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HONORABLE WHITMAN L. HOLT

10 *Attorneys for the Chapter 11 Debtors and*
11 *Debtors-in-Possession*

12 UNITED STATES BANKRUPTCY COURT
13 EASTERN DISTRICT OF WASHINGTON

14 In re

15 ASTRIA HEALTH, et al.¹,
16 Debtors.

17 Lead Case No. 19-01189
18 Jointly Administered

19 DECLARATION OF MICHAEL LANE IN
20 SUPPORT OF MOTION FOR ORDER
21 APPROVING SETTLEMENT AGREEMENT
22 BY AND BETWEEN THE DEBTORS AND
23 SIEMENS FINANCIAL SERVICES, INC.

I, Michael Lane, hereby state and declare as follows:

1. I am the Chief Restructuring Officer (“CRO”) of Astria Health. I was appointed CRO by the Astria Health Board of Directors as required by the subordinated promissory note dated January 18, 2019. I make this declaration in support of the Debtors’ Motion for Order Approving Settlement Agreement By and Between the

¹ The Debtors, along with their case numbers, are as follows: Astria Health (19-01189-11), Glacier Canyon, LLC (19-01193-11), Kitchen and Bath Furnishings, LLC (19-01194-11), Oxbow Summit, LLC (19-01195-11), SHC Holdco, LLC (19-01196-11), SHC Medical Center-Toppenish (19-01190-11), SHC Medical Center-Yakima (19-01192-11), Sunnyside Community Hospital Association (19-01191-11), Sunnyside Community Hospital Home Medical Supply, LLC (19-01197-11), Sunnyside Home Health (19-01198-11), Sunnyside Professional Services, LLC (19-01199-11), Yakima Home Care Holdings, LLC (19-01201-11), and Yakima HMA Home Health, LLC (19-01200-11).

DECLARATION OF MICHAEL LANE IN SUPPORT OF
SETTLEMENT AGREEMENT BY AND BETWEEN THE DEBTORS
AND SIEMENS FINANCIAL SERVICES, INC. – Page 1

BUSH KORNFELD LLP
LAW OFFICES
601 Union St., Suite 5000



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1 Debtors and Siemens Financial Services, Inc. (the “Motion”).² I have reviewed the
2 Motion and have personal knowledge of the matters set forth therein, including the
3 contractual history between Siemens Financial Services, Inc. (“SFS”) and the Debtors.

4 2. With the court’s authorization, the Debtors closed SHC Medical Center –
5 Yakima in January 2020, and that facility has no longer provided medical care as an
6 operating hospital.

7 3. Prior to and on the Petition Date, SHC Yakima and SFS were parties to the
8 following equipment leases:

- 9 i. Leasing Schedule No. 21192-21260 also known as Contract No. 160-
10 0000246-000 to that certain Master Equipment Lease Agreement
11 dated as of August 24, 2011 (collectively, “Lease 1”) by and between
12 SHC Yakima as transferee of Yakima HMA, LLC and SFS with
13 respect to a RIO Robotic Arm Interactive Orthopedic System, and all
14 equipment related thereto (the “Lease 1 Equipment”);
- 15 ii. Leasing Schedule No. 22583-30887 also known as Contract No. 151-
16 0002401-750 to that certain Master Equipment Lease Agreement
17 dated as of August 24, 2011 (collectively, “Lease 2”) by and between
18 SHC Yakima as transferee of Yakima HMA, LLC and SFS with
19 respect to an Aplio 300 Ultrasound Imaging System, and all
20 Equipment related thereto (the “Lease 2 Equipment”);
- 21 iii. Leasing Schedule No. 22583-30889 also known as Contract No. 154-
22 0000664-000 to that certain Master Equipment Lease Agreement
23 dated as of August 24, 2011 (collectively, “Lease 3”) by and between
SHC Yakima as transferee of Yakima HMA, LLC and SFS with
respect to a CVIS - Syngo Dynamics SL Server, Software
Maintenance Upgrades, V9, and all equipment related thereto (the
“Lease 3 Equipment”);

² Capitalized terms herein shall have the meaning ascribed in the Motion unless otherwise indicated.

