits a debtor in possession to prosecute certain causes of action for the benefit of their creditors in an effort to enhance the value of an estate and maximize any distribution of funds to creditors. Included among these causes of action are: the recovery of payments made by a debtor to or for the benefit of creditors within ninety (90) days prior to the bankruptcy filing (or, if the recipient of the payment or benefit was an insider, payments made within one (1) year prior to filing); the recovery of a debtor's property transferred within one (1) year prior to filing if made with an intent to hinder, delay, or defraud a creditor or transferred by an insolvent debtor in exchange for less than reasonably equivalent value; the recovery of a debtor's estate's property transferred after the commencement of a bankruptcy case without authorization under the Code or by the court; and the recovery of any transfer of a debtor's property that could be set aside, under non-bankruptcy law, by a hypothetical judgment lien creditor, by a

hypothetical unsatisfied execution creditor, or by a hypothetical bona fide purchaser of real property.

The Plan defines the term "Retained Actions Net Proceeds" as any consideration received as a result of a settlement of any of the Retained Action or from the enforcement of any judgment obtained with respect to any of the Retained Actions, less all costs and expenses incurred by or on behalf of the Appointed Estate Retained Action Representative in realizing such consideration. Under Article VIII of the Plan, the Appointed Estate Retained Action Representative is permitted to distribute the Retained Actions Net Proceeds (pursuant to the Retained Actions Net Proceeds Distribution) for the benefit of holders of the Allowed Claims in Class 3 of the Plan.

The Debtor continues to investigate, and it is anticipated that after the Effective Date the Appointed Estate Retained Action Representative will continue to investigate, the Retained Actions. Parties are directed to review Exhibit B to the Plan for a listing of the Retained Actions that the Debtor believes may exist. Given the speculative nature of the Retained Actions, and of the ability to collect any judgment thereon, it is impossible to predict with any degree of certainty what, if any, recovery will be obtained thereon. Consequently, the Debtor has not included any monetary value on such recoveries under its Liquidation Analysis.

4. General Provisions

The Plan provides in Article XI that Confirmation will constitute authorization by the Court for Debtor's use of funds of its estate to meet any cash requirements in its Case, and will operate so as to terminate the prospective operation of any then-existing order or stipulated order entered in the Case granting the Debtor authority to use cash collateral and providing adequate protection.

Additionally, the Plan provides that, notwithstanding any other provision of the Plan specifying a date or time for the payment or distribution of consideration thereunder, payments and distributions with respect to any Disputed Claim will not be made until such Claim becomes

an Allowed Claim, whereupon such payments and distributions will be made promptly, or as otherwise provided for in the Plan. Thus, any Claim as to which an objection is pending at the time a payment or distribution is due under the Plan, will not receive such payment or distribution until the objection to the Claim has been resolved by a Final Order.

The Plan further provides in Article XI that upon the Effective Date, all right, title, and interest in and to the Debtor's assets which constitute property of the estate shall vest in the Debtor free and clear of all Claims, liens, and interests of creditors and interest holders, except those liens or interests retained or expressly provided pursuant to the Plan. Any lien or interest not specifically retained or expressly provided pursuant to the Plan will be deemed null, void, and of no further force or effect, and will be cancelled and discharged of record in accordance with the Confirmation Order.

The Plan further provides in Article XI that Confirmation will constitute authorization by the Court for the Debtor pursuant to the Plan to sell, transfer, or convey any of its assets, or any interests therein, whether in or out of the ordinary course of its business, without the need for further notice to parties in interest or approval by the Court, on such terms as the Debtor deems appropriate.

Under the Plan, all obligations of the Debtor are expressly contingent upon Confirmation. Consequently, the Debtor is permitted by the terms of the Plan, for any reason, at any time prior to Confirmation, to withdraw as a proponent of the Plan by filing a notice of such withdrawal with the Court. If that were to occur, the Plan would be immediately withdrawn from consideration for Confirmation, and neither the Debtor nor any of its officers, directors, employees, or agents, would have any further obligations under the Plan.

The Plan also contains a reservation of rights provision. Specifically, the Plan provides in Article XI thereof that neither the filing of the Plan, nor any statement or provision contained therein, nor the taking by the Debtor or any other party of any action with respect to the Plan will (a) be or be deemed to be an admission against interest, (b) until the Effective Date, be or be deemed to be a waiver of any rights which any party might have against the Debtor or any of its property or against any other party, and (c) until the Effective Date, be or be deemed to be a waiver of any rights which the Debtor, as debtor or as debtor in possession under the Code, might have against any holder of an Allowed Claim, against any other party, or against the property thereof. All such rights are specifically reserved under the Plan until the Effective Date. In the event that the Effective Date does not occur, neither the Plan nor any statement contained therein may be used or relied upon in any manner in any suit, action, proceeding, or controversy within or outside of the Case.

5. Retention of Jurisdiction

Pursuant to Article XV of the Plan, the Court will retain exclusive jurisdiction of the Debtor's Case after Confirmation for the following purposes:

* Determining the allowance of any Claim, including requests for allowance of administrative expenses under § 503 of the Code incurred prior to or subsequent to Confirmation;

* Determining the classification, validity, and amount of Claims, including re-examining any Claim that has been allowed as of the date of the Confirmation;

* Hearing and determining the extent, priority, and validity of any lien or interest asserted by any party against the property of the estate;

* Determining all questions and disputes regarding title to property of the estate;

* Determining all questions and disputes regarding any assumption of an executory contract or unexpired lease proposed hereunder, and determining any damages suffered by any party to an executory contract or unexpired lease rejection;

* Hearing and determining questions of valuation, as necessary;

* Hearing and determining all claims by the Debtor against any party to an executory contract or unexpired lease, or any other claims which the Debtor may have against any party which would lead to recovery of property or monies for the Debtor, other than Claims pertaining to the collection of amounts due, or other enforcement of rights under any residential lease to which the Debtor is a party;

* Hearing and determining any and all motions, applications, adversary proceedings, and contested or litigated matters arising out of or in any way related to the Retained Actions;

* Confirming a modified Plan pursuant to § 1127(b) of the Code;

* Hearing and determining any dispute relating to the terms or implementation of the Plan or any modified Plan, the Confirmation Order, or any other matters arising out of or in way related to the Case, other than disputes regarding the payment of sums due under the Plan;

* Issuing any order necessary to aid in the implementation of the Plan or Confirmation Order, including without limitation such declaratory or injunctive orders as are appropriate to protect any party in interest;

* Hearing and determining any matters arising in connection with the Final Report and Account of the Debtor; or

* Entering any orders concluding and terminating the Case.

6. Discharge; Exculpation and Limitation of Liability

Article XII of the Plan provides that, upon Confirmation, all Claims against the Debtor will be discharged to the extent permitted by § 1141 of the Code, both as Claims against the Debtor, and as against any successor or assign, to the fullest extent and in the manner provided by law and the Code. The payments, distributions, and other treatments provided for in the Plan with respect to each class of Allowed Claims will be deemed, under the Plan, to constitute the full and complete satisfaction, discharge, and release of all such Allowed Claims and will constitute a new obligation owing by the Debtor to or for the benefit of the holders thereof.

Paragraph 6 of Article VIII of the Plan provides exculpation and a liability limitation for certain parties. Specifically, this paragraph provides:

On the Effective Date, to the fullest extent permissible under applicable law, the Debtor, on behalf of itself and any predecessor or successor thereto, and any party claiming through, on behalf of, or under thereof, will be conclusively deemed to release (i) all professionals retained by order of the Court in the Case, (ii) all officers, directors, and trustees of the Debtor, (iii) Firelands, (iv) the Senior Secured Creditor, and (v) the Appointed Estate Retained Actions Representative, and their respective directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, participants, successors, assigns, subsidiaries, and each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such from any and all liabilities, claims, costs, damages and expenses related to any act or omission based on the negotiation, execution, and implementation of any transactions approved by the Court in the Case, the filing of the Case, the pursuit of Confirmation, the administration and implementation of the Plan, including the substitution of the Substitute Member as the sole member of the Debtor pursuant to the Plan or the distribution of property under the Plan or any other related agreement, or any other post-petition act taken or omitted to be taken in connection with or in contemplation of the restructuring of the Debtor and implementation of the Plan, except for claims related to any act or omission that is determined to have constituted actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction.

VIII. COMPARISON OF PLAN TO ALTERNATIVES

The Debtor believes that the Plan affords creditors the potential for the greatest recovery from the Debtor's assets and, therefore, is in the best interests of the creditors. The Debtor has considered alternatives to the Plan such as an immediate liquidation and a sale of its assets in the context of a chapter 11 or chapter 7 case. In the opinion of the Debtor, such alternatives would not afford creditors as great an immediate recovery potential as under the Plan. Further, such action could serve to undermine the stability of the Debtor's operations, and would otherwise be adverse to the best interests of the communities it serves and its creditors. If the Plan is not confirmed, the theoretical alternatives include (a) liquidation under chapter 7, (b) an alternative plan of reorganization, and (c) dismissal of the Case.

A. LIQUIDATION UNDER CHAPTER 7

The Debtor has undertaken a liquidation analysis under chapter 7 of the Code. The analysis provided is believed to be reasonable and conservative, and in accordance with § 1129 of the Code. Given the anticipated forced liquidation of its real estate assets at a distressed sale, the Debtor believes that the result of such liquidation would be a distribution of zero dollars to the holders of unsecured Allowed Claims. Accordingly, the Debtor is firmly convinced that the distribution to holders of unsecured Allowed Claims proposed in the Plan is substantially greater than the distribution, if any, those creditors would receive if the Debtor's assets were liquidated in a chapter 7 proceeding.

Liquidation under chapter 7 of the Code entails the appointment of a trustee in the Case, having no experience or knowledge of the Debtor, its records, or assets. A substantial waiting period would be required in order for any chapter 7 trustee to effectively wind up the Case. Also, the value of the Debtor's assets would be reduced in a liquidation scenario.

1. Administrative Expenses Under Chapter 7

The administrative costs of the Estate must be satisfied from the proceeds of a chapter 7 liquidation. The administrative costs would include the fees and expenses of the chapter 7 trustee, the cost of counsel for the trustee, and, possibly, the cost of accountants for the trustee.

2. Liquidation Analysis of the Estate

The Debtor believes that liquidations under chapter 7 would result in a substantial diminution of the value of its estate. The conversion of the Case to one under chapter 7 would, in all likelihood, result in the immediate cessation of Debtor's operations and the potential failure of Debtor to fulfill its obligations to its patients and the communities it serves, and would hinder the Debtor's ability to appropriately maintain its assets.

Given the nature of its debt obligations, the Debtor believes that unsecured creditors would not realize any value from the forced liquidation of the Debtor's assets in a chapter 7 proceeding. The Debtor anticipates that the Huron and Sandusky Country Treasurers and the Senior Secured Creditor, as secured creditors, would realize all of the available liquidation value of the Debtor's assets. Finally, as earlier noted, there will be additional administrative expenses involved in the appointment of a chapter 7 trustee and retention of attorneys and other professionals to assist the trustee, as well as potential unpaid, current expenses accruing to trade creditors and taxing authorities.

In its liquidation analysis, the Debtor has taken into account the nature, status, and underlying value of its assets and the extent to which such assets are subject to liens and security interests. Based on this analysis, the Debtor believes that the gross proceeds from liquidation of all its assets would yield no distribution to the holders of unsecured Allowed Claims.

The Debtor has considered liquidation in the context of chapter 7 cases, and its liquidation analysis is found on **Exhibit E** attached hereto.

B. DISMISSAL OF THE CASE

If the Case were dismissed, the Debtor submits that the secured creditors could seek to force a sale of Debtor's assets. If that occurs, based on the foregoing, the Debtor believes that the value of the assets available for unsecured creditors of the Debtor would be zero.

IX. DESCRIPTION OF THE DEBTOR AFTER CONFIRMATION

Under the terms of the Member Substitution Agreement, as implemented by the Plan, on a post-confirmation basis, the Debtor will continue as an Ohio not-for-profit corporation. Pursuant to Article X of the Plan, as of the Effective Date, Firelands will be substituted as the sole corporate member of the Debtor, the Articles of Incorporation of the Debtor and the Code of Regulations of

the Debtor will be amended and restated as specified in the Member Substitution Agreement, and the Board of Directors will be as specified therein.

The Debtor has prepared projections of its future operations for an annual period following Confirmation of the Plan. A copy of the projections is attached hereto as **Exhibit F**.

X. PAYMENT OF FEES

The Debtor intends to pay on or before the Effective Date all accrued fees payable under 28 U.S.C. § 1930(a)(6) and Code § 1129(a)(12). Subsequent to Confirmation, the Debtor will timely file with the Court and serve, as required, any and all applicable report, or reports, of the actions taken, the progress made toward the consummation of the Plan, and the time frame anticipated until a final report and motion for the entry of a final decree can be filed with the Court. Further, after Confirmation of the Plan, and until the Case is converted, dismissed, or closed, the Debtor will be responsible for timely payments of post-confirmation fees incurred pursuant to 28 USC § 1930(a)(6). After Confirmation, the Debtor will also file with the Court, and submit to the UST, quarterly post-confirmation reports in the format specified by the UST, for each quarter that the Case remains open. Payment will be based upon quarterly disbursements.

XI. CONCLUSION

The Debtor urges all parties in interest to support confirmation of its Plan.

Dated: February 28, 2025

THE BELLEVUE HOSPITAL

/s/ Sara K. Brokaw
By: Sara K. Brokaw, Chief Executive Officer, and President

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EXHIBIT A

PLAN

(attached heret0)

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
WESTERN DIVISION

In re:	:	Case No. 25-30191
The Bellevue Hospital	:	Chapter 11
	:	
Debtor.	:	Judge Mary Ann Whipple
	:	

CHAPTER 11 PLAN OF REORGANIZATION OF THE BELLEVUE HOSPITAL

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February 28, 2025

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The Bellevue Hospital, debtor and debtor in possession herein, submits this *Chapter 11 Plan of Reorganization of The Bellevue Hospital* under § 1121 of the Code. The Debtor requests confirmation of the Plan under §§ 1129(a), (b)(1), and (b)(2)(B)(ii) of the Code.

ARTICLE I
DEFINITIONS

1. "Acquisition Amount" shall have the same meaning as defined in section 2.3 of the Member Substitution Agreement.

2. "Administrative Expense Claim Deadline" shall mean that date which is thirty (30) days after the Effective Date.

3. "Allowed Claim" shall mean a claim against the Debtor determined as of the Effective Date, (a) in respect of which a proof of claim has been filed with the Court within the applicable period of limitations fixed by Court order; or (b) scheduled in the schedule of liabilities filed with the Court by the Debtor, as may be amended, pursuant to § 521(1) of the Code and Bankruptcy Rules 1007(b) and 1009 and not listed as disputed, contingent, or unliquidated as to amount; or (c) of a kind specified in § 507(a)(2) of the Code, and, in any case, as to which no objection to the allowance thereof has been interposed within any permissible or extended period of time, or as to which any such objection has been determined by a Final Order.

4. "Allowed Secured Claim" shall mean an Allowed Claim secured by a lien on property in which the Debtor has an interest, or which is subject to setoff under § 553 of the Code, to the extent of the value (determined in accordance with § 506(a) of the Code) of such creditor's interest in the Debtor's interest in such property, or to the extent of the amount subject to such setoff, as the case may be.

5. "Appointed Estate Retained Actions Representative" shall mean that person or entity, in his, her, or its capacity as a representative of the Debtor's bankruptcy estate, expressly

appointed pursuant to Article VII hereof, and pursuant to § 1123(b)(3)(B) of the Code, for the purpose of retaining and enforcing claims and interests belonging to the Debtor's bankruptcy estate.

6. "Bankruptcy Rules" shall mean collectively, the Federal Rules of Bankruptcy Procedure as promulgated under 28 U.S.C. § 2075 and any Local Rules of the Court applicable to the Case.

7. "Bar Date" shall mean the date or dates fixed by the Court by which persons asserting a Claim against the Debtor are required to file a Proof of Claim or a request for payment or be forever barred from asserting a Claim against the Debtor or its property and from sharing in distributions under this Plan.

8. "Case" shall mean the Debtor's chapter 11 bankruptcy case, administered under case number 25-30191, which is pending before the Court.

9. "Chapter 11" shall mean chapter 11 of the Code.

10. "Claim" shall have the meaning as set forth in § 101(5) of the Code.

11. "Claim Determination Date" shall mean the date on which a particular Claim has been allowed, disallowed, or otherwise determined by a Final Order.

12. "Code" shall mean the Bankruptcy Reform Act of 1978, effective October 1, 1979, as set forth in Title 11 of the United States Code, as amended.

13. "Confirmation" shall mean the entry of the Confirmation Order by the Court.

14. "Confirmation Hearing" shall mean the hearing before the Court to consider Confirmation of this Plan in accordance with Code § 1128, as such hearing may be continued from time to time.

15. "Confirmation Order" shall mean the order by the Court confirming this Plan.

16. "Court" shall mean the United States Bankruptcy Court for the Northern District of Ohio, Western Division, including the Honorable Mary Ann Whipple, or any other United States Bankruptcy Judge presiding in the Case.

17. "Debtor" shall mean The Bellevue Hospital, an Ohio not-for-profit corporation.

18. "Debtor in Possession" shall mean the Debtor, it its capacity as a debtor in possession pursuant to Code §§ 1101(1) and 1107.

19. "Definitive Agreement" shall mean that certain *Definitive Agreement* by, between, and among the Debtor, TBH Association, Firelands, and Fisher Titus executed December 17, 2002.

20. "DIP Facility" shall mean that certain revolving credit facility for up to $1,500,000.00 as evidenced by the Post-Petition Loan and Security Agreement, and Promissory Note and related and ancillary documents as between the Debtor and the DIP Lender dated as of February 5, 2025, as the same may be amended, restated, supplemented, or otherwise modified from time to time in accordance with its terms, and as approved by the Court pursuant to the *Final Order (I) Authorizing the Debtor to Obtain Post-Petition Secured Financing; (II) Authorizing the Debtor's Use of Cash Collateral; (III) Granting Adequate Protection to the Prepetition Secured Parties; and (IV) Granting Related Relief* entered in the Case as Doc. No. 152.

21. "DIP Lender" shall mean Firelands, as post-petition lender under the DIP Facility.

22. "Disputed Claim" means, with respect to any Claim which has not been deemed to be an Allowed Claim pursuant to the Plan or a Final Order:

a. If no Proof of Claim has been filed by the Bar Date: (i) a Claim that has been or hereafter is listed in the schedules filed in the Case under § 521(a)(1) as disputed, contingent, or unliquidated; or (ii) a Claim that has been or hereafter is listed in the schedules filed in the Case under § 521(a)(1) as other than disputed, contingent, or unliquidated, but as to which

the Debtor or the Appointed Estate Retained Actions Representative, as applicable, has interposed an objection, by adversary proceeding or otherwise, or request for estimation which has not been withdrawn or determined by a Final Order; or

b. If a Proof of Claim has been filed by the Bar Date, a Claim for which a timely objection, by adversary proceeding or otherwise, or request for estimation is interposed by the Debtor or the Appointed Estate Retained Actions Representative, as applicable, which has not been withdrawn or determined by a Final Order.

23. "Disputed Claims Reserve" shall mean that reserve established and held by the Appointed Estate Retained Actions Representative on account of Disputed Claims that, if Allowed, would entitle such holder to its pro-rata share of the Retained Actions Net Proceeds Disbursements.

24. "Effective Date" shall mean the date which is fifteen (15) days after Confirmation, unless an earlier date is selected by the Debtor.

