

A Collaborative Effort Lakewood HealthCare Partners: LOI Financial Terms Summary

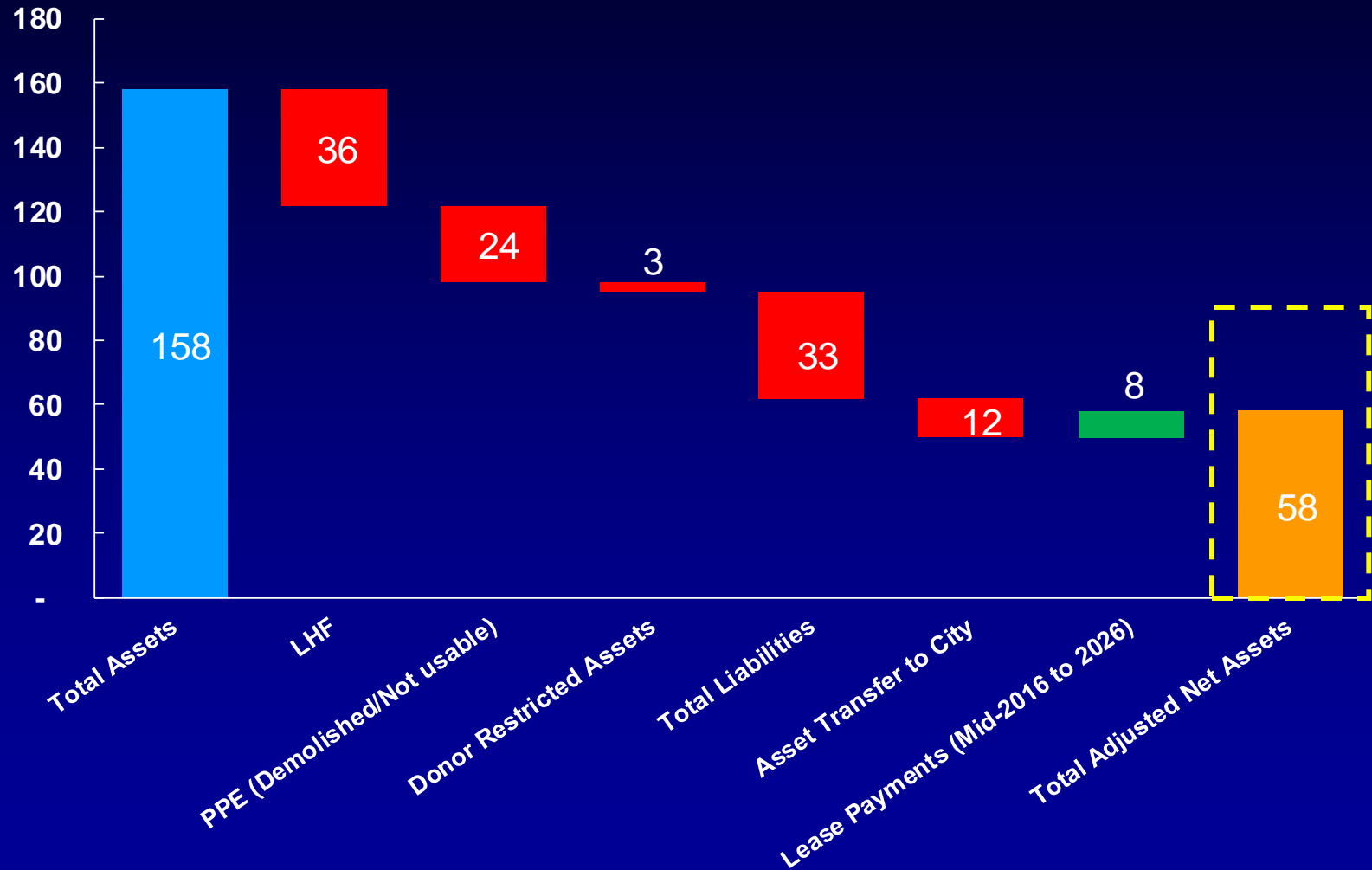


Financial Resources

- **Lakewood Hospital Association**
- **Lakewood Hospital Foundation**
- **Cleveland Clinic**

LHA Total Assets (as of Sept 30, 2014)