- 1 iv. Leasing Schedule No. 24414-33576 also known as Contract No. 221-
2 0000142-000 to that certain Master Equipment Lease Agreement
3 dated as of August 24, 2011 (collectively, "Lease 4") by and between
4 SHC Yakima as transferee of Yakima HMA, LLC and SFS with
5 respect to 3 RP500 Blood Gas Analyzer, and all equipment related
6 thereto (the "Lease 4 Equipment"); and
7
8 v. Leasing Schedule No. 17075 also known as Contract No. 130-
9 0000470-900 to that certain Master Equipment Lease Agreement
10 dated as of December 9, 2008 (collectively, "Lease 5") by and
11 between Health Management Associates, Inc. / SHC Yakima and SFS
12 with respect to one (1) Magnetom Avanto System, and all equipment
13 related thereto, in which SHC Yakima is in possession (the "Lease 5
14 Equipment").

15 4. SFS filed two proofs of claim in the SHC Yakima case: (i) Claim No. 74
16 in the amount of \$109,592.87 in connection with Lease 1 and the Lease 1 Equipment,
17 Lease 2 and the Lease 2 Equipment, Lease 3 and the Lease 3 Equipment, and Lease 4
18 and the Lease 4 Equipment; and (ii) Claim No. 75 in the amount of \$346,886.76 in
19 connection with Lease 5 and the Lease 5 Equipment.

20 5. Through its Administrative Application, SFS has sought allowance and
21 payment in the amount of \$214,867.24, as an administrative expense under the
22 Bankruptcy Code, for the Debtors' use of the Leased Equipment during the
23 Administrative Time Period.

24 6. However, prior to SFS' filing of the Administrative Application, Lease 2,
25 Lease 3, and Lease 4 were rejected by order of the court. The court further ordered the
26 Debtors to promptly surrender possession of the Lease 2 Equipment, Lease 3
27 Equipment, and Lease 4 Equipment to SFS. Notwithstanding, SHC Yakima has
28 remained in possession of the Leased Equipment.

1 7. Seeking to fully resolve and settle these disputes, SHC Yakima and SFS
2 have entered into a proposed Settlement Agreement regarding the Leases, Leased
3 Equipment, Claims, and Administrative Application. A true and correct copy of the
4 fully executed Settlement Agreement is attached hereto as **Exhibit A**. This settlement
5 is subject to and conditioned upon approval of this court, and the Settlement Agreement
6 is not effective until such approval is obtained on a final basis.

7 8. The Settlement Agreement provides that, within five (5) business days of
8 an order approving this Settlement Agreement becoming final and non-appealable,
9 Debtors will pay to SFS the sum of \$150,000.00. Upon SFS' receipt of the Settlement
10 Amount, SFS will provide the Debtors with a Bill of Sale that transfers ownership of
11 the Leased Equipment to SHC Yakima. A copy of the Bill of Sale is attached as
12 Schedule 1 to the Settlement Agreement. The Settlement Amount shall be the only
13 payment to SFS on account of the Application, the Leases, or the Leased Equipment.
14 In turn, SFS has agreed it will not seek further payment, either in the bankruptcy cases
15 or outside of the bankruptcy cases, on account of the same.

16 9. Further, upon SFS' receipt of the Settlement Amount, SFS will withdraw
17 the Administrative Application and both Claims. SFS agrees not to reassert any claim
18 against the Debtors for matters related to the Claims or Administrative Application.
19 The Leases shall be deemed rejected and terminated. SFS agrees to file a UCC-3
20 financing statement amendment terminating its UCC filings against the Leased
21 Equipment, and all of SFS' right, title, and interest in the Leased Equipment shall be
22 transferred to SHC Yakima "as is" and "where is." SFS will not be required to prepare,
23 organize or assemble the Leased Equipment for shipment or delivery to SHC Yakima,

DECLARATION OF MICHAEL LANE IN SUPPORT OF
SETTLEMENT AGREEMENT BY AND BETWEEN THE DEBTORS
AND SIEMENS FINANCIAL SERVICES, INC. – Page 4

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Facsimile (206) 292-2104

1 and SHC Yakima will be responsible for and pay all costs and expenses in connection
2 with any removal or transportation of the Leased Equipment from its location.

3 10. The Debtors seek court approval of this compromise. The Debtors believe
4 the settlement proposed is fair, reasonable, and in the best interests of creditors and the
5 bankruptcy estates.

6
7 I declare under penalty of perjury under the laws of the United States that, to the
8 best of my knowledge and after reasonable inquiry, the foregoing is true and correct.

