

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF VERMONT**

**In re:**

**SPRINGFIELD MEDICAL CARE SYSTEMS,  
INC.,**

**Debtor.**

**Chapter 11**

**Case No. 19-10285**

**TO ALL HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN:**

Springfield Medical Care Systems, Inc. (“SMCS”) filed for chapter 11 bankruptcy in the United States Bankruptcy Court for the District of Vermont (the “Court”) on June 26, 2019. On November 2, 2020, SMCS filed its Second Amended Plan of Reorganization Dated November 2, 2020 (the “Plan”) and Second Amended Disclosure Statement with Respect to Debtor’s Second Amended Plan of Reorganization Dated November 2, 2020 (the “Disclosure Statement”).

**YOUR RIGHTS MAY BE AFFECTED BY THE PLAN, AND YOU ARE RECEIVING THIS NOTICE BECAUSE YOU MAY BE ENTITLED TO VOTE ON THE PLAN. THEREFORE, YOU SHOULD READ THIS NOTICE CAREFULLY AND DISCUSS WITH YOUR ATTORNEY. IF YOU DO NOT HAVE AN ATTORNEY, YOU MAY WISH TO CONSULT ONE.**

The Court has set certain key deadlines and dates related to confirmation of the Plan, including that:

- All ballots voting on the Plan must be returned by **4:00 p.m. on November 30, 2020**;
- All objections to the Plan must be made in writing and filed and served on counsel for SMCS in order to be received by **4:00 p.m. on November 30, 2020**; and
- The Court will hold a hearing on confirmation of the Plan at **9:30 a.m. on December 9, 2020**.

In addition to this Notice, SMCS encloses the following documents relevant to the Plan and Disclosure Statement:

**Exhibit A:** Disclosure Statement Order

**Exhibit B:** Notice of hearing regarding confirmation of the Plan

**Exhibit C:** Ballot for voting on the Plan

**Exhibit D:** Selected sections of the Disclosure Statement describing the classification and treatment of claims under the Plan

SMCS has approved the filing of the Plan and the solicitation of votes to accept the Plan. SMCS believes that acceptance of the Plan is in the best interests of its estate, holders of claims and interests, and all other parties in interest. Moreover, SMCS believes that any alternative other than confirmation of the Plan could result in extensive delays, increased administrative expenses, and the loss of significant benefits to the estate from the Plan as proposed by SMCS.

**SMCS STRONGLY URGES YOU TO PROPERLY AND TIMELY SUBMIT YOUR BALLOT CASTING A VOTE TO ACCEPT THE PLAN. BALLOTS MUST BE SERVED THROUGH THE MAIL ON SMCS'S COUNSEL AS FOLLOWS PRIOR TO 4:00 P.M. ON NOVEMBER 30, 2020:**

Bernstein Shur  
100 Middle Street, P.O. Box 9729  
Portland, Maine 04101  
Attn: Sam Anderson, Esq.

**BALLOTS NOT ACTUALLY RECEIVED BY THE VOTING DEADLINE MAY NOT BE COUNTED, AND BALLOTS THAT DO NOT INDICATE EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN WILL BE DEEMED TO CONSTITUTE AN ACCEPTANCE OF THE PLAN. BALLOTS MAILED TO THE CLERK OF THE BANKRUPTCY COURT MAY NOT BE COUNTED.**

You are entitled to receive, and are encouraged to request, a complete copy of the Plan, Disclosure Statement, ballot, and related documents (the "Plan Documents"). You can access a copy of the Plan Documents by visiting the following website: <https://www.bernsteinshur.com/what/publications/springfield-bankruptcy/> You also can request a copy of the Plan Documents by contacting Adam Prescott, via mail at 100 Middle Street, PO Box 9729, Portland, ME 04104-5029, via email at [aprescott@bernsteinshur.com](mailto:aprescott@bernsteinshur.com), or via phone at (207) 228-7145. **Copies of the Plan Documents will be provided at no charge.**

This Notice and the enclosed materials are intended to be self-explanatory. If you should have any questions, however, please contact counsel for SMCS at [aprescott@bernsteinshur.com](mailto:aprescott@bernsteinshur.com) or (207) 228-7145. Please be advised that SMCS's counsel is allowed to answer questions about, and provide additional copies of, the Notice and Plan Documents, but may not advise you as to whether you should vote to accept or reject the Plan.

Thank you for your consideration and attention to these important matters, and thank you for your continued support of SMCS and its mission.

