

**Fill in this information to identify the case:**

United States Bankruptcy Court for the:  
 Eastern District of Washington

Case number (if known): \_\_\_\_\_ Chapter 11

Check if this is an amended filing

Official Form 201

**Voluntary Petition for Non-Individuals Filing for Bankruptcy**

04/19

If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and the case number (if known). For more information, a separate document, *Instructions for Bankruptcy Forms for Non-Individuals*, is available.

1. Debtor's name Sunnyside Community Hospital Association

2. All other names debtor used in the last 8 years  
 Include any assumed names, trade names, and *doing business* as names

dba Sunnyside Community Hospital & Clinics  
dba Astria Sunnyside Hospital

3. Debtor's federal Employer Identification Number (EIN) 91-1286274

4. Debtor's address	Principal place of business	Mailing address, if different from principal place of business
	<u>1016 Tacoma Ave.</u> Number Street	<u>900 W. Chestnut Ave.</u> Number Street
	<u>Sunnyside, WA 98944</u> City State ZIP Code	<u>Yakima, WA 98902</u> City State ZIP Code
	<u>Yakima</u> County	Location of principal assets, if different from principal place of business _____ Number Street _____ City State ZIP Code

5. Debtor's website (URL) https://www.astria.health/

6. Type of debtor

Corporation (including Limited Liability Company (LLC) and Limited Liability Partnership (LLP))  
 Partnership (excluding LLP)  
 Other. Specify: \_\_\_\_\_



7. Describe debtor's business

A. Check one:

- Health Care Business (as defined in 11 U.S.C. § 101(27A))
- Single Asset Real Estate (as defined in 11 U.S.C. § 101(51B))
- Railroad (as defined in 11 U.S.C. § 101(44))
- Stockbroker (as defined in 11 U.S.C. § 101(53A))
- Commodity Broker (as defined in 11 U.S.C. § 101(6))
- Clearing Bank (as defined in 11 U.S.C. § 781(3))
- None of the above

B. Check all that apply:

- Tax-exempt entity (as described in 26 U.S.C. § 501)
- Investment company, including hedge fund or pooled investment vehicle (as defined in 15 U.S.C. § 80a-3)
- Investment advisor (as defined in 15 U.S.C. § 80b-2(a)(11))

C. NAICS (North American Industry Classification System) 4-digit code that best describes debtor. See <http://www.uscourts.gov/four-digit-national-association-naics-codes> .

6221

8. Under which chapter of the Bankruptcy Code is the debtor filing?

Check one:

- Chapter 7
- Chapter 9
- Chapter 11. Check all that apply:

- Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,725,625 (amount subject to adjustment on 4/01/22 and every 3 years after that).
- The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). If the debtor is a small business debtor, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return or if all of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).
- A plan is being filed with this petition.
- Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
- The debtor is required to file periodic reports (for example, 10K and 10Q) with the Securities and Exchange Commission according to § 13 or 15(d) of the Securities Exchange Act of 1934. File the *Attachment to Voluntary Petition for Non-Individuals Filing for Bankruptcy under Chapter 11* (Official Form 201A) with this form.
- The debtor is a shell company as defined in the Securities Exchange Act of 1934 Rule 12b-2.

Chapter 12

9. Were prior bankruptcy cases filed by or against the debtor within the last 8 years?

- No
- Yes. District \_\_\_\_\_ When \_\_\_\_\_ Case number \_\_\_\_\_  
MM / DD / YYYY
- District \_\_\_\_\_ When \_\_\_\_\_ Case number \_\_\_\_\_  
MM / DD / YYYY

If more than 2 cases, attach a separate list.

10. Are any bankruptcy cases pending or being filed by a business partner or an affiliate of the debtor?

- No
- Yes. Debtor See attached list. Relationship \_\_\_\_\_  
District \_\_\_\_\_ When \_\_\_\_\_  
MM / DD / YYYY  
Case number, if known \_\_\_\_\_

List all cases. If more than 1, attach a separate list.

11. Why is the case filed in this district?

Check all that apply:

- Debtor has had its domicile, principal place of business, or principal assets in this district for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other district.
- A bankruptcy case concerning debtor's affiliate, general partner, or partnership is pending in this district.

12. Does the debtor own or have possession of any real property or personal property that needs immediate attention?

- No
- Yes. Answer below for each property that needs immediate attention. Attach additional sheets if needed.