25. "Fifth Third" shall mean Fifth Third Bank, National Association, and any successor or assign thereof, with respect to its interest as a Senior Secured Creditor.

26. "Final Order" shall mean the entry of an appealable order, judgment, or decree by the Court, as to which no appeal is pending and for which the time during which an appeal or leave therefore may be taken has expired.

27. "Firelands" shall mean Firelands Regional Health System, an Ohio not-for-profit corporation.

28. "First National Bank" shall mean The First National Bank of Bellevue, a National Banking institution, and any successor or assign thereof, with respect to its interest in the assets of the Debtor and its claim against the Debtor.

29. "Fisher Titus" shall mean Fisher Titus Health f/k/a Norwalk Area Health System, an Ohio not-for-profit corporation.

30. "Governmental Units" shall have the meaning ascribed to it in § 101(27) of the Code.

31. "Huron County Treasurer" shall mean the Treasurer for Huron County, Ohio, and any successor or assign thereof, with respect to its interest in the assets of the Debtor and its claim against the Debtor.

32. "Local Rules" shall mean the *Local Rules* of the United States Bankruptcy Court for the Northern District of Ohio, as well as any and all memoranda and standing orders issued by the Honorable Mary Ann Whipple, or any other United States Bankruptcy Judge presiding in the Case.

33. "Master Trustee" shall mean The Bank of New York Mellon Trust Company, N.A., in its capacity as Master Trustee pursuant to that certain *Master Trust Indenture*, dated as of July 1, 2003.

34. "Member" shall have the meaning ascribed to it in Ohio Revised Code § 1702.01(G).

35. "Membership Interest" shall mean the interest in the Debtor arising from rights and privileges possessed by a Member in the Debtor.

36. "Member Substitution Agreement" shall mean that certain *Member Substitution Agreement* dated as of February 25, 2025, made by and among the Debtor and Firelands, a copy of which is attached hereto as Exhibit A, as the same may be amended, restated, supplemented, or otherwise modified from time to time in accordance with its terms.

37. "Other Secured Claim" shall mean any Allowed Secured Claim that is not otherwise included in Classes 2.1, 2.2, 2.3, 2.4, or 2.5 of this Plan.

38. "Petition Date" shall mean February 5, 2025.

39. "Petition Date Members" shall mean, collectively, TBH Association, Firelands, and Fisher Titus, each in their capacity as a Member of the Debtor, and any assignee thereof or successor thereto.

40. "Plan" or "Plan of Reorganization" shall mean this *Chapter 11 Plan of Reorganization of The Bellevue Hospital* in its present form or as it may be amended or modified in accordance with the Code.

41. "Proof of Claim" shall mean a Proof of Claim filed under the Bankruptcy Rules against the Debtor in the Case.

42. "Retained Actions" shall mean any and all claims, demands, and causes of action, including all of the claims of the kind specified in §§ 544, 547, 548, 549, 550, 551, and 553(b) of the Code, accruing prior to the Effective Date in respect of the Debtor against any person or entity, and further including those claims, demands, and causes of actions listed on Exhibit B hereto.

43. "Retained Actions Net Proceeds" shall mean any consideration received as a result of a settlement of any of the Retained Action or from the enforcement of any judgment obtained with respect to any of the Retained Actions, less all costs and expenses incurred by or on behalf of the Appointed Estate Retained Actions Representative in realizing such consideration.

44. "Retained Actions Net Proceeds Disbursements" shall mean each of those certain disbursements of Retained Actions Net Proceeds to be made by the Appointed Estate Retained Actions Representative pursuant to Article VIII of this Plan for the benefit of holders of Allowed Claims in Class 3 of this Plan.

45. "Sandusky County Treasurer" shall mean the Treasurer of Sandusky County, Ohio, and any successor or assign thereof with respect to its interest in the assets of the Debtor and its claim against the Debtor.

46. "Senior Collateral" shall mean and include (a) certain of the Debtor's real estate, including the hospital facilities located at 1400 West Main Street, Bellevue, Ohio 44811, and an office building located at 102 Commerce Park Drive, Bellevue, Ohio 44811; and (b) substantially all of the Debtor's tangible and intangible personal property, including all of the Debtor's accounts, accounts receivable, cash, and cash equivalents, including Employee Retention Credit refunds and grants for which applications for payment have been submitted to the Debtor from the Federal Emergency Management Agency.

47. "Senior Obligations" shall mean all indebtedness of the Debtor to the Senior Secured Creditor pursuant to, among other things: (a) that certain *Master Trust Indenture*, dated as of July 1, 2003, by and between Master Trustee (as successor in trust to Fifth Third) and the Debtor who is the sole Obligated Issuer[1] thereunder and sole member of the Obligated Group bound thereby, as supplemented, amended, or otherwise modified from time to time (as amended, supplemented, or otherwise modified from time to time, the "Indenture"); and (b) certain Obligations issued under and made pursuant to the Indenture, including: (i) Obligation No. 6, dated as of August 28, 2012, made by the Debtor to Fifth Third in the original principal amount of $10,000,000, (ii) Obligation No. 7, dated as of September 12, 2012, made by the Debtor to Fifth Third in the original principal amount of $8,500,000, (iii) Obligation No. 8, dated as of October 3, 2012, made by the Debtor to Fifth Third in the original principal amount of $2,569,152.82, and

[1] Capitalized terms used but not otherwise defined in this definition shall have the meanings given to them in the Indenture (defined herein).

(iv) Obligation No. 9, dated as of November 30, 2017, made by the Debtor to Fifth Third in the original principal amount of $9,000,000.

48. "Senior Secured Creditor" shall mean, collectively, Fifth Third in its capacity as bond holder, issuer of credit cards, and depository bank, and The Bank of New York Mellon Trust Company, N.A., in its capacity as Master Trustee pursuant to that certain *Master Trust Indenture*, dated as of July 1, 2003.

49. "Substitute Member" shall mean Firelands, in its capacity as a party under the Member Substitution Agreement.

50. "TBH Association" shall mean The Bellevue Hospital Association, an Ohio not-for-profit corporation.

In addition to the foregoing specific definitions, any terms found herein, whether capitalized or not, which are not specifically defined herein shall be defined in accordance with the definitions set forth in § 101 of the Code.

ARTICLE II
CLASSIFICATION OF CLAIMS AND MEMBERSHIP INTERESTS

Pursuant to §§ 1122 and 1123(a)(1) of the Code, the categories of claims and Membership Interests set forth below classify all claims against, and Membership Interests in, the Debtor for all purposes, including distributions pursuant to the Plan. A claim shall be deemed classified in a particular Class for purposes of receiving distributions pursuant to this Plan only to the extent that such claim qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any remainder of such claim qualifies within the description of such different Class. A claim is in a particular Class only to the extent that such claim is Allowed in that Class and has not been paid, released, or otherwise settled prior to the Effective Date.

In accordance with § 1123(a)(1) of the Code, Allowed Claims under § 503 of the Code having priority under § 507(a)(2) of the Code, and Allowed Claims having priority under § 507(a)(8) of the Code, have not been classified and are excluded from the foregoing Classes.

Claims and Membership Interests are classified with respect to the Debtor and this Plan as follows:

CLASS 1: All Allowed Claims having priority under § 507(a) of the Code, other than (i) Allowed Claims under § 503 of the Code having priority under § 507(a)(2) of the Code, and (ii) Allowed Claims having priority under § 507(a)(8) of the Code

CLASS 2.1: The Allowed Secured Claim of the Huron County Treasurer

CLASS 2.2: The Allowed Secured Claim of the Sandusky County Treasurer

CLASS 2.3: The Allowed Secured Claim of the Senior Secured Creditor

CLASS 2.4: The Allowed Secured Claim of First National Bank

CLASS 2.5: The Allowed Secured Claim of Firelands

CLASS 2.6: Other Secured Claims

CLASS 3: All unsecured Allowed Claims not having priority under §507 of the Code

CLASS 4: All Allowed Membership Interests of the Petition Date Members in the Debtor

ARTICLE III
CLASSES OF CLAIMS NOT IMPAIRED

The following classes of claims are not impaired under this Plan and will be treated as follows:

CLASS 1: Each holder of an Allowed Claim having priority under § 507(a) of the Code, other than Allowed Claims under § 503 of the Code having priority under § 507(a)(2) of the Code and Allowed Claims having priority under § 507(a)(8) of the Code, will be paid in full, in cash, upon the later of the Effective Date of this Plan, or the date on which the Claim is Allowed by a final non-appealable order.

CLASS 2.1: The Allowed Secured Claim of the Huron County Treasurer for real estate taxes arising from and relating to the Debtor's real estate properties shall be paid as and when due under applicable non-bankruptcy law. Any such obligations that are due and payable as of the Effective Date, whether accruing prior to or after the Petition Date, shall be paid on the Effective Date.

CLASS 2.2: The Allowed Secured Claim of the Sandusky County Treasurer for real estate taxes arising from and relating to the Debtor's real estate properties shall be paid as and when due under applicable non-bankruptcy law. Any such obligations that are due and payable as of the Effective Date, whether accruing prior to or after the Petition Date, shall be paid on the Effective Date.

CLASS 2.4: Except to the extent that First National Bank agrees to less favorable treatment, on the Effective Date or as soon thereafter as reasonably practicable, in full and final satisfaction, compromise, settlement, and release of and in exchange for the Allowed Secured Claim of First National Bank, First National Bank will receive, at the option of the Debtor, (i) payment in full of such Claim, (ii) a transfer by conveyance, assignment, or otherwise of the Debtor's right, title, and interest in and to the collateral securing such Claim, or (iii) such other treatment rendering First National Bank's Allowed Secured Claim unimpaired.

CLASS 2.5: The Allowed Secured Claim of Firelands shall be paid (i) in accordance with the terms and conditions of the prepetition agreements in effect as of the Petition Date between Firelands and the Debtor, with any such obligations that were due and payable as the Effective Date, whether accruing prior to or after the Petition Date, being paid on the Effective Date and the maturity of any such obligations being reinstated to that in effect prior to any such defaults; or (ii) on such other terms and conditions as the Debtor and Firelands may agree on or after the Effective Date.

CLASS 2.6: Except to the extent that a holder of an Other Secured Claim agrees to less favorable treatment, on the Effective Date or as soon thereafter as reasonably practicable, in full and final satisfaction, compromise, settlement, and release of and in exchange for such Other Secured Claim, each holder of an Other Secured Claim shall receive, at the option of the Debtor: (i) payment in full of such holder's Other Secured Claim; (ii) a transfer by conveyance, assignment, or otherwise of the Debtor's right, title, and interest in and to the collateral securing such Claim; or (iii) such other treatment rendering such holder's Other Secured Claim unimpaired.

ARTICLE IV
CLASSES OF IMPAIRED CLAIMS AND IMPAIRED MEMBERSHIP INTERESTS

The following classes of Claims and Membership Interests are, or may be, impaired under this Plan and will be treated as follows in full satisfaction of the Claims or Membership Interests within each class:

CLASS 2.3: The Allowed Secured Claim of the Senior Secured Creditor shall be satisfied in full by the payment of $15,000,000 in immediately available funds on the Effective Date. Upon receipt thereof, the Senior Secured Creditor shall promptly release, or consent to the prompt release, of all liens it holds in any and all assets of the Debtor, including the Senior Collateral.

CLASS 3: Each holder of an unsecured Allowed Claim not having priority under §507 of the Code shall receive, in full satisfaction thereof, at the time specified in Article VIII hereof, its pro-rata portion of the Retained Actions Net Proceeds Disbursements.

CLASS 4: Upon the Effective Date, the respective Membership Interests of the Petition Date Members in the Debtor will be terminated and cancelled. Thereupon, all membership rights and privileges of the Petition Date Members in the Debtor shall cease, including such rights and privileges each Petition Date Member may have arising under the Definitive Agreement, which shall be deemed terminated effective as of the Petition Date.

ARTICLE V
ALLOWED UNSECURED CLAIMS OF GOVERNMENTAL UNITS HAVING PRIORITY UNDER § 507(a)(8) OF THE CODE

Each holder of an unsecured Allowed Claim of Governmental Units having priority under § 507(a)(8) of the Code, if any, will be paid in accordance with § 1129(a)(9)(C) of the Code. Each holder will receive payment in full of the total value of its Claim, with interest at the applicable governmental rate, split into equal monthly payments starting with the first day of the first full month following confirmation and ending on the date that is 5 years from the Petition Date. The final payments on these Claims will be for the remaining balance owed on the respective Claims with interest.

ARTICLE VI
ALLOWED CLAIMS HAVING PRIORITY UNDER § 507(a)(2) OF THE CODE

Each holder of an Allowed Claim under § 503 of the Code having priority under § 507(a)(2) of the Code will be paid in full as follows: (1) if the Claim is Allowed by that time, on the Effective Date; (2) within ten (10) business days of the allowance of the Claim, if it is Allowed after the Effective Date; or (3) upon such other terms as may be agreed upon by the holder of the Claim and the Debtor.

All requests for allowance of claims and administrative expenses having priority under § 507(a)(2) of the Code, other than those arising under the DIP Facility or those arising in favor of trade creditors in the ordinary course of the Debtor's operations, but including fee applications, must be filed with the Court under § 503(b) of the Code by the Administrative Expense Claim Deadline. Failure to file an administrative expense Claim by the Administrative Expense Claim Deadline will result in the holder of the Claim being forever barred from asserting the Claim, except as provided in the Plan.

With respect to repayment of the DIP Facility, the amount owing thereunder shall be paid in full on the Effective Date, or on such other later date and on such terms as may be agreed upon by the Debtor and the DIP Lender.

All Allowed Claims of a kind specified in § 507(a)(2) of the Code arising from fees payable under 28 U.S.C. § 1930(a) and Code § 1129(a)(12) shall be paid by the Debtor in full upon the later of allowance by the Court, the Effective Date, or such later date and on such terms as may be agreed upon by the Debtor and the claimant.

ARTICLE VII
APPOINTMENT OF APPOINTED ESTATE RETAINED ACTIONS REPRESENTATIVE; RETENTION OF RETAINED ACTIONS; ENFORCEMENT THEREOF

Upon the Effective Date, and by virtue of Confirmation of this Plan, the Appointed Estate Retained Actions Representative shall be expressly appointed by the Court as the representative of the Debtor's estate pursuant to § 1123(b)(3)(B) of the Code for the purpose of retaining and enforcing the Retained Actions. The Appointed Estate Retained Actions Representative shall, as a representative of the Debtor, retain the Retained Actions and may, in his, her, or its sole discretion, determine to prosecute or release any such Retained Actions and, if prosecuted, compromise and settle such Retained Actions on such terms as he, she, or it deems reasonable with no further notice to holders of Allowed Claims being necessary. The Appointed Estate Retained Actions Representative may retain such professionals as he, she, or it may determine, and on such terms and conditions as he, she, or it may determine, without the need for approval by the Court under § 327 of the Code, or otherwise. Any professional so retained may be compensated, and its expenses may be reimbursed, by the Appointed Estate Retained Actions Representative without the need for approval by the Court under §§ 330 or 331 of the Code, or otherwise. Retained Actions Net Proceeds shall be distributed as provided in Article VIII hereof. The identity of the Appointed Estate Retained Actions Representative shall disclosed in a filing made in the Case no later than five (5) business days prior to the Confirmation Hearing.

ARTICLE VIII
MEANS OF EXECUTION OF THE PLAN

1. General Provisions. All payments and other distributions of consideration described in this Plan shall be made as set forth in the Plan, unless an objection to a particular Claim has been filed, in which case the payments or other distributions set forth in the Plan as to that particular claimant shall be made or commenced on the later of the first day of the calendar month

following the Claim Determination Date or the date provided for in the Plan, at which time such payment or other distribution shall be made to such claimant so as to provide such claimant with an amount equal to the aggregate percentage of payments and distributions made to date to all other holders of Allowed Claims in the same class whose particular claims were not subject to an objection.

All payments or other distributions provided for by this Plan to holders of Allowed Claims in Classes 1, 2.1, 2.2, 2.3, 2.4, 2.5, and 2.6 hereof shall be made from funds of the Debtor as of the Effective Date, funds received from the Substitute Member pursuant to the Membership Substitution Agreement, funds generated subsequent to the Effective Date by the Debtor through its operations, and funds realized through the sale by the Debtor of any of its property. All payments or other distributions provided for by this Plan to holders of Allowed Claims in Class 3 hereof shall be made solely from funds realized through the prosecution and enforcement of claims, demands, and causes of action retained under this Plan by the Appointed Estate Retained Actions Representative pursuant to Article VII hereof, less any costs associated with recovering such funds.

2. Financing. The Debtor may enter into new lending relationships so as to obtain financing for its operations subsequent to the Effective Date and to assist it in performing its obligations hereunder, including the payment of Allowed Claims as contemplated and required under this Plan. Consequently, upon the Effective Date, the Debtor shall have the right to enter into new lending relationships should the need arise on terms and provisions, and under such conditions, as are consistent with this Plan.

3. Objections to Claims. The Debtor shall have the exclusive right to review and, if deemed appropriate, pursue all objections to claims asserted against the Debtor's estate and

included in Classes 1, 2.1, 2.2, 2.4, and 2.6 hereof.[2] The Debtor, should it choose to file such an objection, may determine to prosecute or settle such objection in such manner and on such terms as the Debtor, in its sole discretion, may determine. Any and all objections to such claims by the Debtor must be filed by ninety (90) days after the Effective Date, or be forever barred. The Appointed Estate Retained Actions Representative shall have the exclusive right to review and, if deemed appropriate, pursue all objections to claims asserted against the Debtor's estate and included in Class 3 hereof, including in connection with any litigation he, she, or it may bring in such capacity. Any and all objections to such claims by the Appointed Estate Retained Actions Representative must be filed by one hundred twenty (120) days after the Effective Date, or be forever barred.

4. Retained Actions Net Proceeds Disbursements. Commencing on the first day of the third full calendar quarter following the calendar quarter in which the Effective Date falls, and continuing thereafter on a semi-annual basis, the Appointed Estate Retained Actions Representative, on behalf of the Debtor, shall distribute all Retained Actions Net Proceeds then in his, her, or its possession, less such Disputed Claims Reserve as he, she, or it may reasonably determine, to holders of Allowed Claims in Class 3, on the basis as provided in Article IV hereof.

5. Post Confirmation Fees and Reports. Subsequent to Confirmation, through the closing of the Case under § 350 of the Code and entry of a final decree pursuant to Bankruptcy Rule 3022, the Debtor will pay all fees payable under 28 U.S.C. § 1930(a)(6), and will timely file with the Court and serve any and all requisite reports of the actions taken, the progress made toward the consummation of the Plan, and the time frame anticipated until a final report and motion for the entry of a final decree can be filed with the Court.

[2] The Claims in classes 2.3 and 2.5 have previously been deemed Allowed in the Case and are not subject to objection by any party. *See* Doc. Nos. 88 and 152.