9 SIGNED this 16th day of December, 2020.

10
11 /s/Michael Lane
Michael Lane

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DECLARATION OF MICHAEL LANE IN SUPPORT OF
SETTLEMENT AGREEMENT BY AND BETWEEN THE DEBTORS
AND SIEMENS FINANCIAL SERVICES, INC. – Page 5

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RELEASE AND SETTLEMENT AGREEMENT

This Release and Settlement Agreement ("Agreement"), dated as of November 30, 2020, is entered into by and between Siemens Financial Services, Inc. ("SFS") and SHC Medical Center – Yakima ("SHC Yakima"). SFS and SHC Yakima are collectively referred to herein as the "Parties," and each individually as a "Party."

RECITALS

The following recitals form the basis for, and are a material part of, the Agreement.

WHEREAS, SFS and SHC Yakima are parties to the following equipment leases:

- a. Leasing Schedule No. 21192-21260 also known as Contract No. 160-0000246-000 to that certain Master Equipment Lease Agreement dated as of August 24, 2011 (collectively, "Lease 1") by and between SHC Yakima as transferee of Yakima HMA, LLC and SFS with respect to a RIO Robotic Arm Interactive Orthopedic System, and all equipment related thereto ("Lease 1 Equipment");
- b. Leasing Schedule No. 22583-30887 also known as Contract No. 151-0002401-750 to that certain Master Equipment Lease Agreement dated as of August 24, 2011 (collectively, "Lease 2") by and between SHC Yakima as transferee of Yakima HMA, LLC and SFS with respect to an Aplio 300 Ultrasound Imaging System, and all equipment related thereto ("Lease 2 Equipment");
- c. Leasing Schedule No. 22583-30889 also known as Contract No. 154-0000664-000 to that certain Master Equipment Lease Agreement dated as of August 24, 2011 (collectively, "Lease 3") by and between SHC Yakima as transferee of Yakima HMA, LLC and SFS with respect to a CVIS - Syngo Dynamics SL Server, Software Maintenance Upgrades, V9, and all equipment related thereto ("Lease 3 Equipment");
- d. Leasing Schedule No. 24414-33576 also known as Contract No. 221-0000142-000 to that certain Master Equipment Lease Agreement dated as of August 24, 2011 (collectively, "Lease 4") by and between SHC Yakima as transferee of Yakima HMA, LLC and SFS with respect to 3 RP500 Blood Gas Analyzer and 3 SoftLab BG200 RapidPoint 500s, and all equipment related thereto ("Lease 4 Equipment"); and
- e. Leasing Schedule No. 17075 also known as Contract No. 130-0000470-900 to that certain Master Equipment Lease Agreement dated as of December 9, 2008¹ (collectively, "Lease 5") by and between Health Management Associates, Inc. / SHC Yakima and SFS with respect to one (1) Magnetom Avanto System, and all equipment related thereto ("Lease 5 Equipment"); and

¹ The Master Equipment Lease Agreement dated as of December 9, 2008 and Master Equipment Lease Agreement dated as of August 24, 2011 are collectively referred to herein as the "Master Lease."

EXHIBIT A

WHEREAS, Lease 1, Lease 2, Lease 3, Lease 4, and Lease 5 are collectively referred to herein as the “Leases”; and

WHEREAS, the Lease 1 Equipment, Lease 2 Equipment, Lease 3 Equipment, Lease 4 Equipment, and Lease 5 Equipment is collectively referred to herein as the “Leased Equipment”; and

WHEREAS, on May 6, 2019, SHC Yakima filed a petition for relief under Chapter 11 of Title 11 of the United States Code (“Bankruptcy Code”) in the United States Bankruptcy Court for the Eastern District of Washington (“Court”), initiating Case No. 19-01192-11 (“Case”); and

WHEREAS, the Case is being jointly administered with the following proceedings: Astria Health (Case No. 19-01189-11), Glacier Canyon, LLC (Case No. 19-01193-11), Kitchen and Bath Furnishings, LLC (Case No. 19-01194-11), Oxbow Summit, LLC (Case No. 19-01195-11), SHC Holdco, LLC (Case No. 19-01196-11), SHC Medical Center - Toppenish (Case No. 19-01190-11), Sunnyside Community Hospital Association (Case No. 19-01191-11), Sunnyside Community Hospital Home Medical Supply, LLC (Case No. 19-01197-11), Sunnyside Home Health (19-01198-11), Sunnyside Professional Services, LLC (Case No. 19-01199-11), Yakima Home Care Holdings, LLC (Case No. 19-01201-11), and Yakima HMA Home Health, LLC (Case No. 19-01200-11); and