Why does the property need immediate attention? (Check all that apply.)

It poses or is alleged to pose a threat of imminent and identifiable hazard to public health or safety. What is the hazard? \_\_\_\_\_

It needs to be physically secured or protected from the weather.

It includes perishable goods or assets that could quickly deteriorate or lose value without attention (for example, livestock, seasonal goods, meat, dairy, produce, or securities-related assets or other options).

Other The debtor operates a hospital and other health care facilities currently serving patients. Perishable supplies include drugs, food, and medical supplies with expiration dates.

Where is the property? See attached list.

Is the property insured?

No

Yes. Insurance agency HUB

Contact name Jeff Barrom

Phone (509) 837-3711

Statistical and administrative information

13. Debtor's estimation of available funds

Check one:

- Funds will be available for distribution to unsecured creditors.
- After any administrative expenses are paid, no funds will be available for distribution to unsecured creditors.

14. Estimated number of creditors

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> 1-49               | <input type="checkbox"/> 1,000-5,000   | <input type="checkbox"/> 25,001-50,000     |
| <input type="checkbox"/> 50-99              | <input type="checkbox"/> 5,001-10,000  | <input type="checkbox"/> 50,001-100,000    |
| <input type="checkbox"/> 100-199            | <input type="checkbox"/> 10,001-25,000 | <input type="checkbox"/> More than 100,000 |
| <input checked="" type="checkbox"/> 200-999 |  |  |

15. Estimated assets

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> \$0-\$50,000          | <input type="checkbox"/> \$1,000,001-\$10 million               | <input type="checkbox"/> \$500,000,001-\$1 billion     |
| <input type="checkbox"/> \$50,001-\$100,000    | <input type="checkbox"/> \$10,000,001-\$50 million              | <input type="checkbox"/> \$1,000,000,001-\$10 billion  |
| <input type="checkbox"/> \$100,001-\$500,000   | <input type="checkbox"/> \$50,000,001-\$100 million             | <input type="checkbox"/> \$10,000,000,001-\$50 billion |
| <input type="checkbox"/> \$500,001-\$1 million | <input checked="" type="checkbox"/> \$100,000,001-\$500 million | <input type="checkbox"/> More than \$50 billion        |

Debtor

Sunnyside Community Hospital Association

Case number (if known) \_\_\_\_\_

16. Estimated liabilities

\$0-\$50,000		\$1,000,001-\$10 million	\$500,000,001-\$1 billion
\$50,001-\$100,000	X	\$10,000,001-\$50 million	\$1,000,000,001-\$10 billion
\$100,001-\$500,000		\$50,000,001-\$100 million	\$10,000,000,001-\$50 billion
\$500,001-\$1 million		\$100,000,001-\$500 million	More than \$50 billion

**Request for Relief, Declaration, and Signatures**

**WARNING --** Bankruptcy fraud is a serious crime. Making a false statement in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

17. Declaration and signature of authorized representative of debtor

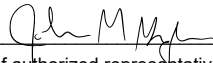
The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

I have been authorized to file this petition on behalf of the debtor.

I have examined the information in this petition and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 05/06/2019  
MM / DD / YYYY

  
Signature of authorized representative of debtor

John M. Gallagher  
Printed name

Title President & Chief Executive Officer

18. Signature of attorney

/s/ James L. Day  
Signature of attorney for debtor

Date \_\_\_\_\_  
MM / DD / YYYY

James L. Day  
Printed name

Bush Kornfeld LLP  
Firm name

601 Union Street, Suite 5000  
Number Street

Seattle, WA 98101  
City State ZIP Code

(206) 521-3858  
Contact phone

[jday@bskd.com](mailto:jday@bskd.com)  
Email address

20474  
Bar number

Washington State  
State

**I. Supplement to Question #10 - Are any bankruptcy cases pending or being filed by a business partner or an affiliate of the debtor?**

Debtor: Astria Health Relationship: Affiliate  
District: Eastern District of Washington When: Same filing date.  
Case number, if known: Unknown

Debtor: Glacier Canyon, LLC Relationship: Affiliate  
District: Eastern District of Washington When: Same filing date.  
Case number, if known: Unknown

Debtor: Kitchen and Bath Furnishings, LLC Relationship: Subsidiary  
District: Eastern District of Washington When: Same filing date.  
Case number, if known: Unknown

