

May 1, 2008

Hamilton County Board of Commissioners
Mr. Todd Portune –President
Mr. David Pepper
Mr. Pat DeWine
138 East Court Street Room 603
Cincinnati, Ohio 45202

RE: Hamilton County Tax Levy Review Committee
Mid Term Evaluation 2008
Drake Levy

Dear Commissioners,

The Hamilton County Tax Levy Review Committee recently completed a mid-term review of the Drake Levy. The Drake Levy funds five areas in Hamilton County: Drake Center Inc., Sheriff, ADAS, Municipal Court, and Probation. A breakdown of the expenditures for these various programs is presented in the attachment. The current levy was approved by the voters in November 2004 and began in 2005. It is scheduled to end on December 31, 2009.

Drake Center, Inc.

The Drake Center, Inc., is a long-term acute care facility with a skilled nursing facility for medically complex patients. Its patients come from the Greater Cincinnati area, including areas outside Hamilton County. In May 2006, Drake reorganized, fired its board of directors, and transferred all of its assets and none of its liabilities to the Health Alliance. The Health Alliance took over operations of Drake on July 1, 2006. A copy of the contract and resolution related to this event are attached.

The TLRC Drake Levy Subcommittee visited the Drake Center on August 15, 2007. We met the vice presidents of administration, government affairs, and patient services, as well as the directors of revenue (marketing) and finance, and the senior vice president, Dr. Karen Bankston. All but the government affairs VP have a background as a health professional.

Drake is a unique community asset. Drake is defined as a hospital, but provides services related to long term acute care. Most Drake patients come from other hospitals, are pretty sick, and have an average stay of over 25 days. The primary types of care offered by Drake are:

- Advanced Wound Care – including bedsores.
- Pulmonary Care – sort of a long term ICU for stable but critically ill patients.
- Traumatic Brain Injury – unique in southwest Ohio
- Physical Rehabilitation – although not a licensed rehab center
- Skilled Nursing Facility

Accomplishments:

- Advanced Wound Care: A team of nurses and certified nursing assistants who have specialized training. Care exceeds national benchmarks.
- Pulmonary Care: Exceeds national benchmarks for successful weaning from ventilators.
- Traumatic Brain Injury: Achieves better functionality in shorter periods of time than other facilities. Has promoted its program to the Pentagon to provide specialized care to veterans injured in the war.

Payment for services:

Only about 5% of patients pay out of pocket for their care at Drake, while 44% have a managed care plan and 33% have traditional Medicare. The rest have Medicaid.

Financial Challenges:

Drake has an annual budget of \$72 million. It has a large campus, which indicates some overhead for maintenance and plenty of non-revenue generating space. Because of its size, Dr. Bankston stated it has excess capacity and competes against other long term acute care facilities for patients. Upon taking over as its senior vice president, Dr. Bankston found that Drake had no history of care for the poor, its pension was underfunded, there were various unfavorable and duplicitous contracts, there was a dispute with Anthem for \$4 million, and there were issues with Medicaid billing. Historical data available to prepare her budget came from general ledger entries, because of bad record keeping.

Dr. Bankston instituted some financial changes:

- Moved doctors to Alliance Primary Care, saving \$1 million annually; some doctors left but were replaced.
- Closed the Drake Pavilion at Christ Hospital, saving \$1.5 million annually
- Leased space to primary care group, generating \$137 k/ year (had to close the daycare to do this)
- Leased space to Vitas Hospice, generating \$331 k / year
- Grouped patients – moved long term residents to the skilled nursing facility

- Began billing and collecting co-pays and other outpatient services
- Aggressively converted patients to Medicaid
- Enacted a new, better charge capture system and increased inventory control
- Reduced supplies costs, saving \$1.8 million annually
- Renegotiated managed care contract
- Consolidated 19 departments, saving \$800k annually so far
- Deleted 10 management positions
- Created new revenue from new outpatient therapy sites at University Point, downtown by Cincinnati Ballet, Forest Hills, and Wyoming; even began medical Pilates

Results:

FY 2005: \$ 8 million loss

FY 2006: \$30.5 million loss

FY 2007: \$ 650 thousand loss

The Drake Levy provides about \$10.7 million of Drake's annual \$72 million budget. Drake anticipates about \$6 million in capital improvements, such as air conditioning, in the immediate future. Dr. Bankston's goal is to increase the number of patients – its break-even point is 109 patients plus the skilled nursing facility.

The Settlement, Release, and Financial Support Agreement executed between the County Commissioners and Drake on 24 May 2006 requires in section 2.5 that Drake submit a written report to the County describing the operations and expenses of Drake, including the yearly levy support, compliance with operations requirements, and any actions taken in furtherance of Drake's central mission. This report, due 120 days after the close of its fiscal year, has to our knowledge never been provided to the County, and the leadership I met with had no idea it was required.

The sub-committee recommends that Drake provide this report.

Sheriff

The subcommittee toured the Turning Point facility with representatives of Talbert House and the Hamilton County Sheriff's Department on March 13th. We were impressed by this bare bones, no frills program. The Turning Point program is a partnership with Talbert House and the Sheriff that is designed to rehabilitate multiple DUI offenders incarcerated in the Hamilton County Justice Center (see Talbert House background information attached).

The Sheriff provides 24-hour security seven days a week at the Turning Point facility on Woodburn Avenue. It is staffed by 8 deputies; the cost for their services is paid for via the Drake Levy (account number 300616 - see attached Budget Breakdown furnished by the Sheriff's Department).

The A.T. Hudson & Co., Inc. report of 10/8/03 (page 36) indicates that in 2002-2003 a portion (\$153,161.50) of the medical/mental health services provided by contract with Hamilton County via Correctional Medical Services (CMS) was charged each year to the Sheriff's portion of the Drake Levy. Beginning in 2004 it was charged to the Indigent Care Levy. The Sheriff now uses his portion of the Drake Levy exclusively for Security at Turning Point. The Levy projection shows an expenditure of \$509k in 2007.

On a final note - as the last year of the Drake Levy is 2009 and the other Health & Hospitalization Levy for University & Children's Hospitals in which inmate healthcare would fit does not run out until 2011, the Commissioners/Sheriff would need to find a two year patch in order to continue the Turning Point partnership with Talbert House.

ADAS
n.k.a. ADAPT

The Hamilton County Mental Health Recovery Services Board (HCMHR SB) received \$1,589,755 from the Drake levy in 2007. HCMHR SB is the successor to the ADAS Board, which was merged with the former Mental Health Board. The ADAS board had previously selected the Talbert House to be the agency that provides the services funded by the Drake levy. These services are the Alcohol and Drug Addiction Partnership Treatment (ADAPT) program. This program provides services to individuals referred to it by the Drug Court.

In 2007, the program provided residential services to 231 individuals and outpatient services to 228 individuals. The program has achieved a recidivism rate of 11 percent, which compares to a national average of 45 percent for similar offenders that do not participate in a treatment program. According to HCMHR SB, the program resulted in a diversion of 58,000 jail days in 2007.

As part of the mid-term review by the Tax Levy Review Committee we reviewed the consultant report on the Drake Center Levy prepared by A.T. Hudson & Co. in 2003. The Hudson report included a section regarding the ADAPT program but did not make any specific suggestions regarding its operations.

We made a site visit to the ADAS center where the men's residential program and outpatient services are conducted. During the presentation and tour we noted no areas where improvements could be suggested. The ADAPT program appears to be efficiently

run, successful and is cost efficient when compared to incarceration and a much higher recidivism rate for individuals who do not receive treatment.

It should be noted that there are no other apparent sources of funding for this program if the levy is not renewed, which could cause the county to bear the costs from the general fund (or to have increased jail costs if the program is terminated).

It should also be noted that the ADAPT program is one of many relatively small programs that have been added to larger levies over the years. We recommend that the BOCC consider a plan to consolidate the funding for similar programs so that they can be effectively monitored.

Municipal Court

The Hamilton County Municipal Court's pretrial services department receives Drake Levy funds for three areas:

1. 1617 Reading Road – Men's and Women's Programs: \$2.8 million
2. Re-Entry – Transitional Release Planning and Processes: \$500,000
3. Turning Point – run through Probation: \$1.3 million

These numbers exceed the levy projection of \$2.29 million for Municipal Court, but generally meet the projected Probation expenditure.

The subcommittee met with Wendy Niehaus, Director of the Hamilton County Department of Pre-trial Services, on 2/18/2008. The three programs listed above are instrumental in moving people from incarceration and back into the community in a manner that gives them the best chance to avoid recidivism. Without these three programs, the jail would be extremely overcrowded and our community would have a much higher level of criminal activity.

1. 1617 Reading Road.

This is a substance abuse treatment program. There is a men's program and a women's program. Having the programs be gender-sensitive was a big breakthrough. There are 172 beds: 58 for men and 114 for women. The building is owned by Talbert House. The treatment program is owned by Talbert House. But the people who come to it are from the jail, usually as a part of their incarceration. There are more slots for women than for men because women have little opportunity at the jail for reducing their sentences because there are no work details for women to speak of.

They served 199 women in November 2007.

This program is for frequent offenders, probation violations, and high-tiered OVI/DUI offenders.

2. Re-Entry Program.

This is a separate program for those who cannot go to 1617 Reading, e.g., mentally ill. It begins with a team of monitors: two from the Sheriff's Department, two from Probation, and three from Pre-Trial. As a team, they monitor all who come into the jail. They handle about 800 per year. This team is constantly consulted by judges when considering sentence, mitigation, and bond reduction. They are now starting to work with the Pre-Sentence Investigation unit to keep them apprised of the mental health needs of defendants.

The program includes an initial assessment that is gender responsive and individualized. The program builds a re-entry plan for the individual that suits the individual's needs. It includes support services after the participant leaves the jail or program.

If a defendant does not get out of jail after arraignment, then they get screened by this team. They are screened for mental illness and then for other things.

Examples of programs include:

Domestic Violence Women Defendants – may have experienced sexual abuse as children and lots of violence and trauma with the prosecuting witness. Once incarcerated, these women have no resources, no home, may lose their children. They need special help.

Child Support Defendants – especially the people who cannot pay either because they cannot work or cannot keep a job. This program is making strong strides to helping get these defendants in to situations where they can make support payments.

Prostitution Defendants – “Off the Streets” program. Gets prostitutes the substance abuse and other help that they need. Before this program was implemented, no prostitute ever successfully completed probation.

Johns Education Program – for those who solicited the prostitute. The “Johns” must attend an education program. If they want this taken off their record, they must pass this program and pay \$1,000.

Mental Health Court is NOT a part of this levy. Mental Health Court, which is for misdemeanors only and is run by Judges Stautberg and Lisa Allen on Tuesday and Wednesday afternoons, addresses those with serious mental illnesses. They still get a conviction, but also get treatment.

3. Turning Point.

This is run through Probation.

Probation

As mentioned above, Turning Point uses resources from the Sheriff's Department and Probation. The subcommittee conferred with Mindy Kirschner from the Probation Department. Levy resources pay for 10-day DUI, the Turning Point program, alternative housing (transitional) housing (like a halfway house), and Re-Entry Program.

Ohio OVI/DUI law has 10-day mandatory jail sentence for certain repeat offenders. This is held in a minimum security facility. Levy funds pay for the entire program.

Turning Point, mentioned above, is completely funded by Drake Levy funds. Probation participates in this program for those sent there as a part of their probation.

The Drake Levy also pays for two of the Re-Entry Program people. These people are provided by probation and are integral parts of the success of the program.

CONCLUSION

The TLRC subcommittee reviewed all of the programs supported by Drake Levy funds. The funds are distributed as follows.

Drake Levy Fund -- 1.59 Mills

	Expenditures (millions)
Drake	\$ 10.76
Sheriff	\$ 0.50
ADAS	\$ 1.59
Municipal Court	\$ 3.30
Probation	\$ 1.36
Auditor & Treasurer Fees	\$ 0.20
Indirect Costs	\$ 0.04
<i>Total</i>	\$ 17.75

While the bulk of the funds go directly to the Drake Center, the Drake Levy funds some other unique and extremely important functions in Hamilton County. These functions

greatly assist people with substance abuse and other problems who are caught in the criminal justice system, but with help can avoid returning to it. With help, these individuals can get their lives back on track and return to main stream society as productive members. The successes and benefits of these programs are measurable.

Without the resources provided by The Drake Levy, we will see increased criminal activity, increased DUIs, increased drug abuse and prostitution, and increased demand on our county jail.

CLOSING

On behalf of the fellow members of my subcommittee, Tom Cooney and Dale Van Vyvan, I thank the Board of Commissioners and the Tax Levy Review Committee for the opportunity to conduct this mid-term review and provide a service to Hamilton County.

Sincerely,



Connie Pillich
Chair, Subcommittee for the Drake Levy Mid-Term Review
Tax Levy Review Committee

Attachments:

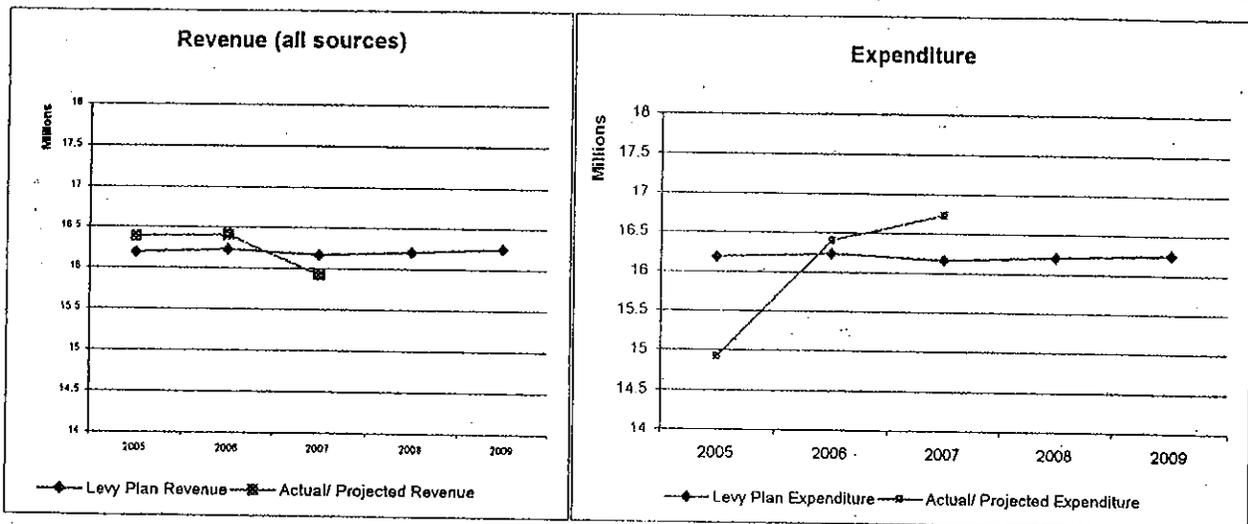
1. Drake Levy Plan
2. Resolution related to Drake reorganization
3. Drake Reorganization Agreement and associated documents
4. Talbert House Turning Point guide to services
5. Account 300616
6. Municipal Court's Re-Entry Program

Health and Hospitalization - including Drake Center, Inc.

Tax Levy: 1.59 Mills

FUND 003-007

LEVY PLAN	Year 1 2005	Year 2 2006	Year 3 2007	Year 4 2008	Year 5 2009
Beginning carryover	0	0	0	0	0
REVENUES (Total)	16,190,204	16,234,724	16,167,143	16,212,083	16,257,023
Tax Levy	16,190,204	16,234,724	16,167,143	16,212,083	16,257,023
Other	0	0	0	0	0
EXPENDITURES (Total)	16,190,204	16,234,724	16,167,143	16,212,083	16,257,023
Drake Center Inc. & Other County Entities	15,995,922	16,039,907	15,973,137	16,017,538	16,061,939
Auditor and Treasurer Fees	194,282	194,817	194,006	194,545	195,084
Ending Carryover	0	0	0	0	0



ACTUAL/PROJECTED	Year 1 2005 Actual	Year 2 2006 Est.	Year 3 2007 Rec.	Year 4 2008	Year 5 2009
Beginning carryover	2,204,129	1,544,858	1,549,079		
REVENUES (Total)	16,388,247	16,410,364	15,924,449		
Tax Levy	16,388,247	16,410,364	15,924,449		
Other	0	0	0		
EXPENDITURES (Total)	14,916,009	16,406,143	16,733,515		
Drake Center Inc.	10,761,966	10,761,966	10,761,966		
Sheriff (300616)	379,883	411,035	509,536		
Municipal Court (430281)	0	2,234,202	2,290,057		
Probation (490031)	2,271,344	1,308,247	1,364,803		
ADAS (660076)	1,222,250	1,460,700	1,559,500		
Auditor and Treasurer Fees	210,653	211,057	208,653		
Indirect Cost (600023)	18,116	18,936	39,000		
Administrative	51,797	0	0		
Ending Carryover	3,676,367	1,549,079	740,013		

Unencumbered Carryover as of 6/13/06

1,544,858

COMRS MIN
VOL. 302
MAY 24 2006
IMAGE 6325

RESOLUTION AUTHORIZING MATTERS RELATING TO THE REORGANIZATION OF DRAKE CENTER, INC.