Dated: November 2, 2020

/s/ D. Sam Anderson

D. Sam Anderson, Esq.  
Adam R. Prescott, Esq.  
BERNSTEIN SHUR SAWYER & NELSON, P.A.  
100 Middle Street, P.O. Box 9729  
Portland, Maine 04104-5029

*Counsel for SMCS*

**EXHIBIT**

**A**

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF VERMONT**

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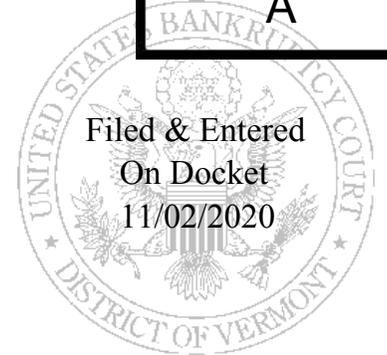
**In re: SPRINGFIELD MEDICAL CARE  
SYSTEMS, INC.,<sup>1</sup>**

**Chapter 11**

**Case # 19-10285**

**Debtor.**

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**ORDER**

**APPROVING DISCLOSURE STATEMENT AND SETTING HEARING ON CONFIRMATION OF PLAN**

The matter before the Court is the Second Amended Disclosure Statement filed by the above-captioned debtor and debtor-in-possession, Springfield Medical Care Systems, Inc. (the “Plan Proponent”), on November 2, 2020 (doc. # 546) relating to the proposed Second Amended Plan of Reorganization of Springfield Medical Care Systems, Inc. Dated November 2, 2020 (the “Plan”), filed by the Plan Proponent on November 2, 2020 (doc. # 544). Based upon the record in this case, THE COURT FINDS the Plan Proponent has provided sufficient notice to all creditors and parties in interest of the hearing to approve the Disclosure Statement. The Court held a hearing on the adequacy of the Disclosure Statement on October 23, 2020, and either no objections were presented or all objections that were presented were overruled or withdrawn. Based upon this hearing, THE COURT FURTHER FINDS the Plan Proponent has satisfied the statutory requirements for a chapter 11 Disclosure Statement.

Therefore, IT IS HEREBY ORDERED, pursuant to 11 U.S.C. § 1125(b), that the Disclosure Statement is approved as containing adequate information, as that term is defined in 11 U.S.C. § 1125(a).

IT IS FURTHER ORDERED that the Plan Proponent must serve the Proposed Notice and all exhibits thereto (as defined in the Order Granting Emergency Motion for Entry of Order: (I) Modifying Service Requirements for Plan and Disclosure Statement; and (II) Approving Form of Notice (doc. # 539) upon all creditors by **November 5, 2020**, and file a certificate of service evidencing proper service of the Proposed Notice and exhibits by **4:00 p.m. on November 6, 2020**.

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<sup>1</sup> The last four digits of the taxpayer identification number of Springfield Medical Care Systems, Inc. are 4813. See 11 U.S.C. § 342(c)(1). The principal office of Springfield Medical Care Systems, Inc. is located at 25 Ridgewood Road, Springfield, Vermont. Id.

IT IS FURTHER ORDERED that all completed ballots must be returned to counsel for the Plan Proponent by **4:00 p.m. on November 30, 2020**, and the Plan proponent must file a certification summarizing all returned ballots no later than **4:00 p.m. on December 4, 2020**.

IT IS FURTHER ORDERED that the hearing on confirmation of the Plan will be held at **9:30 a.m. on December 9, 2020**, before the United States Bankruptcy Court for the District of Vermont, via ZOOM, and any objections to the Plan must be in writing and filed no later than **4:00 p.m. on November 30, 2020**. Any person who intends to participate in the hearing on confirmation of the Plan must contact the courtroom deputy by **10:00 a.m. on December 8, 2020**, at **jody\_kennedy@vtb.uscourts.gov** or at **(802) 657-6404**, to give her the screen name s/he will be using on the device used to connect to the hearing. For security reasons, failure to provide this information in advance of the hearing may result in exclusion from the hearing.

IT IS FURTHER ORDERED that the hearing on confirmation of the Plan may be continued by announcement at the hearing, and a docket entry, with no further notice of the continued hearing date.

SO ORDERED.

November 2, 2020  
Burlington, Vermont



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Colleen A. Brown  
United States Bankruptcy Judge

**EXHIBIT**

**B**

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF VERMONT**

**In re:**

**SPRINGFIELD MEDICAL CARE SYSTEMS,  
INC.,<sup>1</sup>**

**Debtor.**

**Chapter 11**

**Case No. 19-10285**

**NOTICE OF HEARING ON CONFIRMATION OF PLAN  
AND RELATED DEADLINES**

**PLEASE TAKE NOTICE** that on November 2, 2020, Springfield Medical Care Systems, Inc. (the “Debtor”) filed its Second Amended Disclosure Statement with Respect to Debtor’s Second Amended Plan of Reorganization Dated November 2, 2020, and its Second Amended Plan of Reorganization Dated November 2, 2020 (the “Plan”).

A **HEARING ON CONFIRMATION OF THE PLAN** and any responses thereto will be held by the United States Bankruptcy Court for the District of Vermont by **ZOOM at 9:30 a.m. on Wednesday, December 9, 2020.** Any person who intends to participate in the hearing on confirmation of the Plan must contact the courtroom deputy **by 10:00 a.m. on December 8, 2020,** at **jody\_kennedy@vtb.uscourts.gov** or at **(802) 657-6404,** to give her the screen name s/he will be using on the device used to connect to the hearing. For security reasons, failure to provide this information in advance of the hearing may result in exclusion from the hearing.