Debtor: Oxbow Summit, LLC Relationship: Affiliate  
District: Eastern District of Washington When: Same filing date.  
Case number, if known: Unknown

Debtor: SHC Holdco, LLC Relationship: Affiliate  
District: Eastern District of Washington When: Same filing date.  
Case number, if known: Unknown

Debtor: SHC Medical Center – Toppenish Relationship: Affiliate  
District: Eastern District of Washington When: Same filing date.  
Case number, if known: Unknown

Debtor: SHC Medical Center – Yakima Relationship: Affiliate  
District: Eastern District of Washington When: Same filing date.  
Case number, if known: Unknown

Debtor: Sunnyside Community Hospital Home  
Medical Supply, LLC Relationship: Affiliate  
District: Eastern District of Washington When: Same filing date.  
Case number, if known: Unknown

Debtor: Sunnyside Home Health Relationship: Subsidiary  
District: Eastern District of Washington When: Same filing date.  
Case number, if known: Unknown

Debtor: Sunnyside Professional Services, LLC Relationship: Affiliate  
District: Eastern District of Washington When: Same filing date.  
Case number, if known: Unknown

Debtor: Yakima Home Care Holdings, LLC Relationship: Affiliate  
District: Eastern District of Washington When: Same filing date.

Debtor Sunnyside Community Hospital Association Case number \_\_\_\_\_

Case number, if known: Unknown

Debtor: Yakima HMA Home Health, LLC

Relationship: Affiliate

District: Eastern District of Washington

When: Same filing date.

Case number, if known: Unknown

**UNANIMOUS WRITTEN CONSENT OF THE BOARD OF TRUSTEES  
OF  
SUNNYSIDE COMMUNITY HOSPITAL ASSOCIATION DBA SUNNYSIDE  
COMMUNITY HOSPITAL & CLINICS DBA ASTRIA SUNNYSIDE HOSPITAL**

The board of trustees (the "Board") of Sunnyside Community Hospital Association dba Sunnyside Community Hospital & Clinics dba Astria Sunnyside Hospital (the "Company"), hereby adopts the following resolutions by unanimous written consent:

**A. Chapter 11 Case:**

WHEREAS, the Board has considered the financial and operational aspects of the Company and the Company's business, and the recommendations of the Company's professionals and advisors;

WHEREAS, the Board has reviewed the historical performance of the Company, the market for the Company's assets and services, and the current and long-term liabilities of the Company; and

WHEREAS, the Board has reviewed, considered, and received the recommendations of the senior management of the Company, including the recommendation of John M. Gallagher, the President and Chief Executive Officer of the Company's parent, Astria Health, that the Company file a voluntary petition under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") commencing a bankruptcy case (the "Chapter 11 Case") in the United States Bankruptcy Court for the Eastern District of Washington (the "Bankruptcy Court") on behalf of the Company, and the Company's professionals and advisors as to the terms of the proposed restructuring to be implemented during the course of the Chapter 11 Case of the Company.

NOW, THEREFORE, BE IT RESOLVED, that in the judgment of the Board, it is necessary, advisable and in the best interests of this Company, having considered the charitable mission of the Company, as well as the interests of creditors and other interested parties, that a voluntary petition be filed by the Company under the provisions of chapter 11 of the Bankruptcy Code;

BE IT FURTHER RESOLVED, that John M. Gallagher, in his discretion, is hereby is authorized and directed on behalf of and in the name of the Company to execute and file and to cause counsel for the Company to prepare with assistance of the Company as appropriate all petitions, schedules, lists and other papers, documents and pleadings in connection with the Company's bankruptcy case, and to take any and all action which he deems necessary and proper in connection with the Company's bankruptcy case;

BE IT FURTHER RESOLVED, that the Company in general and John M. Gallagher in particular, hereby is authorized and empowered to take or cause to be taken any and all such other and further action, and to execute, acknowledge, deliver and file any and all such instruments as it, in its discretion, may deem necessary or advisable in order to carry out the purpose and intent of the foregoing resolutions; and

BE IT FURTHER RESOLVED, that all of the acts and transactions relating to matters contemplated by the foregoing resolutions of management and members of the Board of the Company, in the name and on behalf of the Company, which acts would have been approved by the foregoing resolutions except that such acts were taken prior to the execution of these resolutions, are hereby in all respects confirmed, approved, and ratified.