6. **Exculpation and Limitation of Liability. On the Effective Date, to the fullest extent permissible under applicable law, the Debtor, on behalf of itself and any predecessor or successor thereto, and any party claiming through, on behalf of, or under thereof, will be conclusively deemed to release (i) all professionals retained by order of the Court in the Case, (ii) all officers, directors, and trustees of the Debtor, (iii) Firelands, (iv) the Senior Secured Creditor, and (v) the Appointed Estate Retained Actions Representative, and their respective directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, participants, successors, assigns, subsidiaries, and each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such from any and all liabilities, claims, costs, damages and expenses related to any act or omission based on the negotiation, execution, and implementation of any transactions approved by the Court in the Case, the filing of the Case, the pursuit of Confirmation, the administration and implementation of the Plan, including the substitution of the Substitute Member as the sole member of the Debtor pursuant to the Plan or the distribution of property under the Plan or any other related agreement, or any other post-petition act taken or omitted to be taken in connection with or in contemplation of the restructuring of the Debtor and implementation of the Plan, except for claims related to any act or omission that is determined to have constituted actual fraud, willful misconduct, or gross negligence, each solely to the extent as determined by a Final Order of a court of competent jurisdiction.**

ARTICLE IX
EXECUTORY CONTRACTS AND UNEXPIRED LEASES

The Debtor hereby specifically assumes any and all participation agreements with Medicare, the U.S. Department of Health and Human Services, the Centers for Medicare and Medicaid Services (including those with any contractors or related programs thereof), Ohio Medicaid, any other applicable State Plan Medicaid program, and the U.S. Department of Defense TRICARE program, if applicable (including those with any contractors or related programs thereof) , as well as the contracts and leases identified on Schedule 3.13 to the Member Substitution Agreement, pursuant to § 365 of the Code. The assumption effectuated hereby shall be effective upon the Effective Date, at which time (unless otherwise agreed to by the counterparty to any executory contract and the Debtor) the Debtor shall cure any and all defaults and provide adequate assurance of future performance. All executory contracts and unexpired leases neither specifically assumed hereby nor previously assumed or rejected in the Case shall be deemed rejected as of the Petition Date, and any claims arising from such rejections shall be included in Class 3 hereof. Confirmation shall constitute approval by the Court of any and all such rejections. Specifying an agreement herein or including a contract or lease in Schedule 3.13 to the Member Substitution Agreement shall not constitute an admission by the Debtor that such agreement, contract, or lease constitutes an executory contract or unexpired lease, or that the Debtor has any liability thereunder. The Debtor reserves the right through the Effective Date to amend such Schedule 3.13 to the Member Substitution Agreement to add or remove any contract or lease.

In the event of a dispute regarding (a) the amount of any cure payments; (b) the ability of the Debtor to provide "adequate assurance of future performance", as defined in § 365 of the Code, under the contract or lease to be assumed; or (c) any other matter pertaining to the assumptions provided for herein, the cure payments required by § 365 of the Code shall be made following the

entry of a Final Order resolving the dispute and approving the assumption. Alternatively, in the event of any such dispute, the Debtor shall have the right to reject the applicable executory contract or unexpired lease notwithstanding its prior listing in this Plan and on Schedule 3.13 to the Member Substitution Agreement.

ARTICLE X
PROVISIONS REGARDING SUBSTITUTION OF MEMBER; AMENDMENT OF ARTICLES OF INCORPORATION AND CODE OF REGULATIONS OF DEBTOR

As of the Effective Date, pursuant to the terms of the Member Substitution Agreement, which terms are fully incorporated herein by this reference and in exchange for the Acquisition Amount, the Substitute Member shall become the sole corporate member of the Debtor, the Articles of Incorporation of the Debtor and the Code of Regulations of the Debtor shall each be amended and restated as therein provided, and the Debtor's Board of Directors shall be as stated therein. The Debtor shall be authorized to file with all appropriate Governmental Units such documentation as may be necessary to reflect any and all modifications and amendments required hereunder, the revised nature of Debtor's organizational structure, and the modification to the identity of the Substitute Member as the sole member of the Debtor.

ARTICLE XI
GENERAL PROVISIONS

Confirmation shall constitute authorization by the Court for the Debtor's use of funds of the Debtor or of the estate to meet any cash requirements in the Case, and shall terminate the prospective operation of any then-existing order or stipulated order entered in the Case granting the Debtor authority to use cash collateral and providing adequate protection.

Upon the Effective Date, all right, title, and interest in and to the Debtor's assets which constitute property of the estate shall vest in the Debtor free and clear of all claims, liens, and interests of creditors and interest holders, except those liens or interests retained or expressly

provided pursuant to the Plan. Any lien or interest not specifically retained or expressly provided pursuant to the Plan shall be deemed null, void, and of no further force or effect and shall be cancelled and discharged of record in accordance with the Confirmation Order. A certified copy of the Confirmation Order may be recorded in any appropriate public office to evidence and effectuate such cancellation and discharge.

Notwithstanding any other provision of the Plan specifying a date or time for the payment or distribution of consideration hereunder, payments and distributions with respect to any Disputed Claim shall not be made until such claim becomes an Allowed Claim, whereupon such payments and distributions shall be made promptly, or as otherwise provided for in the Plan.

Confirmation shall constitute authorization by the Court for the Debtor pursuant to the Plan to sell, transfer, or convey any of its assets, or any interest therein, whether in or out of the ordinary course of business, without the need for further notice to parties in interest or approval by the Court. Any such sale, transfer, or conveyance may be on such terms as the Debtor deems appropriate.

All obligations of the Debtor under the Plan are expressly contingent upon Confirmation. Consequently, the Debtor may, for any reason, at any time prior to Confirmation, withdraw as a proponent of this Plan by filing a notice of such withdrawal with the Court. In such event, this Plan shall immediately be withdrawn from consideration for Confirmation and neither the Debtor nor any of its directors, trustees, officers, employees, or agents shall have any further obligations under the Plan.

Neither the filing of this Plan, nor any statement or provision contained herein, nor the taking by the Debtor or any other party of any action with respect to this Plan shall: (a) be deemed to be an admission against interest; (b) until the Effective Date, be or be deemed to be a waiver of

any rights which any party might have against the Debtor or any of its property or against any other party; and (c) until the Effective Date, be or be deemed to be a waiver of any rights which the Debtor, as a debtor or as a debtor in possession under the Code, might have against any holder of an Allowed Claim, against any other party, or against the property thereof. Until the Effective Date, all such rights are specifically reserved. In the event that the Effective Date does not occur, neither this Plan, nor any statement contained herein, may be used or relied upon in any manner in any suit, action, proceeding, or controversy within or outside of this Case.

Notwithstanding anything contained herein and above, the Debtor may prepay any payment or installment due under this Plan without any penalty and may negotiate any compromise or settlement with a party to whom, or to the extent for whom, any such payment or installment is due on such terms and conditions as may be mutually acceptable.

ARTICLE XII
DISCHARGE

Upon Confirmation, all claims against the Debtor shall be discharged as provided by § 1141 of the Code, both as claims against the Debtor, and as against any successor or assign, to the fullest extent and in the manner provided by law and the Code. The payments, distributions, and other treatments provided for herein with respect to each Class of Allowed Claims shall be deemed to constitute the full and complete satisfaction, discharge, and release of all such Allowed Claims and shall constitute a new obligation owing by the Debtor to or for the benefit of the holders thereof as provided by this Plan.

ARTICLE XIII
MODIFICATION OF THE PLAN

The Debtor may propose amendments or modifications to the Plan at any time prior to Confirmation. After Confirmation, the Debtor may, with approval of the Court, and so long as it does not materially or adversely affect the interests of parties in interest, remedy any defect or

omission, or reconcile any inconsistencies in the Plan or the Confirmation Order, in such a manner as may be necessary to carry out the purposes and effect of the Plan.

ARTICLE XIV
EXEMPTION FROM SECURITIES LAWS

All rights to receive payments and distributions arising pursuant to this Plan, and to be substituted as the Substitute Member, shall be created and arise pursuant to exemption from all applicable securities laws, if any, as provided by § 1145 of the Code to the fullest extent permitted by law.

ARTICLE XV
RETENTION OF JURISDICTION

The Court shall retain jurisdiction subsequent to Confirmation of the Plan for the following purposes:

(a) Determining the allowance of any claim, including requests for allowance of administrative expenses under § 503 of the Code incurred prior to or subsequent to Confirmation;

(b) Determining the classification, validity, and amount of claims, including re-examining any claim that has been allowed as of the date of the Confirmation;

(c) Hearing and determining the extent, priority, and validity of any lien or interest asserted by any party against the property of the estate;

(d) Determining all questions and disputes regarding title to property of the estate;

(e) Determining all questions and disputes regarding any assumption of an executory contract or unexpired lease proposed hereunder, and determining any damages suffered by any party to an executory contract or unexpired lease rejection;

(f) Hearing and determining questions of valuation, as necessary;

(g) Hearing and determining all claims by the Debtor against any party to an executory contract or unexpired lease, or any other claims which the Debtor may have against any party which would lead to recovery of property or monies for the Debtor;

(h) Hearing and determining any and all motions, applications, adversary proceedings, and contested or litigated matters arising out of or in any way related to the claims,

demands, assets, and causes of action retained by the Appointed Estate Retained Actions Representative;

(i) Confirming a Plan pursuant to § 1127(b) of the Code;

(j) Hearing and determining any dispute relating to the terms or implementation of this Plan or any modified plan, Confirmation Order, or any other matters arising out of or in way related to this Case, other than disputes regarding the payment of sums due under this Plan;

(k) Issuing any order necessary to aid in the implementation of the Plan or Confirmation Order, including without limitation such declaratory or injunctive orders as are appropriate to protect any party in interest;

(l) Hearing and determining any matters arising in connection with the Final Report and Account of the Debtor; or

(m) Entering any order concluding and terminating the Case.

THE BELLEVUE HOSPITAL

/s/ Sara K. Brokaw
By: Sara K. Brokaw, Chief Executive Officer, and President

EXHIBIT A

MEMBER SUBSTITUTION AGREEMENT

MEMBER SUBSTITUTION AGREEMENT

DATED AS OF FEBRUARY 24, 2025

by and among

FIRELANDS REGIONAL HEALTH SYSTEM

and

THE BELLEVUE HOSPITAL

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MEMBER SUBSTITUTION AGREEMENT

This **MEMBER SUBSTITUTION AGREEMENT** (this "Agreement"), dated as of February 24, 2025, is made by and among Firelands Regional Health System, an Ohio non-profit corporation, dba Firelands Health ("Firelands"), and The Bellevue Hospital, an Ohio non-profit corporation (as in existence on the date hereof, as a debtor in possession and subsequently, as a reorganized debtor) ("TBH"). Firelands and TBH are referred to herein individually as a "Party" and collectively as the "Parties." Capitalized terms used herein shall have the meanings set forth herein or in Article X.

WHEREAS, on February 5, 2025 (the "Petition Date"), TBH commenced a voluntary case under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Northern District of Ohio, Western Division (the "Bankruptcy Court"), under Case No. 25-30191 (Bankr. N.D. Ohio) (the "Bankruptcy Case");

WHEREAS, TBH and Firelands are parties to the Restructuring Support Agreement [Docket No. 75] (as may be amended, supplemented, or otherwise modified from time to time, including all exhibits, annexes, and schedules thereto, the "RSA", made and entered into as of February 4, 2025, by and among Firelands, TBH, Fifth Third (as defined therein), and the Master Trustee (as defined therein) to implement a financial and organizational restructuring in accordance with the terms and conditions set forth therein (the "Restructuring") for the existing debt, TBH Membership and other obligations of TBH through confirmation of a Chapter 11 plan of reorganization the *Chapter 11 Plan of Reorganization of The Bellevue Hospital* [Docket No. [●]] (as may be amended, supplemented or otherwise modified from time to time)(the "Plan"), substantially in the form attached hereto as **Exhibit A**;

WHEREAS, Firelands, as a party to the RSA, desires to become the sole Member of TBH on the terms and conditions and pursuant to the Plan, the Confirmation Order and this Agreement;

WHEREAS, each of Firelands and TBH is exempt from federal income tax under Section 501(a) by reason of being described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, subject to the Bankruptcy Court confirming the Plan by entry of an Order in form reasonably satisfactory to the Parties (the "Confirmation Order"), the satisfaction (or to the extent permitted by Law, written waiver by the Parties) on or prior to the Closing Date, of each of the conditions to Closing in Article VII of this Agreement, the Parties desire to consummate a transaction where, as of the Closing Date, Firelands will become the sole member of TBH and the Firelands Board of Directors will become the Board of Directors of TBH, in accordance with the Plan and the applicable provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and the local rules for the Bankruptcy Court, all on the terms and subject to the conditions set forth in this Agreement, the Plan, and the Confirmation Order ("Transaction").

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants, and agreements set forth herein, intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE I TRANSACTION

1.1 *Member Substitution.*

(a) On the terms and subject to the conditions set forth in the Plan, Confirmation Order and this Agreement, at the Closing and following the consummation of the Restructuring and after the effective date of the Confirmation Order, Firelands shall become the sole corporate member of TBH, and TBH shall (i) amend and restate its Articles of Incorporation in the form attached hereto as **Exhibit 1.1(a)(i)** (the "Restated Articles") and cause the same to be filed with the Ohio Secretary of State, and (ii) amend and restate its Code of Regulations in the form attached hereto as **Exhibit 1.1(a)(ii)** (the "Restated Regulations" and together with the Restated Articles, the "Restated TBH Organizational Documents").

(b) The Restated TBH Organizational Documents shall name the Firelands Board of Directors as TBH's post-Closing Board of Directors. The initial post-Closing Board of Directors and officers are set forth on **Exhibit 1.1(b)**.

(c) As part of Firelands' health care system following the Closing, unless otherwise expressly agreed to in this Agreement or TBH's Organizational Documents, TBH will operate in a manner consistent with all Firelands system-wide policies, procedures and standards, including but not limited to standards and policies for nursing care, patient safety, physician and other practitioner engagement, compliance, risk management, and financial management, including treatment of TBH's net operating income.

1.2 *TBH Affiliates; Amendments.*

TBH is the member, shareholder or partner, as relevant, of a number of Affiliates as set forth on **Schedule 1.2** ("TBH Affiliates"). TBH will take reasonable steps to cause the TBH Affiliates to make amendments to the respective governance documents as requested by Firelands and as deemed reasonably necessary to effect the Transaction and the terms of this Agreement.

1.3 *Formation of Advisory Board.*

Firelands will establish an Advisory Board as outlined Section 9.4 below.

ARTICLE II CLOSING

2.1 *Closing.*

Subject to the satisfaction, or waiver by the appropriate Party, of all of the conditions precedent to Closing specified in the Plan, Confirmation Order and this Agreement, the Closing of the Transaction ("Closing") will take place by telephone conference and electronic exchange of documents on the Effective Date ("Closing Date"). The Closing shall be effective as of 12:01 a.m. E.D.T. on the day following the Closing Date.

2.2 ***TBH's Deliveries at the Closing.***

At the Closing, in addition to any other documents specifically required to be delivered pursuant to the Plan, Confirmation Order or this Agreement, TBH shall deliver to Firelands the following:

(a) Subject to the Plan and Confirmation Order becoming effective, copies of resolutions duly adopted by TBH Board of Directors authorizing and approving the transactions contemplated hereby, the execution and delivery of this Agreement and the documents described herein, and the performance of the covenants, agreements, and obligations contained herein, certified as true and of full force and effect as of the Closing, by the appropriate officers of the respective Party, as set forth in **Exhibit 2.2(a)**;

(b) Copies of the Organizational Documents of each TBH Affiliate filed with a Governmental Body in connection with its incorporation or organization, certified as of the Closing Date by the President of the TBH Board, as set forth in **Exhibit 2.2(b)**;

(c) Certificate of a duly-authorized officer of TBH, certifying that (i) each covenant and agreement of TBH, as applicable, to be performed prior to, or as of, the Closing pursuant to this Agreement has been performed and (ii) each representation and warranty of TBH, as applicable, is true and correct on the Closing Date, as if made on and as of the Closing, as set forth in **Exhibit 2.2(c)**;

(d) Certificate of incumbency for the respective officers of TBH executing this Agreement, or making certifications for the Closing, dated as of the Closing Date, as set forth in **Exhibit 2.2(d)**;

(e) Certificate of good standing of TBH issued by the Ohio Secretary of State and each jurisdiction in which the Party is licensed or qualified to do business as a foreign entity, dated no more than ten (10) days prior to the Closing, as set forth in **Exhibit 2.2(e)**;

(f) Duly-executed copies of the Restated TBH Organizational Documents;

(g) Proof of applicable notice, and copies of applicable approvals and consents (excluding approvals and consents related to the transfer or assignment of all licenses, registrations, permits, and payor agreements to be obtained by Firelands or its agent) required by the Plan, Confirmation Order of this Agreement, as set forth in **Exhibit 2.2(g)**;

(h) RESERVED;

(i) Resignations of TBH directors and officers as set forth in **Exhibit 2.2(i)**; and

(j) All completed Exhibits and Schedules and such other instruments and documents, as Firelands reasonably deems necessary to effect the transactions contemplated by the Plan, the Confirmation Order and this Agreement, including all documents necessary to designate Firelands as the sole member of TBH.

2.3 ***Firelands' Deliveries at the Closing.***

At the Closing, in addition to any other documents specifically required to be delivered pursuant to the Plan, Confirmation Order or this Agreement, Firelands shall deliver to TBH the following:

(a) Payment of consideration equal to the amount necessary to (i) provide cash payment of $15,000,000 to Senior Secured Creditor on the Effective Date Deadline (as defined in the RSA), with such amount not being subject to offset, discount, or adjustment (the "Senior Secured Creditor Payment"); and (ii) satisfy any other monetary and non-monetary obligations of TBH to satisfy all requirements for confirmation of the Plan in accordance with Section 1129 of the Bankruptcy Code as part of the $15,000,000 Capital Contribution (defined below) to TBH as described in Section 2.4 below (collectively, the "Acquisition Amount");

(b) Copies of resolutions duly adopted by the Firelands Board of Directors authorizing and approving its performance of the transactions contemplated hereby and the execution and delivery of this Agreement and the documents described herein, and the performance of the covenants, agreements, and obligations contained herein, certified as true and in full force as of the Closing, by the appropriate officers of Firelands, as set forth in **Exhibit 2.3(b)**;

(c) Certificate of a duly-authorized officer of Firelands, certifying that (i) each covenant and agreement of Firelands to be performed prior to, or as of, the Closing pursuant to the Plan, Confirmation Order and this Agreement has been performed and (ii) each representation and warranty of Firelands is true and correct on the Closing Date, as if made on and as of the Closing, as set forth in **Exhibit 2.3(c)**;

(d) Certificate of incumbency for the respective officers of Firelands executing this Agreement or making certifications for the Closing, dated as of the Closing Date, as set forth in **Exhibit 2.3(d)**; and

(e) Such other instruments and documents as TBH reasonably deems necessary to effectuate the transactions contemplated hereby.

2.4 ***Firelands' Deliverables Post-Closing.***

(a) Subject to acceptable TBH financial performance, as determined in Firelands' sole discretion, Firelands shall continue to operate TBH as an acute care hospital at 1400 West Main Street, Bellevue Ohio, providing a full range of inpatient and outpatient services and a 24-hour Emergency Department, for a period of not less than five (5) years after the Closing.

(b) As part of the Acquisition Amount outlined in Section 2.3(a), during the five (5) year period following the Closing, Firelands will contribute a total of $15,000,000 in capital investments and improvements for TBH (the "Capital Contribution"). Such Capital Contribution will be reduced by the amounts required to be expended pursuant to Section 2.3(a)(ii) of this Agreement to satisfy at Closing any other monetary and non-monetary obligations of TBH necessary to satisfy all requirements for confirmation of the Plan in accordance with Section 1129 of the Bankruptcy Code. For the avoidance of all doubt, the Capital Contribution shall not be reduced by the Senior Secured Creditor Payment. Firelands agrees to share its annual capital budget for TBH and confer with the TBH Advisory Board with respect to the same.