**IF YOU OPPOSE CONFIRMATION OF THE PLAN,** you are encouraged to file a written response specifying your opposition with the Clerk of the Court **on or before 4:00 p.m. on November 30, 2020.** You may file your response by e-mailing the response to **efiling@vtb.uscourts.gov;** by mailing the response to U.S. Bankruptcy Court, District of Vermont, PO Box 1663, Burlington, VT 05402-1663; by hand-delivering the response to the Clerk of the Court at 151 West Street, Rutland, VT 05701 or 11 Elmwood Ave, Rm 200, Burlington, VT 05401; or by filing via the Bankruptcy Court’s CM/ECF filing system.

**BALLOTS FOR VOTING ON THE PLAN** must be served through the mail on the Debtor’s counsel at the address below such that they are received on or before **4:00 p.m. on November 30, 2020:**

Bernstein Shur  
100 Middle Street, P.O. Box 9729  
Portland, Maine 04101  
Attn: Sam Anderson, Esq.

<sup>1</sup> The last four digits of the taxpayer identification number of Springfield Medical Care Systems, Inc. are 4813. See 11 U.S.C. § 342(c)(1). The principal office of Springfield Medical Care Systems, Inc. is located at 25 Ridgewood Road, Springfield, Vermont. Id.

**Ballots not actually received by the Voting Deadline may not be counted, and ballots that do not indicate either an acceptance or rejection of the Plan will be deemed to constitute an acceptance of the Plan. Ballots mailed to the Clerk of the Court may not be counted.**

**THE DEBTOR ENCOURAGES YOU TO VOTE ON THE PLAN.**

Date: November 2, 2020

*/s/ D. Sam Anderson* \_\_\_\_\_

D. Sam Anderson, Esq.

Adam R. Prescott, Esq.

BERNSTEIN SHUR

100 Middle Street

P.O. Box 9729

Portland, Maine 04104-5029

*Attorneys for the Debtor*



UNITED STATES BANKRUPTCY COURT DISTRICT OF VERMONT

In re:
SPRINGFIELD MEDICAL CARE SYSTEMS, INC.,
Debtor.

Chapter 11
Case No. 19-10285

BALLOT FOR ACCEPTING OR REJECTING SECOND AMENDED PLAN OF REORGANIZATION OF SPRINGFIELD MEDICAL CARE SYSTEMS, INC. DATED NOVEMBER 2, 2020

Filed By (Name of Creditor):
Creditor's Contact Person:
Creditor's Mailing Address:
Creditor's Telephone and Facsimile Number:
Creditor's E-Mail Address:
Date Ballot Submitted:

The Second Amended Plan of Reorganization of Springfield Medical Care Systems, Inc. Dated November 2, 2020 (the "Plan"), can be confirmed by the Bankruptcy Court and made binding on you if it is accepted by the holders of two-thirds in amount and more than one-half in number of claims in each impaired class voting on the Plan. If the requisite acceptances are not obtained, the Bankruptcy Court may nevertheless confirm the Plan if it finds the requirements of 11 U.S.C. § 1129(b) have been satisfied. If you want your vote to count, you must complete and return this ballot to Bernstein Shur, attn: Sam Anderson, Esq., 100 Middle Street, P.O. Box 9729, Portland, ME 04104-5029 (sanderson@bernsteinshur.com), so that it is received no later than November 30, 2020 at 4:00 p.m.

BALLOT: The undersigned, a creditor of Springfield Medical Care Systems, Inc., in the unpaid amount of:

\$ [Fill in Amount of Creditor's Claim]

[Check the appropriate box]

[ ] Accepts the Plan

[ ] Rejects the Plan

CREDITOR:

BY:

TITLE:



**D. Classification and Treatment of Claims and Interests Under the Plan**

**1. Classification of Claims**

Section 1122 of the Bankruptcy Code requires the Plan to place a Claim in a particular Class only if such Claim is substantially similar to the other Claims in that Class. The Debtor believes that the Plan's classifications place substantially similar Claims in the same Class and, thus, meet the requirements of § 1122 of the Bankruptcy Code. The specific classifications and treatments of Classified Claims through the Plan are discussed further below and in the Plan.

**2. Unclassified Claims**

Under the Plan, certain types of Claims are not placed into Classes. Instead, such Claims are Unclassified Claims. Unclassified Claims are Unimpaired, and Holders of Unclassified Claims do not vote on the Plan because they are automatically entitled to specific treatment provided for Unclassified Claims in the Bankruptcy Code or the Claim treatment has been agreed upon by the Debtor and a particular Claimant. Descriptions of the Unclassified Claims, and the allowance and treatment of such Unclassified Claims under the Plan, are discussed next.