WHEREAS, the foregoing jointly administered cases are collectively referred to herein as the “Cases” and the foregoing entities, together with SHC Yakima, are collectively referred to herein as the “Debtors”; and

WHEREAS, on August 5, 2019, SFS duly filed two proofs of claim in the Case: (i) claim no. 74-1 in the amount of \$109,592.87 in connection with Lease 1 and the Lease 1 Equipment, Lease 2 and the Lease 2 Equipment, Lease 3 and the Lease 3 Equipment, and Lease 4 and the Lease 4 Equipment (“Claim 74”); and (ii) claim no. 75-1 in the amount of \$346,886.76 in connection with Lease 5 and the Lease 5 Equipment, (“Claim 75” and, together with Claim 74, the “Claims”); and

WHEREAS, on July 22, 2020, SFS filed *Siemens Financial Services, Inc.’s Application for Allowance and Payment of Administrative Expense Claim* [Dkt. No. 1540], which seeks allowance and immediate payment of \$214,867.24 due under the Leases pursuant to section 503(a) and (b) of the Bankruptcy Code (“Administrative Application”); and

WHEREAS, Lease 2, Lease 3, and Lease 4 were rejected pursuant to the Court’s *Order Granting Debtors’ Omnibus Motion for Order Authorizing Rejection, Pursuant to 11 U.S.C. § 365(a), of Certain Executory Contracts and Unexpired Leases of Real Property, Nunc Pro Tunc to January 15, 2020* (“Rejection Order”) [Dkt. No. 1146]; and

WHEREAS, at all relevant times herein, and notwithstanding the Rejection Order, SHC Yakima has remained in possession of, and has derived a benefit from the use of, the Leased Equipment; and

WHEREAS, by this Agreement, the Parties agree to fully resolve and settle all matters arising from, and related to, the Leases, Leased Equipment, Claims, and Administrative Application.

NOW, THEREFORE, in consideration of the foregoing and the receipt of good and adequate consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Parties' Acknowledgment. The Parties agree that the various agreements referred to in the recitals and otherwise entered into and any other documents executed in connection therewith were executed and delivered, that SHC Yakima is obligated to SFS as lessee under the terms and conditions of the Leases, that the Claims and Administrative Application were properly filed, and the recitals are true and correct and incorporated herein by reference.

2. Court Approval. Within five (5) business days after the full execution of this Agreement, the Debtors shall file a motion in the Cases for approval of this Agreement. The Parties acknowledge the necessity of Court approval of this Agreement and that the Agreement is not effective until entry of a Final Order approving the Agreement. As used herein, an Order becomes "Final" after the passage of fourteen (14) days, provided no appeal is filed or, in the event an appeal is filed, after all appeals are exhausted and the Order is affirmed. A Final Order shall be binding upon any subsequently appointed or elected trustee in the Cases or a successor case or cases under Chapter 7 of the Bankruptcy Code.

3. Terms of Settlement. Within five (5) business days of entry of a Final Order approving this Agreement, SHC Yakima shall irrevocably pay to SFS the sum of \$150,000.00 ("Settlement Amount") using the wire instructions in paragraph 3(a), below. Upon SFS' irrevocable receipt of the Settlement Amount, SFS shall withdraw the Administrative Application and Claims, the Leases shall be deemed rejected and terminated, SFS shall file a UCC-3 Financing Statement Amendment terminating its UCC filing(s) against the Leased Equipment, and all of SFS' right, title, and interest in the Leased Equipment shall be transferred to SHC Yakima pursuant to the "As is" "Where is" Assignment and Bill of Sale set forth in **Schedule 1**, the terms of which are incorporated as if fully set forth herein.

(a) Wire instructions:

ABA # 021000089
Account # 30824131
Citibank New York
111 Wall Street
New York, New York 10043

Reference Contract Nos. 160-0000246-000, 151-0002401-750,
154-0000664-000, 221-0000142-000, and 130-0000470-900

4. General Release by SHC Yakima. SHC Yakima hereby releases and forever discharges SFS, together with its successors, assigns, past and present officers, directors, and shareholders, agents, attorneys, parents, representatives, employees, and insurers of and from any and all actions (judicial, administrative, or otherwise, including, without limitation, actions arising under Chapter 5 of the Bankruptcy Code), claims, liabilities, demands, rights and/or causes of action, known or unknown, absolute, contingent, past, present or future, which SHC Yakima has or may have arising from the beginning of time to the date hereof, including, without limitation, any claims relating directly or indirectly to the Leases or Leased Equipment.