(c) Upon the expiration of TBH's current Directors' and Officers' Liability Insurance, Employer Practices Liability Insurance and Fiduciary Liability Insurance (collectively, the "D&O Insurance"), Firelands agrees to acquire a tail policy from the Cincinnati Insurance Company extending the period for reporting claims under the D&O Insurance for a period of not less than twelve (12) months ("D&O Tail Coverage").

(d) After the Closing, Firelands agrees to continue the existing professional liability insurance coverage policies for all licensed medical professionals employed by TBH or a TBH Affiliate. Alternatively, if Firelands elects to terminate such professional liability insurance policies, Firelands will procure tail policies extending the period for reporting claims under the professional liability policies for a period of not less than twenty-four (24) months, or alternatively, retroactively date any subsequent professional liability insurance policies procured for such medical professionals to the commencement of such professional's employment by TBH or TBH Affiliate ("Tail Coverage").

(e) After the Closing, Firelands shall cause TBH to assume and honor in the ordinary course of TBH's business Vacation Time (as defined in TBH's polices), earned by current TBH employees during the 180 day period prior to the Petition Date, as detailed in **Exhibit 2.4(e)**. The costs of assuming and honoring the Vacation Time obligations shall constitute a credit against Fireland's capital investment and improvements commitment described in Section 2.4(b) of this Agreement.

(f) Firelands will ensure that any charitable restricted gifts made to TBH or to a TBH Affiliate shall in perpetuity continue to be honored, held, and used in accordance with any donor restrictions, designations, or conditions.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF TBH

Except as set forth in the schedules accompanying this Agreement ("Schedule(s)"), TBH, on behalf of itself and the TBH Affiliates, as relevant, represents and warrants to Firelands as of the Closing Date or, if such representation and warranty is expressly made as of a different date, as of such different date, as follows:

3.1 *Organization and Qualification.*

(a) TBH and each TBH Affiliate (as defined below) is a nonprofit corporation, for-profit corporation or limited liability company duly incorporated or organized and validly existing under the applicable section of the Ohio Revised Code, and in good standing under the laws of the State of Ohio. TBH and each TBH Affiliate has the corporate or limited liability company power and authority to carry on its business as it has been and is presently operated and to enter into and perform its obligations under this Agreement. The term "TBH Affiliate" means any Person that is directly or indirectly controlled by or under common control with TBH. "Control" or "controlled by" shall mean the power to elect through membership, ownership, contract, or otherwise, fifty percent (50%) or more of the board of trustees, directors or managers (or others performing similar functions) of a Person. "Control" also includes the power to direct or cause the direction of the policies and management of an entity, whether through contract, membership interests, ownership of voting securities, a lease, a management agreement, or other arrangement. A complete list of

TBH Affiliates where TBH is the sole member, shareholder or partner and the TBH Affiliates that are joint ventures are set forth on **Schedule 1.2**.

(b) A list of TBH's and each TBH Affiliates' members, governing board members and executive officers as of the date hereof and prior to the Closing is attached hereto as **Schedule 3.1(b)**.

(c) Except as set forth on **Schedule 3.1(c)**, neither TBH nor any TBH Affiliate own any interest, directly or indirectly, in any other business, enterprise, firm, joint venture, limited liability company, partnership or corporation or other Person, other than interests held for investment purposes only in amounts representing five percent (5%) or less of the outstanding equity interests of a publicly traded corporation.

3.2 ***Authorization and Enforceability.***

Assuming that the Confirmation Order is entered by the Bankruptcy Court and all other requisite Bankruptcy Court approvals are obtained, the execution, delivery and performance by TBH of this Agreement, and the consummation by TBH of the transactions contemplated hereby, subject to Bankruptcy Court approval, have been duly authorized by all requisite corporate action, and no other corporate proceedings on its part are necessary to authorize the execution, delivery and performance by TBH of this Agreement and the consummation of the transactions contemplated hereby. Assuming that the Confirmation Order is entered by the Bankruptcy Court and all other requisite Bankruptcy Court approvals are obtained, this Agreement and all related documents executed or delivered by TBH at the Closing, will constitute a legal, valid and binding obligation of TBH, enforceable against TBH in accordance with its terms, except that such enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other similar Laws of general application affecting or relating to the enforcement of creditors' rights generally.

3.3 ***TBH Member.***

Assuming that the Confirmation Order is entered by the Bankruptcy Court and all other requisite Bankruptcy Court approvals are obtained, as of Effective Date of Restructuring, all of the pre-petition Membership of TBH held by any party will be extinguished in accordance with the Plan and Firelands shall become the sole Member of TBH. Firelands new Membership in TBH will be free and clear of all Encumbrances other than restrictions on transfer arising under applicable securities Laws or as otherwise set forth in the Restated TBH Organizational Documents.

3.4 ***Conflicts and Consents.***

(a) Assuming that the Confirmation Order is entered by the Bankruptcy Court and all other requisite Bankruptcy Court approvals are obtained, and except as set forth on **Schedule 3.4(a)**, the execution, delivery and performance of this Agreement, the consummation of the transactions herein and the fulfillment of the terms hereof do not and will not conflict with, or result in a breach or violation of, or constitute a default under Restated TBH Organizational Documents or TBH Affiliate Organizational Documents, as amended and in effect, or any judgment, order or decree or any applicable law or regulation binding upon TBH or a TBH Affiliate or any property thereof, or conflict with, or result in a breach or violation of, or constitute

a default in the performance, observance, or fulfillment of any obligation, covenant or condition contained in, or constitute, or, but for any requirement of notice or lapse of time or both, would constitute, an event of default by TBH or any TBH Affiliate under any material agreement, permit, authorization, lease, mortgage or other obligation of TBH or a TBH Affiliate, or result in the creation or imposition of any material lien, charge or encumbrance upon or with respect to the assets or property of TBH or a TBH Affiliate.

(b) In addition to the Confirmation Order, TBH shall file, seek or obtain all notices, authorizations, approvals, Orders, permits or Consents of or with any Governmental Body and all approvals required under TBH's and each TBH Affiliate's financing documents or other instruments or agreements in connection with the consummation of the Transaction in connection with the execution, delivery and performance of this Agreement or the consummation by TBH of the transactions contemplated hereby as listed on **Schedule 3.4(b)**.

3.5 ***Brokers.***

Except for Juniper Advisory Services ("Juniper"), TBH has not engaged any other broker, investment banker, financial advisor or other Person that is entitled to any broker's, finder's, financial advisor's or other similar fee or commission, or the reimbursement of expenses in connection therewith, in connection with the transactions contemplated hereby.

3.6 ***Legal Actions.***

Except as set forth on **Schedule 3.6** and other than any workers compensation claims, there are no, and during the three (3) years preceding the date hereof there have been no, Actions pending or, to TBH's Knowledge, threatened in writing (a) to which TBH or TBH Affiliate is or was a party or to which any property, rights or interests of any of them is or was subject, except for (i) such Action that, if adversely determined, would not reasonably be expected to result in (x) liabilities or obligations of any nature of TBH following the Closing in excess of Fifty Thousand Dollars ($50,000), or (y) equitable remedies that would reasonably be expected to be material and adverse to the Business, taken as a whole, following the Closing, and (ii) following the Petition Date, claims of creditors or other parties in the Bankruptcy Case or (b) that challenge, or that may have the effect of preventing, delaying, making illegal or otherwise interfering with, TBH performance and consummation any of the transactions contemplated by the Plan, Confirmation Order or this Agreement.

3.7 ***Compliance with Laws; Permits.***

(a) Except as set forth on **Schedule 3.7(a)**, to TBH's Knowledge, TBH and the TBH Affiliates are, and during the six (6) years preceding the date hereof have been, in compliance in all respects with the requirements of all Healthcare Laws and Laws applicable to it or to its properties, and no written notices have been received by, and no claims have been made in writing against TBH, or any of TBH Affiliates, alleging a violation of any such Laws (including Healthcare Laws). Neither TBH nor any TBH Affiliate is currently subject to a corporate integrity agreement.

(b) Except as set forth on **Schedule 3.7(b)**, to TBH's Knowledge, TBH and the TBH Affiliates possess all Permits (including Healthcare Permits) that are required to conduct their respective Businesses as currently conducted. Within the six (6) years preceding the date hereof,

neither TBH nor any TBH Affiliate, has received written notice of any revocation or modification of any Permit and all such Permits are in full force and effect.

(c) To TBH's Knowledge, each physician, nurse practitioner, nurse, physician's assistant, or other allied health professional currently employed or engaged by or on behalf of TBH or TBH Affiliates, to provide healthcare services is duly licensed, certified or credentialed, as applicable, pursuant to applicable Healthcare Laws.

(d) To TBH's Knowledge, neither TBH nor any of the TBH Affiliates' or their current respective officers, directors, or managing employees are or have been within: (i) excluded, suspended or debarred from participation in any Governmental Health Program, (ii) subject to a civil monetary penalty assessed under Section 1128A of the Social Security Act, sanctioned, indicted or convicted of a crime, or pled nolo contendere or to sufficient facts, in connection with any material allegation of violation of any applicable Healthcare Law, or (iii) listed on the General Services Administration published list of parties excluded from federal procurement programs and non-procurement programs.

3.8 ***Financial Statements.***

TBH has provided to Firelands copies of TBH's and TBH Affiliates' (a) consolidated audited financial statements for the fiscal years ended December 31, 2021, December 31, 2022, and notes and schedules thereto, as certified by its independent public accountants and (b) unaudited consolidated interim monthly financial statements of TBH and TBH Affiliates as of December 31, 2023 and December 31, 2024 (collectively the "Financial Statements"). To TBH's Knowledge, the Financial Statements are true, correct and complete in all material respects, have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP") applied on a consistent basis for such periods, and fairly and accurately present the financial condition of TBH and TBH Affiliates at the dates stated and the results of operations of TBH and TBH Affiliates for the periods then ended except that the unaudited statements may not have all of the notes required by GAAP and are subject to normal year-end adjustments. To TBH's Knowledge, there are no material obligations or liabilities, whether absolute, accrued, or contingent (including without limitation liabilities for taxes), of TBH or any TBH Affiliate that are required in accordance with GAAP to be reflected or disclosed in the Financial Statements and that have not been so reflected or disclosed.

3.9 ***Real Property.***

(a) Set forth on **Schedule 3.9(a)** is a true and complete list of: (i) each parcel of real property owned by TBH or a TBH Affiliate; and (ii) each lease of real property under which TBH or a TBH Affiliate is a lessor, lessee, sublessor or sublessee; and (iii) each other agreement or instrument giving TBH or a TBH Affiliate an interest in real property (including, but not limited to, an option to buy, right of first refusal to buy or lease, or subsurface rights) (collectively, the "Real Property"). To TBH's Knowledge, TBH, or a TBH Affiliate as relevant, have good, marketable and insurable title to each parcel of real property and each leasehold interest described in **Schedule 3.9(a)** together with all improvements thereon. Except for TBH Permitted Encumbrances, all of the interests in property listed on **Schedule 3.9(a)** are free and clear of all mortgages, liens, encumbrances, leases, equities, claims, shares, easements, rights-of-way, covenants, conditions and restrictions, and none is subject to options or rights of first refusal or

any other agreement affecting TBH's interest, or the TBH Affiliate's , as relevant therein. As of the Closing, all rights of TBH and TBH Affiliates in and to the Real Property will continue to be held by TBH or a TBH Affiliate and all matters affecting title thereto, which are not TBH Permitted Encumbrances ,will be solved pursuant to the Confirmation Order.

(b) To TBH's Knowledge, each of TBH and TBH Affiliate real estate leases described on **Schedule 3.9(b)** is a valid and binding obligation of TBH or a TBH Affiliate, as relevant, and is enforceable in accordance with its terms and conditions and neither TBH nor any of its Affiliates have received written notice that any of the leases described on **Schedule 3.9(b)** is not a valid and binding obligation of the third parties thereto.

(c) To TBH's Knowledge, neither TBH nor any TBH Affiliate (i) is in default with respect to any material term or condition of any lease described on **Schedule 3.9(c)**, or (ii) has received notice that any other Party is in default with respect to any material term.

(d) Except as set forth on **Schedule 3.9(d)**, TBH has not received any notice that any portion of the Real Property fails to conform in all material respects to all applicable laws, including, without limitation, building, zoning and Environmental Laws, statutes, ordinances and regulations.

(e) Except as set forth on **Schedule 3.9(e)**, there is no existing, or, to TBH's Knowledge, presently contemplated or proposed, condemnation or similar action, or zoning action or proceeding, with respect to any portion of the Real Property.

(f) Except as set forth on **Schedule 3.9(f)**, to TBH's Knowledge, TBH, or a TBH Affiliate as relevant, holds, and at the Closing or TBH or a TBH Affiliate will hold, all material certificates, approvals and other occupancy permits and licenses required by applicable law relating to the occupancy of its facilities on the Real Property.

3.10 ***Environmental Matters.***

Except as set forth on **Schedule 3.10**, to TBH's Knowledge, (a) TBH and TBH Affiliates are, and for the last six (6) years preceding the date hereof have been, in compliance with all applicable Environmental Laws, (b) TBH and relevant TBH Affiliates possess all Permits required pursuant to applicable Environmental Laws for the conduct of their respective Businesses as currently conducted, (c) neither TBH nor any TBH Affiliate is subject to any outstanding decree, injunction or order issued by any Governmental Body under applicable Environmental Laws, (d) there are no Actions pending against TBH or any TBH Affiliate regarding any actual or alleged violation of or liability under Environmental Laws, (e) neither TBH nor any TBH Affiliate has released any Hazardous Material at any Real Property in quantities or concentrations that currently require investigation, remediation or monitoring by TBH or TBH Affiliate, as relevant, under Environmental Laws, and (f) neither TBH nor any TBH Affiliate is aware of any material mold, radiation, or medical waste disposal matters related to the respective Businesses.

3.11 ***Labor and Employment.***

(a) Except as set forth on **Schedule 3.11(a)**, to TBH's Knowledge, TBH and all TBH Affiliates are in compliance with all applicable Laws respecting labor, employment and

employment practices, including those related to wages and hours, collective bargaining, immigration, employment harassment and employment discrimination and employee layoffs.

(b) Neither TBH, nor any TBH Affiliate, is a party to any collective bargaining agreement and no employees of TBH are represented by any labor union with respect to their employment with TBH. To TBH's Knowledge, no union organizing or decertification activities are underway or threatened with respect to any employees of TBH or TBH Affiliate. There is not presently pending any material labor strike, slow-down, or work stoppage against TBH or a TBH Affiliate. Neither TBH nor any TBH Affiliate is currently negotiating a collective bargaining agreement.

3.12 ***Benefit Plans.***

Except as set forth on **Schedule 3.12**, TBH has furnished to Firelands true and complete copies of (a) all Employee Plans of TBH and TBH Affiliates, together with all amendments thereto, (b) the most recent Internal Revenue Service determination letter or opinion letter issued with respect to each Employee Plan intended to be tax qualified under Code Section 401(a), as applicable, and (c) any trust agreements, and (d) Form 5500 for each Employee Plan for the most recent fiscal year for each such plan required to file such form. With respect to each Employee Plan that is funded wholly or partially through an insurance policy, subject to the approval of the Bankruptcy Court, all premiums required to have been paid to date under the insurance policy have been paid, and all premiums required to be paid under the insurance policy through the Closing Date will have been paid on or before the Closing Date, if so approved by the Bankruptcy Court. Except as noted on **Schedule 3.12**, to TBH's Knowledge, with respect to any Employee Plan, there has been no prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code, and no act, omission, or transaction has occurred that would result in the imposition of (a) breach of fiduciary duty liability damages under Section 409 of ERISA, (b) a civil penalty assessed pursuant to Section 502 of ERISA, or (c) a tax imposed pursuant to Chapters 43 or 47 of Subtitle D of the Code. The term "Employee Plan" shall mean any pension, retirement, profit-sharing, deferred compensation, stock option, employee stock ownership, severance pay, vacation, bonus or other incentive plan; any medical, vision, dental or other health plan; any life insurance plan or any other employee benefit plan or fringe benefit plan; any other material commitment, payroll practice or method of contribution or compensation (whether arrived at through collective bargaining or otherwise), whether formal or informal, whether funded or unfunded, and whether legally binding or not; including any arrangement that constitutes an "employee benefit plan," as that term is defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") that is currently or has previously been adopted, maintained, sponsored in whole or in part, or contributed to by TBH or any of TBH Affiliates, for the benefit of, providing any remuneration or benefits to, or covering any current or former employee or retiree, any dependent, spouse or other family member or beneficiary of such employee or retiree, or any director, independent contractor, member, officer or consultant of or under (or in connection with) which TBH or any of TBH Affiliates has any contingent or non-contingent liability of any kind, whether or not probable of assertion.

3.13 ***Material Contracts.***

True and complete copies of all Material Contracts have been made available to Firelands. Except as noted on **Schedule 3.13**, to TBH's Knowledge, each Material Contract is in full force and effect and is valid, binding and enforceable against the TBH, or TBH Affiliate, and each other

party thereto, in accordance with its terms. Subject to Bankruptcy Court approval, and assumption by TBH of the applicable Contract in accordance with applicable Law (including satisfaction by Firelands of any applicable cure costs) and except (a) as a result of the commencement of the Bankruptcy Case, or (b) with respect to any Material Contract that has previously expired in accordance with its terms, been terminated, restated, or replaced, neither TBH (except as a result of the Bankruptcy Case) nor any other party to any Material Contract, is in breach of or default under any Material Contract or, during the six (6)-month period prior to the date of this Agreement, has given written notice of breach or default thereunder to any other party thereto.

3.14 ***Reimbursement Contracts.***

(a) Neither the Ohio Department of Medicaid nor the Centers for Medicare and Medicaid Services (nor contractors or related programs thereof) has refused to enter into or has terminated any participation agreement pursuant to which TBH or any TBH Affiliate was entitled to reimbursement for services or facilities provided to patients. TBH and all TBH Affiliates are party to contracts with Medicare and Ohio Medicaid, as noted, with respect to payment for services to beneficiaries and is eligible to participate therein, and contracts and certification are currently in full force and effect, and to TBH's Knowledge, no event has occurred within, with or without the giving of notice or passage of time or both would constitute a material default thereunder.

(b) Except with respect to written notices received from the Ohio Department of Medicaid regarding TBH's non-payment of amounts due with respect to the Ohio Medicaid Franchise Fee, to TBH's Knowledge, there is no other threatened or pending proceeding or investigation under the Medicare or Ohio Medicaid programs against TBH or any TBH Affiliate.

(c) Except as set forth on **Schedule 3.14(c)**, the cost or other reports of TBH for Medicare payments for all reporting years through December 31, 2024, and cost or other reports of TBH for Ohio Medicaid and related programs, and payments for all reporting years through December 31, 2023 have been audited and fully settled and the Medicare, and Ohio cost reports for the same period were timely filed. Except as described in the Financial Statements, no actual notice of any offsets against future reimbursement in any amount in excess of Fifty Thousand Dollars ($50,000) has been received by TBH or any TBH Affiliate from the Medicare, Ohio Medicaid or related programs, nor to TBH's Knowledge, is there any basis therefor. There are no pending appeals, adjustments, challenges, audits, litigation, notices of intent to reopen or open cost reports of TBH or TBH Affiliates, as relevant, with respect to the Medicare or Ohio Medicaid. There is no dispute between TBH or any TBH Affiliate and any Governmental Body or the Medicare fiscal intermediary regarding such cost reports other than with respect to adjustments thereto made in the ordinary course which do not involve amounts greater than Fifty Thousand Dollars ($50,000) per adjustment or One Hundred Thousand Dollars ($100,000) in the aggregate as reflected in TBH Financial Statements.