**B. Retention of Advisors:**

WHEREAS, the Board has determined, in the good-faith exercise of its reasonable business judgment, that it is necessary, advisable and in the best interests of the Company, having considered the interests of creditors and other interested parties, to employ the law firm of Dentons US, LLP as general bankruptcy counsel to the Company to represent and assist the Company in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Company's rights, including filing and pleading, and in connection therewith, the Company is hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon the filing of the Chapter 11 Case, and to cause to be filed an appropriate application for authority to retain the services of Dentons US, LLP;

WHEREAS, the Board has determined, in the good-faith exercise of its reasonable business judgment, that it is necessary, advisable and in the best interests of the Company, having considered the charitable mission of the Company, as well as the interests of creditors and other interested parties, to engage local counsel for the Company in connection with the Chapter 11 Case, subject to Bankruptcy Court approval;

WHEREAS, the Board has determined, in the good-faith exercise of its reasonable business judgment, that it is necessary, advisable and in the best interests of the Company, having considered the charitable mission of the Company, as well as the interests of creditors and other interested parties, to engage a claims agent for the Company in connection with the Chapter 11 Case, subject to Bankruptcy Court approval;

WHEREAS, the Board has determined, in the good-faith exercise of its reasonable business judgment, that it is necessary, advisable and in the best interests of the Company, having considered the charitable mission of the Company, as well as the interests of creditors and other interested parties, to engage a financial advisor for the Company in connection with the Chapter 11 Case, subject to Bankruptcy Court approval;

WHEREAS, the Board has determined, in the good-faith exercise of its reasonable business judgment, that it is necessary, advisable and in the best interests of the Company, having considered the charitable mission of the Company, as well as the interests of creditors and other interested parties, to engage Michael Lane as Chief Restructuring Officer for the Company in connection with the Chapter 11 Case, subject to Bankruptcy Court approval; and

WHEREAS, the Board has determined, in the good-faith exercise of its reasonable business judgment, that the Company is authorized to retain other professionals as determined to be necessary in connection with the Chapter 11 Case, subject to Bankruptcy Court approval;

NOW, THEREFORE,



BE IT RESOLVED, that the Company is authorized to engage Dentons US LLP as general bankruptcy counsel for the Company in connection with the Chapter 11 Case, subject to Bankruptcy Court approval;

BE IT RESOLVED, that the Company is authorized to engage local counsel for the Company upon the approval of John M. Gallagher in connection with the Chapter 11 Case, subject to Bankruptcy Court approval;

BE IT RESOLVED, that the Company is authorized to engage a claims agent for the Company upon the approval of John M. Gallagher in connection with the Chapter 11 Case, subject to bankruptcy court approval;

BE IT RESOLVED, that the Company is authorized to engage a financial advisor for the Company upon the approval of John M. Gallagher in connection with the Chapter 11 Case, subject to Bankruptcy Court approval;

BE IT RESOLVED, that the Company is authorized to engage Michael Lane as chief restructuring officer for the Company in connection with the Chapter 11 Case, subject to bankruptcy court approval;

BE IT RESOLVED, that John M. Gallagher, in his discretion, is hereby authorized and directed on behalf of and in the name of the Company to employ additional professionals as he deems necessary to represent and assist the Company in carrying out its duties under the Bankruptcy Code or to carry out the purpose and intent of the foregoing resolutions; that he, in his discretion, is authorized and directed on behalf of and in the name of the Company to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon the filing of the Chapter 11 Case, and to cause to be filed an appropriate application for authority to retain the services of any additional professional; and

BE IT RESOLVED, that John M. Gallagher, in his discretion, is hereby authorized and empowered on behalf of and in the name of the Company to engage and retain all assistance by legal counsel, accountants, investment banking advisors, financial advisors, restructuring advisors, and any other professionals, subject to Bankruptcy Court approval, and to perform any and all further acts and deeds that he deems necessary, proper and/or advisable, in furtherance thereof with a view to the successful prosecution of the Chapter 11 Case.