2
WHEREAS, Drake Center, Inc. ("DCI") operates a long term acute care hospital and skilled nursing facility specializing in long-term care and rehabilitation for medically complex patients located in Cincinnati, Ohio that provides physical and medical rehabilitation services to patients residing in Greater Cincinnati and surrounding areas, including residents of Hamilton County, Ohio and provides other related services directly and through its affiliates and subsidiaries; and

WHEREAS, the membership of DCI is comprised of public members consisting of the members of the Board and the University members consisting of the members of the Board of Trustees of the University of Cincinnati; and

WHEREAS, the business and affairs of DCI have been managed by a Board of Trustees which is comprised of six members appointed by the University of Cincinnati and three members appointed by the Board; and

WHEREAS, the Board of County Commissioners, Hamilton County, Ohio ("Board") and DCI entered into various agreements in July 1989 including Lease and Operating Agreement dated as of July 1, 1989, as amended (the "Lease") pursuant to Chapter 140 of the Ohio Revised Code; and

WHEREAS, on November 2, 2004, the voters of Hamilton County, Ohio voted in favor of a .84 mill tax levy for health and hospitalization services, including, without limitation, the services provided by DCI (the "Levy") for a period of five years continuing through December 31, 2009; and

WHEREAS, the Health Alliance of Greater Cincinnati, an Ohio non-profit corporation, operates an integrated health care system which includes six non-profit, tax-exempt hospitals that provide comprehensive health care services to residents of Greater Cincinnati and the surrounding regions, including residents of Hamilton County, Ohio (the "Health Alliance"); and

WHEREAS, the Health Alliance and DCI are hospital agencies as defined in ORC § 140.01 and each operates hospital facilities as defined in ORC § 140.01; and

WHEREAS, this Board has determined that it is in the best interest of DCI, the patients served by DCI, and the general Hamilton County, Ohio community for the Health Alliance to become the sole member of DCI to provide for the health and welfare of the people of the State of Ohio, particularly, the people residing in Hamilton County, Ohio, by enhancing the availability, efficiency and economy of hospital facilities and the services rendered thereby, to facilitate participation and federal financial assistance provided by Title IV of the Public Health Services Act, 60 Stat., 1041 (1946), 42 U.S.C. 291, as amended and to provide for the operation of hospital facilities to be available to or for the service of the general public, without discrimination by reason of race, creed, color or national origin, in accordance with O.R.C. § 140; and

WHEREAS, DCI, the University of Cincinnati, the Health Alliance and this Board propose to enter into a reorganization agreement in the form set forth in the Reorganization Agreement of Drake Center, Inc., attached hereto and incorporated herein by reference as Exhibit A ("the Reorganization Agreement"), pursuant to which DCI and the Board will enter into an amendment to the Lease in the form set forth in the Amendment to Lease Between Hamilton County as Lessor and Drake Center, Inc. as Lessee attached hereto and incorporated herein by reference as Exhibit B ("the Lease Amendment"), and the members of the Board, in their capacities as members of DCI, will authorize the amendment of the Code of Regulations of DCI to substitute the Health Alliance as the sole member of DCI;

WHEREAS, it is also the desire of the Board to enter into an agreement with DCI in the form set forth in the Settlement, Release and Financial Support Agreement attached hereto and incorporated herein by reference as Exhibit C ("the Financial Support Agreement") pursuant to which the Board's financial responsibilities with respect to DCI shall be limited to a yearly levy support in 2006, 2007, 2008 and 2009 of Ten Million Seven Hundred Sixty One Thousand Nine Hundred Sixty Six Million Dollars (\$10,761,966); and

NOW, THEREFORE, BE IT RESOLVED, that Hamilton County Administrator Patrick Thompson is hereby authorized, on behalf of the County, to execute the Reorganization Agreement, the Lease Amendment and the Financial Support Agreement substantially in the forms attached hereto and incorporated herein by reference as Exhibits A, B and C, respectively, upon (a) approval as to form with respect to the Reorganization Agreement and the Financial Support Agreement by the Hamilton County Prosecutor's Office; and (b) upon the Auditor's Certificate with respect to the certification of funds, as such may be required pursuant to § 5705.41(d) of the O.R.C.; and

BE IT FURTHER RESOLVED, that the Clerk of the Board is hereby authorized and directed to certify copies of this Resolution to Hamilton County Administrator Patrick Thompson, Hamilton County Prosecuting Attorney, Joseph T. Deters; Chief Assistant Hamilton County Prosecutor, James W. Harper, Esq.; Hamilton County Assistant Prosecuting Attorney, Roger E. Friedmann, Esq.; Counsel for the Health Alliance, Thomas W. Kahle, Esq.; and Hamilton County Counsel, Thomas L. Gabelman, Esq.

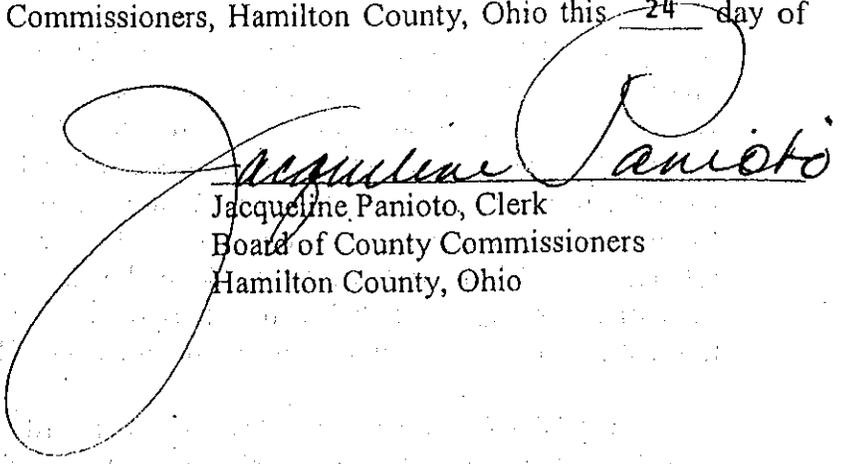
ADOPTED at a regularly adjourned meeting of the Board of County Commissioners, Hamilton County, Ohio, this 24 day of May, 2006.

Mr. Heimlich AYE Mr. Portune NO Mr. DeWine AYE

CERTIFICATE OF CLERK

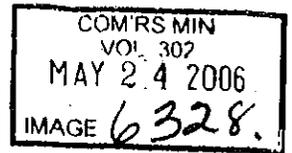
IT IS HEREBY CERTIFIED that the foregoing is a true and correct transcript of a Resolution adopted by the Board of County Commissioners, Hamilton County, Ohio in session the 24 day of May, 2006.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the Office of the Board of County Commissioners, Hamilton County, Ohio this 24 day of May, 2006.



Jacqueline Panioto, Clerk
Board of County Commissioners
Hamilton County, Ohio

Execution Version



REORGANIZATION AGREEMENT

OF

DRAKE CENTER, INC.

May 24, 2006

ARTICLE 1. TRANSFER OF MEMBERSHIP INTERESTS 2

 Section 1.1 Amendment of Code of Regulations of DCI 2

 Section 1.2 Resignation of Directors of DCI 2

 Section 1.3 Post-Closing Rights of the Health Alliance 2

 Section 1.4 DCI Affiliates 3

 Section 1.5 Liabilities of DCI 3

 Section 1.6 No Continuing Liabilities 3

ARTICLE 2. CLOSING 3

 Section 2.1 Closing 3

 Section 2.2 Effective Time 3

ARTICLE 3. REPRESENTATIONS AND WARRANTIES OF DCI 3

 Section 3.1 Organization, Qualification and Corporate Power 3

 Section 3.2 Affiliates 4

 Section 3.3 No Breach 4

 Section 3.4 Title to Properties 4

 Section 3.5 Compliance With Law 4

 Section 3.6 Validity 4

 Section 3.7 Financial Statements 5

 Section 3.8 Absence of Undisclosed Liabilities 5

 Section 3.9 Events Subsequent to the Date of the DCI Financial Statements 5

 Section 3.10 Outstanding Debt 5

 Section 3.11 Litigation and Investigations 6

 Section 3.12 Taxes 6

 Section 3.13 Cost Reports 6

 Section 3.14 Medicare and Medicaid Certification; Accreditation 7

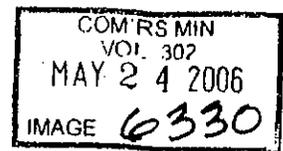
 Section 3.15 Employee Benefit Plans 7

 Section 3.16 Accuracy of Material Due Diligence Information 8

 Section 3.17 Disclaimer of Other Representations and Warranties 8

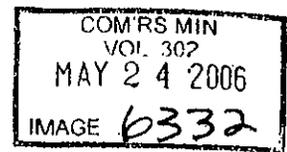
ARTICLE 4. REPRESENTATIONS AND WARRANTIES OF THE HEALTH ALLIANCE 9

 Section 4.1 Organization, Qualification and Corporate Power 9



Section 4.2	No Breach	9
Section 4.3	Validity	9
Section 4.4	Breach of DCI's Representations and Warranties	9
Section 4.5	Disclaimer of Other Representations and Warranties.....	10
ARTICLE 5.	REPRESENTATIONS AND WARRANTIES OF THE COUNTY	10
Section 5.1	Organization and Approval.....	10
Section 5.2	Lack of Knowledge of any Breach of any DCI Representation	10
ARTICLE 6.	REPRESENTATIONS AND WARRANTIES OF THE UNIVERSITY.....	10
Section 6.1	Organization and Approval.....	10
ARTICLE 7.	JOINT COVENANT OF THE PARTIES	10
Section 7.1	Regulatory and Contractual Approvals.....	10
ARTICLE 8.	CONDITIONS TO CLOSING	10
Section 8.1	Representations and Warranties to be True and Correct	11
Section 8.2	Action/Proceeding.....	11
Section 8.3	Performance	11
Section 8.4	Approvals.....	11
Section 8.5	Supporting Documents.....	11
Section 8.6	Opinions of Counsel	12
Section 8.7	Financial Support Agreement	13
Section 8.8	Interim Management Agreement	13
Section 8.9	Material Adverse Change	13
Section 8.10	Approval of Amendment to DCI Code of Regulations	13
Section 8.11	Amendment to Lease	13
ARTICLE 9.	TERMINATION.....	13
Section 9.1	Termination Events.....	13
Section 9.2	Termination is Sole Remedy.....	13
ARTICLE 10.	POST-CLOSING COVENANTS	14
Section 10.1	Operation of DCI	14
Section 10.2	DCI Directors and Officers.....	14
Section 10.3	Indemnification	15
ARTICLE 11.	MISCELLANEOUS	15
Section 11.1	Entire Agreement.....	15
Section 11.2	Amendments	15

Section 11.3	Waiver.....	15
Section 11.4	Notices.....	16
Section 11.5	Counterparts.....	17
Section 11.6	Enforceability and Severability.....	17
Section 11.7	Governing Law.....	17
Section 11.8	Section Titles.....	17
Section 11.9	Assignment.....	17
Section 11.10	Expenses.....	17
Section 11.11	Parties in Interest.....	18
Section 11.12	Remedies.....	18
Section 11.13	Third Parties.....	18



EXHIBITS

Exhibit A – Written Action of the Members of Drake Center, Inc.

Exhibit B – Amendment to the Lease between Hamilton County, as lessor, and Drake Center, Inc., as lessee, dated as of July 1, 1989.

SCHEDULES

Schedule 3.1.1 – Organization

Schedule 3.1.2 – Trustees, Directors and Officers of DCI

Schedule 3.2 – DCI Affiliates

Schedule 3.3 – No Breach

Schedule 3.4 – Title to Properties

Schedule 3.8 – Absence of Undisclosed Liabilities

Schedule 3.9 – Events Subsequent to the Date of DCI Financial Statements

Schedule 3.10 – Outstanding Debt

Schedule 3.11 – Litigation and Investigations

Schedule 3.12 – Taxes

Schedule 3.15.1 – Employee Plans

Schedule 3.15.2 – Pension Plans

Schedule 3.15.3 – ERISA Compliance

Schedule 3.15.4 – Tax Liability under Section 4975 of Tax Code

Schedule 3.15.5 – Changes to Employee Plans

Schedule 3.16 – Cost Reports

REORGANIZATION AGREEMENT
OF
DRAKE CENTER, INC.

THIS REORGANIZATION AGREEMENT OF DRAKE CENTER, INC. (the "Agreement"), dated as of this ___ day of May, 2006, is entered into by and among: (i) The Health Alliance of Greater Cincinnati, an Ohio nonprofit corporation that is exempt from federal taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Health Alliance"); (ii) Drake Center, Inc., an Ohio nonprofit corporation that is exempt from federal taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended ("DCI"); (iii) Hamilton County, Ohio, a county and political subdivision in and of the State of Ohio (the "County"); and (iv) the University of Cincinnati, a state university of the State of Ohio (the "University") (collectively, the Health Alliance, the County, the University and DCI are referred to herein as the "Parties").

RECITALS

1. DCI operates a long-term acute care hospital and skilled nursing facility located in Cincinnati and specializing in long-term care and rehabilitation for medically complex patients that provides physical and medical rehabilitation services to patients residing in greater Cincinnati and surrounding areas, including residents of Hamilton County, and provides other related services through itself, its affiliates and subsidiaries.

2. DCI leases and operates certain assets pursuant to a Lease and Operating Agreement between the County and DCI dated July 1, 1989, as amended (the "Lease").

3. The members of the Board of County Commissioners of the County constitute the "Public Members" of DCI, as defined in the DCI Code of Regulations (the "Public Members"), and the members of the Board of Trustees of the University constitute the "University Members," as defined in the DCI Code of Regulations (the "University Members," and, collectively with the Public Members, the "Members"). Collectively, the University Members and Public Members constitute 100% of the members of DCI.

4. The Health Alliance operates an integrated health care system involving six non-profit, tax-exempt hospitals that provides comprehensive health care services to residents of the greater Cincinnati area and the surrounding regions, including residents of Hamilton County.

5. The Board of Trustees of DCI and the Members have determined that it is in the best interests of DCI, the patients served by DCI and the general Hamilton County, Ohio community for the Health Alliance to become the sole member of DCI.

6. The Board of Trustees of DCI and the Members desire to amend the Code of Regulations of DCI in a manner in which the Health Alliance would become the sole member of DCI and, thus, succeed to the rights of the Members under Ohio law, upon and subject to the terms and conditions of this Agreement (the amendment to the Code of Regulations and other actions described in this Agreement being referred to as the "Reorganization").

7. The Health Alliance is a "hospital agency," as defined in Section 140.01 of the Ohio Revised Code ("ORC"), and operates "hospital facilities," as defined in ORC Section 140.01.

- 8. The County is a "public hospital agency," as defined in ORC Section 140.01
- 9. DCI is a "hospital agency," as defined in ORC Section 140.01, and operates "hospital facilities," as defined in ORC Section 140.01.

10. The Parties have each individually determined to enter into this Agreement and cause the Reorganization to be effected in order to provide for the health and welfare of the people of the State of Ohio, particularly the people residing in Hamilton County, by enhancing the availability, efficiency, and economy of hospital facilities and the services rendered thereby, to obtain economies in operation and more effective health service, to facilitate participation in federal financial assistance provided by Title IV of the "Public Health Service Act," 60 Stat. 1041 (1946), 42 U.S.C. 291, as amended, and to provide efficient operation of hospital facilities to be available to or for the service of the general public, without discrimination by reason of race, creed, color, or national origin, in accordance with Chapter 140 of the ORC.

11. On November 30, 2005, DCI and the Health Alliance entered into a Management Agreement pursuant to which the Health Alliance provides certain management services to DCI relating to the operations of DCI and its Affiliates for the period commencing December 1, 2005 through June 30, 2006, subject to the rights of DCI to extend the term for an additional term of six (6) months (the "Interim Management Agreement").

12. Simultaneously with the execution of this Agreement, the County, DCI and the Health Alliance shall enter into a Settlement, Release and Financial Support Agreement relating to the County's financial support of DCI for the period ending December 31, 2009 (the "Financial Support Agreement").

AGREEMENT

In consideration of these premises and the mutual and dependent promises hereinafter set forth, the parties hereto agree as follows:

**ARTICLE 1.
TRANSFER OF MEMBERSHIP INTERESTS**

SECTION 1.1 **Amendment of Code of Regulations of DCI.** DCI, by action of its Board of Trustees, and the Members will cause the Code of Regulations of DCI to be amended as described in the resolution attached as Exhibit A, so that the Health Alliance will be the sole member of DCI effective on the Closing Date (as defined in Section 2.1).

SECTION 1.2 **Resignation of Directors of DCI.** The County and the University shall cause the members of the Board of Directors of DCI and any members of the Board of Directors or Board of Trustees of any DCI Affiliate (as defined in Section 3.2) designated by the University Members and Public Members to resign from such position effective no later than the Closing Date. The obligations of the County and the University under this Section 1.2 are several, and not joint and several, and neither the University nor the County shall have any liability for the failure of the other to satisfy its obligations under this Section 1.2.

SECTION 1.3 **Post-Closing Rights of the Health Alliance.** Effective as of the Closing Date, the Health Alliance will become the sole member of DCI and will have, with respect to DCI, all of the rights, privileges, duties and obligations, if any, of a member of a nonprofit corporation provided by

Chapter 1702 of the Ohio Revised Code, and any amendments thereto or corresponding provisions of any future law, and all other rights of a member under Ohio statutory or case law.

SECTION 1.4 **DCI Affiliates.** To the extent not encompassed by the amendment of the Code of Regulations as described in Section 1.1, the County will cause the Public Members and the University will cause the University Members to take all steps necessary to transfer, assign and convey to the Health Alliance all of such Member's membership, ownership or beneficial interest, as the case may be, in all entities identified as DCI Affiliates on Schedule 3.2. The obligations of the County and the University under this Section 1.4 are several, and not joint and several, and neither the University nor the County shall have any liability for the failure of the other to satisfy its obligations under this Section 1.4.