\$ in millions

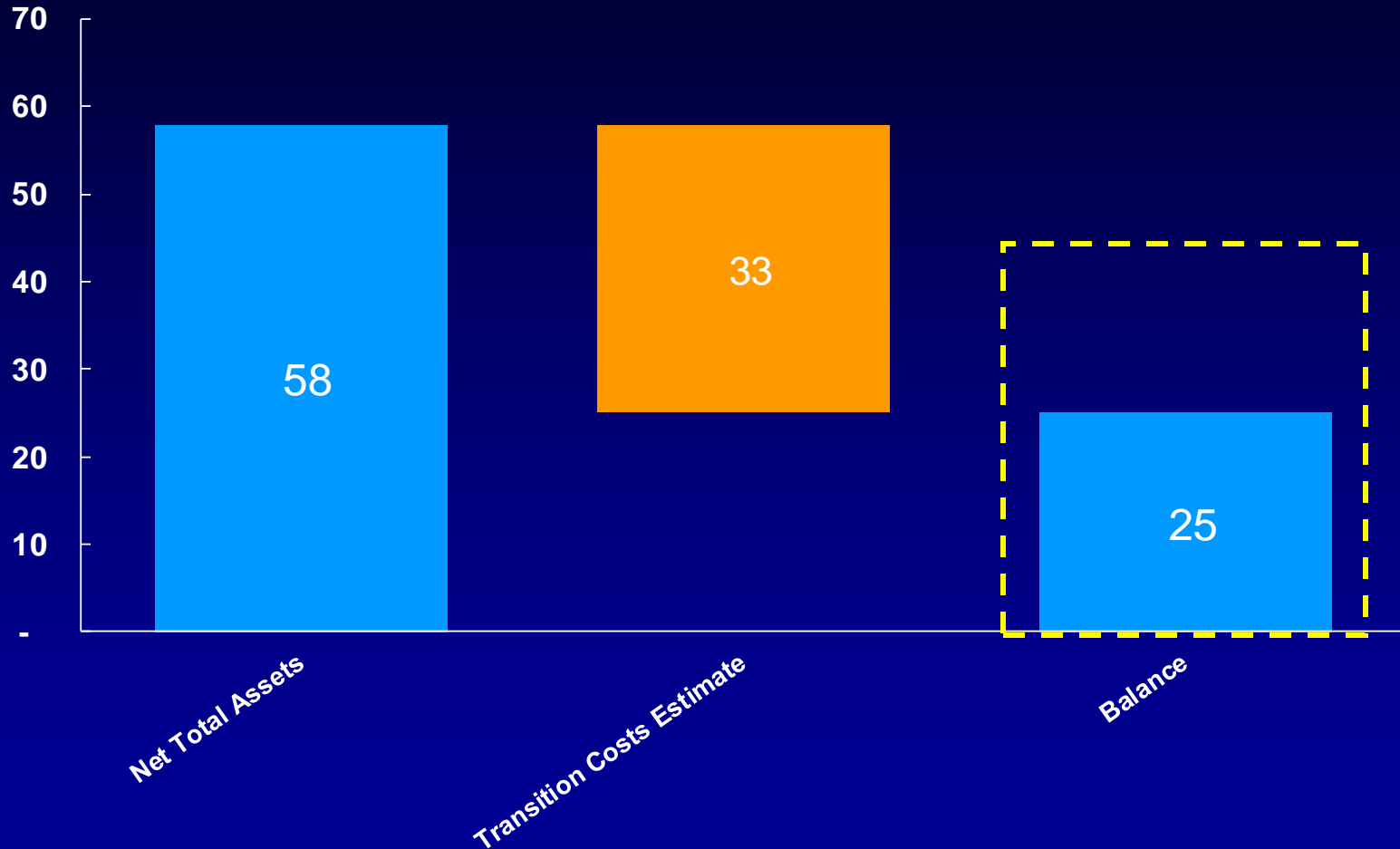


Estimated Transition Costs

<i>(\$ in millions)</i>	Estimates
EBIDA losses 2015 and 2016	(10)
Capital Ex	(1)
Demolition /Abatement/Power Plant Relo	(13)
Severance and Retention	(7)
Post Closure Closing Costs/Contingency/ Consulting Legal Fees	(2)
TOTAL	(\$33.0)

Uses of Estimated Net Assets

\$ in millions



Transition Risks

- **Safety & quality during transition**
- **Potential losses during wind down**
 - **Operating losses**
 - **Severance**
 - **Emergency infrastructure needs**
 - **Contractual obligations**
- **Unforeseen demolition & abatement** costs**
- **FHC construction budget**
- **PPE liquidation**

Summary of Proposed Terms

- **Build FHC ~ \$34 Million**
- **Base Payment of \$24.4 Million**
- **Ongoing contributions of 0.5 Million for 16 years. Total \$ 8 Million**
- **850 Columbia Rd. – \$8.2 Million**
- **Land: back to city. CCF pays FMV of the land needed for FHC**

Thank You