**a. Allowance of Administrative Claims**

**i. Allowance of Non-Ordinary Course Administrative Claims and the Hospital Administrative Claim**

Unless otherwise expressly provided in the Plan, Non-Ordinary Course Administrative Claims shall be Allowed Claims only if: (i) on or before the Non-Ordinary Course Administrative Claim Bar Date, the Person holding such Non-Ordinary Course Administrative Claim both Files with the Bankruptcy Court a motion requesting allowance of the Non-Ordinary Course Administrative Claim and serves the motion on counsel for the Debtor and the U.S. Trustee; and (ii) a Final Order is subsequently entered by the Bankruptcy Court allowing the Non-Ordinary Course Administrative Claim.

**THE NON-ORDINARY COURSE ADMINISTRATIVE BAR DATE IS SIXTY (60) CALENDAR DAYS AFTER THE EFFECTIVE DATE. Notice of the actual date upon which the Non-Ordinary Course Administrative Claims Bar Date falls shall be set forth in the Notice of the Effective Date of the Plan that shall be served on parties-in-interest within fourteen (14) calendar days after the Effective Date (the "Notice of the Effective Date"). Persons holding Non-Ordinary Course Administrative Claims that do not File and serve a request for payment on or before the Non-Ordinary Course Administrative Claim Bar Date shall be forever barred from asserting those Claims against the Debtor, the Estate, and/or the Assets. The Debtor or any other party-in-interest may File an objection to any motion requesting allowance of a Non-Ordinary Course Administrative Claim in accordance with the Bankruptcy Code and/or any applicable Bankruptcy Rules.**

The Hospital Administrative Claim is an Unclassified Non-Ordinary Course Administrative Claims that shall be treated in accordance with the Plan, as is described further below.

**ii. Allowance of Ordinary Course Administrative Claims**

Under the Plan, Holders of Ordinary Course Administrative Claims shall not be required to File any request for payment of such Claims. The Debtor has paid and continues to pay all Ordinary Course Administrative Claims as they become due. Any party seeking express allowance of an Ordinary Course Administrative Claim may File a motion by the Non-Ordinary Course Administrative Bar Date or forever waives the right to do so. The Debtor shall identify the parties that the Debtor believes hold Ordinary Course Administrative Claims in a schedule attached to the Notice of the Effective Date.

**iii. Allowance of 503(b)(9) Claims**

Holders of 503(b)(9) Claims were required to File proofs of claim by the General Bar Date, which was September 4, 2019 for most Creditors. A 503(b)(9) Claim shall be an Allowed 503(b)(9) Claim if: (i) no objection, motion, or other proceeding to estimate, equitably subordinate, reclassify, set off, or otherwise limit the recovery thereon has been asserted before the expiration of the Claims Objection Deadline, which is ninety (90) days after the Effective Date, unless upon motion of the Debtor, the Bankruptcy Court extends such deadline; or (ii) any objection, motion, or other proceeding to estimate, equitably subordinate, reclassify, or set off has been resolved by agreement between the Claimant and the Debtor or by Final Order of the Bankruptcy Court.

**iv. Allowance of Professional Fee Claims**

Each Professional seeking approval by the Bankruptcy Court of a Professional Fee Claim,<sup>6</sup> which includes compensation for services rendered or reimbursement of expenses incurred through and including the Confirmation Date, must (in light of such Claims constituting Non-Ordinary Course Administrative Claims): (i) File its final application for allowance of compensation for services rendered and reimbursement of expenses incurred through the Confirmation Date by no later than the date that is **sixty (60) days after the Effective Date**. Any objection to such Professional Fee Claims shall be Filed on or before the date specified in the notice of the application for final compensation. All such requests for payment of such Professional Fee Claims shall be subject to the authorization and approval of the Bankruptcy Court.

**Persons holding Professional Fee Claims who do not timely File a final fee application shall be forever barred from asserting those Claims against the Debtor, the Debtor's Estate, or the Assets, unless otherwise ordered by the Bankruptcy Court. To the extent not paid in full prior to the Effective Date, the Debtor shall remain liable for Professional Fee Claims Allowed by the Bankruptcy Court.**

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<sup>6</sup> Professional Fee Claims do not include Claims either under § 503(b)(4) of the Bankruptcy Code for compensation for professional services rendered or under § 503(b)(3)(D) of the Bankruptcy Code for expenses incurred in making a substantial contribution to the Estate, which Claims are Non-Ordinary Course Administrative Claims and are subject to the Non-Ordinary Course Administrative Claims Bar Date.

v. **Allowance of Cure Claims**

A Cure Claim shall become an Allowed Cure Claim when the assumption of the affected unexpired lease or executory contract is effective, pursuant to a Final Order of the Bankruptcy Court addressing assumption of the applicable unexpired lease or executory contract and the amount of the Cure Claim is quantified by that Final Order. Assumption and rejection of unexpired leases and executory contracts is discussed below and in § V of the Plan.

