

EXHIBIT IV-A
CONCORD HOSPITAL, INC. / LRGHEALTHCARE
SUMMARY

The following is an executive summary of the material terms of that certain Asset Purchase Agreement dated October 19, 2020, as amended by that certain First Amendment dated November 6, 2020, and as further amended by Order of the United States Bankruptcy Court for the District of New Hampshire dated December 24, 2020¹ (the “Purchase Agreement”) by and between Concord Hospital, Inc., a New Hampshire not-for-profit corporation (“Concord”), Concord Hospital - Laconia, a New Hampshire not-for-profit corporation (“Concord Laconia”), Concord Hospital - Franklin, a New Hampshire not-for-profit corporation (“Concord Franklin”), Capital Region Health Care Development Corporation, a New Hampshire not-for-profit corporation (“CRDC”), and Capital Region Health Ventures Corporation, a New Hampshire not-for-profit corporation (“CRVC”) and, together with Concord, Concord Laconia, Concord Franklin and CRDC, the “Buyers”), and LRGHealthcare, a New Hampshire not-for-profit corporation (the “Seller” and with the Buyers, the “Parties”).

A. Summary of Certain Material Terms of the Purchase Agreement

<u>ISSUE</u>	<u>SUMMARY</u>
Transaction Structure	<p>Pursuant to the Purchase Agreement, Buyers will purchase, and Seller will sell, substantially all of the assets used in the operation of Lakes Region General Hospital and Franklin Regional Hospital (the “<u>Hospitals</u>”) and all other real property owned by the Seller (the “<u>Real Property</u>”) and all assets and operations ancillary to or associated with any of the foregoing (the “<u>Acquired Assets</u>”).²</p> <p>Subject to the satisfaction of the closing conditions in the Purchase Agreement, including applicable regulatory approvals, it is anticipated that the transaction will close (the “<u>Closing</u>”) in the first quarter of 2021. The day of the Closing is referred to as the “<u>Closing Date</u>” and the Closing will be effective as of 10:00 a.m. on the Closing Date, which shall be the third business day following the satisfaction of all conditions to the obligation of the Seller to Close, other than conditions which, by their nature, are to be satisfied at Closing.</p>

¹ See paragraphs 4 through 24 of the Order (A)(I) approving the sale of substantially all of the debtor’s estate free and clear of all interests, (II) approving the assumption and assignment of certain executory contracts and unexpired leases, and (III) granting related relief, dated December 24, 2020 (the “Sale Order”).

² Pursuant to the Sale Order, the Acquired Assets include “all entitlements of the Seller to payments as a disproportionate share hospital pursuant to RSA 167:64 and any hospital directed payments, to the extent such payments would have been due to the Seller from and after the entry of the this Order had the Seller remained an operating hospital entitled to such payments and solely for such payments as a disproportionate share hospital in May 2021 and May 2022 (the “Post-Approval DHHS Payments”), but excluding any entitlement of the Seller to underpayments for uncompensated care costs for State Fiscal Year 2020 and earlier.”

	<p>The Buyers will assume (a) the obligations of the Seller arising on or after the Closing Date under those contracts assumed by the respective Buyers (the “<u>Assumed Contracts</u>”), (b) the obligations associated with those employee benefit plans assumed by Concord (the “<u>Assumed Employee Benefits Plans</u>”), (c) the liabilities associated with the vacation, holiday and sick leave accumulations of those employees of the Seller who accept a Buyer’s offer of employment before, on, or as of the Closing Date (the “<u>Hired Employees</u>”) and related taxes thereon, (d) certain other of the Seller’s obligations described on Schedule 2.3 to the Purchase Agreement. The foregoing are collectively referred to as the “<u>Assumed Liabilities</u>”)³.</p> <p>Other than the Assumed Liabilities, the Buyers will not assume any liabilities of Seller (the “<u>Excluded Liabilities</u>”)⁴.</p>
Purchase Price	<p>The purchase price of the Acquired Assets shall be Thirty Million Dollars (\$30,000,000.00), subject to certain adjustments (the “<u>Purchase Price</u>”). The Purchase Price shall consist of: (i) a deposit of One Million Dollars (\$1,000,000) (the “<u>Deposit</u>”) that the Buyers will pay to an escrow agent mutually agreed to by the Buyers and the Seller; plus (ii) an amount required to conduct the orderly wind-down or dismissal of Seller’s bankruptcy case under Chapter 11 of the Bankruptcy Code (the “<u>Bankruptcy Case</u>”) following the Closing, not to exceed \$500,000 (or as otherwise approved by Concord in its sole discretion); plus (iii) the amount (the “<u>Hired Employee PTO</u>”) of all vacation, holiday and sick leave accumulations of the Hired Employees, and related taxes thereon, plus (iv) an amount (the “<u>Cash Purchase Price</u>”) equal to the total Purchase Price minus items (i)-(iii).</p> <p>The final Purchase Price payable at the Closing shall be adjusted as follows: the amount of the Purchase Price shall be (i) increased by the amount, if any, that eighty percent (80%) of the net book value of Seller’s accounts receivable (the “<u>Accounts Receivable</u>”) exceeds</p>

³ Pursuant to the Sale Order, the Assumed Liabilities also include (i) “all obligations of the Seller on account of Medicaid Enhancement Taxes pursuant to RSA 84-A:1 for the New Hampshire tax filing periods commencing on or after July 1, 2020, and specifically including the payment of Medicaid Enhancement Taxes due and payable on April 15, 2021, and thereafter provided the applicable returns required by RSA 84-A:4 have been timely filed (the “Post-Approval MET Obligations”) provided, however, the Post-Approval MET Obligations shall not be deemed to include any obligations of the Seller excluded under 2.4(i) and (ii) hereof”, and (ii) “all liability or obligations related to the recapture, reallocation, and/or redistribution of Post-Approval DHHS Payments (“Post-Approval Recapture Obligations”) provided, however, nothing in this subparagraph shall be deemed to include any obligations of the Seller excluded under 2.4(i) and (ii) hereof.”

