

NOTICE OF NON-PAYMENT RELATED DEFAULT

AUGUST 23, 2022

OBLIGATED PERSONS: The Toledo Hospital (the “*Obligated Group Representative*”), Bay Park Community Hospital, Defiance Hospital, Inc., Fostoria Hospital Association, Memorial Hospital, ProMedica Continuing Care Services Corporation, Emma L. Bixby Medical Center, Lenawee Long Term Care and Mercy Memorial Hospital Corporation (each an “*Obligated Group Member*” and, collectively the “*ProMedica Obligated Group*”) under the Second Amended and Restated Master Trust Indenture dated as of October 1, 2018, as amended and supplemented (the “*ProMedica Master Indenture*”)

CUSIP NUMBERS: 889184AA5, 549310VIL1, 549310WD8, 549310WE6, 889184AC1, 889184AD9, 889184AE7

On August 9, 2022, S&P Global Ratings (“S&P”) lowered the long-term ratings on the outstanding bonds issued by or for the benefit of the ProMedica Obligated Group (the “*ProMedica Bonds*”). The S&P ratings downgrade is a covenant violation and a default (a “*Ratings Covenant Default*”) under the Continuing Agreement for Standby Letters of Credit dated August 22, 2018 (the “*Continuing Agreement*”) between the Obligated Group Representative, on behalf of itself and the other Obligated Group Members, and a financial institution. The Ratings Covenant Default is an event of default under the Continuing Agreement and would allow the related financial institution to accelerate all of the obligations of the ProMedica Obligated Group under the Continuing Agreement and the related promissory note issued pursuant to the ProMedica Master Indenture. The ProMedica Obligated Group is currently in negotiations with the financial institution that is a party to the Continuing Agreement regarding the Ratings Covenant Default and potential resolutions.

The ratings downgrade by S&P along with an earlier ratings downgrade of the ProMedica Bonds by Fitch Ratings, Inc. also triggered certain covenants in the supplemental bondholder agreements or continuing covenant agreements (the “*Bank Direct Placement Agreements*”) with the financial institutions that hold the following bonds:

(a) County of Lucas, Ohio Taxable Hospital Revenue Refunding Bonds, Series 2015D (ProMedica Healthcare Obligated Group) of which \$5,00,000 are currently outstanding;

(b) Toledo Hospital Taxable Bonds, Series 2015E (ProMedica Healthcare Obligated Group) of which \$27,220,000 are currently outstanding;

(c) County of Lucas, Ohio Hospital Revenue Bonds, Series 2017A (ProMedica Healthcare Obligated Group) of which \$54,710,000 are currently outstanding;

(d) County of Lucas, Ohio Hospital Revenue Bonds, Series 2017B (ProMedica Healthcare Obligated Group) of which \$120,010,000]are currently outstanding;

(e) County of Lucas, Ohio Hospital Revenue Bonds, Series 2017C (ProMedica Healthcare Obligated Group) of which \$84,980,000 are currently outstanding;

(f) County of Lucas, Ohio Hospital Revenue Bonds, Series 2017D (ProMedica Healthcare Obligated Group) of which \$39,800,000 are currently outstanding;

(g) County of Lucas, Ohio Hospital Revenue Bonds, Series 2017F (ProMedica Healthcare Obligated Group) of which \$62,500,000 are currently outstanding;

(h) County of Lucas, Ohio Hospital Revenue Bonds, Series 2021A (ProMedica Healthcare Obligated Group) of which \$25,885,000 are currently outstanding;

(i) County of Lucas, Ohio Hospital Revenue Bonds, Series 2021B (ProMedica Healthcare Obligated Group) of which \$27,880,000 are currently outstanding; and

(j) County of Lucas, Ohio Hospital Revenue Bonds, Series 2021C (ProMedica Healthcare Obligated Group) of which \$25,885,000 are currently outstanding.

Upon the ratings downgrades, the Bank Private Placement Agreements permit the Obligated Group Representative to deposit with the related financial institution cash in the amount of two years of pro forma annual debt service on the related bonds to avoid a covenant default due to the ratings downgrades. The ProMedica Obligated Group has deposited a total of \$72,586,944 with the financial institutions in satisfaction of the requirements of the Bank Private Placement Agreements.

This information is subject to change without notice. This Notice only speaks as of its date and does not imply that there has been no change in any other information relating to any bonds issued for the benefit of the ProMedica Obligated Group. Nothing contained in this Notice is, or should be construed as, a representation by the ProMedica Obligated Group that the information included in this Notice constitutes all of the information that may be material to a decision to invest in, hold or dispose of any of the securities listed above or any other securities issued for the benefit of the ProMedica Obligated Group.