vi. **Allowance of U.S. Trustee Fees**

U.S. Trustee Fees shall be determined in accordance with 28 U.S.C. § 1930, and nothing in the Plan shall impose or is intended to impose an obligation on the U.S. Trustee to File any Claim or motion relating to the U.S. Trustee Fees. U.S. Trustee Fees shall be paid in accordance with the requirements of any statute relating to U.S. Trustee Fees.

b. **Treatment of Administrative Claims**

i. **Payment of Allowed Non-Ordinary Course Administrative Claims and the Hospital Administrative Claim**

Except to the extent that any Person entitled to payment of a Allowed Non-Ordinary Course Administrative Claim agrees to a different treatment, under the Plan, each Holder of an Allowed Non-Ordinary Course Administrative Claim shall receive in full satisfaction, discharge, exchange, and release thereof, Cash in an amount equal to such Allowed Non-Ordinary Course Administrative Claim on the later of: (i) the Effective Date; or (ii) the date that is fourteen (14) calendar days after such Non-Ordinary Course Administrative Claim becomes an Allowed Non-Ordinary Course Administrative Claim, or, in either case, as soon thereafter as is practicable.

By agreement, the Debtor shall satisfy the Hospital Administrative Claim by making equal monthly payments to the Hospital in an amount that will fully satisfy the Hospital Administrative Claim upon the making of the twenty-fourth (24th) monthly payment (the "Monthly Payments"). The first Monthly Payment shall be made on July 1, 2021, and each subsequent Monthly Payment shall be made on approximately the first day of each subsequent month until the twenty-fourth (24th) Monthly Payment is made.

ii. **Payment of Allowed Ordinary Course Administrative Claims**

Each Ordinary Course Administrative Claim, unless disputed by the Debtor, shall be satisfied by the Debtor, under the terms and conditions of the particular transaction (including historic practice between the parties) giving rise to that Ordinary Course Administrative Claim, without any further action by the Holder of such Ordinary Course Administrative Claim.

iii. **Payment of 503(b)(9) Claims**

Except to the extent that any Holder of a 503(b)(9) agrees to a different treatment, each Holder of a 503(b)(9) Claim, if any, shall receive in full satisfaction, discharge, exchange, and

release thereof, Cash in an amount equal to the Allowed amount of the 503(b)(9) Claim on the later of: (i) the Effective Date; or (ii) the date that is fourteen (14) days after such 503(b)(9) Claim becomes an Allowed Claim or, in either case, as soon thereafter as is practicable.

**iv. Payment of Professional Fee Claims**

Holders of Professional Fee Claims, to the extent approved by the Bankruptcy Court, are to be paid, in full satisfaction, discharge, exchange, and release thereof, Cash in such amounts as are Allowed by the Bankruptcy Court on the date such Professional Fee Claim becomes an Allowed Claim, or as soon thereafter as is practicable. **To the extent not paid in full prior to the Effective Date, the Debtor shall remain liable for Professional Fee Claims Allowed at that time or subsequently Allowed by the Bankruptcy Court.**

**v. Payment of Cure Claims**

Each Holder of a Cure Claim shall receive, in full satisfaction, discharge, exchange, and release thereof, payment of such Cure Claim pursuant to the terms of any agreement between the Holder of the Cure Claim and the Debtor or pursuant to the terms of any Final Order of the Bankruptcy Court establishing the Cure Claim. Assumption and rejection of executory contracts and unexpired leases is discussed further below and in § V of the Plan.

**vi. Payment of U.S. Trustee Fees**

When due in the ordinary course, all U.S. Trustee Fees payable under 28 U.S.C. § 1930 shall be paid in Cash, in full. Nothing in the Plan alters or modifies any obligation of the Debtor to pay fees required under 28 U.S.C. § 1930 or to File reports required by the U.S. Trustee.

**vii. Treatment and Payment of Priority Tax Claims**

In accordance with § 1129(a)(9)(C) of the Bankruptcy Code, except as otherwise agreed by the Debtor and the applicable Claimant, and except as to the Priority Tax Claim held by the IRS, each Holder of an Allowed Priority Tax Claim shall receive deferred Cash payments over a period not to exceed five (5) years from the Petition Date. Payments shall be made in equal, annual installments, and each installment shall include simple interest accrued on the unpaid portion of such Allowed Priority Tax Claim at the Federal Judgment Rate in effect as of the Effective Date per annum from and after the Effective Date; provided, however, that the Debtor reserves the right to pay any Allowed Priority Tax Claim, or any remaining principal balance of such Allowed Priority Tax Claim, in full, at any time on or after the Effective Date and before the expiration of the five-year period without premium or penalty.