5. Limited Release by SFS of SHC Yakima. Upon irrevocable receipt of the Settlement Amount, SFS hereby releases and forever discharges SHC Yakima, together with its successors, assigns, past and present officers, directors, and shareholders, agents, attorneys, parents, representatives, employees, heirs, executors, administrators, and insurers from any and all actions, claims, liabilities, demands, rights and/or causes of action, known or unknown, absolute, contingent, past, present or future, which SFS has or may have arising from the beginning of time to the date hereof relating directly or indirectly to obligations owed to SFS in connection with the Leases or Leased Equipment; provided, however, that SFS shall not release or discharge any actions, claims, liabilities, demands, rights and/or causes of action arising out of or relating in any way to (a) any claim for personal injury or damage to tangible personal or real property asserted by any third party resulting directly or indirectly from SHC Yakima's or Debtors' ownership, maintenance, use, modification, possession, or operation of the Leased Equipment or (b) any claim arising under Section 5 of the Master Lease (together with the claims described in Paragraph 5(a), the "Retained Claims"). At the time this Agreement is executed, SFS is not aware of the existence of facts that would give rise to one or more Retained Claims..

6. Obligations Hereunder Effective. Nothing in this Agreement shall release any Party from any obligations, duties, promises, covenants, undertakings, or other matters explicitly imposed or reasonably implied by this Agreement.

7. Time is of the Essence. Time is of the essence with respect to any act, performance, or payment under this Agreement.

8. Choice of Language. The language used in this Agreement is that of the Parties and shall not provide the basis for a construction of language that is adverse to one Party solely because that Party or legal counsel for that Party may have drafted that language initially.

9. Severability. If any portion or portions of this Agreement may be held by a court of competent jurisdiction to conflict with any law, and as a result such portion or portions are declared to be invalid and of no force or effect in such jurisdiction, all remaining provisions of this Agreement shall otherwise remain in full force and effect and be construed as if such invalid portion or portions had not been included herein.

10. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns.

11. Amendments; No Waivers. This Agreement and all documents and instruments executed in connection herewith or in furtherance hereof may not be amended, modified, or supplemented except by an instrument in writing signed by all Parties. No waiver of any provision of this Agreement shall be effective unless in writing and signed by the Party to be charged.

12. No Assignment of Claims. Each Party represents that it has not assigned any claims that are subject to or covered by this Agreement.

13. Further Assurances. The Parties hereby agree to take any further reasonable action necessary to effectuate the terms, conditions or provisions of this Agreement.

14. Choice of Law. This agreement shall be governed by the laws of the state of New Jersey without giving effect to the principles of conflict of laws thereof.

15. Retention of Jurisdiction. The Parties submit to the jurisdiction of the Court for any matter relating to this Agreement. If, for any reason, the Court cannot adjudicate the matter, the Parties agree that the venue for any adjudication will be a court of competent jurisdiction in Yakima County, Washington.

16. Careful Review of Agreement and Understanding of Agreement. Each Party hereto represents that it has carefully read the provisions of this Agreement and knows and understands the contents hereof without reservation. EACH PARTY ACKNOWLEDGES THAT IT HAS CONSULTED WITH LEGAL COUNSEL OF CHOICE BEFORE EXECUTING THIS AGREEMENT. The Parties acknowledge that they are represented by counsel in connection with matters agreed to herein, and that the Parties have been fully advised by their attorneys regarding their rights in connection herewith and in relation to the execution of this Agreement, and that they understand and agree to all terms of this Agreement.

17. Expenses and Fees. In the event that any Party to this Agreement employs attorneys to (a) remedy, prevent or obtain relief from a breach or default of this Agreement; or (b) arising out of a breach or default of this Agreement, or contesting the validity of this Agreement, or any of the terms hereof, the prevailing Party shall be entitled to be reimbursed for all of its reasonable attorneys' fees, whether or not suit is filed, and including, without limitation, those incurred in each and every action, suit, or proceeding, including any and all appeals and petitions therefrom and all fees and costs reasonably incurred by said Party.

18. Complete Agreement; No Inducements. This Agreement constitutes the entire understanding between the Parties in connection with the subject matter, and supersedes and replaces all prior negotiations, agreements or representations, whether oral or written. Each Party acknowledges that no other Party or any agent or attorney of any Party has made any promise, representation or warranty whatsoever, express or implied, not contained herein, concerning the subject matter hereof, to induce a given Party to execute this Agreement.