SECTION 1.5 **Liabilities of DCI.** Without limiting the general effect of ORC Section 1702.55(A), none of the Public Members, the University Members, the County or the University are liable for the liabilities or obligations of DCI. It is not the intent of the Parties hereto that any liabilities or obligations of DCI be transferred to, or assumed by, the Health Alliance as a result of the Reorganization. None of the Health Alliance, the Public Members, the University Members, the County or the University shall assume or become responsible for any liabilities or obligations of DCI as a result of the Reorganization.

SECTION 1.6 **No Continuing Liabilities.** Notwithstanding anything to the contrary in this Agreement, none of the Members, the County or the University shall have any liability to the Health Alliance for any actions of DCI or any DCI Affiliates after the Closing Date, regardless of when any such action occurred.

**ARTICLE 2.
CLOSING**

SECTION 2.1 **Closing.** Subject to satisfactory completion of all conditions set forth in ARTICLE 8, the closing of the transactions contemplated by this Agreement (the "Closing") will take place at the offices of the Health Alliance on a date and time selected by the Health Alliance, which date shall be within ten (10) days of the completion of the approval referenced in Section 7.1 hereof (the "Closing Date").

SECTION 2.2 **Effective Time.** The Closing shall be effective as of 12:01 a.m. on July 1, 2006 (the "Effective Time").

**ARTICLE 3.
REPRESENTATIONS AND WARRANTIES OF DCI**

In order to induce the Board of Trustees of DCI and the Members to take the actions described in Section 1.1 hereof, and to induce the Health Alliance to become the sole member of DCI, DCI represents and warrants, to the knowledge of DCI (as defined in Section 3.17 hereof), to the Health Alliance, the Members, the County, and the University as follows:

SECTION 3.1 **Organization, Qualification and Corporate Power.**

3.1.1 Except as set forth on Schedule 3.1.1, DCI and each of its Affiliates (as hereinafter defined in Section 3.2) is duly incorporated or organized, validly existing, and in good standing or in full force and effect under the laws of the State of Ohio. DCI and each of its Affiliates

have the corporate or limited liability company power and authority to own and hold their respective properties and to carry on its respective business as now conducted.

3.1.2 The members, trustees, directors and officers of DCI and each of its Affiliates, a true and complete list of whom is set forth on Schedule 3.1.2, were duly and properly elected.

SECTION 3.2 Affiliates. Schedule 3.2 identifies each Affiliate of DCI and the percent ownership or voting control by DCI of such Affiliate. There are no DCI Affiliates other than the entities identified as "DCI Affiliates" on Schedule 3.2. For purposes of this Agreement, the term "DCI Affiliate" or "Affiliate" means an entity which is controlled by, controls, or is under the common control with DCI. "Control" of an entity means possession of more than fifty percent (50%) of the voting interest in the controlled entity. Except as disclosed on Schedule 3.2, DCI does not (i) own of record or beneficially, directly or indirectly, any shares of capital stock or securities convertible into capital stock, or hold the membership right of any other corporation or have any participating interest in any partnership, joint venture, limited liability company or other business enterprise; or (ii) control, directly or indirectly, any other entity.

SECTION 3.3 No Breach. Except as set forth in Schedule 3.3, the execution, delivery and performance by DCI of this Agreement and related agreements contemplated herein do not and will not (i) contravene or conflict with the existing Articles of Incorporation or Codes of Regulations of DCI or the organizational documents of any of its Affiliates; (ii) contravene, violate, or conflict with any material law or regulation applicable to DCI or any of its Affiliates; or (iii) constitute a default under or give rise to any right to terminate any agreement, contract or other instrument binding upon DCI or any of its Affiliates that is material to DCI and its Affiliates, taken as a whole, or any license or Permit (as defined in Section 3.5) held by DCI or any of its Affiliates that is material to DCI and its Affiliates, taken as a whole.

SECTION 3.4 Title to Properties. Except as disclosed in Schedule 3.4, DCI and its Affiliates have sufficient title and/or rights of possession to all of the real property and to the material equipment used in the operation of their respective businesses.

SECTION 3.5 Compliance With Law. To the knowledge of DCI, DCI and each of its Affiliates have complied in all material respects with, and is complying in all material respects with, all applicable laws, rules, regulations, and ordinances (including Medicare and Medicaid laws, fraud and abuse and Stark laws) and have obtained all material state, federal, special or local governmental authorizations, licenses, certificates (including Certificates of Need) or permits (the "Permits") required to conduct their respective businesses, as such businesses are presently being conducted, the failure or absence of which Permits would have a material adverse effect on the businesses of DCI and its Affiliates, taken as a whole. To the knowledge of DCI, persons who provide professional services under agreements with any of DCI or the Affiliates have not been excluded from the Medicare program or any state health care program under 42 U.S.C. § 1320-7 and DCI is not aware of any pending or threatened exclusion action against such professional persons.

SECTION 3.6 Validity. DCI has the necessary corporate power and authority to execute and deliver this Agreement and all other agreements and documents needed to consummate the contemplated transactions. All corporate or limited liability company action of DCI and its Affiliates necessary for such execution and delivery and the performance thereof will, by the Closing Date, have been duly taken. This Agreement does, and all agreements related to the contemplated transaction, when duly executed and delivered by DCI and by the other parties thereto, will constitute the legal, valid, and binding obligations of DCI enforceable against DCI in accordance with their respective terms,

subject as to enforcement of remedies to the discretion of courts in awarding equitable relief and to applicable bankruptcy, reorganization, insolvency, moratorium and similar laws affecting the rights of creditors generally.

SECTION 3.7 Financial Statements. DCI has furnished to the Health Alliance and the County the audited financial statements of DCI as of June 30, 2005, including the balance sheet and the related statements of revenue and expenses, cash flows and changes in general fund balances of DCI for the year then ended (the "**DCI Financial Statements**"). Pursuant to the Interim Management Agreement, the Health Alliance has caused DCI to prepare interim financial statements for the monthly periods through March 31, 2006, copies of which have been provided to the DCI Board of Trustees, the Health Alliance and the County. Except as otherwise noted in the DCI Financial Statements, the DCI Financial Statements have been prepared in accordance with generally accepted accounting principles consistently applied and fairly present in all material respects the financial position of DCI and its Affiliates and the results of operations and changes in financial position as of the dates and for the periods specified.

SECTION 3.8 Absence of Undisclosed Liabilities. Except as set forth on Schedule 3.8, as of the date of this Agreement, neither DCI nor any of its Affiliates, has any liability of any nature (whether absolute, accrued, contingent or otherwise) that is material to DCI and its Affiliates, taken as a whole, including, without limitation, liabilities to Medicare, Medicaid and other third party payors, or liabilities for federal, state, local or foreign taxes or liabilities to customers or suppliers, other than (i) liabilities for which full provision has been made on the DCI Financial Statements; (ii) liabilities arising since the date of the DCI Financial Statements and prior to the date of this Agreement in the ordinary course of business and consistent with past practice and which are not inconsistent with the representations, warranties and covenants of DCI or any other provision of this Agreement or related agreements and instruments, and (iii) liabilities which in the aggregate would not exceed \$50,000.

SECTION 3.9 Events Subsequent to the Date of the DCI Financial Statements. Except as disclosed on Schedule 3.9, since the date of the DCI Financial Statements, neither DCI nor any of its Affiliates has: (i) issued any stock, bond or other corporate security, created or issued any membership interest or issued any rights to acquire any such stock, bond, corporate security or membership interest; (ii) incurred any indebtedness for borrowed money; (iii) declared or made any payment or distribution to members or shareholders or purchased or redeemed any membership or share of its capital stock or other security; (iv) mortgaged, pledged or subjected to lien any material portion of its assets, tangible or intangible, other than liens which arise by operation of law, liens of current real property taxes not yet due and payable or liens on assets pursuant to purchase money security interests incurred in the ordinary course of business; (v) sold, assigned or transferred any material amount of its tangible assets or canceled any material amount of debts or obligations owed to it, except in the ordinary course of business; (vi) made any change in officer compensation, other than regularly scheduled increases consistent with an existing compensation program and past practices; (vii) made any material change in the manner of business or operations including any change in accounting principles and practices; (viii) entered into any material transaction except in the ordinary course of business or as otherwise contemplated hereby; or (ix) entered into any commitment (contingent or otherwise) to do any of the foregoing, any of which would have a material adverse effect on the financial condition of DCI and its Affiliates, taken as a whole. No action taken by the Health Alliance under the Interim Management Agreement shall be attributed to DCI or any DCI Affiliate under this Section 3.9.

SECTION 3.10 Outstanding Debt. Except as disclosed in Schedule 3.10, there exists no default under the provisions of any instrument evidencing any indebtedness of DCI or any of its Affiliates, or any agreement relating thereto. Except as disclosed in Schedule 3.10, neither DCI nor any

of its Affiliates has made any outstanding loans or advances to any person or is obligated to make any such loans or advances other than advances to employees for expenses incurred on behalf of DCI or its Affiliates in the ordinary course of business.

SECTION 3.11 **Litigation and Investigations.** To the knowledge of DCI, and except as disclosed on Schedule 3.11, there is no: (i) action, suit, claim, proceeding, or investigation pending or threatened against DCI or its Affiliates by any private party or any federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign; (ii) arbitration proceeding relating to DCI or its Affiliates pending under collective bargaining agreements or otherwise; or (iii) governmental or professional inquiry pending or threatened against or directly affecting DCI or its Affiliates (including, without limitation, any inquiry as to the qualification of DCI or its Affiliates to hold or receive any license or permit), any of which, if decided adversely to DCI or its Affiliates, would have a material adverse effect on the financial condition of DCI and its Affiliates, taken as a whole. Except as set forth on Schedule 3.11, neither DCI nor any of its Affiliates is in default with respect to any order, writ, injunction, or decree known to or served upon it by any federal, state, municipal, or other governmental department, commission, board, bureau or agency, domestic or foreign.

SECTION 3.12 **Taxes.** DCI, on behalf of itself and its Affiliates, has filed all federal, state, county and local tax returns, including, without limitation, income, sales, single business, payroll, premium, withholding, informational and personal property tax returns, required to be filed by it or them and such returns were true, correct, and complete in all material respects. Except as disclosed in Schedule 3.12, all taxes due by reason of the operations conducted by DCI and its Affiliates have been paid, including, without limitation, all taxes which DCI and its Affiliates are obligated to withhold from accounts owing to employees, creditors, and third parties. Except as disclosed in Schedule 3.12, all such taxes for which any such party has become obligated pursuant to elections made in accordance with generally accepted accounting principles have been paid and adequate reserves have been established for all taxes accrued but not yet payable. Since January 1, 2000, the federal income tax returns of DCI and its Affiliates have never been audited by the Internal Revenue Service, except as disclosed in Schedule 3.12. There is no tax lien, whether imposed by any federal, state, county or local taxing authority outstanding against the assets, properties or businesses of DCI or the Affiliates. Neither DCI nor any of its Affiliates have executed or filed any consent or agreement to extend the period for assessment or collection of any such taxes. DCI is exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Tax Code"), and DCI is a "hospital" within the meaning of Section 170(b)(1)(A)(iii) of the Tax Code. DCI is not aware of any proceeding, pending or threatened, or of any existing circumstances, which could reasonably be anticipated to result in the loss or revocation of the aforementioned exemption held by DCI.

SECTION 3.13 **Cost Reports.** Except as disclosed in Schedule 3.13, the Medicare and Medicaid cost reports of DCI were filed when due. Except for disputes between DCI and the Medicare fiscal intermediary or Medicaid fiscal agent which concern the payment of an individual claim (as opposed to such disputes concerning the right of DCI to receive Medicare or Medicaid reimbursement generally or to participate in the Medicare or Medicaid programs), and, except as set forth on Schedule 3.13, there is no dispute between DCI and any governmental authorities or the Medicare fiscal intermediary regarding such cost reports, other than with respect to adjustments thereto made in the ordinary course of business or which are fully reflected on the DCI Financial Statements. To the knowledge of DCI, DCI is not subject to any material pending, but unassessed Medicare or Medicaid claim payment adjustments, except to the extent DCI has established adequate reserves for such adjustments.

3.14.1 To the extent applicable to their respective businesses, each of DCI and the Affiliates has met and does meet, without material exception, the conditions for participation in the Medicare and Medicaid programs, and, to the knowledge of DCI, there is no pending or threatened proceeding or investigation under such programs involving DCI or its Affiliates.

3.14.2 DCI is fully accredited by the Joint Commission on Accreditation of Healthcare Organizations ("JCAHO") and the Commission on Accreditation of Rehabilitation Facilities ("CARF"). To the knowledge of DCI, there is no pending or threatened investigation of DCI by JCAHO or CARF, which investigation is not otherwise conducted in the ordinary course of business.

SECTION 3.15 Employee Benefit Plans. For purposes of this Agreement, the term "Employee Plan" includes any pension, retirement, savings, disability, medical, dental or other health plan, life insurance (including any individual life insurance policy as to which DCI or any of its Affiliates makes premium payments, whether or not DCI or any of its Affiliates is the owner, beneficiary or both of such policy) or other death benefit plan, profit sharing, deferred compensation, stock option, bonus or other incentive plan, vacation benefit plan, severance plan or other employee benefit plan or arrangement (whether written or arising from custom), including, without limitation, any employee pension benefit plan ("Pension Plan") as defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and any employee welfare benefit plan as defined in Section 3(1) of ERISA ("Welfare Plan"), whether or not any of the foregoing is funded, and whether written or oral.

3.15.1 There are no Employee Plans, other than those listed in Schedule 3.15.1, (i) to which DCI or any of its Affiliates is a party or by which DCI or any of its Affiliates (or any of their rights, properties or assets) is bound or (ii) with respect to which DCI or any of its Affiliates has made payments, contributions or commitments or may otherwise have any liability (including any such plan or arrangement formerly maintained by DCI or any of its Affiliates).

3.15.2 Except as disclosed in Schedule 3.15.2, no Pension Plan is a "defined benefit plan," as defined in Section 3(35) of ERISA, or a "multi-employer plan," as defined in Section 4001(a) of ERISA.

3.15.3 Except as disclosed in Schedule 3.15.3, to DCI's knowledge, each Employee Plan, the administrator and fiduciaries of each Employee Plan, and DCI and its Affiliates at all times complied in all material respects with the applicable requirements of ERISA, as it relates to them, including, but not limited to, the fiduciary responsibilities imposed by Part 4 of Title 1, Subtitle B of ERISA, and any other applicable law (including regulations and rulings thereunder) governing each Employee Plan, including, without limitation, Sections 403(b) and 457 of the Tax Code. Each Employee Plan has at all times been properly administered in accordance with all such requirements of law, except where the failure to be so administered will not have a material adverse effect on the financial condition of DCI and its Affiliates, taken as a whole. To the knowledge of DCI, no lawsuits or complaints to, or by, any person or governmental entity have been filed or are pending and no state of facts or contemplated event could be reasonably likely to give rise to any such lawsuit or complaint with respect to any Employee Plan. Without limiting the foregoing, and except as disclosed in Schedule 3.15.3, the following are true as of the date of this Agreement, with respect to each Employee Plan:

3.15.3.1 DCI and its Affiliates have filed or caused to be filed on a timely basis each and every return, report, statement, notice, declaration and other document required to be

filed by any government agency, federal, state and local (including, without limitation, the Internal Revenue Service and the Department of Labor), with respect to each Employee Plan which, if not filed, would have had a material adverse effect on the financial condition of DCI and its Affiliates, taken as a whole.

3.15.4 Except as disclosed in Schedule 3.15.4, with respect to each Employee Plan, to DCI's knowledge, there has not occurred, nor is any person or entity contractually bound to enter into, any transaction giving rise to any tax or liability under Section 4975 of the Tax Code or Section 406 or Section 502(i) of ERISA for which an exemption is not available.

3.15.5 DCI has made available to the Health Alliance true and correct copies of all financial statements, if any, and annual reports on Form 5500 for each Employee Plan and, except as disclosed in Schedule 3.15.5, no change which has a material adverse effect to the financial condition of DCI and its Affiliates, taken as a whole, or any Employee Plan has occurred with respect to the financial condition or funding of the Employee Plans since the date of such financial statements.

3.15.6 DCI and its Affiliates have complied in all material respects with the requirements, to the extent applicable, of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") with respect to the continuation of employer-provided health benefits following a "qualifying event" which would otherwise terminate such benefits, as provided in Section 4980B(f) of the Tax Code and applicable regulations and Internal Revenue Service rulings, notices, and other pronouncements.

SECTION 3.16 Accuracy of Material Due Diligence Information. The former management of DCI has supplied directly to the Health Alliance or indirectly to the Health Alliance through the Special Committee of DCI's Board of Trustees (the "Special Committee") substantial information concerning its operations, an index of which, prepared by DCI's former management, has been furnished to the Health Alliance. All items described on the Index, except those indicated with an "*", and all financial projections or other forward-looking information, are referred to as the "Material Due Diligence Information". The Health Alliance acknowledges that the Material Due Diligence Information was prepared by DCI's former management and furnished to the Health Alliance in response to specific inquiries of the Health Alliance and that events subsequent to the dates such information was furnished have affected the accuracy or completeness of such material. DCI represents, to its knowledge, that the Material Due Diligence Information, taken as a whole, was in all material respects an accurate and complete response to inquiries posed by the Health Alliance as of the date furnished. It is understood that the continuance of historic operating losses shall not be deemed to make any Material Due Diligence Information furnished inaccurate or incomplete.