The only Priority Tax Claim known to the Debtor is the Priority Tax Claim filed by the IRS in the amount of **\$7,161.21** (the "IRS Priority Claim Amount"). The Debtor shall pay the IRS Priority Claim Amount on or before the Effective Date in accordance with the agreement between the Debtor and the IRS. If the IRS determines that it may hold a Priority Tax Claim in an amount greater than the IRS Priority Claim Amount, the IRS may amend its proof of claim, and the Debtor shall have 90 days from the date of such amendment to file an objection. If no timely objection is

filed, the amount of the Priority Tax Claim in the IRS's amended proof of claim shall become an Allowed Priority Tax Claim and shall be paid immediately.

### 3. Classified Claims

The Bankruptcy Code requires certain types of claims to be placed into Classes. The following describes the Plan's treatment of Classified Claims:

#### a. Berkshire Claims (Class 1)

Class 1 consists of the Berkshire's Claims. On the Effective Date, Berkshire's Class 1 Claim shall be an Allowed Secured Claim in the amount of **\$2,000,000.00** with payment, in full, to be made on the Effective Date or as soon as is reasonably practicable thereafter from the proceeds of the Exit Funding. Berkshire shall also receive an additional **\$2,000,000.00** on the Effective Date or as soon as is reasonably practicable thereafter from a non-Debtor source, with the expectation being that such additional funds shall be paid by or on behalf of the Hospital. The Letter of Credit has not been drawn upon, and the Debtor shall cause the undrawn Letter of Credit to be terminated on or before the Effective Date. Upon (i) Distribution of the Exit Funding to Berkshire in satisfaction in full of Berkshire's Allowed Claims, (ii) Distribution of the additional **\$2,000,000.00** to Berkshire by or on behalf of the Hospital, and (iii) termination of the Letter of Credit with no liability to Berkshire thereunder, all mortgages, liens, security interests, or other interests of Berkshire against any Assets of the Debtor or its Estate shall be fully released and discharged, and all of the right, title, and interests of Berkshire with respect to such mortgages, liens, security interests, or other interests shall revert to the Debtor and its successors and assigns, and the Letter of Credit shall immediately terminate if not terminated previously, without any further approval or Order of the Bankruptcy Court and without any action or filing being required to be made by Berkshire or the Debtor. Notwithstanding the foregoing, Berkshire shall, not later than thirty (30) calendar days after the Effective Date, discharge all mortgages, liens, security interests, or other interests against any Assets of the Debtor or its Estate. On or before fourteen (14) calendar days after the Confirmation Date, Vermont shall provide the Exit Funding to be used solely for the purpose of funding payment of Berkshire's Allowed Claims.

Berkshire's Plan treatment represents the results of negotiation between and among the Debtor, the Hospital, Vermont, and Berkshire pursuant to which Berkshire, subject to certain conditions, will accept a total of **\$4,000,000.00**, with **\$2,000,000.00** each from the Debtor and the Hospital, in Cash on the Effective Date, or as soon as is reasonably practicable thereafter, and the termination of the undrawn Letter of Credit with no liability to Berkshire thereunder, in full satisfaction of Berkshire's Claims against the Debtor and the Hospital. The Debtor reserves all of its rights in the event the conditions set forth in the Plan are not satisfied.

If Berkshire does not receive a **\$4,000,000.00** payment on the Effective Date, or as soon as is reasonably practicable thereafter, and the undrawn Letter of Credit has not been terminated with no liability to Berkshire thereunder, then Berkshire reserves all liens and rights under the Revolving Line of Credit Loan Documents, Term Loan Documents, and the Cash Collateral Order, and the Debtor reserves all of its rights and remedies available under the Bankruptcy Code and

Cash Collateral Order. **Resolution of any disputed issues with Berkshire could impact Confirmation.**

Upon (A) payment of \$4,000,000.00 to Berkshire, (B) termination of the Letter of Credit with no liability to Berkshire thereunder, and (C) the release of the Berkshire liens, all as provided for in the Plan, the Debtor releases all claims against Berkshire and shall not assert a claim against Berkshire under any provision of the Plan or the Bankruptcy Code. Further, upon fulfillment of each of the conditions of the immediately preceding sentence, the Debtor releases any and all claims related to the Revolving Line of Credit, the Term Loan, or the Letter of Credit against Berkshire's directors, officers, shareholders, employees, agents, and attorneys.

**b. People's United Secured Claim (Class 2)**

Class 2 consists of the People's United Secured Claim. The Debtor shall pay the People's United Allowed Secured Claim amortized over twenty-five (25) years at a fixed rate of interest equal to the prime rate of interest in effect as of the Confirmation Date plus 1 percentage point. The Debtor shall make monthly payments to People's United with the first monthly payment to be made on the thirtieth (30<sup>th</sup>) day after the Effective Date, and each subsequent monthly payment to be made on the same day of each subsequent month. The Debtor shall have thirty (30) days to cure any payment defaults hereunder, after receipt of written notice of the same from People's United. The Debtor believes that the People's Collateral has a value greater than the amount owed under the People's Loan. People's United shall continue to hold liens in the People's Collateral to the same extent as existed as of the Petition Date until such time as the Class 2 Claims are satisfied in accordance with the terms hereof.