3.15 ***Accreditation.***

TBH is accredited by, and in good standing with, The Joint Commission ("TJC"). TBH provided Firelands with correct and complete copies of the most recent accreditation reports received from TJC, together with copies of each other accreditation report received by or relating to TBH and the latest reports on TBH operation by any federal, state, county or local Governmental Body. To TBH's Knowledge, there are no material deficiencies in existence that would preclude

TBH's accreditation by TJC. TBH and TBH Affiliates do not have any outstanding loans, grants or loan guarantees relating to their assets pursuant to the Hill-Burton Act program.

3.16 ***Director and Officer Transactions.***

Except as set forth in **Schedule 3.16,** to TBH's Knowledge, there are no Contracts between or among TBH, on the one hand, and any executive officer, director or, to TBH's Knowledge, any relative or spouse of any such TBH officer or director, on the other hand.

3.17 ***Tax Matters.***

(a) All Tax Returns with respect to the Business required to be filed prior to the Closing Date are true, complete and correct in all material respects, and have been prepared and timely filed with the appropriate Taxing Authorities (after giving effect to any valid extensions of time in which to make such filings). No claim has been made by any Taxing Authority in a jurisdiction in which TBH or TBH Affiliates do not file Tax Returns that TBH or TBH Affiliates are or may be subject to Tax in that jurisdiction.

(b) All Taxes payable by TBH or TBH Affiliates with respect to the Business prior to the Closing Date have been timely paid or, if not yet due, adequately reserved against in accordance with GAAP, except to the extent the nonpayment thereof is permitted or required by the Bankruptcy Code. Neither TBH nor any TBH Affiliate has received any notice from any Taxing Authority or Governmental Body asserting any tax deficiency or delinquency against TBH or any TBH Affiliate. All Taxes that TBH is required to withhold or collect have been properly withheld and collected and timely paid over to the appropriate Taxing Authority other than with respect to any Taxes the payment of which was prohibited by reason of the Bankruptcy Case.

(c) No agreement, waiver or other document or arrangement extending or having the effect of extending the period for assessment or collection of a material amount of Taxes with respect to the Business (including any applicable statute of limitation) has been executed or filed with the IRS or any other Taxing Authority by TBH or any TBH Affiliate (other than pursuant to extensions of time to file Tax Returns obtained in the Ordinary Course), in each case, which is currently in force and could have effect after the Closing Date.

(d) To TBH's Knowledge, there are no Encumbrances for Taxes on the Business or any assets of TBH or any TBH Affiliate other than Permitted Encumbrances.

(e) To TBH's Knowledge, there are no audits or investigations by any Taxing Authority with respect to a material amount of Taxes or any Tax Return of TBH with respect to the Business, or of any TBH Affiliate, currently in progress, nor has TBH or any TBH Affiliate received notice in writing from any Taxing Authority that it intends to initiate any such an audit or investigation. Neither TBH nor any TBH Affiliate has received any notice from any Taxing Authority that it is asserting or is threatening to assert any additional Taxes, interest or penalties on TBH or any TBH Affiliate.

(f) Except as listed on **Schedule 3.17(f)**, TBH and assets of TBH Affiliates, which are recognized as tax exempt organizations within the meaning of Section 501(c)3 of the Code are "tax exempt use property" or "for exempt bond financed property" within the meaning of Section 168 of the Code.

(g) Neither TBH nor any TBH Affiliate is a party to any Tax sharing or similar agreement. Neither TBH nor any TBH Affiliate has agreed to or is required to make any adjustments under Section 481(a) of the Code or similar provision of Law.

3.18 ***Medical Staff Disclosure.***

TBH has delivered to Firelands, in response to its due diligence request, a written disclosure containing a brief description of all adverse actions taken against the medical staff of TBH (the "Medical Staff") that could result in claims or actions against TBH or any TBH Affiliate or other documentation that included such information.

3.19 ***Representations and Warranties; Updates of Information.***

Except with respect to proofs of claims filed by creditors of TBH or TBH Affiliates with the Bankruptcy Court, TBH shall give prompt written notice to Firelands of: (i) any notice of, or other communication received by TBH or any TBH Affiliate subsequent to the date of this Agreement and prior to the Closing Date relating to, a default or event which with the giving of notice or lapse of time or both would become a default under any Material Contract or obligation of TBH or any TBH Affiliate, or which would cause any warranty or representation of TBH herein to be untrue or misleading in any material respect, (ii) any fact which, if existing on the date hereof, would have been required to be set forth or disclosed in or pursuant to this Agreement, and (iii) any notice or other communication received by TBH or any TBH Affiliate from any third party alleging that the consent of such third party is or may be required in connection with the transactions contemplated hereby.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF FIRELANDS

Firelands represents and warrants to TBH as of the Closing Date hereof or, if such representation and warranty is expressly made as of a different date, as of such different date, as follows.

4.1 ***Organization and Qualification.***

Firelands is a nonprofit corporation duly organized and validly existing under the applicable section Ohio Revised Code, and in good standing under the laws of the State of Ohio. Firelands has the corporate power and authority to carry on its business as presently operated and to enter into and perform its obligations under this Agreement.

4.2 ***Authorization of Agreement.***

Firelands has all necessary power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance by Firelands of this Agreement, and the consummation by Firelands of the transactions contemplated hereby, subject to Bankruptcy Court approval, have been duly authorized by all requisite corporate or similar organizational action and no other corporate or similar organizational proceedings on its part are necessary to authorize the execution, delivery and performance by Firelands of this Agreement and the consummation by it of the transactions contemplated hereby. Subject to Bankruptcy Court approval, this Agreement as executed and delivered by Firelands and, assuming due authorization, execution and delivery hereof by the other Parties, constitutes a legal, valid and binding obligation of Firelands, enforceable against Firelands in accordance with its terms.

4.3 ***Conflicts and Consents.***

(a) Assuming that the Confirmation Order and all other requisite Bankruptcy Court approvals are obtained, Firelands' approval, execution, delivery and performance of this Agreement and the consummation of any transaction herein referred to or contemplated and the fulfillment of the terms hereof do not and will not (a) result in the breach or violation of any term or provision of or constitute a default under or conflict with any terms or provision of the articles of incorporation, code of regulations, or any other organizational document of Firelands, as amended and in effect, any material contract, agreement, lease, commitment, license, franchise, permit, authorization or concession, or any judgment, order or decree, to which Firelands is a party, or by which Firelands is bound, or constitute such an event which with notice, lapse of time, or both, would result in any such breach, violation or default, or (b) materially conflict with or result in any violation by Firelands of any statute, rule, regulation, ordinance, code, order, judgment, writ, injunction, decree or award, or constitute an event which with notice, lapse of time, or both, would result in any such violation.

(b) Assuming that Confirmation Order and all other requisite Bankruptcy Court approvals are obtained, Firelands is not required to file, seek or obtain any notice, authorization, approval, Order, permit or Consent of or with any Governmental Body in connection with the execution, delivery and performance of this Agreement or the consummation by Firelands of the transactions contemplated hereby.

4.4 ***Brokers.***

There is no investment banker, broker, finder, or other intermediary which has been retained by or is authorized to act on behalf of Firelands that might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

4.5 ***Legal Actions.***

There are no Actions pending or, to Firelands' knowledge, threatened against or affecting Firelands that will or would be reasonably likely to adversely affect Firelands' performance of its obligations under this Agreement or the consummation of the transactions contemplated by this Agreement.

4.6 ***WARN Act and Mass Layoffs.***

Firelands does not currently plan or contemplate any plant closings, reduction in force or terminations of employees of TBH or any of TBH Affiliates that would trigger obligations under the Worker Adjustment and Retraining Notification Act of 1988 or any similar Laws ("WARN Act") or similar laws.

ARTICLE V BANKRUPTCY COURT MATTERS

5.1 ***Bankruptcy Actions.***

On or before April 11, 2025, TBH shall seek entry of the Confirmation Order by the Bankruptcy Court. TBH may modify the Confirmation Order at the direction of the Bankruptcy Court, and pursuant to discussions with the United States Trustee, any creditor or committee representing a group of creditors in the Bankruptcy Case, or any other party in interest, with such modifications being acceptable to Firelands in its commercially reasonable discretion.

(a) The bidding procedures to be employed with respect to this Agreement shall be those reflected Order of the Bankruptcy Court approving the *Motion for Entry of an Order (A) Authorizing the Assumption of the Restructuring Support Agreement, (B) Approving Bid Procedures and Scheduling an Auction, and (C) Granting Related Relief* (Doc. No. 75 in the Bankruptcy Case) (the "Bidding Procedures Order"). Firelands agrees and acknowledges that TBH, including through its Advisors, is and may continue soliciting inquiries, proposals or offers from third parties in connection with any Alternative Transaction pursuant to the terms of the Bidding Procedures Order.

(b) From the date hereof until the earlier of (i) the termination of this Agreement in accordance with Article VIII and (ii) the Closing Date, the Parties shall use their respective commercially reasonable efforts to obtain entry by the Bankruptcy Court of the Confirmation Order.

(c) Firelands shall promptly take all actions as are reasonably requested by TBH to assist in obtaining the Bankruptcy Court's entry of the Confirmation Order and any other Order reasonably necessary in connection with the transactions contemplated by this Agreement as promptly as practicable, including furnishing affidavits, financial information, or other documents or information for filing with the Bankruptcy Court and making such employees and Advisors of Firelands available to testify before the Bankruptcy Court.

(d) TBH and Firelands shall (i) appear in the Bankruptcy Court if reasonably requested by the other Party or required by the Bankruptcy Court in connection with the transactions contemplated by this Agreement and (ii) each keep the other reasonably apprised of the status of material matters related to the Agreement, including, upon reasonable request promptly furnishing the other with copies of notices or other communications received by TBH from parties in interest in the Bankruptcy Case with respect to the transactions contemplated by this Agreement.

(e) Each Party acknowledges that this Agreement and the Transaction are subject to higher and better bids and Bankruptcy Court approval. Firelands acknowledges that TBH must take reasonable steps to demonstrate that it has sought to obtain the highest or otherwise best consideration, including giving notice of the Bidding Procedures Order to the creditors of TBH, and other interested parties, providing information about TBH to prospective bidders, entertaining higher and better proposals from such prospective parties, and, in the event that additional qualified parties desire to submit alternative proposals for TBH, conducting an Auction.

5.2 ***Approval.***

TBH's obligations under this Agreement, the Plan and the RSA and in connection with the transactions contemplated hereby or thereby are subject to entry of and, to the extent entered, the terms of any Orders of the Bankruptcy Court (including entry of the Confirmation Order).

ARTICLE VI COVENANTS AND AGREEMENTS

6.1 ***Conduct of the Business.***

(a) Except (i) as required by applicable Law, Order or a Governmental Body, (ii) any limitations on operations imposed by the Bankruptcy Court or the Bankruptcy Code or TBH's

debtor-in-possession financing or use of cash collateral, as the case may be, (iii) as expressly contemplated, required or permitted by this Agreement, (iv) as set forth on **Schedule 6.1** or (v) as consented to in writing by Firelands (such consent, unless otherwise set forth below, not to be unreasonably withheld, delayed or conditioned) (each of (i) through (v), a "Permitted Exception"), from the date of this Agreement until the Closing (or such earlier date and time on which this Agreement is terminated pursuant to Article VIII), TBH shall carry on the Business in the Ordinary Course (including, but not limited to, maintaining Governmental Authorizations), except as would not reasonably be expected to be material to the Business.

(b) Nothing contained in this Agreement is intended to give Firelands directly or indirectly, the right to control or direct the Business of TBH and any TBH Affiliates prior to the Closing.

6.2 ***Access to Information.***

(a) From the date hereof until the Closing (or the earlier termination of this Agreement pursuant to Article VIII), TBH will provide Firelands and its authorized Advisors with full access and upon reasonable advance notice and during regular business hours (so long as consistent with applicable Law and in accordance with the reasonable procedures established by it) to unredacted TBH's and TBH Affiliates' books and records, facilities, and personnel to the extent related to the Businesses in order for Firelands and its authorized Advisors to access such information regarding the Business as is reasonably necessary in order to consummate the transactions contemplated by this Agreement; provided that (i) such access does not unreasonably interfere with the normal operations of TBH or the TBH Affiliates, (ii) such access will occur in accordance with the Confidentiality Agreement, (iii) all requests for access will be directed to Juniper or such other Person(s) as TBH may designate in writing from time to time, (iv) such access shall not include any environmental sampling, monitoring or testing or other invasive, intrusive, surface or subsurface investigations, assessments or analysis of soil, groundwater, air, building materials or other environmental media of the sort generally referred to as a Phase II environmental investigation, and (v) nothing herein will require TBH to provide access to, or to disclose any information to, Firelands or any other Person if such access or disclosure (A) would reasonably cause substantial competitive harm to TBH or TBH Affiliates, (B) would reasonably require TBH to disclose any proprietary information that TBH deems to be commercially sensitive, (C) would reasonably waive any legal privilege, (D) would reasonably be in violation of applicable Laws or the provisions of any Contract to which TBH or any TBH Affiliate is bound or would reasonably violate any fiduciary duty.

(b) The information provided pursuant to this **Section 6.2** will be used solely for the purpose of consummating the transactions contemplated by this Agreement and will be governed by all the terms and conditions of the Confidentiality Agreement, which Confidentiality Agreement shall survive the execution of this Agreement through the first to occur of the Closing and six (6) months following the date hereof notwithstanding anything to the contrary therein. Firelands will, and will cause its Advisors to, abide by the terms of the Confidentiality Agreement with respect to such access and any information furnished to Firelands or any of its Advisors.

(c) Firelands will not contact any officer, manager, director, employee, customer, supplier, lessee, lessor, lender, licensee, licensor, distributor, noteholder or other material business

relation of TBH or any TBH Affiliates prior to the Closing with respect to TBH or TBH Affiliates or related Business) or the transactions contemplated by this Agreement, in each case, nor will it permit any Advisor of Firelands do so, without the prior written Consent of TBH. Notwithstanding the foregoing, TBH shall permit Firelands to discuss tail coverage with TBH's professional liability carrier.

6.3 ***Regulatory Approvals.***

(a) TBH will and will cause the TBH Affiliates to (i) make or cause to be made all filings, submissions and notices required to be made by TBH or any TBH Affiliate under any applicable Laws for the consummation of the transactions contemplated by this Agreement, if any, (ii) cooperate with Firelands in exchanging such information and providing such assistance as Firelands may reasonably request in connection with any filings or notices required to be made by Firelands pursuant to Section 6.3(b), and (iii) (A) supply promptly any additional information and documentary material that may be requested in connection with the filings made pursuant to this Section 6.3(a) or Section 6.3(b) and (B) obtain all required Governmental Authorizations or Consents in connection with such filings.

(b) Firelands will (i) make or cause to be made all filings and submissions required to be made by Firelands under any applicable Laws for the consummation of the transactions contemplated by this Agreement, if any, (ii) cooperate with TBH in exchanging such information and providing such assistance as TBH may reasonably request in connection with any filings made by TBH Affiliate pursuant to Section 6.3(a), and (iii) (A) supply promptly any additional information and documentary material that may be requested in connection with the filings made pursuant to this Section 6.3(a) or Section 6.3(b) and (B) obtain all required Governmental Authorizations or Consents.

6.4 ***Reasonable Efforts; Cooperation.***

(a) Subject to the other terms of this Agreement, each Party shall, and shall cause its respective Advisors to, use its and their respective reasonable best efforts to perform its obligations hereunder and to take, or cause to be taken, and do, or cause to be done, all things necessary, proper or advisable to cause the transactions contemplated herein to be effected as set forth in this Agreement, but in any event on or prior to the "Outside Date", in accordance with the terms hereof and to cooperate with each other Party, its Affiliates and its and their respective Advisors in connection with any step required to be taken as a part of its obligations hereunder. Notwithstanding the foregoing or anything else herein to the contrary, the "reasonable best efforts" of either Party will not require any Party or any of its Affiliates or its or their respective Advisors to expend any money to remedy any breach of any representation or warranty, to commence any Action, to waive or surrender any right, to modify any Contract or to waive or forego any right, remedy or condition hereunder.

(b) The obligations of TBH pursuant to this Agreement, including this Section 6.4(b), shall be subject to any Orders entered, or approvals or authorizations granted or required, by or under the Bankruptcy Court or the Bankruptcy Code (including in connection with the Bankruptcy Case), TBH's debtor-in-possession financing, and TBH's obligations as debtors in possession to comply with any Order of the Bankruptcy Court, including the Confirmation Order.

6.5 ***Further Assurances.***

(a) From time to time, as and when requested by any Party, any other Party will execute and deliver, or cause to be executed and delivered, all such documents and instruments and will take, or cause to be taken, all such further or other actions as such requesting Party may reasonably deem necessary or desirable to evidence and effectuate the transactions contemplated by this Agreement.

6.6 ***Insurance.***

(a) **Schedule 6.6** contains a true and complete list of all insurance programs maintained by TBH insuring the operations of the Business and TBH Affiliates. Each insurance program is in full force and effect, and all premiums due thereunder have been paid when due. TBH have not received any written notice of cancellation or termination with respect to any such insurance program. TBH have not been denied any insurance coverage that they have requested with respect to the Business during the past three (3) years. Subject to the Bankruptcy Court's oversights, TBH shall use best efforts to maintain all insurance policies described at **Schedule 6.6** with their current coverage limits through the Closing Date.

6.7 Litigation Support.

(a) In the event that, and for so long as, TBH is prosecuting, contesting or defending any Action, investigation, charge, claim or demand by or against a third party or otherwise addressing, negotiating, disputing, investigating, complying with, mitigating, discharging or otherwise performing or managing any obligation, liability or loss in connection with (i) the transactions contemplated under this Agreement, or (ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction relating to, in connection with or arising from the Business, Firelands shall reasonably cooperate with TBH its counsel, in such prosecution, contest or defense, including making available its personnel, participating in meetings and providing such testimony and access to its books and records and taking such other actions as shall be reasonably necessary in connection with such prosecution, contest or defense.

(b) In the event that, and for so long as, Firelands is prosecuting, contesting or defending any Action, investigation, charge, claim or demand by or against a third party or otherwise addressing, negotiating, disputing, investigating, complying with, mitigating, discharging or otherwise performing or managing any obligation, liability or loss in connection with (a) the transactions contemplated under this Agreement, or (b) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction relating to, in connection with or arising from the Business, TBH shall reasonably cooperate with Firelands and its counsel, in such prosecution, contest or defense, including making available its personnel, participating in meetings and providing such testimony and access to its books and records and taking such other actions as shall be reasonably necessary in connection with such prosecution, contest or defense.

6.8 Employee Matters.

(a) Nothing in this Agreement shall confer any rights or remedies, including any third-party beneficiary rights, on any Person other than the parties to this Agreement or be deemed to confer any right of employment or service or continued employment or service or any particular term or condition of employment or service for any Person.

ARTICLE VII CONDITIONS TO CLOSING

7.1 Conditions Precedent to the Obligations of Firelands and TBH.

(a) The respective obligations of each Party to consummate the transactions contemplated by this Agreement are subject to the satisfaction (or to the extent permitted by Law, written waiver by TBH and Firelands) on or prior to the Closing Date, of each of the following conditions: (i) no court of competent jurisdiction shall have entered any Order (including any temporary restraining Order or preliminary or permanent injunction) restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement that is still in effect; and (ii) the Bankruptcy Court shall have entered the Confirmation Order in a form reasonably acceptable to Firelands and the Plan shall have become effective in accordance with its terms.