SECTION 3.17 Disclaimer of Other Representations and Warranties. Except as expressly set forth in this Article 3, DCI makes no representation or warranty, express or implied, at law or in equity, in respect of DCI and its Affiliates, or any of their respective assets, liabilities or operations, including with respect to merchantability or fitness for any particular purpose, and any such other representations or warranties are hereby expressly disclaimed. The Health Alliance hereby acknowledges and agrees that, except to the extent specifically set forth in this Article 3, the Health Alliance is acquiring the membership interests of DCI on an "as-is, where-is" basis. For purposes of the representations and warranties made by DCI in this Article 3, the knowledge of DCI shall be deemed to mean (i) with respect to matters prior to December 1, 2005, the actual knowledge of Joseph Steger, Chairman of the Board of DCI, based solely on inquiry of past officers of DCI and without any additional investigation or inquiry, and the actual knowledge of Lori Knauf and Rod McKenzie, and (ii) with respect to matters on or after December 1, 2005, the actual knowledge of Joseph Steger based

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solely on inquiry of Karen Bankston and review of reports provided to DCI by the Health Alliance pursuant to the Interim Management Agreement, but without any additional investigation or inquiry. Any matters disclosed in any one Exhibit or Schedule attached to, or delivered in connection with, this Agreement shall be deemed full disclosure of such matter for purposes of this Agreement and all such Exhibits or Schedules.

ARTICLE 4. REPRESENTATIONS AND WARRANTIES OF THE HEALTH ALLIANCE

The Health Alliance represents and warrants to the Members, DCI, the County and the University as follows:

SECTION 4.1 **Organization, Qualification and Corporate Power.** The Health Alliance is a non-profit corporation, duly incorporated, validly existing and in good standing under the laws of the State of Ohio. The Health Alliance has the corporate power and authority to own and hold its properties and to carry on its business as now conducted. The directors and officers of the Health Alliance have been duly and properly elected and all actions of the Board of Directors of the Health Alliance required for the consummation of the transactions contemplated by this Agreement, have been taken pursuant to proper and valid approvals.

SECTION 4.2 **No Breach.** The execution, delivery and performance by the Health Alliance of this Agreement and related agreements contemplated herein do not and will not (i) contravene or conflict with the Articles of Incorporation or Codes of Regulations of the Health Alliance; (ii) contravene, violate, or conflict with any material law, regulation, judgment, order or decree applicable to the Health Alliance; or (iii) constitute a default under or give rise to any right to terminate any material agreement, contract or other instrument binding upon the Health Alliance, or any material license, permit or other similar authorization held by the Health Alliance.

SECTION 4.3 **Validity.** The Health Alliance has the full corporate power and authority to execute and deliver this Agreement and all other agreements and documents necessary to consummate the contemplated transactions and all corporate action of the Health Alliance necessary for such execution and delivery and the performance thereof will, by the Closing Date, have been duly taken. This Agreement and all agreements related to this transaction have been duly executed and delivered by the Health Alliance and, when duly executed by the other parties thereto, will constitute the legal, valid, and binding obligation of the Health Alliance enforceable in accordance with their terms, subject as to enforcement of remedies to the discretion of courts in awarding equitable relief and to applicable bankruptcy, reorganization, insolvency, moratorium and similar laws affecting the rights of creditors generally. To the knowledge of the Health Alliance, the execution and delivery by the Health Alliance of this Agreement, and the performance of its obligations hereunder, does not require any action or consent of any party other than the Health Alliance pursuant to any contract, agreement or other undertaking of the Health Alliance, or pursuant to any order or decree to which the Health Alliance is a party or to which its properties or assets are subject.

SECTION 4.4 **Breach of DCI's Representations and Warranties.** The Health Alliance, in connection with its activities under the Interim Management Agreement dated November 29, 2005 by and between The Health Alliance and DCI, and otherwise, is not aware of any facts, matters or issues which, taken as a whole, would cause any of the representations or warranties of DCI contained in Article 3 to not be true, accurate and complete in all material respects.

SECTION 4.5 Disclaimer of Other Representations and Warranties. Except as expressly set forth in this Article 4, the Health Alliance makes no representation or warranty, express or implied, at law or in equity, in respect of the Health Alliance, or any of its assets, liabilities or operations, including with respect to merchantability or fitness for any particular purpose, and any such other representations or warranties are hereby expressly disclaimed.

**ARTICLE 5.
REPRESENTATIONS AND WARRANTIES OF THE COUNTY**

The County represents and warrants to the Health Alliance, DCI, the University and the Members as follows:

SECTION 5.1 Organization and Approval. The County is a county and political subdivision of the State of Ohio. All transactions contemplated by this Agreement have been approved by the County.

SECTION 5.2 Lack of Knowledge of any Breach of any DCI Representation. The County is unaware of any circumstance or event which would constitute a breach of any representation made by DCI in ARTICLE 3 hereof in any material respect. This representation is made with full acknowledgement by the remaining Parties that the County does not manage or direct the affairs of DCI, has undertaken no express or implied duty to conduct any investigation or due diligence process to verify the accuracy of the representations made by DCI, and has not conducted such an investigation. This representation is expressly limited to the knowledge of the County Commissioners, Ronald Roberts, Eric Stuckey, and Paula Knecht.

**ARTICLE 6.
REPRESENTATIONS AND WARRANTIES OF THE UNIVERSITY**

The University represents and warrants to the Health Alliance, DCI, the County and the Members as follows:

SECTION 6.1 Organization and Approval. The University is a state university of the State of Ohio. The Reorganization and this Agreement have been approved by the University.

**ARTICLE 7.
JOINT COVENANT OF THE PARTIES**

SECTION 7.1 Regulatory and Contractual Approvals. Between the execution of this Agreement and the Closing Date, the Parties will work diligently and in good faith to complete all necessary regulatory filings and secure all necessary consents, including, without limitation, filings with the Ohio Attorney General pursuant to Section 109.34 *et seq.* of the Ohio Revised Code, in order to complete the Reorganization pursuant to the intent and purposes of the Parties.

**ARTICLE 8.
CONDITIONS TO CLOSING**

The obligations of the Members and the Health Alliance to consummate this Agreement and any other transaction contemplated by this Agreement are subject to the satisfaction or waiver by each of the Members or the Health Alliance, as the case may be, on or before the Closing Date, of the following conditions:

SECTION 8.1 **Representations and Warranties to be True and Correct.** Except with respect to representations and warranties that are made at a specific date (e.g., the date of this Agreement) or as otherwise stated in a specific representation or warranty, the representations and warranties made herein by Parties are true, complete, and correct in all material respects on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of such date, and the Members and an officer of each other Party has certified to such effect to the other Parties in writing. Notwithstanding the foregoing, the Health Alliance shall be obligated to consummate this Agreement and the transactions hereby contemplated unless the breaches of representations and warranties by DCI, taken together, constitute a fundamental impairment of the business of DCI and its Affiliates, taken as a whole.

SECTION 8.2 **Action/Proceeding.** No court or any governmental entity has issued an order restraining or prohibiting the transactions herein contemplated; and no governmental entity has commenced or threatened in writing to commence any action or suit before any court of competent jurisdiction or other governmental entity that seeks to restrain, prohibit or seek a remedy that would have a material adverse action on the transactions contemplated hereunder.

SECTION 8.3 **Performance.** Each Party has performed and complied in all material respects with all agreements contemplated herein that are required to be performed or complied with by such Party prior to or at the Closing Date including, but not limited to, the amendments to the DCI Code and the resignation of directors of DCI and its Affiliates, all effective as of the Closing Date.

SECTION 8.4 **Approvals.** All necessary corporate and governmental regulatory approvals and contractual consents for the transactions contemplated by this Agreement have been obtained including, without limitation, filings with the Ohio Attorney General pursuant to Section 109.34 *et seq.* of the Ohio Revised Code, except where the failure to obtain such consent or approval would not have a material adverse effect on the business or operations of DCI and its Affiliates, taken as a whole, after the Closing.

SECTION 8.5 **Supporting Documents.** The Health Alliance has received copies of the following documents:

8.5.1 The Articles of Incorporation or Articles of Organization of DCI and each Affiliate, certified within thirty (30) days of the Closing by the Secretary of the State for the State of Ohio or the Secretary of State of the state in which any such Affiliate is incorporated or organized;

8.5.2 A certificate of the Secretary or an Assistant Secretary of DCI dated as of the Closing Date and certifying: (i) that attached thereto is a true and complete copy of the Articles of Incorporation and the Code of Regulations of DCI, as amended and as in effect on the date of such certification; (ii) that attached thereto is a true and complete copy of all resolutions adopted by the Board of Trustees of DCI authorizing the execution, delivery, and performance of this Agreement and all transactions contemplated by this Agreement and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated by this Agreement; (iii) that the Articles of Incorporation have not been amended since the date of the last amendment referred to in the certificate delivered pursuant to Section 8.5.1 above; and (iv) to the incumbency and specimen signature of each officer of DCI executing this Agreement and a certification by another officer of DCI as to the incumbency and signature of the officer signing the certificate referred to in this Section 8.5.2;

8.5.3 A certificate of an officer of each of the Affiliates dated as of the Closing Date and certifying: (i) that attached thereto is a true and complete copy of the Articles of Incorporation and

Code of Regulations or other Governance Document of such entity in effect as of the date of such certification; and (ii) that said Articles of Incorporation, Code of Regulations and/or Governance Documents have not been amended since the date of the last amendment referred to in the certificate delivered pursuant to this Section 8.5.3; and

8.5.4 Such additional supporting documents and other information with respect to the operations and affairs of DCI as the Health Alliance or its counsel reasonably requests.

SECTION 8.6 **Opinions of Counsel.** The other Parties shall have received an opinion of counsel to DCI in form and substance reasonably satisfactory to the Health Alliance, the Members, the County and the University, to the effect that DCI (i) is validly existing, and in good standing under the laws of the State of Ohio; (ii) has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(c)(3) of the Tax Code; (iii) is duly qualified to transact business in the State of Ohio; (iv) has corporate power to own and hold its properties and to carry on its business as now conducted; (v) has obtained all regulatory approvals necessary for DCI to perform fully the transactions contemplated by the Agreement; (vi) has the full legal power and authority to execute, deliver, and perform this Agreement and the Financial Support Agreement; and (vii) has duly executed and delivered this Agreement, the Interim Management Agreement, and the Financial Support Agreement and each such agreement constitutes the legal, valid, and binding obligation of DCI enforceable in accordance with its terms (subject as to enforcement of remedies to the discretion of the courts in awarding equitable relief and to applicable bankruptcy, reorganization, insolvency, moratorium, and similar laws affecting the rights of creditors generally).

8.6.1 The other Parties shall have received an opinion of counsel on behalf of the County and the Public Members, in form and substance reasonably satisfactory to the Health Alliance, the University Members and the University, to the effect that (i) the County and the Public Members have the full legal power and authority to execute, deliver, and perform this Agreement and the Financial Support Agreement; and (ii) this Agreement and the Financial Support Agreement have each been duly executed and delivered by the County and the Public Members and constitute the legal, valid, and binding obligation of the County and the Public Members enforceable in accordance with its terms.

8.6.2 The other Parties shall have received an opinion of counsel on behalf of the University and the University Members, in form and substance reasonably satisfactory to the Health Alliance, the County, and the Public Members, to the effect that (i) the University and the University Members have the full legal power and authority to execute, deliver, and perform this Agreement; and (ii) this Agreement has been duly executed and delivered by the University and the University Members and constitutes the legal, valid, and binding obligation of the University and the University Members enforceable in accordance with its terms.

8.6.3 The other Parties shall have received an opinion of counsel on behalf of the Health Alliance in form and substance reasonably satisfactory to the County, the University and the Members, to the effect that the Health Alliance (i) is validly existing, and in good standing under the laws of the State of Ohio; (ii) has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(c)(3) of the Tax Code; (iii) is duly qualified to transact business in the State of Ohio; (iv) has corporate power to own and hold its properties and to carry on its business as now conducted; (v) has obtained all regulatory approvals necessary for the Health Alliance to perform fully the transactions contemplated herein; (vi) has the full legal power and authority to execute, deliver, and perform this Agreement, the Interim Management Agreement, and the Financial Support Agreement; and (vii) has duly executed and delivered this Agreement, the Interim Management Agreement, and the Financial Support Agreement and each such agreement constitutes the legal, valid,

and binding obligation of the Health Alliance enforceable in accordance with its terms (subject as to enforcement of remedies to the discretion of the courts in awarding equitable relief and to applicable bankruptcy, reorganization, insolvency, moratorium, and similar laws affecting the rights of creditors generally).

SECTION 8.7 **Financial Support Agreement.** The Financial Support Agreement remains in effect, without any uncured breach or violation of any party thereto, as of the Closing Date.

SECTION 8.8 **Interim Management Agreement.** The Interim Management Agreement remains in effect, without any uncured breach or violation of any party thereto, as of the Closing Date.

SECTION 8.9 **Material Adverse Change.** The Parties agree expressly that, because the Health Alliance has managed DCI for the period from December 1, 2005 pursuant to the Interim Management Agreement, the absence of any material adverse change in the financial condition or operations of DCI or any DCI Affiliate occurring during the time period from execution of this Agreement to the Closing Date shall not be a condition to closing the transactions contemplated by this Agreement other than to the extent that event or condition would otherwise permit the Health Alliance not to consummate this Agreement pursuant to Sections 8.1 or 8.3 hereof. The Parties further agree that neither a change in the DCI Code of Regulations with respect to indemnification nor entering into separate Indemnification Agreements with the current Trustees of DCI shall constitute a material adverse change in the financial condition or operations of DCI.

SECTION 8.10 **Approval of Amendment to DCI Code of Regulations.** The written action of the Members of Drake Center, Inc., attached hereto as Exhibit A, shall have been executed by a majority of the Public Members not later than May 25, 2006, by a majority of the University Members not later than May 25, 2006, and by a majority of the members of the DCI Board of Trustees not later than May 25, 2006, and copies of such executed approval shall have been provided to DCI, the County, the University, and the Health Alliance.

SECTION 8.11 **Amendment to Lease.** The County and DCI shall execute and deliver an amendment to the Lease, substantially in the form of Exhibit B, attached hereto.

ARTICLE 9.
TERMINATION

SECTION 9.1 **Termination Events.** The Health Alliance may terminate this Agreement, by providing written notice to the other Parties if the breaches of representations and warranties by DCI, taken together, constitute a fundamental impairment of the business of DCI and its Affiliates, taken as a whole, or if any condition to Closing set forth in ARTICLE 8 has not been satisfied as of the Closing Date or if satisfaction of such a condition is or becomes impossible (other than through the failure of the Health Alliance to comply with its obligations under this Agreement) and the Health Alliance has not waived such condition on or before the Closing Date.

9.1.1 Any party may terminate this Agreement, by providing written notice to the other Parties, if any other Party breaches a material representation, warranty, covenant or agreement contained in this Agreement prior to the Closing Date.

SECTION 9.2 **Termination is Sole Remedy.** The provisions of this ARTICLE 9 shall be the sole and exclusive remedy available to the Parties resulting from a breach by any Party of any

representation, warranty, covenant or agreement prior to the Closing Date that is available under contract, tort or any other legal theory or in the event any of the conditions in Article 8 are not met.

ARTICLE 10. POST-CLOSING COVENANTS

SECTION 10.1 Operation of DCI. DCI hereby covenants that it will, and the Health Alliance covenants that it intends to cause DCI to:

10.1.1 Continue to operate as an Ohio non-profit corporation that is exempt from federal taxation under Section 501(c)(3) of the Internal Revenue Code;

10.1.2 Continue to operate as a "hospital facility" under applicable provisions of Ohio law;

10.1.3 Continue DCI's central mission of operating a long-term acute care health facility with significant emphasis on rehabilitation services; and

10.1.4 Continue to admit patients based on medical assessment, regardless of ability to pay or source of referral, and in a manner which does not discriminate by reason of race, creed, color or national origin; provided, however, that in admitting patients, DCI may give preference to residents of Hamilton County, Ohio.

10.1.5 Continue to comply with the terms of the Lease, subject to the termination of such Lease through the exercise of the option pursuant to Section 2.4 thereof.

The Parties acknowledge that the ultimate responsibility for the operations of DCI will remain with its Board of Directors, and that nothing herein shall affect the Board's right to make such changes in the operation of DCI or its assets as such Board of Directors determines are necessary or appropriate, consistent with their fiduciary duties.

SECTION 10.2 DCI Directors and Officers.

10.2.1 For a period of six years following the Closing Date, the Health Alliance shall cause DCI to maintain in effect, the liability insurance policy for directors and officers (the "**Tail D&O Policy**") covering each of the Members and all individuals who were trustees, directors or officers on the date of this Agreement or immediately prior to the Closing Date with substantially the same coverage as is currently maintained (including the current employment practices and trustee fiduciary coverage), subject to the Tail D&O Policy being available on commercially reasonable terms. With the consent of a majority of the Public Members and a majority of the University Members, the Health Alliance may substitute a reasonable program of self insurance or other assurance of coverage for the Tail D&O Policy reasonably satisfactory to the beneficiaries thereof, provided that in the event the Tail D&O Policy shall not be available on commercially reasonable terms, the Health Alliance shall substitute a reasonable program of self insurance or other assurance of coverage reasonably satisfactory to the beneficiaries thereof.

10.2.2 The Health Alliance shall not, in its capacity as the sole member of DCI, amend the Articles of Incorporation or the DCI Code to limit, reduce or eliminate the rights to indemnification and advancement of expenses provided to trustees, directors and officers of DCI who served in such capacities prior to the Closing Date under the Amended and Restated Articles of Incorporation or the DCI Code.

