SETTLEMENT AND RELEASE AGREEMENT

This **Settlement and Release Agreement** ("**Agreement**") is made effective as of the date of the last signature hereto, by and between Fayette Memorial Hospital Association, Inc., Debtor and debtor-in-possession as more specifically set forth herein ("**Fayette**" or the "**Debtor**") and **Renovo Solutions LLC ("Renovo Solutions"** or the **"Defendant").** Fayette and Defendant are collectively referred to as the "**Parties**."

RECITALS

A. Fayette filed its voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code on October 10, 2018 in the United States Bankruptcy Court for the Southern District of Indiana (the "**Bankruptcy Court**"), under Case No. 18-07762-JJG-11 (the "**Bankruptcy Case**").

B. An Unsecured Creditors Committee (the "**Committee**") was appointed by the United States Trustee on December 5, 2018.

C. The Debtor listed a general unsecured claim for the Defendant on Schedule F, in the amount of $62,751.25 (the "**Scheduled Claim**").

D. On or about May 13, 2019, the Defendant filed Proof of Claim No. 111 asserting a general unsecured claim against Debtor's estate in the amount of $39,884.84 ("**Claim No. 111**"), thereby superseding the Scheduled Claim.

E. On or about June 11, 2019, the Defendant filed Proof of Claim No. 173, which was subsequently amended on August 22, 2019, to assert an administrative expense claim against the Debtor's estate in the amount of $68,825.67 ("**Claim No. 173**").

F. The Debtor contends that, in the 90 days preceding the Petition Date, Fayette made one or more transfers to the Defendant in the total amount of $121,783.30 (the "**Pre-Petition Transfers**").

G. The Debtor also contends that, after the Petition Date, Fayette made a transfer to the Defendant in the amount of $22,866.41, on account of a pre-petition obligation (the "**Post-Petition Transfer**," collectively with the Pre-Petition Transfers, the "**Transfers**").

H. Pursuant to 11 U.S.C. §§ 547(b), 549 and 550, Fayette, in its capacity as debtor and debtor-in-possession, made demand (the "**Demand**") upon the Defendant for recovery of the Transfers, less a credit for certain available defenses.

I. On or about August 21, 2020, Fayette initiated an adversary proceeding against Defendant by filing the *Complaint to Avoid and Recovery Preferential Transfers and Objection to Claims*, Adv. Proc. No. 20-50153 (the "**Action**") and served the Complaint and Summons on the Defendant. Defendant's current extended response deadline is December 2, 2020 (the "**Response Deadline**").

J. The Defendant has disputed the claims asserted by Fayette in the Demand and asserted a right to additional defenses.

K. The Parties dispute any and all actual or potential claims and defenses of each other, as applicable, that are or that could have been set forth in the Action. Also, the Parties contend that they have at all times conducted themselves lawfully.

L. Subject to Bankruptcy Court Approval (defined below), the Parties have agreed to enter into this Agreement to resolve their disputes in the Action.

AGREEMENT

NOW, THEREFORE, in consideration of the Recitals, the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the Parties, the Parties agree as follows:

1. Incorporation of Recitals. The foregoing recitals are true and correct and incorporated herein as substantive provisions and not as mere recitals.

2. Motion to Approve Agreement. Within fourteen (14) business days following execution of this Agreement by both Parties, Fayette shall file a Motion to Compromise in the Bankruptcy Case requesting that the Bankruptcy Court approve this Agreement pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure and Bankruptcy Code Section 105, as well as any other applicable sections of the Bankruptcy Code (the "**Motion**"). The Parties acknowledge that this Agreement is subject to Bankruptcy Court Approval. In the event the Motion is denied, the releases provided herein shall be of no effect, and the Consideration (defined hereafter) shall be returned promptly to the Defendant.

3. Consideration. In full and final settlement of all the claims related to the Transfers and the Action, the Defendant agrees to pay to Fayette the sum of Thirty-Five Thousand and No/100 Dollars ($35,000.00) (the "**Settlement Payment**"), payable contemporaneously with Defendant's execution of this Agreement. The Settlement Payment shall be paid by check or money order payable to Fultz Maddox Dickens PLC IOLTA, and mailed to Debtor's counsel as follows:

Laura M. Brymer
Fultz Maddox Dickens PLC
101 South Fifth Street, 27th Floor
Louisville, KY 40202

The Defendant further waives any right(s) under Section 502(h) of the Bankruptcy Code to file a proof of claim (or to modify an existing proof of claim) to assert a claim for the Settlement Payment in the Bankruptcy Case and the Defendant waives and releases any pre- or post-petition claim in the Bankruptcy Case, including but not limited to the Scheduled Claim, Claim No. 111, and Claim No. 173.

4. Extension of Response Deadline/Dismissal of the Action. Fayette hereby consents to an extension of the Response Deadline through and including January 20, 2021. Within seven (7) days after both Bankruptcy Court Approval of this Agreement (as defined below) and receipt by the Debtor of the Settlement Payment in good funds, the Debtor will file such documents necessary to dismiss the Action.