19. Schedules. All Schedules referred to in, and attached to, this Agreement are deemed to be incorporated into this Agreement by reference as though set forth in full herein;

unless the context expressly requires otherwise, references to this Agreement shall also include all such Schedules.

20. Headings. The headings in this Agreement are for purposes of reference only and shall not limit or otherwise affect the meaning of the provisions hereof.

21. Signing Authority. Each person signing this Agreement on behalf of a Party warrants that such person is fully authorized to execute this Agreement on behalf of such Party and such execution is fully binding on such Party.

22. Counterparts. This Agreement may be executed in one or more counterparts for the convenience of the Parties. Each executed counterpart shall for all purposes be deemed an original, but all of which together shall constitute in the aggregate one and the same instrument. Facsimile or Email (electronic) signatures shall be deemed originals.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates set forth below:

Dated: November 30, 2020

SIEMENS FINANCIAL SERVICES, INC.

By: 

Name: Joseph M. Altieri
(Printed or Typed)

Title: Dir. of Workout

By: _____

Name: _____
(Printed or Typed)

Title: _____

Dated: November ____, 2020

SHC MEDICAL CENTER – YAKIMA

By: _____
Michael Lane
Its: Chief Restructuring Officer

unless the context expressly requires otherwise, references to this Agreement shall also include all such Schedules.

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates set forth below:

Dated: November __, 2020

SIEMENS FINANCIAL SERVICES, INC.

By: _____

Name: _____
(Printed or Typed)

Title: _____

By: C. Burrell

Name: Curtiss Burrell
(Printed or Typed)

Title: Director, Workout

Dated: November __, 2020

SHC MEDICAL CENTER – YAKIMA

By: _____
Michael Lane
Its: Chief Restructuring Officer

unless the context expressly requires otherwise, references to this Agreement shall also include all such Schedules.

20. Headings. The headings in this Agreement are for purposes of reference only and shall not limit or otherwise affect the meaning of the provisions hereof.

21. Signing Authority. Each person signing this Agreement on behalf of a Party warrants that such person is fully authorized to execute this Agreement on behalf of such Party and such execution is fully binding on such Party.

22. Counterparts. This Agreement may be executed in one or more counterparts for the convenience of the Parties. Each executed counterpart shall for all purposes be deemed an original, but all of which together shall constitute in the aggregate one and the same instrument. Facsimile or Email (electronic) signatures shall be deemed originals.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates set forth below:

Dated: November ____, 2020

SIEMENS FINANCIAL SERVICES, INC.

By: _____

Name: _____
(Printed or Typed)

Title: _____

By: _____

Name: _____
(Printed or Typed)

Title: _____

Dated: November ____, 2020

SHC MEDICAL CENTER – YAKIMA

By:  _____

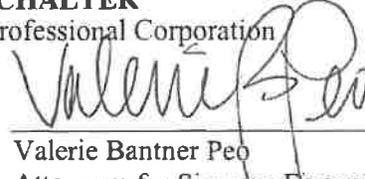
Michael Lane
Its: Chief Restructuring Officer

APPROVED AS TO FORM:

Dated: December 2, 2020

BUCHALTER
A Professional Corporation

By: _____

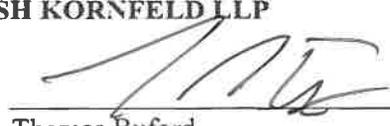


Valerie Bantner Peo
Attorneys for Siemens Financial Services,
Inc.

Dated: November __, 2020

BUSH KORNFIELD LLP

By: _____



Thomas Buford
Attorneys for Debtors

Schedule 1
to Release and Settlement Agreement

Bill of Sale

**“AS IS,” “WHERE IS”
ASSIGNMENT AND BILL OF SALE**

Siemens Financial Services, Inc., with offices at 170 Wood Avenue South, Iselin, New Jersey 08830, as seller (“SFS”), for and in consideration of the sum of One Hundred Fifty Thousand Dollars and 00/100 (\$150,000) lawful money of the United States of America (“Purchase Price”), and other good and valuable consideration paid by SHC Medical Center – Yakima, with offices at 1806 Yakima Valley Highway, Suite B, Sunnyside, Washington 98944, as buyer (“Buyer”), at or before the execution and delivery of these presents, the receipt of which is hereby acknowledged, does hereby grant, bargain, sell, assign, transfer, and set over unto Buyer, its successors and assigns, all of SFS’ right, title, and interest in and to the following property (collectively, the “Equipment”) free and clear of any security interest of SFS, upon the following terms and conditions:

- one (1) RIO Robotic Arm Interactive Orthopedic System, together with all standard options, attachments and accessories thereto;
- one (1) Aplio 300 Ultrasound Imaging System, together with all standard options, attachments and accessories thereto;
- one (1) CVIS - Syngo Dynamics SL Server, Software Maintenance Upgrades, V9, together with all standard options, attachments and accessories thereto;
- three (3) RP500 Blood Gas Analyzers and 3 SoftLab BG200 RapidPoint 500s, together with all standard options, attachments and accessories thereto; and
- one (1) Magnetom Avanto System, together with all standard options, attachments and accessories thereto.

I. Method of Payment. The Purchase Price (together with all applicable Taxes, as defined in Section II hereof, if any) shall be paid to SFS in immediately available funds by wire transfer pursuant to the following instructions:

ABA # 021000089
Account # 30824131
Citibank New York
111 Wall Street
New York, New York 10043

Reference Contract Nos. 160-0000246-000, 151-0002401-750,
154-0000664-000, 221-0000142-000, and Contract No. 130-0000470-900.

II. Sales, Use, Transfer and Other Taxes. Buyer shall (a) pay to SFS, together with the Purchase Price, all sales, use, transfer, and other taxes resulting from or arising out of the sale of the Equipment (collectively, “Taxes”) to the extent that Buyer shall not claim exemption from any such Taxes, and (b) in connection with any such exemption claim, execute and deliver to SFS a properly completed Exempt Use Certificate or Resale Certificate, as appropriate, in the form required by the applicable State Department of Taxation and Finance. Buyer shall indemnify SFS on demand against all liabilities, costs, and expenses (including, without limitation, all reasonable

attorneys' fees and disbursements) incurred by SFS as a direct or indirect result of any failure by Buyer to comply with any obligation relating to Taxes.

III. No Warranties Except As Expressly Set Forth Herein: No Responsibility to Prepare Equipment. THE SALE, TRANSFER, AND CONVEYANCE OF SFS' INTERESTS IN AND TO THE EQUIPMENT TO BUYER AND BUYER'S PURCHASE OF SAME IS MADE "AS IS" AND "WHERE IS," WITH ALL FAULTS AND WITHOUT ANY EXPRESS OR IMPLIED WARRANTIES WHATSOEVER BY, REPRESENTATIONS BY, OR RECOURSE TO SFS OF ANY KIND, NATURE, OR DESCRIPTION WHATSOEVER, INCLUDING, WITHOUT LIMITATION, AS TO ANY LIENS, CLAIMS OR ENCUMBRANCES, IF ANY, CREATED BY OR ARISING UNDER OR INURING TO THE BENEFIT OF ANY PARTY WITH RESPECT TO THE EQUIPMENT (INCLUDING WITHOUT LIMITATION ANY TAX LIENS AND/OR LIENS CREATED BY THE OPERATION OF LAW), ANY WARRANTIES AND/OR REPRESENTATIONS THAT ALL OF THE COMPONENTS OR ITEMS, IF ANY, CURRENTLY FORM A PART OF THE EQUIPMENT AND/OR ANY WARRANTIES AND/OR REPRESENTATIONS AS TO THE DESIGN AND CONDITION OF THE EQUIPMENT, ITS QUALITY, CAPACITY, SUITABILITY, CONSTRUCTION, PERFORMANCE, LOCATION OR EXISTENCE, OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, PHYSICAL CONDITION, QUANTITY OR VALUE. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SFS HAS NOT MADE AND SHALL NOT BE DEEMED TO HAVE MADE ANY (AND SFS SHALL BE DEEMED TO HAVE DISCLAIMED ANY AND ALL) REPRESENTATIONS AND WARRANTIES REGARDING THE ABSENCE OF ANY PATENT, TRADEMARK OR COPYRIGHT INFRINGEMENT OR DEFECT, LATENT OR OTHERWISE (WHETHER OR NOT DISCOVERABLE BY BUYER), COMPLIANCE WITH APPLICABLE LAW, CONFORMITY TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE DOCUMENT, PRIOR LEASE OR OTHER CONTRACT REGARDING THE EQUIPMENT, OR ANY INTERFERENCE OR INFRINGEMENT, OR ARISING FROM ANY DEFECTS OR FROM ANY COURSE OF DEALING, COURSE OF PERFORMANCE, OR USAGE OF TRADE. IN NO EVENT SHALL SFS BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES OR FOR STRICT OR ABSOLUTE LIABILITY IN TORT. Without limiting the foregoing, neither SFS nor any of its affiliates will be responsible to Buyer or any other person or entity with respect to, and Buyer agrees to bear sole responsibility for, any risk or other matter that is the subject of the preceding disclaimer. Furthermore, (a) SFS shall not be required to prepare, organize, or assemble the Equipment for shipment or delivery to Buyer, and (b) Buyer shall be responsible for and pay all costs and expenses in connection with any removal or transportation of the Equipment from its location, and Buyer hereby assumes and agrees to bear all risks of loss with respect to the Equipment upon and after payment of the Purchase Price.