**C. Credit Facility:**

WHEREAS, it has been proposed that the Company and its affiliates and subsidiaries (i) enter into that certain Debtor in Possession Credit Facility with JMB Financial Advisors or a designated affiliate (the "Lender") providing: (a) that a \$36 million non-revolving loan which will fund operations and administration of the Chapter 11 Case and payoff existing lenders Banner Bank and MidCap Financial, secured by all of the assets of Sunnyside Community Hospital Association dba Sunnyside Community Hospital & Clinics dba Astria Sunnyside Hospital and accounts receivable of SHC Medical Center - Yakima dba Astria Regional Medical Center and SHC Medical Center - Toppenish dba Astria Toppenish Hospital; (b) that interest on the loan is payable monthly with an interest rate of twelve (12) percent on outstanding funds drawn; (c) that the loan matures at the earlier of confirmation of a plan of reorganization, sale of substantially all

assets, or on December 31, 2019; and (d) that certain milestones are met with regard to the Chapter 11 Case if cash flow from operations are not sufficient to sustain operations without additional borrowing within 120 days of the commencement of the Chapter 11 Case, all of which the Company and its affiliates and subsidiaries, as borrowers, in their capacities as debtors in possession in the Chapter 11 Case will execute in the forms presented to the Board subject to any further modifications negotiated between the Company and its affiliates and subsidiaries and Lender and approved by John M. Gallagher in the exercise of his reasonable discretion and upon the advice of counsel to be in the best interests of the Company and its affiliates and subsidiaries; and (ii) adopt that certain budget (the "**Budget**") presented to the Board subject to any further modification negotiated between the Company and its affiliates and subsidiaries and Lender and approved by the John M. Gallagher in the exercise of his reasonable discretion; and

WHEREAS, after due consideration, the Board deems it advisable and in the best interests of the Company, its creditors and other parties in interest to approve the DIP Credit Facility and adopt the Budget and, subject to the approval of the Bankruptcy Court, to enter into and perform under the DIP Credit Facility and to act in accordance with any related orders of the Bankruptcy Court.

NOW, THEREFORE, BE IT RESOLVED, that the DIP Credit Facility and the Budget, subject to any further modifications negotiated between the Company and its affiliates and subsidiaries and Lender and approved by John M. Gallagher in the exercise of his reasonable discretion and upon the advice of counsel are adopted, approved and ratified in all respects; and

RESOLVED FURTHER, that John M. Gallagher, in his discretion, is hereby authorized and directed on behalf of and in the name of the Company to sign the DIP Credit Facility for and on behalf of the Company, to do or cause to be done all such acts and things, and to take all actions deemed necessary or appropriate, to cause the Company to obtain the Bankruptcy Court's approval of the DIP Credit Facility and the Budget.

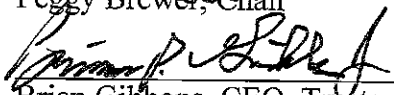
**CERTIFICATE**

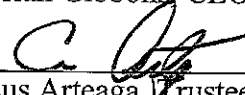
The undersigned Board of Trustees of the Company, hereby certify as follows:


1. We are the duly qualified and elected Board Trustees and, as such, are familiar with the facts herein certified and are duly authorized to certify same on behalf of the Company.
2. The foregoing is a true, complete and correct copy of the resolutions of the Board of Trustees of the Company.
3. Such resolutions have not been amended, altered, annulled, rescinded, or revoked and are in full force and effect as of the date hereof.

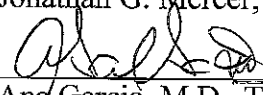
IN WITNESS WHEREOF, the undersigned have executed this certificate as of the 25<sup>th</sup> day of April 2019. This action by unanimous written consent shall be filed with the minutes of the proceedings of the Board of Trustees of the Company and shall have the same force and effect as a unanimous vote of the Trustees. The action of the Board may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and such counterparts shall together constitute one and the same instrument.

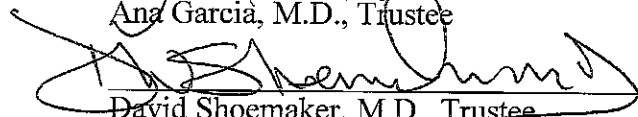
  
\_\_\_\_\_  
Peggy Brewer, Chair

  
\_\_\_\_\_  
Brian Gibbons, CEO, Trustee

  
\_\_\_\_\_  
Cus Arteaga, Trustee

**Jonathan G. Mercer**   
\_\_\_\_\_  
Jonathan G. Mercer, D.V.M., Secretary

  
\_\_\_\_\_  
Ana Garcia, M.D., Trustee

  
\_\_\_\_\_  
David Shoemaker, M.D., Trustee