**c. Vermont Retainer Program Claims (Class 3)**

Class 3 consists of any and all Claims held by Vermont in relation to the Retainer Program. The Class 3 Claims shall be paid in accordance with the terms of the Retainer Program Order.

**d. State of New Hampshire COVID-19 Loan Claims (Class 4)**

Class 4 consists of any and all Claims held by New Hampshire in relation to the NH Loan Program. The Class 4 Claims shall be paid in accordance with the terms of the NH Loan Program Order. To the extent the NH Loan Money is converted to a grant by New Hampshire, the Debtor shall have no obligation to repay the NH Loan Money in accordance with the terms of the NH Loan Program.

**e. VHCB (Class 5)**

Class 5 consists of any and all Claims of VHCB. The obligations owed to VHCB shall remain as set forth in the Edgar May Mortgage, Grant Agreement and Historic Preservation Easement, leaving VHCB Unimpaired under the Plan. Remediation relating to the Foundry Building is anticipated to be funded by sources outside of the Debtor, and, therefore, this contingent liability is not accounted for in relation to the financial projections attached as **Exhibit**

A to the Plan. Nothing in the Plan alters, modifies, or discharges any historic preservation or related obligations that the Debtor may now have or may in the future become subject to under applicable law or the Edgar May Mortgage, Grant Agreement or Historic Preservation Easement. Nothing in the Plan alters any presently existing or subsequently accruing claims of Vermont for non-monetary relief under any applicable laws, regulations, or decisions relating to environmental and health and safety obligations and requirements (collectively, the “Environmental Laws”). Any claims by Vermont for recovery of money damages under applicable Environmental Laws arising prior to Confirmation shall be governed by the terms of the Plan. Any claims by Vermont under applicable Environmental Laws arising or accruing post-Confirmation, whether monetary or non-monetary, are not impaired or altered by the Plan in any respect and are fully reserved and preserved.

**f. Town of Charlestown, New Hampshire (Class 6)**

Class 6 consists of any Allowed Secured Claims of Charlestown. The Debtor shall pay the Secured Claims of Charlestown amortized over a period of five (5) years from the Petition Date, with the final payment to be made on June 26, 2024. The Secured Claims of Charlestown shall accrue interest from the Petition Date at a rate equal to the Federal Judgment Rate in effect as of the Confirmation Date. Payments shall be made annually on June 26<sup>th</sup> of each year, or the first Business Day thereafter, after the Effective Date in roughly equal amounts as needed to fully amortize and satisfy the Secured Claims of Charlestown as provided for herein. The Debtor shall have thirty (30) days to cure any defaults in relation to its obligations hereunder, after receipt of written notice of the same from Charlestown. Charlestown shall continue to hold liens against the Charlestown Property to the same extent as existed as of the Petition Date. The Debtor reserves the right to satisfy the Allowed Secured Claims of Charlestown in advance of the timeframes set forth in this paragraph.

**g. Priority Non-Tax Claims (Classes 7 and 8)**

Class 7 consists of Priority Wage Claims, which are Prepetition Unsecured Claims for wages, salaries, or commissions, including vacation, severance, and sick leave pay and certain benefits as described in §§ 507(a)(4) and (5) of the Bankruptcy Code. Priority Wage Claims are limited in amount by the Bankruptcy Code to **\$13,650.00** per individual. On June 26, 2019, the Debtor filed that certain Emergency Motion for Authority to Pay Pre-Petition Wages, to Maintain Existing Insurance Coverage, and for Related Relief [DE-13] (the “Payroll Motion”). Pursuant to the order granting the Payroll Motion (the “Payroll Order”), the Debtor paid certain Priority Wage Claims after the Petition Date. Excepting cash payouts relating to earned paid time off, Priority Wage Claims shall be satisfied in accordance with the policies of the Debtor that existed as of the Petition Date, subject to the terms of the Payroll Order. Subject to the terms of the Payroll Order, earned paid time off shall be utilized by employees of the Debtor in accordance with policies and practices that existed before the Petition Date. In the event an employee requests a cash payout relating to earned paid time off, however, the Distribution shall be limited by the **\$13,650.00** maximum payment as provided by the Bankruptcy Code. Any Priority Wage Claims that exceed the **\$13,650.00** statutory maximum shall constitute General Unsecured Claims.

Class 8 consists of the Priority Non-Tax Claims, other than Priority Wage Claims. As to Class 8, to the extent any Priority Non-Tax Claims, other than Priority Wage Claims exist, and

unless otherwise mutually agreed upon by the Holder of an Allowed Priority Non-Tax Claim that is not a Priority Wage Claim and the Debtor, each such Holder of an Allowed Priority Non-Tax Claim that is not a Priority Wage Claim shall receive Cash in an amount equal to the Holder's Allowed Claim on the later of the Effective Date or the date such Priority Non-Tax Claim other than Priority Wage Claim becomes an Allowed Claim pursuant to a Final Order, or, in either event, as soon thereafter as is practicable.