IV. Miscellaneous. This Bill of Sale, together with the Release and Settlement Agreement by and between SFS and Buyer dated November 30, 2020 to which this Bill of Sale is annexed, constitutes the entire agreement between SFS and Buyer with respect to the Equipment, and supersedes all prior and contemporaneous agreements, memoranda, statements, negotiations, and discussions, whether oral or written, between or among any of SFS, Buyer, or any other person or entity with respect to such subject matter or otherwise regarding the Equipment; (a) shall be construed, interpreted and enforced in accordance with the internal laws of the State of New Jersey,

without regard to the law of any other jurisdiction; (b) may be executed in any number of counterparts, and by the different parties hereto on separate counterparts, each of which shall be an original, but all of which together shall constitute one instrument; and (c) shall be binding upon and inure to the benefit of SFS and Buyer, and their respective successors and assigns. Upon SFS' receipt of the Purchase Price (plus applicable Taxes) and a copy of this Bill of Sale signed by Buyer, SFS will countersign and return to Buyer a fully executed copy of this Bill of Sale. **EACH OF SFS AND BUYER KNOWINGLY, VOLUNTARILY, AND IRREVOCABLY WAIVE ANY RIGHT TO TRIAL BY JURY OR OTHER LEGAL PROCEEDING RELATING TO THIS BILL OF SALE OR OTHERWISE TO THE EQUIPMENT OR THE SALE THEREOF PURSUANT TO THIS BILL OF SALE.**

IN WITNESS WHEREOF, SFS has caused this Bill of Sale to be executed and delivered in its name as of the date set forth below. For all purposes hereof, the date of this Bill of Sale shall be the date of execution by SFS below.

Dated: November 30, 2020

SIEMENS FINANCIAL SERVICES, INC.

By: Matthew
Name: Joseph M. Altieri
Title: Dir. of WoodCoat

and

By: _____
Name: _____
Title: _____

Acknowledged and agreed to this
_____ day of November 2020.

SHC MEDICAL CENTER – YAKIMA

By: _____
Name: _____
Title: _____

without regard to the law of any other jurisdiction; (b) may be executed in any number of counterparts, and by the different parties hereto on separate counterparts, each of which shall be an original, but all of which together shall constitute one instrument; and (c) shall be binding upon and inure to the benefit of SFS and Buyer, and their respective successors and assigns. Upon SFS' receipt of the Purchase Price (plus applicable Taxes) and a copy of this Bill of Sale signed by Buyer, SFS will countersign and return to Buyer a fully executed copy of this Bill of Sale. **EACH OF SFS AND BUYER KNOWINGLY, VOLUNTARILY, AND IRREVOCABLY WAIVE ANY RIGHT TO TRIAL BY JURY OR OTHER LEGAL PROCEEDING RELATING TO THIS BILL OF SALE OR OTHERWISE TO THE EQUIPMENT OR THE SALE THEREOF PURSUANT TO THIS BILL OF SALE.**

IN WITNESS WHEREOF, SFS has caused this Bill of Sale to be executed and delivered in its name as of the date set forth below. For all purposes hereof, the date of this Bill of Sale shall be the date of execution by SFS below.

Dated: November ____, 2020

SIEMENS FINANCIAL SERVICES, INC.

By: _____

Name: _____

Title: _____

and

By: C. Burrell

Name: Curtiss Burrell

Title: Director, Workout

Acknowledged and agreed to this
____ day of November 2020.

SHC MEDICAL CENTER – YAKIMA

By: _____

Name: _____

Title: _____