5. Release of Fayette. Effective upon Bankruptcy Court Approval of this Agreement, the Defendant, for itself and all of its respective shareholders, directors, officers, partners, owners, investors, members, employees, parents, subsidiaries, affiliated entities, representatives, estates, heirs, agents, trustees, attorneys, insurers, predecessors, successors, and assigns, past and present, hereby releases and forever discharges Fayette and all of its employees, agents, attorneys, and successors and assigns, of and from any and all causes of action, suits, proceedings, claims, demands, damages, defenses, costs, expenses (including attorney fees), and liabilities of any kind or nature whatsoever, whether known or unknown, asserted or unasserted, against any or all of them with regard to Claim No. 111, Claim No. 173, the Scheduled Claim, the Action, the Transfers, and/or the Demand.

6. Release of Defendant. Effective upon Bankruptcy Court Approval of this Agreement and payment of the Consideration, Fayette, for itself and all of its respective shareholders, directors, officers, partners, owners, investors, members, employees, parents, subsidiaries, affiliated entities, representatives, estates, heirs, agents, trustees, attorneys, insurers, predecessors, successors, and assigns, past and present, hereby releases and forever discharges the Defendant and all of its respective shareholders, officers, directors, partners, owners, investors, members, employees, parents, subsidiaries, affiliated entities, representatives, estates, heirs, agents, trustees, attorneys, insurers, predecessors, successors, and assigns, past and present, and each of them, of and from any and all causes of action, suits, proceedings, claims, demands, damages, defenses, costs, expenses (including attorney fees), and liabilities of any kind or nature whatsoever, whether known or unknown, asserted or unasserted, against any or all of them, with regard to Claim No. 111, Claim No. 173, the Scheduled Claim, the Action, the Transfers, and/or the Demand.

7. Bankruptcy Court Approval. "**Bankruptcy Court Approval**" means that the Bankruptcy Court in the Bankruptcy Case shall have entered a Final Order (as defined below) which approves this Agreement pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure.

8. Final Order. "**Final Order**" means an order or judgment of the Bankruptcy Court in the Bankruptcy Case or the Action or both, as entered on the docket of such court which order has not been reversed, stayed, modified, or amended, and as to which: (a) the time to appeal, seek review or rehearing, or petition for certiorari has expired and no timely-filed appeal or petition for review, rehearing, remand, or certiorari is pending; or (b) any motion for review or rehearing filed, appeal taken, or petition for certiorari filed has been resolved by the highest court to which the order or judgment was or may be appealed or from which certiorari was or may be sought.

9. Contributions to Preparation of Agreement. The Parties acknowledge, covenant, and agree that each of them has read this Agreement and understand its terms, including the legal consequences thereof, and that in offering to make, and in making, executing, and delivering this Agreement, none of them was acting under any duress, undue influence, misapprehension, or misrepresentation by any party or any agent, attorney, or representative of any party and that this Agreement was made, executed, and delivered as the free and voluntary act of each party and was given in good faith on the part of each party with full knowledge of all relevant facts and circumstances as presented. The Parties further acknowledge that each of them was represented by counsel in connection with this Agreement or had the opportunity to consult with counsel of its own choosing prior to execution of this Agreement.

10. Entire Agreement. Except as otherwise provided, this Agreement contains the entire agreement between the Parties with regard to the Transfers and the Action, and no representations or promises, other than those contained or referred to herein, have been made by any party to any other party to secure the execution of this Agreement, either before or after the dispute arose.

11. No Admission of Liability. The Parties understand and acknowledge that this Agreement constitutes a compromise of disputed claims and is not to be construed as an admission of liability on the part of any of them and that they expressly deny any and all liability.

12. Attorneys' Fees. The Parties shall pay their own respective attorneys' fees, costs, and expenses.

13. Choice of Law. The Parties agree that this Agreement is governed by the laws of the State of Indiana.

14. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns, including with respect to Transferees, any trustees in bankruptcy.

15. Execution in Counterparts. This Agreement may be executed by any number of counterparts, each of which will be deemed an original document, but all of which will constitute a single original document, provided, however, that this Agreement shall not be binding on or constitute evidence of a contract between the Parties until such time as a counterpart of this Agreement has been executed by each party and a copy thereof delivered via facsimile or email to each party to this Agreement or its/his/her counsel.

16. Captions. The captions to this Agreement are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this Agreement or any of the provisions hereof.

17. Authority. The execution, delivery and performance of this Agreement are within the powers of the undersigned Parties, have been duly authorized, and are not in contravention of law, rule or regulation, or any judgment, decree, writ, injunction, order or award of any arbitrator, court or governmental authority, or of the terms of any organizational documents.

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18. No Oral Modifications. No waiver, modification, amendment, discharge, or change of this Agreement, except as otherwise provided herein, shall be valid unless the same is in writing and signed by the Parties against whom the enforcement of such modification, waiver, amendment, discharge, or change is sought. No waiver of any particular provision shall constitute a waiver of any other provision of this Agreement. Any such waiver or consent shall be effective only in the specific instances and for the purpose specifically stated therein.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first hereinabove set forth

RENOVO SOLUTIONS, LLC

Date: 11/30/2020

By: _____

Print Title: CFO

FAYETTE MEMORIAL HOSPITAL ASSOCIATION, INC., DEBTOR IN POSSESSION,

Date: _____

By: _____

Print Title: _____

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RENOVO SOLUTIONS, LLC

Date:_____ By:_____

Print Title:_____

FAYETTE MEMORIAL HOSPITAL ASSOCIATION, INC., DEBTOR IN POSSESSION,

Date: 11/30/2020 By: Samantha Bell

Print Title: Consultant/CFO