10.2.3 Each trustee, director or officer to whom the insurance rights referred to in this Section 10.2 applies shall have rights as a third-party beneficiary under this Section 10.2 as separate contractual rights for his or her benefit and such rights shall be enforceable by such person, their heirs and personal representatives and shall be binding on and enforceable against DCI and the Health Alliance and their successors and assigns and shall survive the Closing.

SECTION 10.3 Indemnification.

10.3.1 The Health Alliance and DCI (each an "**Indemnifying Entity**") hereby jointly and severally indemnify and agree to defend and hold harmless the Members, the County and the University and the County's and University's respective officers, directors, trustees, employees, successors and assigns (the "**Indemnified Persons**"), from and against any and all loss, injury, liability, claim, damage or expense (including without limitation, reasonable attorney fees, interest and court costs) incurred by any of the Indemnified Parties resulting from, relating to or arising out of: (i) any action taken by DCI, or by the Health Alliance on behalf of DCI, after the Closing Date; or (ii) the failure of the Indemnifying Entity to observe and perform any covenant or representation contained in this Agreement. The indemnification provided by this Section 10.3.1 shall be in addition to, and not in place of, any indemnification to which the County is entitled under the Lease.

10.3.2 The Party seeking indemnification hereunder (the "**Indemnified Party**") shall promptly notify the Party from whom indemnification is sought hereunder (the "**Indemnifying Party**") in writing of any claim for which indemnity is sought under this section (the "**Indemnifiable Claim**") and promptly provide the Indemnifying Party with copies of each and every summons, complaint, pleading, notice or other document received in connection with any Indemnifiable Claim from a third party or counsel to any third party; provided, however, that the failure to provide any such notice or copies of any such documents shall not relieve the Indemnifying Party of its obligations hereunder except to the extent that such failure materially prejudices the defense of the matter. The Indemnifying Party, in its discretion and at its sole expense, shall have the right to assume the defense of any Indemnifiable Claim with counsel of its choice. In such event, if the Indemnified Party desires to retain separate counsel to defend it in said action, it may do so at its own expense. The Indemnifying Party shall not be liable for any settlement entered into without its prior written consent.

**ARTICLE 11.
MISCELLANEOUS**

SECTION 11.1 Entire Agreement. This Agreement, including any schedules and exhibits hereto, the Financial Support Agreement, the Interim Management Agreement, and the Lease constitute the sole and entire agreement and understanding of the Parties with respect to the subject matter hereof. Any and all schedules and exhibits hereto are incorporated herein by reference.

SECTION 11.2 Amendments. This Agreement may not be amended or modified without the written consent of each of the Parties.

SECTION 11.3 Waiver. Failure to insist upon strict compliance with any of the terms, covenants, or conditions of this Agreement at any one time will not be deemed a waiver of such term, covenant, or condition at any other time nor will any waiver or relinquishment of any right or power herein at any time be deemed a waiver or relinquishment of the same or any other right or power at any other time.

SECTION 11.4 Notices. All notices, payments, or other communications required or permitted hereunder must be in writing and delivered by personal delivery, mail, overnight courier or telecopier and will be deemed to have been duly given, if by personal delivery, when received; if by mail, when mailed by registered or certified mail, postage prepaid, and return receipt requested; or if by overnight courier or telecopier, when delivered to such courier or sent by telecopier (provided that the party giving the notice has confirmation of such delivery or sending), and addressed as follows (or at such other addresses as designated by the parties from time to time):

If to the Health Alliance:

The Health Alliance of Greater Cincinnati
3200 Burnet Avenue
Cincinnati, Ohio 45229
Attn: Chief Executive Officer
Fax: (513) 585-8709

with a copy to:

Baker & Hostetler LLP
312 Walnut Street, Suite 3200
Cincinnati, Ohio 45202
Attn: Thomas W. Kahle, Esq.
Fax: (513) 929-0303

If to the County:

Board of County Commissioners of Hamilton County
138 East Court Street, Room 603
Cincinnati, Ohio 45202
Attn: President
Fax: (513) 946-4404

with a copy to:

Vorys, Sater, Seymour and Pease LLP
221 East Fourth Street
Suite 2000
Cincinnati, Ohio 45202
Attn: Thomas Gabelman, Esq.
Fax: (513) 723-8580

and to:

Hamilton County Prosecutor's Office
William Howard Taft Law Center
230 East Ninth Street, Suite 4000
Cincinnati, Ohio 45202
Attn: James Harper, Esq.
Fax: (513) 946-3159

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If to the University:

Board of Trustees of the University of Cincinnati
Office of the Board of Trustees
University of Cincinnati
P.O. Box 210062
Cincinnati, Ohio 45221-0062
Attn: President
Fax: (513) 556-6680

If to DCI:

Drake Center, Inc.
c/o George Strike
Vice Chairman of the Board
422 Wards Corner Road
Cincinnati, Ohio 45140

With a Copy to:

Stephen M. King, Esq.
Thompson Hine LLP
312 Walnut Street
Suite 1400
Cincinnati, Ohio 45202

SECTION 11.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together shall constitute one and the same instrument.

SECTION 11.6 Enforceability and Severability. In the event any provision of this Agreement or portion thereof is found to be wholly or partially invalid, illegal, or unenforceable in any proceeding, then such provision will be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, or will be deemed excised from this Agreement, as the case may require, and this Agreement will be construed and enforced to the maximum extent permitted by law as if such provision had been incorporated originally herein as so modified or restricted or as if such provision had not been incorporated originally herein, as the case may be.

SECTION 11.7 Governing Law. This Agreement will be construed in accordance with the laws of the State of Ohio.

SECTION 11.8 Section Titles. The titles of the sections have been inserted as a matter of convenience and reference only and will not control or affect the meaning or construction of this Agreement.

SECTION 11.9 Assignment. This Agreement may not be assigned or delegated by one Party without the prior written consent of the other Parties.

SECTION 11.10 Expenses. Each Party will pay its own expenses in connection with the transactions contemplated hereby, whether or not such transactions are consummated.

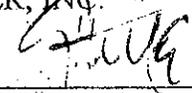
SECTION 11.11 Parties in Interest. All representations, covenants, and agreements contained in this Agreement by or on behalf of any of the Parties will bind and inure to the benefit of the respective successors and permitted assigns of the Parties whether so expressed or not.

SECTION 11.12 Remedies. Except as limited by Section 9.2 hereof, all remedies for breach of this Agreement will be cumulative.

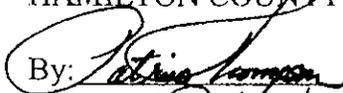
SECTION 11.13 Third Parties. Except as provided in Section 10.2.3 above, this Agreement does not, and is not intended to, create any rights in any person or entity that is not a Party.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first written above.

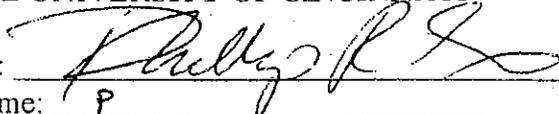
DRAKE CENTER, INC.

By: 
Name: George Strike
Title: Vice Chairman

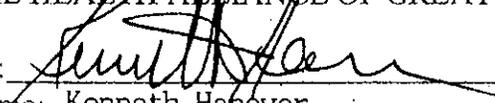
HAMILTON COUNTY, OHIO

By: 
Name: Patrick Thompson
Title: County Administrator

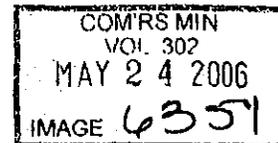
THE UNIVERSITY OF CINCINNATI

By: 
Name: P
Title:

THE HEALTH ALLIANCE OF GREATER CINCINNATI

By: 
Name: Kenneth Hanover
Title: President and Chief Executive Officer

WRITTEN ACTION
OF THE
MEMBERS
OF
DRAKE CENTER, INC.



The undersigned, constituting a majority of the members (the "**Members**") of Drake Center, Inc., an Ohio nonprofit corporation (the "**Corporation**"), hereby consent to the approval and adoption of the following resolutions pursuant to Section 1702.25 of the Ohio Nonprofit Corporation Law and Article III Section G. of the Corporation's Regulations:

RESOLVED, that Article II Section A of the Regulations, which currently reads as follows:

A. Types of Members. There shall be two (2) types of membership in the Hospital. One type shall be known as "**University Members**" and one type shall be known as "**Public Members**." Each type of Member shall be constituted as follows:

1. University Members. This type shall consist of the Board of Trustees of the University of Cincinnati, as it shall from time to time be constituted.
2. Public Members. This type shall consist of all of the members of the Board of County Commissioners of Hamilton County, Ohio, as it shall from time to time be constituted.

shall, effective on the Closing Date (as defined below), be amended and restated in its entirety to read as follows:

A. Members. The Health Alliance of Greater Cincinnati, an Ohio nonprofit corporation, shall be the sole member of the Corporation, and shall be referred to herein as the "**Member**" or the "**Sole Member**." Each and every reference in herein to "**University Members**" or "**Public Members**" shall be deemed to be a reference to the Member.

FURTHER RESOLVED, that Article IV Section B of the Regulations, which currently reads as follows:

B. Number of Trustees. The number of Trustees of the Hospital shall be nine (9), of which six (6) shall be elected by University Members, and three (3) shall be elected by Public Members. One (1) of the six (6) Trustees elected by the University Members shall be the President of the University of Cincinnati, unless such appointment is prohibited by Ohio ethics laws; provided, however, that the President of the University of Cincinnati may appoint the President Emeritus of the University of Cincinnati to serve in his or her place; and provided further that such individual shall be treated as a Trustee for all purposes, including for quorum, voting and indemnification purposes. All Trustees shall continue to hold

their offices and discharge their duties until their successors have been elected and qualified.

shall, effective on the Closing Date, be amended and restated in its entirety to read as follows:

B. Number of Trustees. The number of Trustees of the Hospital shall be five (5), each of which shall be elected by the Member. All Trustees shall continue to hold their offices and discharge their duties until their successors have been elected and qualified.

FURTHER RESOLVED, that Article V Section A of the Regulations, which currently reads as follows:

A. Composition. All officers of the Hospital shall be elected by the Board of Trustees at its Annual Meeting or at a special meeting called for that purpose or by written action. The officers of the Hospital shall be a Chairperson, a Vice-Chairperson, a Chief Executive Officer, a Treasurer, a Secretary and such other officers as may be designated by the Board of Trustees from time-to-time. The Chairperson shall be the President of the University of Cincinnati (provided, however, that the President of the University of Cincinnati may appoint the President Emeritus of the University of Cincinnati to serve in his or her place), unless he or she is prohibited by Ohio ethics laws from serving as a Trustee; otherwise, the Chairperson shall be a member of the Board of Trustees. Any person may not hold more than one (1) office. Said officers shall hold office for one (1) year or until their successors are elected, or appointed and qualified.

shall, effective on the Closing Date, be amended and restated in its entirety to read as follows:

A. Composition. All officers of the Hospital shall be elected by the Board of Trustees at its Annual Meeting or at a special meeting called for that purpose or by written action. The officers of the Hospital shall be a Chairperson, a Vice-Chairperson, a Chief Executive Officer, a Treasurer, a Secretary and such other officers as may be designated by the Board of Trustees from time-to-time. The Chairperson shall be a member of the Board of Trustees. Said officers shall hold office for one (1) year or until their successors are elected, or appointed and qualified.

FURTHER RESOLVED, that the foregoing amendments shall take effect as of the "**Closing Date**" set forth in that certain Reorganization Agreement, dated as of May __, 2006, by and among The Health Alliance of Greater Cincinnati, Hamilton County, Ohio, the University of Cincinnati, the Corporation, and each of the Members, provided, however, that such amendments shall be of no force and effect if the "**Closing**" as defined in the Reorganization Agreement does not occur.

These Resolutions may be executed in any number of counterparts, each of which will be deemed an original, but all of which together shall constitute one and the same instrument.

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PUBLIC MEMBERS:

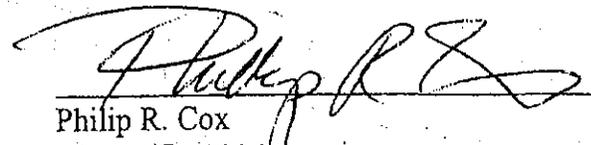
See next page
Pat DeWine
May ____, 2006

See next page
Phil Heimlich
May ____, 2006

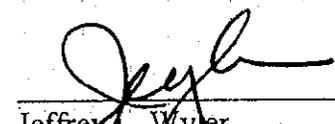
Todd Portune
May ____, 2006

UNIVERSITY MEMBERS:


Thomas H. Humes
May 23, 2006


Philip R. Cox
May 23, 2006

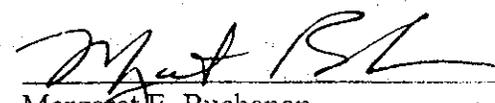
Anant R. Bhati
May ____, 2006


Jeffrey L. Wyler
May 23, 2006

HC Buck Niehoff
H.C. Buck Niehoff
May 23, 2006

Sandra W. Heimann
May ____, 2006

Gary Heiman
May ____, 2006


Margaret E. Buchanan
May 23, 2006

C. Francis Barrett
May ____, 2006

APPROVAL OF THE BOARD OF TRUSTEES OF DRAKE CENTER, INC.

The undersigned, constituting a majority of the Board of Trustees of Drake Center, Inc., hereby consent to the approval and adoption of the resolutions set forth above pursuant to Section 1702.25 of the Ohio Non-Profit Corporation Law and Article X of the Corporation's Code of Regulations.

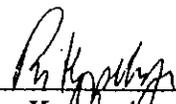


George Strike
May 24, 2006

Christopher Finney
May ____, 2006

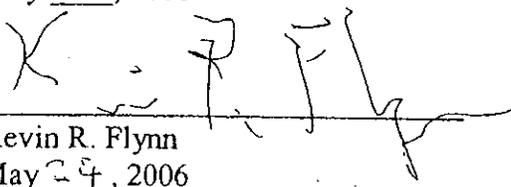


Robert E. Coletti
May 24, 2006

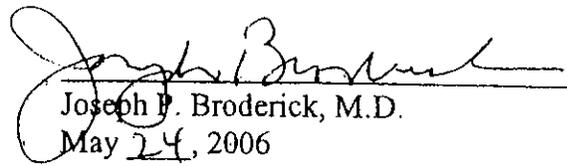


Ron Koppenhoefer, M.D.
May 24, 2006

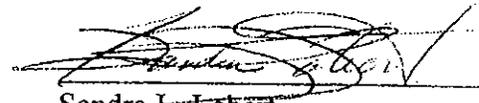
Gloria Jenkins
May ____, 2006



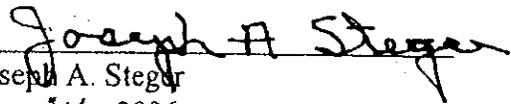
Kevin R. Flynn
May 24, 2006



Joseph P. Broderick, M.D.
May 24, 2006

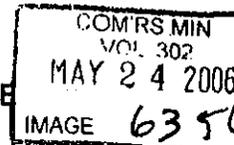


Sandra L. Lobert
May 24, 2006



Joseph A. Steger
May 24, 2006

EXHIBIT B
AMENDMENT TO LEASE BETWEEN
HAMILTON COUNTY AS LESSOR AND DRAKE CENTER, INC. AS LESSEE



This Amendment to Lease (the "Amendment") is made and entered into as of the ___ day of _____, 2006, between Hamilton County, a county and political subdivision in and of the State of Ohio ("County"), and Drake Center, Inc., an Ohio nonprofit corporation ("DCI").

WHEREAS, the County and DCI entered into a Lease and Operating Agreement on the second day of June, 1989 (the "Lease") relating to real estate described on Exhibit A; and

WHEREAS, in connection with the reorganization of DCI and a change in its corporate membership, the County and DCI have agreed to certain amendments to the Lease, contingent upon the Closing pursuant to the Reorganization as specified in Section 2.1 of the Reorganization Agreement (the "Reorganization Agreement") among the County, DCI, and The Health Alliance of Greater Cincinnati, an Ohio non-profit corporation (the "Health Alliance"), effective on the Closing Date as specified in the Reorganization Agreement.

NOW, THEREFORE, the parties hereto covenant and agree as follows:

1. Amendment to Section 2.3 - Term.

Existing Section 2.3 of the Lease shall be deleted in its entirety and a new Section 2.3 shall be substituted therefor, as follows:

Existing Section 2.3 to be deleted:

Section 2.3. Term. This Lease shall be for an initial term of fifty (50) years, beginning on July 1, 1989 (the "Commencement Date") and ending on June 30, 2039. Lessee, having fully performed all the obligations, terms, conditions, and covenants of this Lease during the initial term shall, upon the expiration of the initial term, have the option to renew this Lease for an additional term of fifty (50) years upon the same terms, conditions, and covenants that exist for the initial term or any modified terms, conditions, or covenants upon which the Lessor and Lessee mutually agree. Lessee must provide written notice of its intent to exercise its option at least one (1) year prior to the expiration of the initial term or renewal term.

New Section 2.3 to be substituted therefor:

Section 2.3. Term. This Lease shall be for an initial term which began on July 1, 1989 (the "Commencement Date") and ending on the last day of the month which is thirty (30) years after the first day of the first month immediately succeeding the Closing Date under the Reorganization Agreement. Lessee, having fully performed all the obligations, terms, conditions, and covenants of this Lease during the initial term shall, upon the expiration of the initial term, have the option to renew this Lease for an additional term of thirty (30) years upon the same terms, conditions, and covenants that exist for the initial term or any modified terms, conditions, or covenants upon which the Lessor and Lessee mutually agree. Lessee must provide written notice of its intent to exercise its option at least one (1) year prior to the expiration of the initial term or renewal term.