7.2 *Conditions Precedent to the Obligations of Firelands.*

The obligations of Firelands to consummate the transactions contemplated by this Agreement are subject to the satisfaction (or to the extent permitted by Law, written waiver by Firelands), on or prior to the Closing Date, of each of the following conditions:

(a) The representations and warranties made by TBH in Article II (in each case, other than the Fundamental Representations) shall be true and correct in all respects as of the Closing as though made on and as of the Closing and (ii) the representations and warranties set forth in Section 3.1 (Organization and Qualification), Section 3.2 (Authorization and Validity of Agreement), Section 3.4 (Conflicts and Consents) and Section 3.5 (Brokers) (collectively, the "Fundamental Representations") shall be true and correct in all respects as of the Closing as though made on and as of the Closing;

(b) Neither TBH nor any TBH Affiliate has breached in a manner that is material with respect to the Transaction contemplated by this Agreement, taken as a whole, the covenants required to be performed or complied with by TBH, as applicable, under this Agreement at or prior to Closing;

(c) TBH has delivered to Firelands a certificate of an authorized officer of TBH confirming that (i) the conditions set forth in Sections 7.2(a) and 7.2(b) have been satisfied; and (ii) the conditions of the Plan as set forth in the RSA have been satisfied, as set forth in **Exhibit 7.2(c)**;

(d) TBH and TBH Affiliates shall have delivered to Firelands all of the closing deliverables set forth in Section 2.2;

(e) TBH has delivered true, correct, and complete copies of any and all Schedules attached to or contemplated by this Agreement;

(f) TBH has satisfied the requirements of Article VI; and

(g) The Bankruptcy Court shall have entered the Confirmation Order as a Final Order.

7.3 ***Conditions Precedent to the Obligations of TBH***

The obligations of TBH to consummate the transactions contemplated by this Agreement are subject to the satisfaction (or to the extent permitted by Law, written waiver by TBH in its sole discretion), on or prior to the Closing Date, of each of the following conditions:

(a) The representations and warranties made by Firelands in Article IV shall be true and correct in all respects as of the Closing as though made on and as of the Closing (except that representations and warranties that are made as of a specified date need be true and correct in all respects only as of such date), except for any failure of such representations and warranties to so true and correct that has not had, individually or in the aggregate, a material adverse effect on the ability of Firelands to consummate the transactions contemplated hereby;

(b) Firelands has not breached in a manner that is material with respect to the transactions contemplated hereby, taken as a whole, the covenants required to be performed or complied with by it under this Agreement at or prior to the Closing;

(c) Firelands has delivered to TBH all of the closing deliverables set forth in Section 2.3; and

(d) The Bankruptcy Court shall have entered the Confirmation Order as a Final Order.

7.4 ***Waiver of Conditions***

Upon the occurrence of the Closing, any condition set forth in this Article VII that was not satisfied as of the Closing will be deemed to have been waived for all purposes by the Party having the benefit of such condition as of and after the Closing. Neither Firelands or TBH may rely on the failure of any condition set forth in this Article VII, as applicable, to be satisfied if such failure was caused by such Party's failure to perform any of its obligations under this Agreement, including its obligation to use its reasonable best efforts to consummate the transactions contemplated hereby as required under this Agreement.

ARTICLE VIII TERMINATION

8.1 ***Termination of Agreement.***

This Agreement may be terminated at any time prior to the Closing only in accordance with this Section 8.1, and in no other manner:

(a) by the mutual written Consent of TBH and Firelands;

(b) by written notice of either Firelands, on the one hand, or TBH, on the other hand, to the other, upon the issuance of an Order by a court of competent jurisdiction restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement or declaring unlawful the transactions contemplated by this Agreement, and such Order having become final, binding and non-appealable; provided that no Party may terminate this

Agreement under this Section 8.1(b) if the issuance of such Order was caused by such Party's failure to perform any of its obligations under this Agreement;

(c) by written notice of either Firelands, on the one hand, or TBH, on the other hand, to the other, if the Closing shall not have occurred on or before the later of the Outside Date; provided that a Party shall not be permitted to terminate this Agreement pursuant to this Section 8.1(c) if the failure of the Closing to have occurred by the Outside Date was caused by such Party's failure to perform any of its obligations under this Agreement; provided further that TBH may extend the Outside Date up to an additional forty-five (45) days to the extent necessary to satisfy the conditions set forth in Section 7.1 so long as the other conditions in Article VII have been satisfied (other than conditions that by their nature are to be satisfied at the Closing, but which conditions are capable of being satisfied);

(d) by written notice from TBH to Firelands, upon a material breach of any covenant or agreement on the part of Firelands, or if any material representation or warranty of Firelands will have become untrue, in each case, such that the conditions set forth in Section 7.3(a) or 7.3(b) would not be satisfied, including a breach of Firelands' obligation to consummate the Closing; provided that (i) if such breach is curable by Firelands (other than a breach or failure by Firelands to close when required pursuant to Section 2.1, then TBH may not terminate this Agreement under this Section 8.1(d) for so long as Firelands continues to exercise reasonable best efforts to cure such breach unless such breach has not been cured by the date which is the earlier of (A) the Outside Date and (B) fifteen (15) days after TBH first notifies Firelands of such breach, and (ii) TBH's right to terminate this Agreement pursuant to this Section 8.1(d) will not be available to TBH at any time TBH is in material breach of any covenant, representation or warranty hereunder;

(e) by written notice from Firelands to TBH, upon a breach of any covenant or agreement on the part of TBH, or if any representation or warranty of TBH will have become untrue, in each case, such that the conditions set forth in Section 7.2(a) or 7.2(b) would not be satisfied; provided that (i) if such breach is curable by the applicable TBH (other than a breach or failure by such TBH to close when required pursuant to Section 2.1, then Firelands may not terminate this Agreement under this Section 8.1(e) for so long as such TBH continues to exercise reasonable best efforts to cure such breach unless such breach has not been cured by the date which is the earlier of (A) two (2) Business Days prior to the Outside Date and (B) 15 days after Firelands first notifies TBH of such breach and (ii) the right to terminate this Agreement pursuant to this Section 8.1(e) will not be available to Firelands at any time that Firelands is in material breach of any covenant, representation or warranty hereunder;

(f) by written notice from TBH to Firelands, if all of the conditions set forth in Sections 7.1 and 7.2 have been satisfied (other than conditions that by their nature are to be satisfied at the Closing, but which conditions are capable of being satisfied) or waived and Firelands fails to complete the Closing at the time required by Section 2.1;

(g) by written notice from Firelands to TBH, if all of the conditions set forth in Sections 7.1 and 7.3 have been satisfied (other than conditions that by their nature are to be satisfied at the Closing, but which conditions are capable of being satisfied) or waived and TBH fail to complete the Closing at the time required by Section 2.1;

(h) by written notice of either Firelands or TBH, if (i) the Bankruptcy Court approves or authorizes a Superior Transaction with a Person other than Firelands, or (ii) TBH enters into contract providing for the consummation of any Superior Transaction with a Person other than Firelands; and

(i) by written notice either from Firelands, on the one hand, or TBH on the other hand, if Firelands is not a Winning Bidder.

8.2 ***Effect of Termination; Break-Up Fee; Expense Reimbursement.***

(a) In the event of termination of this Agreement in accordance with Section 8.1, this Agreement shall forthwith become null and void and no Party or any of its partners, officers, directors, managers or equityholders will have any Liability under this Agreement; provided that Sections 6.2(b) and 8.2 and Article IX shall survive any such termination; provided further that no termination will relieve Firelands from any Liability for damages, losses, costs or expenses (which the Parties acknowledge and agree shall not be limited to reimbursement of expenses or out-of-pocket costs, and would include the benefits of the transactions contemplated by this Agreement lost by TBH (taking into consideration all relevant matters, including other combination opportunities and the time value of money), which shall be deemed in such event to be damages of such TBH) resulting from any Willful Breach of this Agreement prior to the date of such termination (which will be deemed to include any failure by Firelands to consummate the Closing if and when it is obligated to do so hereunder). Subject to Section 9.12, nothing in this Section 8.2 will be deemed to impair the right of any Party to be entitled to specific performance or other equitable remedies to enforce specifically the terms and provisions of this Agreement.

(b) In the event of termination of this Agreement in accordance with Sections 8.1(h) or (i) ("Superior Transaction Termination Provisions"), TBH shall pay, or cause to be paid upon closing of the Superior Transaction, to Firelands in cash by wire transfer of immediately available funds to such bank account as shall be designated in writing by Firelands an amount equal to the reasonable out-of-pocket expenses incurred by Firelands, including reasonable attorneys' fees, relating to the MSA, the Plan, or TBH's Bankruptcy Case from the proceeds of the Superior Transaction not to exceed $600,000 (the "Break-Up Fee"). Subject in all cases to Section 9.13, prior to the Closing, in the event of any breach by TBH of this Agreement, the sole and exclusive remedy of Firelands shall be to terminate this Agreement in accordance with Section 8.1 and, if applicable, to receive the Break-Up Fee, to the extent required, in accordance with this Section 8.2(b). TBH's obligation to pay, or cause to be paid, the Break-Up Fee pursuant to this Section 8.2(b) shall survive termination of this Agreement and be payable upon the consummation of a Superior Transaction to an account designated by Firelands in writing to TBH at least two (2) Business Days prior to the date payment is to be made. In the event this Agreement is terminated for any reason other than pursuant to a Superior Transaction Termination Provisions, TBH shall have no obligation to pay, or cause to be paid, the Break-Up Fee. Each of the Parties acknowledges and agrees that the agreements contained in this Section 8.2(b) are an integral part of this Agreement, that the Break-Up Fee is not a penalty, but rather represent liquidated damages in a reasonable amount that will reasonably compensate Firelands in the circumstances in which such Break-Up Fee is payable for the efforts and resources expended and opportunities foregone by Firelands while negotiating and pursuing this Agreement and in reasonable reliance on this Agreement and on the reasonable expectation of the consummation of the transactions

contemplated by this Agreement, which amount would otherwise be impossible to calculate with precision, and that time is of the essence with respect to the payment of the Break-Up Fee.

ARTICLE IX MISCELLANEOUS

9.1 ***Non-Survival of Representations and Warranties and Certain Covenants; Certain Waivers.***

Each of the representations and warranties and the covenants and agreements (to the extent such covenant or agreement contemplates or requires performance by such Party prior to the Closing) of the Parties set forth in this Agreement or in any other document contemplated hereby, or in any certificate delivered hereunder or thereunder, will terminate effective immediately as of the Closing such that no claim for breach of any such representation, warranty, covenant or agreement, detrimental reliance or other right or remedy (whether in contract, in tort or at law or in equity) may be brought with respect thereto after the Closing. Each covenant and agreement that explicitly contemplates performance after the Closing, will, in each case and to such extent, expressly survive the Closing in accordance with its terms, and if no term is specified, then for five (5) years following the Closing Date, and nothing in this Section 9.1 will be deemed to limit any rights or remedies of any Person for breach of any such surviving covenant or agreement.

9.2 ***Expenses.***

Whether or not the Closing takes place, except as otherwise provided herein, (including Section 8.2), all fees, costs and expenses (including fees, costs and expenses of Advisors) incurred in connection with the negotiation of this Agreement and the other agreements contemplated hereby, the performance of this Agreement and the other agreements contemplated hereby and the consummation of the transactions contemplated hereby and thereby will be paid by the Party incurring such fees, costs and expenses.

9.3 ***Notices.***

Except as otherwise expressly provided herein, all notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement will be in writing and will be deemed to have been given (a) when personally delivered, (b) the day following the day on which the same has been delivered prepaid to a reputable national overnight air courier service or (c) the third Business Day following the day on which the same is sent by certified or registered mail, postage prepaid, in each case, to the respective Party at the street address set forth below, or at such other street address as such Party may specify by written notice to the other Party.

Notices to Firelands:
Firelands Regional Health System
Attn: Jeremy Normington-Slay
1111 Hayes Avenue
Sandusky, Ohio 44870
norminj@firelands.com

with copies to (which shall not constitute notice):

Dinsmore & Shohl, LLP
Attention: Stacey Borowicz
191 W. Nationwide Blvd, Suite 200
Columbus, OH 43215
stacey.borowicz@dinsmore.com

and

Dinsmore & Shohl, LLP
Attn: Ellen Arvin Kennedy
250 W. Main Street
Lexington, KY 40507
ellen.kennedy@dinsmore.com

Notices to TBH:
The Bellevue Hospital
Attn: Sara Brokaw, President
1400 W. Main Street
Bellevue, Ohio 44811
sbrokaw@bellevuehospital.com

with copies to (which shall not constitute notice):

Frantz Ward
Attention: Craig Haran
200 Public Square, Suite 3000
Cleveland, OH 44114
charan@frantzward.com

and

Allen Stovall Neuman & Ashton LLP
Attn: Richard Stovall
10 W. Broad St., Suite 2400
Columbus, Ohio 43215
stovall@asnalaw.com

9.4 ***TBH Advisory Board.***

Firelands shall establish, prior to Closing, an Advisory Board for TBH (the "Advisory Board") to be governed by the Advisory Board Bylaws, in the form to be attached hereto at **Exhibit 9.4**. Such Bylaws will be prepared by Firelands and approved by TBH (which shall not be withheld unreasonably). The initial Advisory Board will be comprised of the individuals set forth on **Exhibit 9.4**. The Advisory Board's responsibilities will be delegated by the Firelands Board. The TBH Advisory Board will: (a) act in an advisory capacity as to TBH operations, such as quality metrics,

quality improvement activities, patient satisfaction, employee engagement and strategic initiatives; (b) help foster community relationships and evaluate, identify and recommend community service opportunities to respond to community needs within TBH's service area; and (c) engage in fundraising efforts in the service area for the benefit of TBH and for Firelands as a whole. The Advisory Board members may serve on other Firelands Board committees and may appoint one Advisory Board member to serve on the Firelands Board.

9.5 ***Binding Effect; Assignment.***

This Agreement shall be binding upon Firelands and, subject to the terms of the Bidding Procedures Order (with respect to the matters covered thereby) and the Confirmation Order, TBH and shall inure to the benefit of and be so binding on the Parties and their respective successors and permitted assigns, including any trustee or estate representative appointed in the Bankruptcy Case or any successor Chapter 11 cases; provided that such assignee assumes all of the assignors obligations hereunder and neither this Agreement nor any of the rights or obligations hereunder may be assigned or delegated without the prior written Consent of each of Firelands and TBH, and any attempted assignment or delegation without such prior written Consent shall be null and void.

9.6 ***Amendment and Waiver.***

Any provision of this Agreement or the Schedules or exhibits hereto may be (a) amended only in a writing signed by Firelands and TBH or (b) waived only in a writing executed by the Party against which enforcement of such waiver is sought. No waiver of any provision hereunder or any breach or default thereof will extend to or affect in any way any other provision or prior or subsequent breach or default.

9.7 ***Third Party Beneficiaries.***

Except as otherwise expressly provided herein, nothing expressed or referred to in this Agreement will be construed to give any Person, other than the Parties hereto and their permitted assigns, any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement.

9.8 ***Non-Recourse; Release.***

This Agreement may only be enforced against, and any Action based upon, arising out of or related to this Agreement may only be brought against, the Persons that are expressly named as parties to this Agreement. Except to the extent named as a party to this Agreement, and then only to the extent of the specific obligations of such parties set forth in this Agreement, (a) no past, present or future equityholder, member, partner, manager, director, officer, employee, Affiliate, agent or Advisor of any Party will have any Liability (whether in contract, tort, equity or otherwise) for any of the representations, warranties, covenants, agreements or other obligations or Liabilities of any of the parties to this Agreement or for any Agreement Dispute (as defined herein), and (b) in no event shall any Party have any shared or vicarious liability, or otherwise be the subject of legal or equitable claims, for the actions, omissions or fraud (including through equitable claims (such as unjust enrichment) not requiring proof of wrongdoing committed by the subject of such claims) of any other Person; provided that nothing in this Section 9.8 shall limit any Person's Liability arising from conduct of such Person that is determined by a Final Order of a court of competent jurisdiction to have constituted an actual fraud, willful breach, knowing and intentional misrepresentation, or criminal act by such Person. Subject to the Closing, without in any way limiting the foregoing, each Party, both for itself and its past, present or future equityholders,

members, partners, managers, directors, officers, employees, Affiliates, agents or Advisors and their respective successors and assigns, (i) waives and releases all such Liabilities against any such Persons who are not expressly Parties, including any and all causes of Action arising from or otherwise relating to such Person's receipt of consideration or other benefits from this Agreement and the transactions contemplated hereby, and (ii) acknowledges and agrees that no past, present or future equityholders, members, partners, managers, directors, officers, employees, Affiliates, agents or Advisors of an expressly named Party to this Agreement or their respective successors and assigns shall have any shared or vicarious liability or otherwise be the subject of legal or equitable claims (such as unjust enrichment) not requiring proof of wrongdoing committed by the subject of such claims for the actions, omissions, or fraud of any other Person.

9.9 ***Severability.***

Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable Law in any jurisdiction, such provision will be ineffective only to the extent of such prohibition or invalidity in such jurisdiction, without invalidating the remainder of such provision or the remaining provisions of this Agreement or in any other jurisdiction.

9.10 ***Construction.***

The language used in this Agreement will be deemed to be the language chosen by the Parties to express their mutual intent, and no rule of strict construction will be applied against any Person. The headings of the sections and paragraphs of this Agreement have been inserted for convenience of reference only and will in no way restrict or otherwise modify any of the terms or provisions hereof.

9.11 ***Schedules.***

The Schedules have been arranged for purposes of convenience in separately numbered schedules corresponding to the sections of this Agreement; provided that each section of the Schedules will be deemed to incorporate by reference all information disclosed in any other section of the Schedules, references in the Schedules to any documents, schedules or exhibits attached thereto will be deemed to incorporate the contents of such attachment into the Schedules, and any disclosure in the Schedules will be deemed a disclosure against any representation or warranty set forth in this Agreement. No information set forth in the Schedules will be deemed to broaden in any way the scope of the Parties' representations and warranties. The headings of the sections and paragraphs contained in the Schedules have been inserted for convenience of reference only and will in no way restrict or otherwise modify or influence the interpretation of any of the terms or provisions of this Agreement or the information contained in the Schedules. The information contained in this Agreement, in the Schedules and exhibits and other attachments hereto and thereto is disclosed solely for purposes of this Agreement, and no information contained herein or therein will be deemed to be an admission of liability by any Party or any of their respective Advisors to any third party of any matter whatsoever, including any violation of Law, breach of Contract or otherwise. Capitalized terms used in the Schedules and not otherwise defined therein have the meanings given to them in this Agreement.

9.12 ***Complete Agreement.***

This Agreement, together with the Plan, the Confirmation Order and any other agreements expressly referred to herein or therein, contains the entire agreement of the Parties respecting the Transaction and other transactions contemplated by this Agreement and supersedes all prior agreements among the Parties respecting the Transaction and related transactions contemplated by this Agreement. In the event of any conflict between this Agreement, on the one hand, and the Plan and the Confirmation Order, on the other hand, the terms of the Plan and the Confirmation Order shall control. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, the terms and provisions of the execution version of this Agreement, the Plan and Confirmation Order will control.