**h. Patient Refund Claims (Class 9)**

Class 9 consists of the Allowed Patient Refund Claims. In order to maintain its reputation and to adhere to best business practices, the Debtor shall pay Allowed Patient Refund Claims in Class 9 to the appropriate patient or guarantor in full no later than the 180th day after the Effective Date. For purposes of the Plan, any Patient Refund Claim (i) identified in the Schedules or in a proof of claim, and (ii) not subject to an objection on or before October 23, 2020, shall be classified as an Allowed Class 9 Claim. To the extent a Patient Refund Claim is not an Allowed Claim on or before the 180th day after the Effective Date, the Debtor shall fund such Patient Refund Claim as soon as practicable after such Claim becomes an Allowed Claim through an agreement between the Debtor and the Holder of the Patient Refund Claim or through a Final Order. The Debtor shall have the right to apply any Patient Refund Claim to amounts owed by such patient or guarantor to the Debtor and to remit only the net amount, if any, owed to such patient or guarantor.

**i. General Unsecured Claims (Class 10)**

Class 10 consists of Unsecured Claims that are not Unclassified Claims or provided for under any other Class, and Class 10 Claims include any deficiency Claim arising from operation of § 506 of the Bankruptcy Code. Any and all Claims of the Hospital relating to the time period before the Petition Date shall constitute Class 10 Claims.

Under the Plan, in full and final satisfaction, settlement, release, and discharge of any Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive Cash Distributions equal to a pro rata share of all GUC Avoidance Recoveries, as provided for in § VII(C) of the Plan. Class 10 Claims shall not accrue interest.

**4. General Claim Treatment Provisions and Liens**

Except as may otherwise be provided for in the Plan, the failure of any party to object to any Claim in the Case shall be without prejudice to the rights of the Debtor to contest, object to, or otherwise defend against such Claim if and when such Claim is sought to be enforced by the Holder of such Claim. Notwithstanding § 1141(c) or any other provision of the Bankruptcy Code, all Prepetition liens on Assets of the Debtor held with respect to any Allowed Secured Claim shall survive the Effective Date and continue in accordance with the contractual terms or statutory provisions until such Allowed Secured Claim is satisfied, at which time such lien shall be released, shall be deemed null and void, and shall be unenforceable for all purposes; provided, however, that the Debtor may condition delivery of any final payment upon receipt of an executed release of the lien. Any and all liens securing any Secured Claim that is not an Allowed Claim shall be released, shall be deemed null and void, and shall be unenforceable for all purposes. Nothing in the Plan shall preclude the Debtor from challenging the validity of any alleged lien, including a

mortgage, security interest, or other charge, on any Asset or the value of the Asset that secures any alleged lien, and all such rights are expressly preserved.

The Debtor, pursuant to §§ 502(b)(1) and 558 of the Bankruptcy Code and applicable non-bankruptcy law, may set off against any Allowed Claim, and the Distributions to be paid under this Plan, the Claims, rights, and Causes of Action of any nature that the Debtor may have against the Holder of such Allowed Claim, including any surcharge rights under § 506(c) of the Bankruptcy Code; provided, however, that neither the failure to effect such a setoff, nor the allowance of any Claim under this Plan, shall constitute a waiver or release by the Debtor of any such claims, rights, and Causes of Action that the Debtor may have against such Holder.

**E. Estimated Range of Potential Recoveries for Impaired Classes of Claims**

The estimated potential range of recovery to Holders of Allowed Claims in the Classes of Impaired Claims is set forth in the chart below. Matters arising during Confirmation or in the process of allowance of a particular Claim could impact any Distributions.

<b>Class</b>	<b>Type of Claim</b>	<b>Estimated Recovery</b>	<b>Entitled to Vote</b>
Class 1	Berkshire Claims	Paid \$2 million	Yes
Class 2	People’s United Secured Claims	Paid in full	Yes
Class 3	State of Vermont Retainer Program Claims	Paid in full to the extent not forgiven	No
Class 4	State of New Hampshire Covid-19 Loan Claims	Paid in full to extent not forgiven	No
Class 5	VHCB	No payment required at this time	No
Class 6	Town of Charlestown, New Hampshire	Paid in full	Yes
Class 7	Priority Wage Claims	Paid in full, excepting possibly paid time off	No
Class 8	Priority Non-Tax Claims, other than Priority Wage Claims	Paid in full	No
Class 9	Patient Refund Claims	Paid in full within 180 days	Yes
Class 10	General Unsecured Claims	Potential pro rata payment based on GUC Avoidance Recoveries	Yes