2. Amendment to Section 2.4 - Option to Purchase.

Section 2.4 shall be deleted in its entirety and a new Section 2.4 shall be substituted therefor, as follows:

Existing Section 2.4 to be deleted:

Section 2.4. Option to Purchase. Lessee shall have an option to purchase all the real estate, buildings, fixtures, contents and all tangible and intangible property transferred to Lessee by this Lease. Lessee may exercise such option at any time during the initial fifty (50) year term of this Lease or during the term of the first renewal of this Lease following the initial term, provided that the exercise of such option by Lessee does not in any way cause title to any of the property transferred to the County by the City of Cincinnati in 1927 for the operation of the County home or infirmary, or transferred to the County subsequent to 1927, to revert to the City of Cincinnati. It is understood and agreed that Lessee takes all property purchased pursuant to the exercise of this option subject to whatever right, title or interest, including any restrictions or reversionary interests, placed upon the County with respect to the property.

For purposes of exercising this option, the purchase price shall be the appraised value of all real estate, buildings, fixtures, contents and all tangible and intangible property that are part of or located on the Leased Premises on the date the option is exercised. It is understood and agreed that the purchase price shall be reduced by the appraised value of any capital improvements constructed or added to the Leased premises during the term of the Lease not using public funds identified for such capital improvements. Other terms and conditions of such purchase are subject to mutual agreement of the parties to the purchase and sale agreement.

New Section 2.4 to be substituted therefor:

Section 2.4. Option to Purchase. Lessee shall have an option to purchase the Lessor's entire interest in and relating to the Hospital and all Hospital Facilities, including without limitation, all the real estate, buildings, fixtures, contents and all tangible and intangible property transferred to Lessee by this Lease. Lessee may exercise such option at any time during the initial term of this Lease, but no sooner than January 1, 2010, (the "Initial Option Exercise Date") or during the term of the first renewal of this Lease following the initial term.

The option exercise price shall be equal to \$30,000,000 (the "Base Price") as adjusted, minus one half of all Rent paid pursuant to Section 2.5 hereof from the Rent Commencement Date (as defined in Section 2.5). The Base Price shall be adjusted annually, based on increases or decreases in the CPI, from the Initial Option Exercise Date, in the same manner as adjustments to Rent as set forth in Section 2.5 hereof. The first adjustment to the Base Price shall be made effective as of January 1, 2011 and shall be made annually thereafter on each subsequent January 1. For the purposes of Section 2.4 and Section 2.5, "CPI" shall mean the Consumer Price Index - All Urban Consumers (Midwest Region) (1982-84=100), as published by the United States Department of Labor Bureau of Labor Statistics or, if unavailable, the most analogous index then published by a federal government agency as an official statement of changes in consumer prices. The option shall be exercised by the Lessee providing thirty (30) days prior written notice of exercise to Lessor.

The closing of the purchase shall take place at a time and place mutually agreed but no later than sixty (60) days from the written notice of exercise. The option exercise price shall be payable in full at such closing. Any disagreement concerning any matter relating to the exercise of the option to purchase, shall be resolved pursuant to section 8.10 hereof. Upon such closing, this Lease shall terminate and be of no further force or effect and Lessor shall have no further interest in the Hospital, Hospital facilities, or any other asset of the Lessee.

3. Amendments to Section 2.5 - Rent.

Existing Section 2.5 of the Lease shall be deleted in its entirety and a new Section 2.5 shall be substituted therefor, as follows:

Existing Section 2.5 to be deleted:

Section 2.5. Rent. Lessee covenants and agrees to pay Lessor rent for the Leased Premises during the initial term of this Lease at the rate of \$1.00 per year, payable in advance for the entire lease term.

New Section 2.5 to be substituted therefor:

Section 2.5. Rent. Lessee covenants and agrees to pay Lessor rent for the Leased Premises during the initial term of this Lease at the rate of \$1,000,000 per year (the "Rent"), payable on a monthly basis in advance on the first business day of each month, with the first monthly payment of Rent being due and payable on the first business day of the first month immediately succeeding the Closing Date under the Reorganization Agreement (the "Rent Commencement Date"). The Rent shall be adjusted on an annual basis to reflect percentage increases or decreases, if any, in the CPI that have occurred from the Rent Commencement Date. The first such adjustment shall be made effective as of the first anniversary of the Rent Commencement Date, with subsequent adjustments to be made, effective on each subsequent anniversary thereafter. The Rent adjustment, if any, shall be calculated by the Lessor within thirty (30) days of the publication of the CPI for the applicable period. The Lessor shall provide the Lessee with written notice of such adjustment in Rent including the CPI for the applicable period compared to the CPI for the prior period, plus all computations. The payment of Rent for the first month following the receipt of the Lessor's notice of adjustment in Rent shall include a catch up payment or credit, as the case may be, for the period from the effective date of such adjustment. Any disagreement concerning such adjustment in Rent shall be resolved pursuant to Section 8.10 hereof.

7/1/2006

4. Amendment to Section 2.6 – Assignment and Sublease.

Existing Section 2.6 shall be deleted in its entirety and a new Section 2.6 shall be substituted therefor, as follows:

Existing Section 2.6 to be deleted:

Section 2.6. Assignment and Sublease. Lessee shall not assign or sublet all or any portion of the Leased Premises or permit any other person to hold or occupy all or any portion thereof, without the prior written approval of the Commissioners, such approval not to be unreasonably withheld, and then only in the manner and upon the conditions set forth in such written consent. No assignment or sublease by Lessee will release Lessee from any of its obligations under this Lease. Any purported assignment or sublease entered into by Lessee with a third party for the Leased premises or any portion thereof without the Commissioners' prior written consent shall be void unless such consent has been unreasonably withheld. If the Commissioners consent to any assignment or sublease, Lessee shall provide to the Commissioners or Lessor a copy of the executed assignment or sublease.

New Section 2.6 to be substituted therefor:

Section 2.6. Assignment and Sublease. Lessee shall not assign or sublet all or any portion of the Leased Premises or permit any other person to hold or occupy all or any portion thereof, without the prior written approval of the Commissioners, such approval not to be unreasonably withheld, and then only in the manner and upon the conditions set forth in such written consent, provided however that Lessee shall be permitted to sublease the portion of the Leased Premises currently used primarily as an assisted living facility and known generally as Bridgeway Pointe, shown on Exhibit 2.6-1, and the portion of the Leased Premises currently used primarily as a child care facility and known generally as Children's Pointe, shown on Exhibit 2.6-2, without prior approval of the Commissioners, and the operations conducted on any subleased portion of the Leased Premises shall not be subject to the terms of the Operating Agreement of Article 5 hereof. No assignment or sublease by Lessee will release Lessee from any of its obligations under this Lease. Any purported assignment or sublease

entered into by Lessee with a third party for the Leased premises or any portion thereof without the Commissioners' prior written consent shall be void unless such consent has been unreasonably withheld. If the Commissioners consent to any assignment or sublease, Lessee shall provide to the Commissioners or Lessor a copy of the executed assignment or sublease.

5. Amendments to Section 7.1. – Events of Default.

Existing Section 7.1(b) shall be deleted in its entirety and a new Section 7.1(b) shall be substituted therefor as follows:

Existing Section 7.1(b) to be deleted:

The failure by Lessee to observe or perform any covenant, agreement, or provision or any part thereof contained in this Agreement for a period of 60 days after written notice of such failure and request for remedy given to Lessee by Lessor, unless Lessor agrees in writing to an extension of time for Lessee to comply. However, if Lessee proceeds to take curative action which in good faith cannot be completed within a period of 60 days, then such period for compliance shall be increased without such written extension as shall be necessary to enable Lessee to complete such curative action.

New Section 7.1(b) to be substituted therefor:

The failure by Lessee to observe or perform any covenant, agreement, or provision or any part thereof contained in this Agreement (other than as provided in subsection 7.1(k) hereof) for a period of 60 days after written notice of such failure and request for remedy given to Lessee by Lessor, unless Lessor agrees in writing to an extension of time for Lessee to comply. However, if Lessee proceeds to take curative action which in good faith cannot be completed within a period of 60 days, then such period for compliance shall be increased without such written extension as shall be necessary to enable Lessee to complete such curative action.

A new Section 7.1 (k) shall be inserted as follows:

New Section 7.1 (k) to be added:

k. Failure of Lessee to pay Lessor Rent pursuant to Section 2.5 hereof within three (3) days after written notice from Lessor.

6. Amendment to Section 7.2. – Remedies of Default.

Existing Section 7.2 (b) of the Lease shall be deleted in its entirety and a new Section 7.2 (b) shall be substituted therefor, as follows:

Existing Section 7.2 (b) to be deleted:

b. Subsequent to termination under sub-paragraph 7.1 (b), Lessor may re-enter and repossess the Leased Premises by summary proceedings, ejectment, or any other legal action or in any lawful manner Lessor determines to be necessary or desirable. Lessor also maintains the right after termination to remove all persons and property from the Leased Premises.

New Section 7.2 (b) to be substituted therefor:

b. Subsequent to termination under sub-paragraphs 7.1 (b) or 7.1 (k), Lessor may re-enter and repossess the Leased Premises by summary proceedings, ejectment, or any other legal action or in any lawful manner Lessor determines to be necessary or desirable. Lessor also maintains the right after termination to remove all persons and property from the Leased Premises.

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7. Effective Date.

This Amendment will be effective upon the Closing Date as specified in the Reorganization Agreement. If the Closing under the Reorganization Agreement does not occur for any reason, this Amendment shall be null and void and of no further force or effect.

8. No other changes.

This Amendment does not constitute an amendment or change to any provision of the Lease, other than as specifically provided in this Amendment. All other provisions of the Lease shall remain in full force and effect.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF:

HAMILTON COUNTY, OHIO

Karla Rank
Witness

By: Patrick Thompson
Patrick Thompson, County Administrator

Deboris Sinclair
Witness

DRAKE CENTER, INC.

Stephen M. F.
Witness

By: George Strike
Its: Vice Chairman

C. Charae Conn
Witness

STATE OF OHIO

)
) ss.
)

COUNTY OF HAMILTON

On May 26, 2006 before me, Karen A. Knapp, Notary Public, personally appeared Patrick Thompson, personally known to me to be the person whose name is subscribed to the within instrument, and who acknowledged to me that he executed the same in his authorized capacity as County Administrator, and that the execution of said instrument is his free act and deed as County Administrator and the free act and deed of Hamilton County, Ohio.

WITNESS my hand and official seal.

Karen A. Knapp
Notary Public

KAREN ANN KNAPP
Notary Public, State of Ohio
My Commission Expires July 27 2009

STATE OF OHIO

)
) ss.
)

COUNTY OF HAMILTON

On May 24, 2006 before me, C. Charae Conn, Notary Public, personally appeared George Strike, personally known to me to be the person whose name is subscribed to the within instrument, and who acknowledged to me that he/she executed the same in his/her authorized capacity, and that the execution of said instrument is his/her free act and deed as a duly authorized officer of Drake Center, Inc. and the free act and deed of Drake Center, Inc.

WITNESS my hand and official seal.

C. Charae Conn
Notary Public

C. CHARAE CONN
NOTARY PUBLIC, STATE OF OHIO
My Commission Expires 12/28/2009

101282695.6



SETTLEMENT, RELEASE AND FINANCIAL SUPPORT AGREEMENT

This SETTLEMENT, RELEASE AND FINANCIAL SUPPORT AGREEMENT (the "Agreement") is entered into this 24 day of May, 2006 by and between the Board of County Commissioners, Hamilton County, Ohio (the "County") and Drake Center, Inc. ("DCI").

RECITALS

1. DCI operates a long-term acute care hospital and skilled nursing facility specializing in long-term care and rehabilitation for medically complex patients located in Cincinnati that provides physical and medical rehabilitation services to patients residing in greater Cincinnati and surrounding areas, including residents of Hamilton County, and provides other related services through itself, its affiliates and subsidiaries.

2. On November 2, 2004 the voters of Hamilton County, Ohio voted in favor of a .84 mill tax levy for health and hospitalization services including, without limitation, the services provided by DCI (the "Levy"), for a period of five (5) years continuing through December 31, 2009.

3. DCI, the County, the University of Cincinnati (the "University"), and the Health Alliance of Greater Cincinnati (the "Health Alliance"), are parties to that certain Reorganization Agreement dated of even date herewith (the "Reorganization Agreement") pursuant to which the parties to the Reorganization Agreement agree to certain actions with respect to DCI including, without limitation, causing the Code of Regulations of DCI to be amended so that the Health Alliance becomes the sole member of DCI effective July 1, 2006.

4. The County is a "public hospital agency," as defined in Ohio Revised Code ("ORC") Section 140.01.

5. DCI is a "hospital agency," as defined in ORC Section 140.01, and operates "hospital facilities," as defined in ORC Section 140.01.

6. The Health Alliance is a "hospital agency," as defined in ORC Section 140.01, and operates "hospital facilities," as defined in ORC Section 140.01.

7. The parties have each individually determined to enter into this Agreement in order to provide for the health and welfare of the people of Hamilton County and the State of Ohio, by enhancing the availability, efficiency, and economy of hospital facilities and the services rendered thereby, to obtain economies in operation and more effective health service, to facilitate participation in federal financial assistance provided by Title IV of the "Public Health Service Act," 60 Stat. 1041 (1946), 42 U.S.C. 291, as amended, and to provide efficient operation of hospital facilities to be available to or for the service of the general public, without discrimination by reason of race, creed, color, or national origin, in accordance with Chapter 140 of the ORC.

8. The parties desire to enter into this Agreement for purposes of determining the County's distribution of funds from the Levy to DCI and, effective upon the closing of the transactions contemplated by the Reorganization Agreement (the "Closing"), to resolve all controversies regarding distribution of funds from the Levy.

NOW, THEREFORE, in consideration of the mutual covenants and premises set forth herein, the County and DCI agree as follows:

SECTION 1. Payment of Levy Funds. The County has paid, and DCI has received, \$10,761,966 for calendar year 2005 (the "2005 Payment"). The County and DCI mutually agree that the 2005 Payment is in full satisfaction of all funds due DCI under the Levy for calendar year 2005. Contingent on the occurrence of the Closing, the County will pay, and DCI will accept, in full and complete satisfaction of all financial responsibility of the County to DCI pursuant to the Levy, an amount equal to \$10,761,966 (the "Yearly Levy Support") in each of calendar years 2006, 2007, 2008 and 2009 (the "Levy Support"). Each year, the Yearly Levy Support shall be paid by the County to DCI in two (2) equal installments based on tax receipts in a manner and at such times as are consistent with the historical payment practices by the County to DCI. After payment of the 2009 Yearly Annual Support, the County shall have no further obligation to provide financial support to DCI or to seek any approval of any new levy providing financial support to DCI.

SECTION 2. DCI's Operations. DCI represents that it will continue to conduct its operations in the following manner so long as DCI is receiving the financial support described in this Agreement:

- 2.1 Continue to operate as an Ohio non-profit corporation that is exempt from federal taxation under Section 501(c)(3) of the Internal Revenue Code.
- 2.2 Continue to operate as a "hospital facility" under applicable provisions of Ohio law.
- 2.3 Continue DCI's central mission of operating a long-term acute care health facility with significant emphasis on rehabilitation services.
- 2.4 Continue to admit patients based on medical assessment, regardless of ability to pay or source of referral, and in a manner which does not discriminate by reason of race, creed, color or national origin; provided, however, that in admitting patients, DCI may give preference to residents of Hamilton County, Ohio.
- 2.5 On an annual basis, no later than 120 days after the end of each fiscal year of DCI, DCI shall submit a written report to the County describing the operations and expenses of DCI, including the Yearly Levy Support, compliance with the provisions of this Section 2, and the actions taken in furtherance of DCI's central mission.

SECTION 3. Settlement and Release. Effective upon the occurrence of the Closing, in exchange for and contingent upon the County providing the financial support to DCI as described herein, DCI will release and forever discharge, indemnify and hold harmless the County from and against any and all claims, causes, actions, expenses or liabilities arising out of the Levy and payment of funds thereunder. Nothing in this Section 3 shall be deemed to release or discharge the County from the full and timely performance of any of its obligations under this Agreement or the Reorganization Agreement. The indemnification provided for this Section 3 shall be in addition to any indemnification rights of the County pursuant to the Reorganization Agreement. Except for the County's rights to indemnification pursuant to this Section 3 which will continue, upon the complete payment of the Yearly Levy Support, this Agreement shall terminate and be of no further force or effect.

SECTION 4. Prior Agreement. This Agreement supersedes that certain Agreement and Reservation of Rights by and between the County and DCI dated June 9, 2005 (the "June Agreement"); *provided*, however, that if the Closing does not occur, the June Agreement shall be reinstated *nunc pro tunc* and shall be deemed to have been continuously in effect, and this Agreement shall thereupon terminate and be of no further force or effect.

SECTION 5. Entire Agreement. This Agreement and the Reorganization Agreement constitute the sole and entire agreement and understanding of the parties with respect to the subject matter hereof.

SECTION 6. Amendments. This Agreement may not be amended or modified without the written consent of each of the parties.

SECTION 7. Waiver. Failure to insist upon strict compliance with any of the terms, covenants, or conditions of this Agreement at any one time will not be deemed a waiver of such term, covenant, or condition at any other time nor will any waiver or relinquishment of any right or power herein at any time be deemed a waiver or relinquishment of the same or any other right or power at any other time.