9.13 ***Specific Performance.***

The Parties agree that irreparable damage, for which monetary relief, even if available, would not be an adequate remedy, would occur in the event that any provision of this Agreement is not performed in accordance with its specific terms or is otherwise breached, including if any of the Parties fails to take any action required of it hereunder to consummate the transactions contemplated by this Agreement. It is accordingly agreed that (a) the Parties will be entitled to an injunction or injunctions, specific performance or other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in the courts described in Section 9.13 without proof of damages or otherwise, this being in addition to any other remedy to which they are entitled under this Agreement, and (b) the right of specific performance and other equitable relief is an integral part of the transactions contemplated by this Agreement and without that right, neither TBH nor Firelands would have entered into this Agreement. The Parties acknowledge and agree that any Party pursuing an injunction or injunctions or other Order to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in accordance with this Section 9.13 will not be required to provide any bond or other security in connection with any such Order. The remedies available to any Party pursuant to this Section 9.13 will be in addition to any other remedy to which they were entitled at law or in equity, and the election to pursue an injunction or specific performance will not restrict, impair or otherwise limit such Party from seeking to collect or collecting damages. Notwithstanding anything in this Agreement to the contrary, if any Party pursues any injunction(s) or other Order to enforce specifically the terms of this Agreement, the Outside Date shall automatically be extended by (a) the amount of time during which such injunction(s) or Order is ending, plus ten (10) Business Days or (b) such longer time period established by the Court presiding over such injunction(s) or Order.

9.14 ***Jurisdiction and Exclusive Venue.***

Each of the Parties irrevocably agrees that any Action of any kind whatsoever, including a counterclaim, cross-claim, or defense, regardless of the legal theory under which any Liability or obligation may be sought to be imposed, whether sounding in contract or in tort or under statute, or whether at law or in equity, or otherwise under any legal or equitable theory, that may be based upon, arising out of, or related to this Agreement or the negotiation, execution, or performance of this Agreement or the transactions contemplated hereby and any questions concerning the construction, interpretation, validity and enforceability of this Agreement (each, an "Agreement Dispute") brought by any other Party or its successors or assigns will be brought and determined only in (a) the Bankruptcy Court and any federal court to which an appeal from the Bankruptcy Court may be validly taken or (b) if the Bankruptcy Court is unwilling or unable to hear such

Action, in the Northern District Court of Ohio (the "Chosen Courts"), and each of the Parties hereby irrevocably submits to the exclusive jurisdiction of the Chosen Courts for itself and with respect to its property, generally and unconditionally, with regard to any Agreement Dispute. Each of the Parties agrees not to commence any Agreement Dispute except in the Chosen Courts, other than Actions in any court of competent jurisdiction to enforce any Order, decree or award rendered by any Chosen Courts, and no Party will file a motion to dismiss any Agreement Dispute filed in a Chosen Court on any jurisdictional or venue-related grounds, including the doctrine of *forum non-conveniens*. The Parties irrevocably agree that venue would be proper in any of the Chosen Court, and hereby irrevocably waive any objection that any such court is an improper or inconvenient forum for the resolution of any Agreement Dispute. Each of the Parties further irrevocably and unconditionally consents to service of process in the manner provided for notices in Section 9.3. Nothing in this Agreement will affect the right of any Party to serve process in any other manner permitted by Law.

9.15 ***Governing Law; Waiver of Jury Trial.***

Except to the extent the mandatory provisions of the Bankruptcy Code apply, this Agreement and any Agreement Dispute will be governed by and construed in accordance with the internal Laws of the State of Ohio applicable to agreements executed and performed entirely within such State without regards to conflicts of law principles of the State of Ohio or any other jurisdiction that would cause the Laws of any jurisdiction other than the State of Ohio to apply.

EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY AGREEMENT DISPUTE IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND THEREFORE HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY AGREEMENT DISPUTE. EACH OF THE PARTIES AGREES AND CONSENTS THAT ANY SUCH AGREEMENT DISPUTE WILL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT THE PARTIES MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES TO THE IRREVOCABLE WAIVER OF THEIR RIGHT TO TRIAL BY JURY. EACH PARTY (I) CERTIFIES THAT NO ADVISOR OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY AGREEMENT DISPUTE, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

9.16 ***No Right of Set-Off.***

Firelands, on its own behalf and on behalf of its successors and permitted assigns, hereby waives any rights of set-off, netting, offset, recoupment or similar rights that Firelands, or any of its or their respective successors and permitted assigns has or may have with respect to the payment of any payments to be made by Firelands pursuant to this Agreement or any other document or instrument delivered by Firelands in connection herewith.

9.17 ***Counterparts and PDF.***

This Agreement and any other agreements referred to herein or therein, and any amendments hereto or thereto, may be executed in multiple counterparts, any one of which need

not contain the signature of more than one party hereto or thereto, but all such counterparts taken together will constitute one and the same instrument. Any counterpart, to the extent signed and delivered by means of a .PDF or other electronic transmission, will be treated in all manner and respects as an original Contract and will be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person. Minor variations in the form of the signature page to this Agreement or any agreement or instrument contemplated hereby, including footers from earlier versions of this Agreement or any such other document, will be disregarded in determining the effectiveness of such signature. At the request of any party or pursuant to any such Contract, each other party hereto or thereto will re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such Contract will raise the use of a .PDF or other electronic transmission to deliver a signature or the fact that any signature or Contract was transmitted or communicated through the use of PDF or other electronic transmission as a defense to the formation of a Contract and each such party forever waives any such defense.

9.18 Publicity.

Neither of TBH nor Firelands shall, and none of them shall permit their respective controlled Affiliates to, issue any press release or public announcement concerning this Agreement or the transactions contemplated hereby without obtaining the prior written approval of the other Party, which approval will not be unreasonably conditioned, withheld or delayed, unless, in the reasonable judgment of Firelands or TBH, as applicable, disclosure is otherwise required of such Party by applicable Law, such disclosure is consistent with (and discloses no substantive terms of the Agreement other than those disclosed in prior permitted releases) or by the Bankruptcy Court with respect to filings to be made with the Bankruptcy Court in connection with this Agreement; provided that the Party intending to make such release shall use its reasonable efforts consistent with such applicable Law, Bankruptcy Court requirement, or rule to consult with the other Party with respect to the text thereof.

9.19 Fiduciary Obligations.

Nothing in this Agreement, or any document related to the transactions contemplated hereby, will require either Party or its directors, officers or members, in each case, in their capacity as such, to take any action, or to refrain from taking any action, to the extent inconsistent with their fiduciary obligations or applicable Law in each such case so long as TBH exercise their right to terminate this Agreement in accordance with the terms of Article VIII. Each Party retains the right to pursue any transaction or restructuring strategy that, in such Party's business judgment, will maximize the value of the estate of TBH. Nothing in this Section 9.19 alters or impairs any of Firelands' rights under this Agreement.

9.20 Transfer Tax.

Any sales, use, purchase, transfer, franchise, deed, fixed asset, stamp, documentary stamp, use or other similar Taxes and recording charges payable by reason of the transactions contemplated hereby (the "Transfer Taxes") shall be borne and timely paid by Firelands, and Firelands shall timely file all Tax Returns related to any Transfer Taxes. Firelands shall indemnify TBH against any losses suffered by TBH as a result of Firelands failing to comply with its obligations under this Section 9.20.

ARTICLE X ADDITIONAL DEFINITIONS AND INTERPRETIVE MATTERS

10.1 ***Certain Definitions.***

"Action" means any action, complaint, summons, decree, suit, litigation, arbitration, third-party mediation, audit, or proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), regardless of the legal theory under which such Liability or obligation may be sought to be imposed, whether sounding in contract or tort, or whether at law or in equity, or otherwise under any legal or equitable theory, commenced, brought, conducted or heard by or before any Governmental Body.

"Acquisition Amount" is defined in Section 2.3(a).

"Advisors" means, with respect to any Person, any directors, officers, employees, investment bankers, financial advisors, accountants, agents, attorneys, consultants, or other representatives of such Person.

"Advisory Board" is defined in Section 9.4.

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person, and the term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by Contract or otherwise.

"Agreement" is defined in the Recitals.

"Agreement Dispute" is defined in Section 9.14.

"Alternative Transaction" has the same meaning as assigned in the RSA.

"Auction" shall have the meaning ascribed to such term in the Bidding Procedures Order.

"Bankruptcy Case" is defined in the Recitals.

"Bankruptcy Code" is defined in the Recitals.

"Bankruptcy Court" is defined in the Recitals.

"Bidding Procedures Order" as defined in Section 5.1(a).

"Break-Up Fee" is defined in Section 8.2.

"Business(es)" means the acute care hospital and related health care business of TBH and the business of each TBH Affiliate.

"Business Day" means any day other than a Saturday, Sunday or other day on which banks in New York City, New York are authorized or required by Law to be closed.

"Capital Contribution" is defined in Section 2.4(b).

"Chosen Courts" is defined in Section 9.14.

"Closing" is defined in Section 2.1.

"Closing Date" is defined in Section 2.1.

"Code" is defined in the Recitals.

"Commercial Payor" means any private insurer, managed care plan, health benefit plan, health maintenance organization, preferred provider organization, employer-sponsored health plan or any other Person or entity that maintains a similar payor program.

"Confidentiality Agreement" means that certain agreement, dated as of October 22, 2024, by and between Firelands and TBH.

"Confirmation Order" means the Order or Orders, (i) in form and substance consistent in all material respects with this Agreement, (i) confirming Chapter 11 plan or reorganization with respect to TBH, (ii) approving this Agreement and the terms and conditions hereof, including pursuant to Sections 363 and 365 of the Bankruptcy Code and (iii) approving and authorizing TBH to consummate the transactions contemplated by this Agreement, substantially in the form attached hereto as **Exhibit B**.

"Consent" means any approval, consent, ratification, permission, waiver or authorization, or an Order of the Bankruptcy Court that deems or renders unnecessary the same.

"Contract" means any contract, indenture, note, bond, lease, sublease, mortgage, agreement, guarantee, or other agreement that is legally binding upon a Person or its property, in each case, other than a non-binding purchase order, non-binding service order, non-binding letter of intent, or non-binding Confirmation Order.

"Control" or "controlled by" is defined in Section 3.1(a).

"Debtors" means, collectively, the debtors-in-possession under the Bankruptcy Case.

"Documents" means all of TBH and TBH Affiliate information stored on the computer systems, data networks or servers, written files, all patient records and charts (whether in hard copy or electronic and regardless of whether stored on the computer systems, data networks or servers of TBH or any TBH Affiliates), patient reimbursement, collections, and related insurance information, patient lists, documents, instruments, papers, books, reports, records, tapes, microfilms, photographs, letters, budgets, forecasts, plans, operating records, safety and environmental reports, data, studies, and documents, Tax Returns, ledgers, journals, title policies, customer lists, regulatory filings, operating data and plans, research material, technical documentation (design specifications, engineering information, test results, logic manuals, processes, flow charts, etc.), user documentation (installation guides, user manuals, training materials, release notes, working papers, etc.), marketing documentation (sales brochures, flyers,

pamphlets, web pages, etc.), and other similar materials, in each case whether or not in electronic form, and including all documents in the Juniper data room.

"D&O Insurance" is defined in Section 2.4(c).

"D&O Tail Coverage" is defined in Section 2.4(c).

"Effective Date" has the same meaning as assigned in the Plan.

"Employee Plan" is defined in Section 3.12.

"Encumbrance" means any lien (as defined in Section 101(37) of the Bankruptcy Code), encumbrance, claim (as defined in Section 101(5) of the Bankruptcy Code), charge, mortgage, deed of trust, option, pledge, security interest or similar interests, title defects, hypothecations, easements, rights of way, encroachments, Orders, conditional sale or other title retention agreements and other similar impositions, imperfections or defects of title or restrictions on transfer or use.

"Engaged" means entered into a fully executed employment agreement or other personal services arrangement with Firelands, in a form reasonably satisfactory to Firelands and subject to fair market value standards.

"Environmental Laws" means all Laws concerning pollution, Hazardous Materials, or protection of the environment.

"Equity Interests" means, with respect to a Person, any membership interests, partnership interests, profits interests, capital stock or other equity securities (including profit participation features or equity appreciation rights, phantom stock rights or other similar rights) or ownership interests of such Person, or any securities (including debt securities or other indebtedness) exercisable or exchangeable for or convertible into, or other rights to acquire, membership interests, partnership interests, capital stock or other equity securities or ownership interests of such Person (or otherwise constituting an investment in such Person).

"ERISA" is defined in Section 3.12.

"Exclusive to the Business" means used exclusively or exclusively held for use exclusively in or arising exclusively out of the operation or conduct of the Business as conducted by TBH and business of each respective TBH Affiliates immediately prior to the Closing.

"Expense Reimbursement" means the amount of reasonable and documented out-of-pocket fees and expenses (including attorney's fees and expenses) actually incurred by Firelands in connection with the preparation and negotiation of this Agreement through the date of termination of this Agreement (excluding any recoverable taxes).

"Final Order" means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction with respect to the subject matter that has not been reversed, stayed, modified, or amended, as entered on the docket in any Chapter 11 Case or the docket of any other court of competent jurisdiction, and as to which the time to appeal, or seek certiorari or move for

rehearing has expired and no appeal or petition for certiorari or other proceedings for a new trial, rehearing has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be timely filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought (with such court affirming such order) or rehearing will have been denied, resulted in no stay pending appeal of such order, or has otherwise been dismissed with prejudice; provided that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be Filed with respect to such order will not preclude such order from being a Final Order.

"Financial Statements" is defined in Section 3.8.

"Firelands" is defined in the Recitals.

"Fundamental Representations" is defined in Section 7.2(a).

"GAAP" means generally accepted accounting principles as applied in the United States of America.

"Governmental Authorization" means any permit, license, certificate, Consent, clearance, designation, qualification or authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Law.

"Governmental Body" means any government, quasi-governmental entity, or other governmental or regulatory body, agency or political subdivision thereof of any nature, whether foreign, federal, state or local, or any agency, branch, department, official, entity, instrumentality or authority thereof, or any court or arbitrator (public or private) of applicable jurisdiction.

"Governmental Health Program" means any federal health program as defined in 42 U.S.C. § 1320a-7b(f), including but not limited to Medicare, Medicaid, TRICARE, CHAMPUS, VA, and any state healthcare programs.

"Hazardous Material" means any toxic, hazardous, or radioactive material, substance, or waste regulated under Environmental Laws due to its dangerous or deleterious properties or characteristics.

"Healthcare Laws" means those Laws that are applicable to the healthcare operations of the Business, including but not limited to: (i) Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395lll (the Medicare statute), Title XIX of the Social Security Act, 42 U.S.C. §§ 1396-1396w-5 (the Medicaid statute); (ii) all Laws related to fraud and abuse, false claims and kickbacks, including the Federal Anti-Kickback Law (42 U.S.C. § 1320a-7b), the Federal False Claims Act (31 U.S.C. §§ 3729, et seq.), the Federal Civil Monetary Penalties Law (42 U.S.C. § 1320a-7a and 1320a-7b), the Federal Program Fraud Civil Remedies Act (31 U.S.C. § 3801 et seq.), the Federal Health Care Fraud Law (18 U.S.C. § 1347), and the Ethics in Patient Referrals Act, as amended, or "Stark Law," 42 U.S.C. § 1395nn; (iii) the Exclusion Laws (42 U.S.C. § 1320a-7); (iv) HIPAA (defined below); (v) the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010; and (vi) relevant Ohio Statutes and

regulations; in each case, as amended, and all regulations promulgated pursuant thereto and any similar state and local Laws that address the subject matter of the foregoing.

"Healthcare Permits" means all material licenses, permits, authorizations, and approvals that are required for the healthcare operations of the Business as currently conducted or in connection with each TBH's ability to own, lease, operate or manage any of its property or business, in each case that are issued or enforced by a Governmental Body with jurisdiction over any Healthcare Law.

"HIPAA" shall mean the following, as the same may be amended, modified or supplemented from time to time, any successor statute thereto, and together with any and all rules or regulations promulgated from time to time thereunder: (i) the Health Insurance Portability and Accountability Act of 1996; and (ii) the Health Information Technology for Economic and Clinical Health Act (Title XIII of the American Recovery and Reinvestment Act of 2009).

"Intellectual Property" means any and all intellectual property and other proprietary rights in any jurisdiction throughout the world, whether registered or unregistered including any and all inventions, patents, trademarks, service marks or trade names, works of authorship, copyrights, mask works, domain names, software, trade secrets and know-how, applications and registrations for and goodwill associated with any of the foregoing and rights to sue or recover and retain damages and costs and attorneys' fees for past, present and future infringement, misappropriation or other violation of any of the forgoing.

"IRS" means the Internal Revenue Service and any Governmental Body succeeding to the functions thereof.

"Juniper" is defined in Section 3.5.

"Law" means any law, rule, regulation, judgment, order, of any Governmental Body in effect on or prior to the date of this Agreement.

"Lease" means all leases, subleases, licenses, concessions and other agreements pursuant to which TBH or any TBH Affiliate holds any Real Property, including the right to all security deposits and other amounts and instruments deposited by or on behalf of TBH or any TBH Affiliate.

"Liability" means as to any Person, any debt, adverse claim, liability, duty, responsibility, obligation, commitment, assessment, cost, expense, loss, expenditure, charge, fee, penalty, fine, contribution, or premium of any kind or nature whatsoever, whether known or unknown, asserted or unasserted, absolute or contingent, direct or indirect, accrued or unaccrued, liquidated or unliquidated, or due or to become due, and regardless of when sustained, incurred or asserted or when the relevant events occurred or circumstances existed.

"Material Contracts" means each Contract, or group of Contracts with the same party or related parties, Exclusive to the Business of TBH (excluding any Contracts with Commercial Payors and non-binding purchase orders) currently in effect which by its, or their, terms (i) is a Lease for leased Real Property; (ii) is a Contract pursuant to which any TBH is required to make

or entitled to receive payments on an annual basis in excess of $50,000 in the aggregate or is otherwise associated with revenues on an annual basis in excess of $50,000 in the aggregate.

"Medical Staff" is defined in Section 3.18.

"Membership" means the rights and privileges held by a member in an Ohio non-profit corporation set forth in in Chapter 1702 of the Ohio Revised Code, the non-profit corporation's articles of incorporation, and code of regulations.

"Order" means any order, injunction, order, judgment, decree, ruling, writ, assessment or arbitration award of a Governmental Body, including any order entered by the Bankruptcy Court in the Bankruptcy Case (including the Confirmation Order).

"Ordinary Course" means the ordinary and usual course of operations of the Business of TBH (in each case, where applicable) taken as a whole and taking into account the contemplation, commencement and pendency of the Bankruptcy Case.

"Organizational Documents" means, with respect to any Person other than a natural person, the documents by which such Person was organized (such as a certificate of incorporation, certificate of formation, certificate of limited partnership or articles of organization, and including any certificates of designation for preferred stock or other forms of preferred equity) or which relate to the internal governance of such Person (such as bylaws, a partnership agreement or an operating, limited liability or members agreement).

"Outside Date" is defined in the RSA.

"Party" or "Parties" is defined in the Recitals.

"Permits" means all licenses, permits, registrations, accreditations, certifications, qualifications, agreements, authorizations, easements, orders, certificates, franchises, qualifications, rulings, waivers, variances, Consents, enrollments (excluding national provider identifier and Medicare numbers), and exemptions pending with or issued by Governmental Bodies or accreditation organizations, or the administrative agents thereof, in each case, that is material to TBH, taken as a whole.

"Permitted Encumbrance" means (i) Encumbrances for utilities and Taxes or other governmental charges not yet due and payable, or being contested in good faith in appropriate proceedings, (ii) easements, rights of way, restrictive covenants, encroachments and similar non-monetary encumbrances or non-monetary impediments which do not, individually or in the aggregate, materially and adversely affect the use or occupancy of the Real Property as it relates to the operation of any acquired assets conducted thereon, (iii) applicable zoning Laws, building codes, land use restrictions and other similar restrictions imposed by Law which are not violated by the current use or occupancy of the Real Property, (iv) immaterial materialmans', mechanics', artisans', shippers', warehousemans' or other similar common law or statutory liens incurred in the Ordinary Course for amounts not yet due and payable, (v) immaterial licenses of Intellectual Property, (vi) such other Encumbrances or title exceptions as Firelands may expressly approve as "Permitted Encumbrances" in writing in its sole discretion, and (vii) solely prior to Closing, any Encumbrances that will be removed or released by operation of the Confirmation Order. For the

avoidance of doubt, any one or more of the foregoing shall be deemed "material" if it would prevent the Firelands' operation of the Real Property in substantially the same manner as TBH or TBH Affiliates have operated such Real Property in the Ordinary Course.

"Permitted Exception" is defined in Section 6.1.

"Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, labor union, organization, estate, Governmental Body or other entity or group.

"Petition Date" is defined in the Recitals.

"Plan" means the *Debtors' Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]] (as may be amended, supplemented, or otherwise modified from time to time) in form and substance consistent in all material respect with the Agreement and reasonably acceptable to Firelands.

"Real Property" is defined in Section 3.9(a).

"Restated Articles" is defined in Section 1.1(a).

"Restated Regulations" is defined in Section 1.1(a).

"TBH Organizational Documents" is defined in Section 1.1(a).

"Restructuring" is defined in the Recitals.

"RSA" is defined in the Recitals.

"Schedule(s)" is defined in Article III Recital.

"Senior Secured Creditor Payment" is defined in Section 2.3(a).

"Superior Transaction" is defined in the RSA.

"Superior Transaction Termination Provision" is defined in Section 8.2(b).

"Tail Coverage" is defined in Section 2.4(d).

"Tax" or "Taxes" means all U.S. federal, state, local or non-U.S. taxes including any net income, gross receipts, capital stock, franchise, profits, ad valorem, value added, import, export, withholding, social security, unemployment, disability, workers compensation, real property, personal property, stamp, excise, occupation, sales, use, transfer, conveyance, service, registration, premium, windfall or excess profits, customs, duties, licensing, surplus, alternative minimum, estimated or other similar tax, including any interest, penalty or addition thereto.

"Tax Return" means any return, report or similar filing (including the attached schedules and any amendments thereof) filed or required to be filed with any Taxing Authority with respect to Taxes.

"Taxing Authority" means any U.S. federal, state, local or non-U.S. government, any subdivision, agency, commission or authority thereof that is responsible for the administration, imposition or collection of Tax or enforcement of any law in relation to Tax.

"TBH" is defined in the Recitals.

"TBH Affiliate or Affiliate(s)" is defined in Section 3.1(a).

"TBH's Knowledge" or words of like import mean the actual knowledge of each of the President and CEO of TBH and the Interim CFO of TBH in each case without personal liability on the part of any of them.

"TJC" is defined in Section 3.15.

"Transfer Taxes" is defined in Section 9.20(a).

"WARN Act" is defined Section 4.6.

"Willful Breach" shall mean a deliberate act or a deliberate failure to act regardless of whether breaching was the conscious object of the act or failure to act.

"Winning Bidder" is defined in the Bidding Procedures Order.

10.2 ***Rules of Interpretation.***

(a) Unless otherwise expressly provided in this Agreement, the following will apply to this Agreement, the Schedules and any other certificate, instrument, agreement or other document contemplated hereby or delivered hereunder.

(b) The terms "hereof," "herein" and "hereunder" and terms of similar import are references to this Agreement as a whole and not to any particular provision of this Agreement. Section, clause, schedule and exhibit references contained in this Agreement are references to sections, clauses, schedules and exhibits in or to this Agreement, unless otherwise specified. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Schedule or Exhibit but not otherwise defined therein shall be defined as set forth in this Agreement.

(c) References to the "transactions contemplated hereby", "transactions contemplated herein", "transactions contemplated by this Agreement" or words or phrases of similar import, shall, unless stated otherwise, include references to the transactions contemplated to effectuate the member substitution.

(d) Whenever the words "include," "includes" or "including" are used in this Agreement, they will be deemed to be followed by the words "without limitation." Where the context permits, the use of the term "or" will be equivalent to the use of the term "and/or."

(e) The words "to the extent" shall mean "the degree by which" and not simply "if."

(f) When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period will be excluded. If the last day of such period is a day other than a Business Day, the period in question will end on the next succeeding Business Day.

(g) Words denoting any gender will include all genders, including the neutral gender. Where a word is defined herein, references to the singular will include references to the plural and vice versa.

(h) The word "will" will be construed to have the same meaning and effect as the word "shall". The words "shall," "will," or "agree(s)" are mandatory, and "may" is permissive.

(i) All references to "$" and dollars will be deemed to refer to United States currency unless otherwise specifically provided.

(j) All references to a day or days will be deemed to refer to a calendar day or calendar days, as applicable, unless otherwise specifically provided.

(k) Any document or item will be deemed "delivered," "provided" or "made available" by TBH, within the meaning of this Agreement if such document or item is electronically delivered or provided to Firelands and its legal counsel.

(l) Any reference to any agreement or Contract will be a reference to such agreement or Contract, as amended, modified, supplemented or waived.

(m) Any reference to any particular Bankruptcy Code section or other Law will be interpreted to include any amendment to, revision of or successor to that section or Law regardless of how it is numbered or classified; provided that, for the purposes of the representations and warranties set forth herein, with respect to any violation of or non-compliance with, or alleged violation of or non-compliance, with any Bankruptcy Code section or Law, the reference to such Bankruptcy Code section or other Law means such Bankruptcy Code section or other Law as in effect at the time of such violation or non-compliance or alleged violation or non-compliance.

(n) A reference to any Party to this Agreement or any other agreement or document shall include such Party's successors and assigns, but only if such successors and assigns are not prohibited by this Agreement.

(o) A reference to a Person in a particular capacity excludes such Person in any other capacity or individually.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized officers as of the date first above written.

FIRELANDS:

FIRELANDS REGIONAL HEALTH SYSTEM

DocuSigned by:

By: Jeremy Normington-Slay
8E6B673D834A41D...

Name: Jeremy Normington-Slay
Title: President

TBH:

THE BELLEVUE HOSPITAL

By: Sara Brokaw
Name: Sara Brokaw, R.N.
Title: Chief Executive Officer

EXHIBIT A

[See attached.]

EXHIBIT B

[See attached.]

EXHIBIT 1.1(a)(i)
[See attached.]

EXHIBIT 1.1(a)(ii)

[See attached.]

EXHIBIT 1.1(b)

[See attached.]

EXHIBIT 2.2(a)

[See attached.]

EXHIBIT 2.2(b)
[See attached.]

EXHIBIT 2.2(c)

[See attached.]

EXHIBIT 2.2(d)

[See attached.]

EXHIBIT 2.2(e)

[See attached.]

EXHIBIT 2.2(g)

[See attached.]

EXHIBIT 2.2(i)
[See attached.]

EXHIBIT 2.3(b)

[See attached.]

EXHIBIT 2.3(c)
[See attached.]

EXHIBIT 2.3(d)

[See attached.]

EXHIBIT 2.4(e)
[See attached.]

EXHIBIT 7.2(c)
[See attached.]

EXHIBIT 9.4
[See attached.]

EXHIBIT B

RETAINED ACTIONS[3]

1. Any and all claims arising under any contracts, accounts, or any other form of indebtedness due the Debtor that is not otherwise identified herein, including all amounts due from, or on behalf of, patients of the Debtor, and all rights of the Debtor to collect such amounts by any means, including the filing of actions to recover such indebtedness, and further including any and all claims of the Debtor against third-party payors, whether private or public, to recover payment for services rendered by the Debtor or its contractors and agents on behalf of patients for whom such third-party payors are obligated to provide, to any extent, coverage.

2. Any and all preference, fraudulent transfer, or avoidance claims, and any other claims arising under chapter 5 of the Code or similar state law, including, without limitation, claims relating to each and every payment, if any, identified in response to Questions 3 and 4 of the Statement of Financial Affairs filed by the Debtor in the Case, and claims arising under §§ 544(a) and 550(a) of the Code for the recovery of funds held under The Bellevue Hospital Deferred Compensation Plan.

3. Any and all claims or causes of action that the Debtor might have for refunds of taxes, overpayments, or other charges against any federal, state, or local Governmental Unit.

4. Any and all other legal or equitable claims arising under contract, tort, statute, or otherwise.

[3] Nothing in this Exhibit shall constitute a finding of fact or an adjudication on the merits of any of the Retained Actions, which have been listed and described here for the sole purpose of identifying claims and causes of action that may be asserted post-confirmation, as described in the Plan. All claims identified herein against a person or entity are intended to include claims against affiliates and predecessor and successor entities. The Debtor's investigation of the Retained Actions is continuing, and the value of these Retained Actions is uncertain.

EXHIBIT B

DEBTOR SUBSIDIARIES

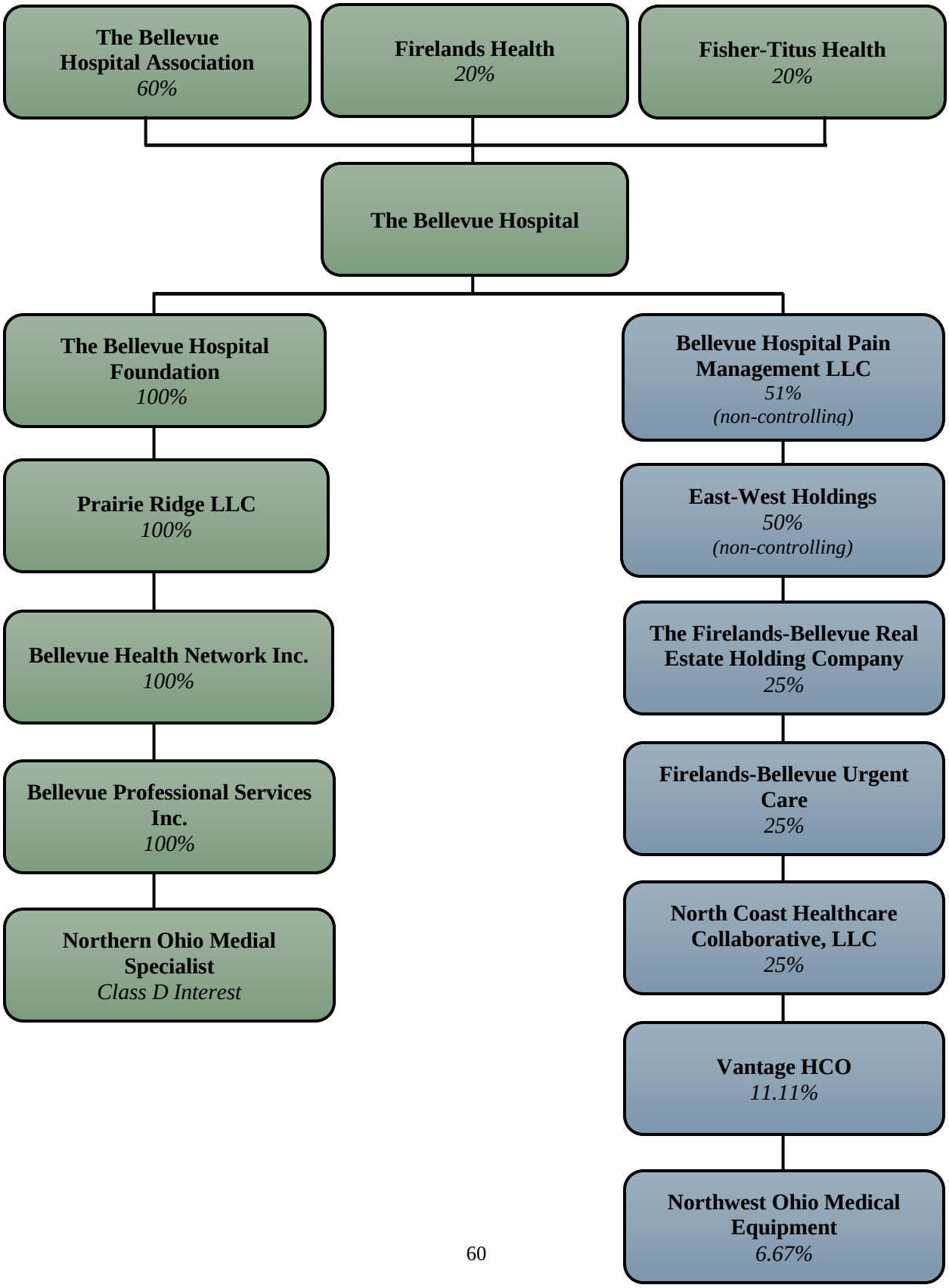


EXHIBIT C

Balance Sheet and Income Statement Information

	2019	2020	2021	2022	2023	2024
Assets						
Current Assets:						
Cash and cash equivalents	$3.6	$17.2	$15.6	$7.1	$1.1	$1.9
Patient accounts receivable	7.7	8.0	8.2	6.7	6.6	5.8
Inventory	0.8	0.8	0.8	0.8	1.3	1.1
Other current assets	2.5	3.3	3.0	4.5	3.3	3.8
Total current assets	**14.5**	**29.3**	**27.6**	**19.2**	**12.2**	**12.7**
Assets Limited as to Use	**8.2**	**8.1**	**9.3**	**8.1**	**5.5**	**2.7**
Long-term Investments	**2.0**	**2.3**	**2.3**	**1.9**	**1.9**	**1.9**
Property and Equipment	**43.7**	**41.1**	**39.7**	**39.4**	**38.4**	**36.0**
Other Assets:						
Right-of-use operating lease assets	-	-	-	0.2	0.1	0.0
Investment in joint venture	1.0	1.0	1.0	1.0	0.8	0.9
Deferred compensation plan assets	-	1.5	1.6	1.2	1.3	0.6
Fair value of interest rate swap agreement	-	-	-	0.1	0.1	-
Other noncurrent assets	0.1	0.0	0.0	0.0	0.0	0.0
Total Other Assets	**1.1**	**2.5**	**2.7**	**2.5**	**2.3**	**1.6**
Total Assets	**$69.5**	**$83.3**	**$81.6**	**$71.1**	**$60.4**	**$54.8**
Liabilities & Net Position						
Current Liabilities:						
Accounts payable	$2.7	$3.8	$3.6	$4.8	$4.7	$4.1
Lines of credit	0.8	0.5	-	-	-	-
Current portion of long-term debt	1.6	2.7	1.3	1.3	1.9	2.5
Current portion of lease liabilities	-	-	-	0.1	0.2	0.1
Estimated third-party payor settlements	0.6	1.1	1.3	1.3	1.0	1.7
Accrued liabilities and other:						
Accrued compensation	2.4	2.7	3.2	3.1	2.6	2.5
Accrued interest	0.0	0.1	0.1	0.0	0.0	0.0
Current portion of Medicare accelerated payments	-	2.8	3.4	0.8	-	0.0
Other accrued liabilities	2.4	3.1	2.4	2.8	2.8	2.8
Total current liabilities	**10.6**	**17.0**	**15.1**	**14.2**	**13.2**	**13.8**
Long-term Debt - Net of current portion	**22.4**	**25.7**	**19.9**	**18.6**	**17.2**	**15.8**
Lease liabilties - Operating - Net of current portion	**-**	**-**	**-**	**0.1**	**0.2**	**0.1**
Fair Value of Interest Rate Swap Agreement	**0.8**	**1.1**	**0.6**	**-**	**-**	**-**
Other Long-term Liabilities:						
Medicare accelerated payments	-	2.2	-	-	-	-
Deferred compensation plan liabilities	-	1.5	1.6	1.2	1.3	0.6
Other long-term liabilities	0.9	1.0	1.2	1.0	1.1	1.0
Total long-term liabilities	**0.9**	**4.7**	**2.8**	**2.2**	**2.3**	**1.6**
Net Assets:						
Without donor restrictions	34.5	34.4	42.7	35.6	35.7	25.3
With donor restrictions	0.4	0.5	0.5	0.4	0.4	0.4
Current year net change in assets	-	-	-	-	(8.6)	(2.2)
Total Net Position	**34.9**	**34.9**	**43.2**	**36.0**	**27.4**	**23.5**
Total Liabilities & Net Position	**$69.5**	**$83.3**	**$81.6**	**$71.1**	**$60.4**	**$54.8**

FYE December 31	2019	2020	2021	2022	2023	2024
Operating Revenues:						
Net patient service revenue	$58.8	$56.2	$65.2	$59.2	$51.1	$56.7
Other operating revenue	1.6	1.3	1.1	1.5	2.8	2.5
Provider Relief Fund revenue - Federal and state	-	6.6	8.1	0.7	-	-
Total operating revenues	**60.4**	**64.1**	**74.4**	**61.3**	**53.9**	**59.2**
Operating Expenses:						
Salaries and wages	23.5	23.9	25.5	24.6	22.8	22.6
Employee benefits and payroll taxes	7.9	7.8	7.3	7.8	6.6	7.3
Operating supplies and expenses	9.0	9.3	10.0	8.3	8.0	7.8
Purchased services	10.4	11.1	12.2	13.8	14.2	13.1
Insurance	0.5	0.6	0.7	0.7	0.8	0.8
Utilities	0.9	0.9	0.8	0.8	0.9	0.8
Depreciation and amortization	3.3	3.1	2.8	2.6	3.6	3.3
Interest	0.9	1.0	1.0	0.8	0.9	0.8
Other expenses	6.2	6.3	6.6	6.8	6.0	6.8
Total operating expenses	**62.7**	**63.9**	**66.8**	**66.3**	**63.8**	**63.3**
Operating (Loss) Income	**(2.3)**	**0.2**	**7.6**	**(5.0)**	**(9.8)**	**(4.1)**
Operating EBIDA	**2.0**	**4.3**	**11.4**	**(1.5)**	**(5.4)**	**(0.0)**
Nonoperating Income (Expense)						
Interest income	0.0	0.0	0.0	0.0	0.0	0.1
Investment (expense) income	0.1	0.1	(0.1)	0.1	0.3	0.3
Contributions	0.0	0.0	0.0	0.0	0.0	0.0
Realized gain on sale of investments	0.3	0.2	0.6	0.1	0.3	1.1
Unrealized (loss) gain on investments	0.9	0.8	0.8	(1.9)	0.5	(0.3)
Change in fair value of interest rate swap agreements	(0.3)	(0.3)	0.5	0.7	(0.0)	(0.1)
Other expense	(0.8)	(0.8)	(0.8)	(0.9)	0.3	0.2
Total nonoperating (expenses) revenues	**0.3**	**0.0**	**1.0**	**(1.8)**	**1.4**	**1.3**
Excess of Revenue (Under) Over Expenses	**(2.0)**	**0.2**	**8.6**	**(6.8)**	**(8.4)**	**(2.8)**
Capital Contribution (to) from Affiliate	-	-	-	-	-	0.8
Distributions to Members	(0.3)	(0.3)	(0.4)	(0.4)	(0.2)	(0.2)
Net Assets Released from Restrictions	0.0	0.0	0.0	0.1	0.0	0.0
Change in Net Position	**($2.3)**	**($0.0)**	**$8.3**	**($7.2)**	**($8.6)**	**($2.2)**

EXHIBIT D

DEBTOR'S POST-PETITION FINANCIAL RESULTS

(to be provided with Plan supplement)

EXHIBIT E

LIQUIDATION ANALYSIS

(to be provided with Plan supplement)

EXHIBIT F

PROJECTIONS

(to be provided with Plan supplement)