SECTION 8. Notices. All notices, payments, or other communications required or permitted hereunder must be in writing and delivered by personal delivery, mail, overnight courier or telecopier and will be deemed to have been duly given, if by personal delivery, when received; if by mail, five (5) days after mailing by registered or certified mail, postage prepaid, and return receipt requested; or if by overnight courier or telecopier, when delivered to such courier or sent by telecopier (provided that the party giving the notice has confirmation of such delivery or sending), and addressed as follows (or at such other addresses as designated by the parties from time to time):

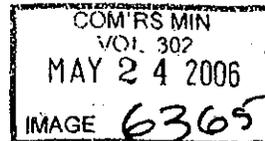
If to the County:

Board of County Commissioners of Hamilton County
138 East Court Street, Room 603
Cincinnati, Ohio 45202
Attn: President
Fax: (513) 946-4404

with a copy to:

Vorys, Sater, Seymour and Pease LLP
221 East Fourth Street
Suite 2000
Cincinnati, Ohio 45202
Attn: Thomas Gabelman, Esq.
Fax: (513) 723-8580





and to:

Hamilton County Prosecutor's Office
William Howard Taft Law Center
230 East Ninth Street, Suite 4000
Cincinnati, Ohio 45202
Attn: James Harper, Esq.
Fax: (513) 946-3159

If to DCI (prior to Closing):

Drake Center, Inc.
c/o Chairman of the Board
151 West Galbraith Road
Cincinnati, Ohio 45216
Fax: (513) 948-2501

with a copy to:

Stephen M. King, Esq.
Thompson Hine LLP
312 Walnut Street
Suite 1400
Cincinnati, Ohio 45202

If to the Health Alliance or to DCI (after the Closing):

c/o The Health Alliance of Greater Cincinnati
3200 Burnet Avenue
Cincinnati, Ohio 45229
Attn: Chief Executive Officer
Fax: (513) 585-8709

with a copy to:

Thomas W. Kahle, Esq.
Baker & Hostetler LLP
312 Walnut Street, Suite 3200
Cincinnati, Ohio 45202
Fax: (513) 929-0303

SECTION 9. Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together shall constitute one and the same instrument.

SECTION 10. Enforceability and Severability. In the event any provision of this Agreement or portion thereof is found to be wholly or partially invalid, illegal, or unenforceable in any proceeding, then such provision will be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, or will be deemed excised from this Agreement, as



2008 COURT GUIDE TO SERVICES

Turning Point

The Turning Point Residential is a seven (7) to eleven (11) week chemical dependency program for men incarcerated for multiple DUI's and other substance abuse related offenses. It should be noted that this stay could be extended based upon clinical needs and client progress. The program begins with a two to three week orientation pre-treatment period; Primary treatment begins once the client begins Group Therapy and can last up to 90 days. Services include intake, orientation, assessment, individual and group counseling, family counseling, participation in support groups, six months Continuing Care Program, and other ancillary services such as educational, vocational/employment counseling, housing and referrals to other needed services.

Turning Point also provides services designed for the first and second time DUI offender in our **Six (6), Ten (10) and Twenty (20) Day Driver Intervention Program**. This includes education, testing, assessment, individual/group sessions and referral to appropriate level of care for substance abuse treatment as needed.

Cost to Client:

- **6 Day Driver Intervention Program up to \$400.00**
- **10 Day Driver Intervention Program up to \$500.00**
- **20 Day Driver Intervention Program up to \$600.00**
- **All fees based on a Sliding scale starting at \$65.00**

Cost to Client: Residential

- **Sliding scale \$75.00 – 795.00**
- **Deposit \$50.00 - \$100.00**
- **Community Service with Probation if fee is less than \$795.00**
- **\$234.00 for 26 weeks of Continuing Care**

Admission Requirements:

- **Must meet Sheriff's Department security classification**
- **Multiple DUI or other misdemeanor alcohol or drug related charges**
- **Defendant sentenced (prefer minimum 180 days with no work detail) and committed**

Referral Process:

Referral sheet filled out at the time of sentencing and faxed to probation, or Judge grants stay on days and refers to Probation for evaluation. Liaison will inform Court of evaluation at sentencing.

****For more information or to make a referral, call 513-946-9555***

○

Talbert House and Affiliates
Court Treatment Service Descriptions

Turning Point

2605 Woodburn Avenue
Cincinnati, Ohio 45206
(513) 946-9555

Service Description: Residential treatment program to provide chemical dependency treatment to adult males convicted of multiple DUI's and/or some other alcohol/drug related offenses. Progress based treatment with average length of time 7 to 11 weeks. Six months Continuing Care support to follow.

Ten-Day/Twenty Day Driver Intervention Program to provide substance abuse and addiction education and assessment services in a residential setting to adult males convicted of a second DUI.

Hours of Operation: 24 hours a day/7 days a week with administrative hours.

Referral Source: Municipal Court of Hamilton County

Client Population: Court referral male misdemeanor and felony offenders. Ages 18 and older

Service Area: Hamilton County. Must be incarcerated in Hamilton County Justice Center but may live in surrounding counties.

Funding Sources: Hamilton County Commissioners

Accreditation, Licensing and Certification:

Ohio Department of Alcohol and Drug Addiction Services
Licensed minimum security jail.

Payment Methods: Refer to site handbook

Services Offered: Substance abuse education, chemical dependency assessment and diagnosis, addiction treatment and education; individual, group and family counseling; Corrective Thinking and other Cognitive Behavioral Therapy approaches; self help group exposure, relapse prevention skills training, discharge planning and Continuing Care; GED assessment and preparation, vocational guidance and job readiness skills.

Collaborations/Affiliations: Hamilton County Sheriff's Department
Hamilton County Probation Department

Directions to Services from Talbert House Executive Office:

Turn RIGHT onto Victory Parkway from Talbert House Executive Office parking lot. At the second light veer RIGHT on Martin Luther King. At the light turn RIGHT onto Woodburn Avenue until reaching the corner of William Howard Taft. Turning Point's driveway is on the RIGHT before reaching the corner.

Performance Budgeting

Approved Expense

2/16/2007

Turning Point

Wendell

Final Approved

Faculty

Fund	003	Tax Levies Operating Fund	Department	30	Sheff	Mental Health	Dept Request	Admin. Rec.	Final Approved	
SubFund	007	Health & Hospitalization Levy / Drake	OCA	300616						
Object 3		2004 Actual	2005 Actual	CY Budget	Dept Est. CY	BO Estimate	CY Actual	Dept Request	Admin. Rec.	
0511	Regular Empld	272,103.17	240,768.91	277,501.01	259,160.00	249,266.85	251,125.64	297,352.00	289,431.01	289,431.01
0514	Service Allowa	4,200.00	4,200.00	4,830.00	4,800.00	0.00	5,000.00	6,400.00	6,400.00	6,400.00
0517	Regular Empld	12,661.24	10,204.52	30,000.00	27,980.00	28,769.60	24,364.95	35,000.00	30,000.00	30,000.00
0518	Regular Empld	7,361.93	7,348.34	19,000.00	8,500.00	10,000.00	8,652.08	15,000.00	15,000.00	15,000.00
0528	Reimburseme	0.00	569.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0529	Additional Pay	999.96	384.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0532	Vacation Pay	1,366.44	255.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0535	Recreative Pa	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0538	Comp Time	6,236.71	6,204.08	12,000.00	8,000.00	9,000.00	10,697.54	20,000.00	12,000.00	12,000.00
0552	Women's Comp	3,015.29	1,949.65	1,387.50	1,390.00	1,388.00	1,387.50	1,486.77	1,317.12	1,317.12
0747	Medical Servis	0.00	490.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0795	Mental Health:	0.00	0.00	68,000.00	21,500.00	30,000.00	0.00	60,000.00	60,000.00	50,000.00
0912	Subscriptions:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0929	Misc Payments	23,732.00	22,710.00	22,710.00	2,210.00	2,067.60	2,207.43	2,523.88	2,206.83	2,206.83
1001	Mandatory Mes	2,500.23	1,890.42	2,108.64	2,210.00	2,067.60	2,207.43	2,523.88	2,206.83	2,206.83
1010	Public Empldy	40,521.21	36,843.90	45,141.64	39,970.00	38,169.00	41,694.05	50,878.23	47,842.17	47,842.17
1030	Medical	48,592.80	42,403.76	49,396.82	41,380.00	40,575.46	40,799.92	51,599.87	51,616.56	61,616.56
1036	Dental	4,411.04	4,012.97	4,434.20	4,280.00	3,498.78	3,513.44	4,196.52	3,674.64	3,674.64
1048	Like Insurance	584.46	511.74	560.45	660.00	485.62	485.62	624.48	379.98	379.98
1049	Employee Assi	172.03	154.63	168.96	190.00	153.72	153.72	168.96	168.96	168.96
Total: OCA	300616	420,159.51	379,893.15	497,500.42	419,820.00	413,564.35	399,606.91	636,232.71	509,536.47	509,536.47
Total: Department	30	420,159.51	379,893.15	497,500.42	419,820.00	413,564.35	399,606.91	636,232.71	509,536.47	509,536.47
Total: SubFund	007	420,159.51	379,893.15	497,500.42	419,820.00	413,564.35	399,606.91	636,232.71	509,536.47	509,536.47
Total: Fund	003	7,398,456.55	7,138,024.10	7,727,493.24	7,366,060.00	7,479,266.27	7,252,713.15	8,398,694.10	8,132,369.44	8,131,878.47

Unit	003	Tax Levies Operating Fund	Department	30	Sheriff	Dept Request	Final		
UB Fund	007	Health & Hospitalization Levy / Drake	OCA	300616	Mental Health		Approved		
Object 3	2005 Actual	2006 Actual	CY Budget	CY Actual	Dept Est. CY	BO Estimate	Final		
511	Regular Empl	240,768.91	251,025.64	288,431.61	209,720.84	274,480.00	274,287.20	334,017.00	348,864.01
514	Service Allow	4,200.00	5,600.00	6,400.00	5,600.00	5,600.00	6,400.00	6,400.00	6,400.00
517	Regular Empl	10,234.52	24,364.95	30,900.00	15,402.74	21,350.00	23,000.00	35,000.00	25,000.00
518	Regular Empl	7,348.34	8,552.08	15,000.00	7,409.29	12,240.00	15,000.00	18,000.00	15,000.00
528	Reimbursemer	569.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00
529	Additional Pay	384.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00
532	Vacation Pay	255.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00
535	Retirement Pa	0.00	0.967.12	0.00	0.00	0.00	0.00	0.00	0.00
536	Comp Time	6204.08	10,697.54	12,000.00	0.00	12,000.00	12,000.00	20,000.00	15,000.00
552	Worker's Comp	1,989.65	1,387.50	1,817.12	1,617.12	1,820.00	1,817.12	2,104.32	8,952.98
717	Medical Servis	450.00	0.00	0.00	0.00	30,000.00	0.00	0.00	30,000.00
8785	Mental Health	0.00	0.00	50,000.00	0.00	0.00	0.00	0.00	0.00
0912	Subscriptions &	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
0925	Misc Payments	22,710.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1001	Mandatory Mai	1,690.42	2,207.43	2,206.03	1,729.57	2,310.00	2,298.91	2,974.93	2,900.21
1010	Public Emplm	35,843.90	41,591.05	47,842.17	30,223.18	41,360.00	38,939.86	56,962.18	58,290.96
1042	Law Enforcem	0.00	0.00	0.00	2,384.15	720.00	3,173.86	0.00	0.00
1030	Medical	42,403.76	40,759.92	54,616.56	28,670.94	56,370.00	52,854.58	69,363.48	57,919.56
1036	Dental	4,012.97	3,513.44	3,674.84	2,845.86	3,920.00	3,794.21	4,765.15	4,626.36
1046	Life Insurance	511.74	465.52	379.98	251.46	370.00	335.28	447.70	442.03
1048	Employee Assn	154.63	153.72	188.96	115.29	180.00	153.72	168.96	155.52
Total: OCA	300616	379,883.15	399,605.91	509,536.47	316,870.24	482,940.00	434,141.74	600,223.92	569,631.63
Total: Department	30	379,883.15	399,605.91	509,536.47	316,870.24	482,940.00	434,141.74	600,223.92	569,631.63
Total: Sub-Fund	007	379,883.15	399,605.91	509,536.47	316,870.24	482,940.00	434,141.74	600,223.92	569,631.63
Total: Fund	003	7,136,024.10	7,252,713.15	8,131,078.47	5,695,128.17	7,909,130.00	7,886,967.77	8,912,830.63	9,145,115.39

field_name title
300616 Mental Health

2000	2001	2002	2003	2004	2005	2006	2007
331,926	378,537	514,548	426,387	420,160	379,883	399,605	422,627

Re-investing in Communities through Re-entry

- Nationally, 12 million inmates enter and leave local jails. Most return to the community.
- Of the 415,000 substance dependent/abusing jail inmates needing treatment in 2002, 63% had never been in any treatment or programs in the past. 74% of all jail inmates on probation or parole at arrest met the criteria for substance abuse or dependence.
- Special needs of inmates remain a challenge to jail management, and to the community upon their return.
 - 14% of jail inmates reported being homeless, living in shelter or on street in last year.
 - 29% were unemployed, and 18% represented only occasional employment.
 - 46% report a family member ever incarcerated; 31% a brother; 19% a father.
 - 31% reported parent abuse of alcohol/drugs while growing up.
 - 44% were from a single parent household; 13% from households missing both parents.
- Women make up an increasing proportion of jail inmates (10% in 1995—12% in 2003; average annual growth for last 10 years is 6.4%, compared to 3.9 for men).
- Evidence of similar profiles for the 45,000 + individuals processed through Hamilton County's jail approximate 70% have significant mental health, substance abuse and chronic health conditions, and medical needs.

What is RE-ENTRY?

- Re-entry is a screening, assessment, and transitional release planning process that begins at the time of arrest and continues through community reintegration.
- It prepares individuals for release when the person enters jail.
- Re-entry is focused along various points of the criminal justice continuum that can respond as alternatives to detention, as an in-jail-based program with discharge planning, or as a long-term community based program.
- Very few jurisdictions around the county are involved in jail reentry efforts. Individuals who enter the jail in a state of crisis return to the streets underserved and disengaged, only to further compromise public safety.
- Re-entry is NOT a get out of jail initiative. It appropriately diverts individuals to community-based services targeted to address their specific needs.
- It is responsive to both Jail Management and Community Need by reserving jail beds for more violent, noncompliant offenders, while removing public health, family connectedness, and other quality of life obstacles for those eligible to return.

¹ Hamilton Department of County Pretrial Services Jail Monitoring Systems 2003-2005.

² Beck, Allen, Bureau of Justice Statistics/Urban League, July, 2006 .

HAMILTON COUNTY REENTRY DEMONSTRATION PROJECT

Problem Statement:

The Hamilton County Jail is an important component of the criminal justice system, and in recent years, there is evidence of drastic changes in the profiles of the 45,000 individuals processed through its doors annually. Of the daily admissions, approximately 70 indicate significant mental health, substance abuse and chronic health conditions with medical needs for which the jail and the criminal justice system are not fully prepared to respond.¹ Their community stability / viability is further compromised by chronic unemployment, social isolation and homelessness. Although these profiles indicate increased risk associated with enormous needs, fewer indicate historical patterns of violent behavior; and yet, they are experiencing longer periods of incarceration than ever before. The system has not ignored these trends. An effective and efficient process to categorize and assess them has been underway for sometime but the ability to make significant strides in release planning for those who remain incarcerated is limited. Support for intervention is system wide with judges routinely issuing sentences that focus on treatment and service intervention opportunities, not long-term detention/incarceration. However, the number of arrested and incarcerated individuals with special needs is staggering. Jail administrators struggle to manage this population with existing resources, and Hamilton County Correction's officials are frequently forced to respond to its crowding problem by releasing offenders on an emergency basis.

Jail experts indicate that jail crowding generally stems from a condition described as "jail bloating."² This occurs when inefficiencies in the criminal justice system, as well as other systems, negatively affect the number of persons brought to jail and their length of stay. Although our own system is plagued with these conditions, there is and has been concerted effort underway by our criminal justice system, in partnership with our community providers, to identify and systemically correct such inefficiencies. One of the primary strategies proposed in this demonstration project is to fine-tune our informed decision-making through systematic evaluation, planning, and support services to this population. The result will be a re-investment in community safety by reducing the incidence on emergency release practices and ensuring that scarce jail housing space is reserved for violent offenders. Additionally, because most detainees and offenders will leave Hamilton County's correctional facilities and return to the community, there is a critical need to develop a dedicated, integrated, well-coordinated infrastructure that yields a process that can effectively link this population from custody to community based services. Without adequate, responsive transition planning, detainees and offenders who enter the jail in a state of crisis will return to the streets underserved and disengaged, only to further compromise public safety. By expanding efforts through the formal creation of a dedicated jail re-entry coordination team, it is believed that this model will demonstrate a reduction in both the rate and the length of local incarceration for this population. Viewed as a process, and not an event, transition planning is a shared response, with shared goals and objectives to diminish the "inefficiencies" impacting jail crowding.³

Aside from the identified individual defendant needs entering the jails are the actual physical and security needs of the correctional facility itself. Jails process a high volume of individuals, experience rapid population turnovers, and must accommodate a multi-tiered security housing model for a complex and diverse population (sentenced and pretrial felons, misdemeanants, probation and parole violators, and inmates awaiting transportation to prisons and other jurisdictions), including the separate and special housing needs of women and indicted juveniles. County government provides most funds used in jail operations, with the sheriff managing these facilities. During these difficult fiscal times, it is imperative that the criminal justice community find ways to be smarter in its use of correctional resources while maintaining the rights of defendants and victims, ensuring public safety, and upholding the integrity of the criminal justice system.

¹ Data Source: Hamilton County and Department of Pretrial Services Jail Management Systems 2003-2005.

² Beck, Allen (2001), Jail Bloating: A Common But Unnecessary Cause of Jail Overcrowding, Justice Concepts Incorporated.

³ Travis, Jeremy. 2001, "Heretical Propositions for Improving Re-Entry. Philadelphia PAL National Center on Fathers and Families, University of Pennsylvania.

HAMILTON COUNTY REENTRY DEMONSTRATION PROJECT

Redefining Re-entry for Hamilton County

Pretrial Services and the Court Clinic have worked to fine tune its current identification system of special needs populations into “meaningful categories” that assist in prioritizing which defendants require immediate attention and reasonable increments for review of needs throughout case processing. The Court has long recognized the need for an expanded mechanism that gives judges’ release options to review. Jail Corrections Staff, Pretrial Services, Court Clinic Services, Mental Health Access Point, Greater Cincinnati Behavioral Services, Probation, Cincinnati Union Bethel, First Step Home, Talbert House and other key system and community based providers have collaborated to provide a transition planning framework that matches identified need to appropriate community resources. However, without appropriate manpower, the task is daunting. Most transition models that prepare inmates to re-enter the community typically begin after sentence and continue through incarceration into the period of release. Hamilton County recognizes the need to prepare for release when the person enters jail via arrest or local commitment. Re-entry is therefore defined as *the process and experience that begins at arrest and continues through community reintegration, including release from jail during pretrial proceedings, release at the time of sentencing, or release after successfully completing court ordered sanctions*. The model below illustrates the strategic points at which community transitioning can be systematically incorporated within Hamilton County.

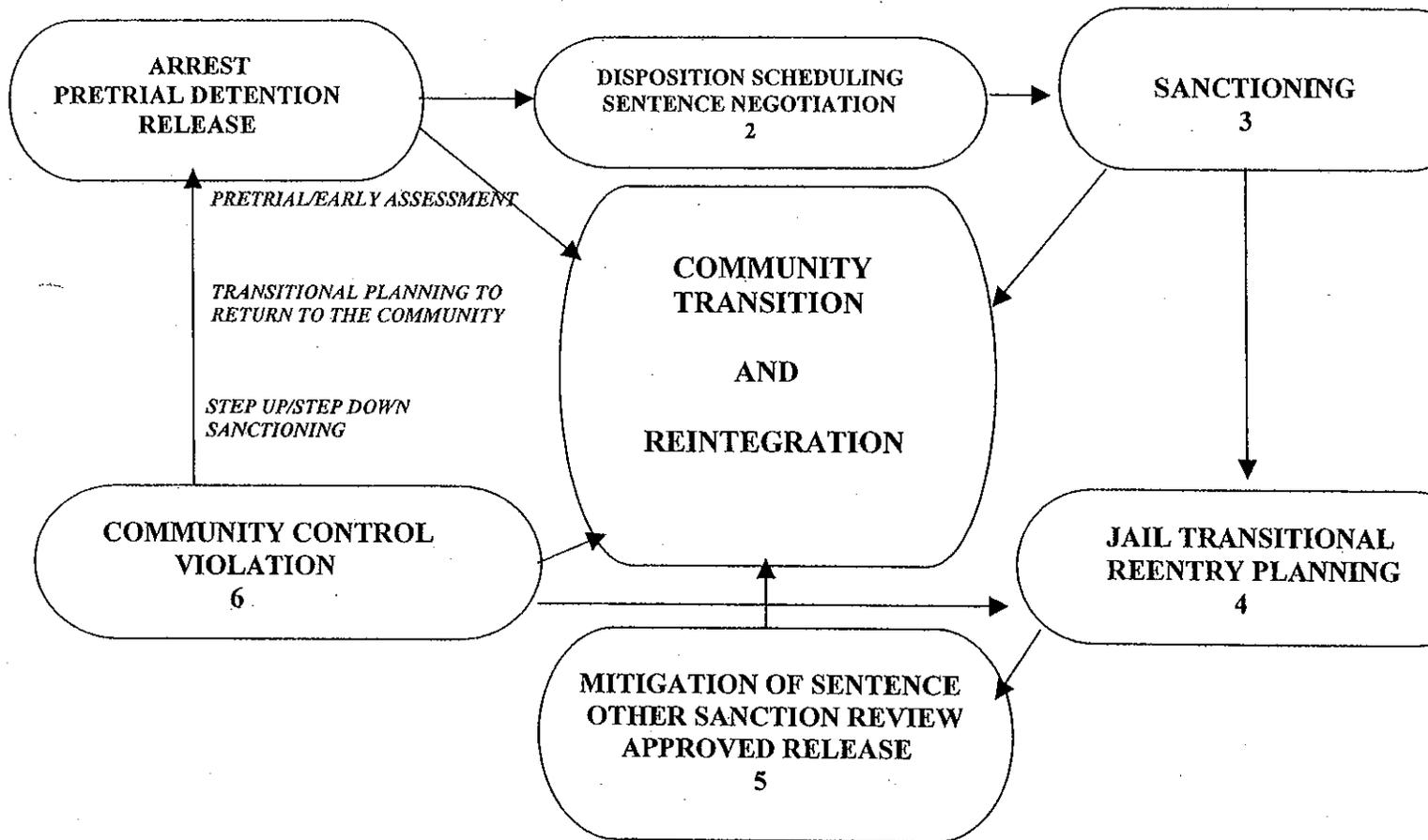


Figure 1: Transition planning is shown to begin at arrest and is constructed to support release at any point of criminal case processing. With the permission of the defendant and the system’s key decision-makers, the process can either lead to pretrial re-entry or move to the next stage where the transition plan may again be used. Transition plans established and implemented during pretrial detention offers the benefits of early reintegration and fewer days spent in jail. Once the foundation of a re-entry plan has been established, it can be more fully developed and used during plea negotiations and for presentation to the judge at the time of sentencing. The plan would be used to match individual need to the most appropriate services. In instances when sentencing does not result in an immediate return to the community, the re-entry plan remains as the basis for self-development and preparation for re-entry while in local incarceration. If we see community re-entry only as a back-end process for this population, we will continue to contribute to the overall condition of “jail bloating”.

HAMILTON COUNTY REENTRY DEMONSTRATION PROJECT

Proposal:

By expanding efforts through the formal creation of a dedicated jail re-entry coordination team (comprised of Jail, Court pretrial/probation, and Court Clinic staff), it is believed that the Hamilton County Re-entry Model will demonstrate a reduction in both the rate and the length of local incarceration for this population. It is envisioned that mutually agreed upon delineation of roles and responsibilities, and assigned responsibility for accountability and outcomes can be successfully developed within a short period of time. For example, Jail, Pretrial/Probation, and Court Clinic staff would refine screening, early assessment, crisis intervention, stabilization, and the initiation of treatment and social service interventions at the pretrial stage. Jail and related court staff (pretrial and probation) would coordinate conditions of release and communications between the jail and the defendant / sentenced inmate, and community providers. Community providers would address service gaps and clearly identify the capacity for timely acceptances of referrals providing individualized service reports, and follow-up and monitoring activities. Other mechanisms to support an interconnected network of services must be included to: 1) define working agreements between and within service organizations; 2) develop management information systems to share information and analyze data as permitted by confidentiality requirements; and 3) develop ongoing staff-training activities.

What is Needed to Facilitate the Process?

Screening and assessment is both critical to jail management and transition planning. The earlier in the process that consideration of need following incarceration occurs, the more likely components necessary for successful re-entry can be planned, identified and coordinated. This will require administrative oversight of the process and a team of personnel to assure information is routinely collected and translated into practical transition plans. Because we recognize the comprehensive needs of detainees and offenders, early assessment and transition planning must be a multidisciplinary process.

GOAL: To develop, implement and evaluate a Jail Management and Community Re-Entry Process that will reduce jail crowding and appropriately divert pretrial and sentenced defendants to community-based services targeted to their specific needs.

- Step 1: Pretrial staff identifies, prioritizes and tracks incarcerated defendants that present acute needs, few community resources, and pose no serious risk to the community when successfully connected to appropriate services.
- Step 2: Court Clinic staff expedites clinical and social assessment of need within 6 hours to 5 days of arrest and detention, and to provide consultation to Pretrial and Probation teams regarding transition plan potential.
- Step 3: Jail/Pretrial/Probation collaborate with system partners and key decision-makers effecting approved release transitions to treatment and re-entry case management.

OUTCOME MEASURES:

1. Projected/Actual Jail Reductions: Additional 50 defendants released per month
 - # Pretrial
 - #@ Sentence
 - #Mitigation/Modification of Sentence
 - #Probation Violation
2. Reduction in average number of jail days served for targeted re-entry defendants
 - # Jail Days Saved
3. Reduction the lapse time between jail release and rearrest
 - # New Criminal Charges After Transitioning evaluated at these points:
 - 1 -3 months
 - 4-6 months
 - 7-9 months
 - 10-12 months

EXAMPLE TJC CASES – THE SMITH FAMILY:

Example Smith: 3rd time DUI & Probation Violation. Sentenced 180 days, Men's Extended Program. Preliminary TJC Profile: 45 years old, divorced, living alone, history of severe substance abuse, debilitated state of health, unable to work.

Found Ineligible for court treatment program due to prescribed medications and protective custody status.

Refused treatment during initial screening

Court Clinic Curbside Intervention Requested – Mental Health Access Point reported primary diagnosis of alcohol dependence. Secondary diagnosis of depression.

In order to support sobriety, Mr. Smith engaged in his TJC plan to include one-to-one mh/relationship counseling. Case docketed, Mr. Smith was released to 1 year probation with condition to follow TJC plan; specialize probation officer assigned. Escorted to the Court Clinic by TJC team.

90 jail days saved. No rearrests or violations of probation to-date.

Example Smith: Sentenced to consecutive sentences for multiple soliciting offenses.

Returned to RJJ per judge for treatment. Returned to medical from RJJ (pregnant – could not stay beyond 8th month)

Preliminary TJC profile: 24 yrs old, single, 0 kids, needs GED, lives with a male friend, employed via temp services. Long history of trauma and substance abuse and soliciting.

Ms. Smith requested TJC assistance.

Ms. Smith contacted 1st Step Home for women & children. She was assessed and accepted into the program.

Judge approved motion - placed on 1 yr community control. Sheriff provided TJC transport to the program when the bed became available.

90 jail days saved. Ms. Smith has remained at the program since her admission in May. She has a beautiful baby boy. The sentencing judge has since visited

Ms. Smith at First Step home. She cried.

William Smith: Cited to Common Pleas Court – felony drug abuse probation violation. This was his second violation for testing positive for Marijuana.

TJC Jail diversion referral was made to Court Clinic for evaluation and clinical testing. Collateral contact was made with family members, his counselor at

the Alcoholism Council, and with TASC. It was established & reported to the court that Mr. Smith endorses multiple problems in multiple areas. His recent

assignment to therapeutic counseling has been too brief since his sentencing. He is currently working two jobs and meeting his financial obligations including child support.

Judge accepted the following TJC plan in lieu of incarceration:

1. Continue with present treatment providers – TASC case management and therapy through the Alcoholism Council. It is recommended he increase individual meetings with his counselor on a weekly basis, and maintain monthly contact with TASC.

2. A psychiatric consult be arranged if deemed necessary by his treatment providers through either the Council or through Court Clinic.

Mr. Smith has tested drug free for 5 months, and is on track to successfully complete his sanctions.

October 2, 2007

To: Judge Lisa Allen
From: Wendy Niehaus
Subject: Motion to Mitigate/Transition from Jail to the Community (TJC)
Abigail
O.V.I 07/TRC

The defendant was sentenced to 180 days, Rewards Jail Intervention Program (RJI) for Women, 1617 Reading Road on July 30, 2007. [REDACTED] has been participating in treatment since July 31st, however, due to her complex medical and mental health needs, a follow-up curbside evaluation with the Court Clinic was requested to determine whether this facility can appropriately address her multiple needs. It was determined that [REDACTED] would be better served if transitioned from RJI to the community at this time. The following TJC plan is offered for your consideration:

1. Return to treatment with Dr. Kidwell, Psychologist who can refer her to a psychiatrist for medication purposes.
2. Complete Christ Hospital's Intensive Outpatient Program.
3. Participated in the probation department's *call-in program* for random drug testing.
4. Assign a MDO Probation officer to monitor and support successful sanctioning outcome.

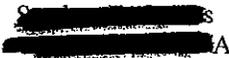
It is recommended she be assigned a RECOVERY COACH through Court Clinic Alternative Intervention for Women program to prioritize her immediate needs, ensuring a smooth transition process. She is to see [REDACTED], 909 Sycamore (651-9300) immediately upon release from custody.

Please contact me should you have any concerns or questions.

cc: [REDACTED], Esquire

October 9, 2007

To: Judge Julia A. Stautberg
From: Wendy Niehaus
Subject: Motion to Mitigate/Transition from Jail to the Community (TJC)

 S
A

This is a revised report for today's motion to mitigate.

The defendant was sentenced to 180 days, Turning Point or Men's Extended if eligible. The Sheriff reports Mr. Gaines' maximum-security level prohibits him from participation. However, it was further reported his initial classification was based solely on a his statement that "he would leave if sent to Talbert House." No behavioral related issues were reported. Since his last hearing, Mr. Gaines met with the TJC recovery coach. Mr. Gaines is engaged and ready to participate in treatment upon his return to the community. He reports he is eager to comply with the conditions of community control as set forth by this Court.

The TJC team offers the following recommendations for your consideration:

1. Return to a drug free environment with his mother Stacy Gaines, 415 Pike Street, Reading, Ohio 45215, 487-9596. Family members will be present in court today.
2. Participate in TJC case management services offered through the Court Clinic/TASC until he is fully connected to treatment services. Court Clinic will complete the DAF, work to stabilize him to medication for ADHD (family currently has Dr. apt.), require him to attend the Clinic's Thinking for Change program, and require him to secure an AA sponsor. A recovery coach will remain available to him during this period of transition. His first intake appointment will be scheduled upon his release.

 Court Clinic TJC will be in court today to answer questions you may have at this time.

cc: Ed Burgess, Hamilton County Probation Department

Date: December 14, 2007

To: Judge Bernie Bouchard

From: Wendy Niehaus

Subject: Motion to Mitigate/Transition from Jail to the Community (TJC) December 17, 2007

██████████
Theft Probation Violation C/05/CRB/49898
/06/CRB/1694

Incarceration Date: 10/9/07

Not Detail Eligible – Time Expires 3/15/08

CONFIDENTIAL/REVISED

The defendant was sentenced to 180 days, Men's Extended Treatment Program, if eligible October 23, 2007. ██████████ has not been able to participate in this treatment program due to his medical and mental health needs that can only be addressed at the Justice Center. A follow-up curbside evaluation with the Court Clinic was requested to determine an appropriate alternative treatment at this time. The following TJC plan is offered for your consideration:

If he returns to his previous community treatment with Intervention Therapy Centers of America for pharmacological treatment of his anxiety, it is recommended that he also participate in treatment at New Directions Harm Reduction program (Donna Butler, 362-2732). Because his prescribed medication is addictive (allowing for other patterns of abuse to occur), the Harm Reduction program will work with him to reduce his potential for abuse. Through counseling, this program will also consult with Intervention Therapy Centers of America to explore counseling options to control his anxiety without the use of medications, and to address the various and significant stressors in his life. Should Mr. Raines choose not to continue with Intervention Therapy Centers of America, he is eligible to participate in services with the Court Clinic (Marilyn Zipfel) (651-9300). Should Mr. Raines choose not to continue with Intervention Therapy Centers of America, he is eligible to participate with the Court Clinic to address these issues.

Mr. Raines has agreed to participate in this program should the court grant mitigation. Please contact me should you have any concerns or questions.

cc: ██████████, Attorney for the Defendant

January 2, 2008

To: Judge Julia Stautberg
From: Wendy Niehaus
Subject: [REDACTED], Motion to Mitigate
07/CRB/35162/B Falsification
Transition from Jail to the Community Plan

Incarceration Date: 09/14/07
Detail Eligible – Detail Time Expiration Date: 1/22/08

CONFIDENTIAL

The defendant was sentenced to 180 days, Rewards Jail Intervention Program, if eligible September 26, 2007. Ms. Johnson has been stabilized on medication and has worked kitchen detail since her sentenced incarceration. She has engaged with MHAP and is currently eligible for ACT team services. Ms. Johnson's TJC plan is offered for your consideration.

Danielle's goals on her ISP with the ACT Team are as follows:

Staying stable in the community, as evidenced by no further incarcerations or hospitalization:

- a) Keeping all scheduled appointments with doctor
- b) Taking medications as prescribed

Abstaining from AoD use:

- a) Completing ARC program (both inpatient and aftercare) - **A bed is available January 3, 2008.** [REDACTED]
[REDACTED] 374-9418 is her ACT team case manager. An ACT team case manager will pick her up on January 3rd if mitigation is approved.
- b) Going into First Step Home upon completion of inpatient ARC program
- c) Attending AA or NA meetings

Obtaining and maintaining appropriate housing:

Completing application process with assistance from CSP

Obtaining financial resources:

Completing application process for benefits with SSA/ DJFS with Assistance from CSP

Please feel free to contact me should you have any questions regarding this matter.