⁴ Pursuant to the Sale Order, Excluded Liabilities include “(i) any liability or obligations of the Seller for recapture, reallocation, and/or redistribution of reimbursements for uncompensated care costs pursuant to RSA 167:64 made to the Seller prior to the Closing Date; (ii) any obligations of the Seller on account of underpayments of Medicaid Enhancement Taxes pursuant to RSA 84-A:1 for the New Hampshire State tax filing period ending on and before September 30, 2019.”

	<p>Fifteen Million Dollars (\$15,000,000); or (ii) decreased by the amount, if any, that Fifteen Million Dollars (\$15,000,000) exceeds eighty percent (80%) of the net book value of the Accounts Receivable.</p> <p><u>Establishment of Holdback.</u> At the Closing, a portion of the Purchase Price in the amount of Four Million Dollars (\$4,000,000.00) minus any amounts paid by the Seller between the October 19, 2020 and the Closing Date on account of amounts due under settled Medicare cost reports for years starting with the year 2016 shall be paid to an escrow agent. The purpose of the establishment of the Holdback is to provide the Buyers indemnified persons with a source of payment.</p>
<p>Excluded Assets</p>	<p>The following assets of Seller are excluded from the Acquired Assets (collectively the “<u>Excluded Assets</u>”):</p> <ul style="list-style-type: none"> • all cash and Excluded Deposits/Prepays; • Inventory disposed of or exhausted after the Execution Date and prior to the Closing Date in the ordinary course of operating the Hospitals; • any of the Seller’s interests in Contracts other than Assumed Contracts; • any Employee Benefit Plans other than Assumed Employee Benefit Plans; • all right, title and interest of the Seller in and to all current insurance policies, if any, and all insurance policies providing Tail Coverage; • any and all claims and causes of action arising under the Bankruptcy Code other than claims and causes of action related to any Acquired Asset, including Accounts Receivable; • all personnel records, other than personnel records relating to Hired Employees, and all patient records other than Included Patient Records; • all tradenames that are not described in Schedule 2.1(g) or are described therein but are not assignable; • all Seller’s Permits that are not assignable pursuant to applicable law and pending applications therefore; and • all Documents relating exclusively to an Excluded Asset.
<p>Representations and Warranties</p>	<p>Seller made representations and warranties to Buyers with respect to organization, powers, consents, absence of conflicts, binding agreement, equipment, real property, environmental matters, intellectual properties, financial information, insurance, permits and licenses, employees and employee benefits, litigation, taxes, brokers, inventory, assumed contracts, accounts receivable, investments and affiliates, compliance with laws, cost reports, title, condition and sufficiency of assets, payors, vendors, suppliers, relationships with affiliated persons, absence of certain changes and events, books and records, medical staff credentials, third-party reimbursement, and full disclosure.</p>

Buyers' Closing Conditions	<p>Buyers' obligation to close the contemplated transaction is subject to the satisfaction of certain customary closing conditions, including, but not limited to, the following:</p> <ul style="list-style-type: none"> • Seller's representations and warranties shall be true and correct in all material respects on the Closing Date and the terms, covenants and agreements to be complied with or performed by the Seller on or before the Closing Date shall have been complied with and performed in all material respects; • There shall not have occurred any event, change or occurrence that has or could reasonably be expected to have a Material Adverse Effect on the Seller, the Hospitals or the Acquired Assets; • Each Hospital shall have Inventory as of the Closing Date that is of a quality usable in the ordinary course of business consistent with such Hospital's past practices and of a quantity at each Hospital customarily maintained by hospitals of similar size and providing similar services; • The Buyers shall have obtained documentation or other evidence reasonably satisfactory to the Buyers that (a) the Seller and the Buyers have received all consents, permits, approvals, authorizations and clearances of Governmental Authorities and other Persons required to consummate the Transaction and (b) each and all of the terms, covenants and agreements to be complied with or performed by the Seller on or before the Closing Date shall have been complied with and performed; • No action or proceeding before any Governmental Authority shall have been instituted or threatened to restrain or prohibit the Transactions or otherwise preventing consummation of the sale of the Acquired Assets and the Transactions; • The Bankruptcy Court shall have entered the Sale Order and the Probate Court shall have entered the Probate Court Approval, each of which shall have become a Final Order; • The Seller shall have delivered to the Buyers deeds, bills of sale, assignment and assumption agreements or other instruments, consents and waivers by others, necessary or appropriate to transfer to and effectively vest in the Buyers the Acquired Assets and all agreements, instruments, certificates or other documents required to be executed by the Seller pursuant to this Agreement; • The Buyers shall have received either (a) title insurance issued by the Buyers' title company insuring title to the Real Property in an amount equal to the portion of the Purchase Price allocated to the Real Property showing good and marketable title to the Real Property or (b) the written commitments or binders of the Buyers' title company to issue the Title Policy; • The Buyers shall have obtained provider agreements, provider numbers or such other reasonable assurances, as applicable, with respect to all material healthcare payors; • Any and all survey results of either Hospital by licensing and accreditation agencies that the Seller receives prior to the Closing Date shall be satisfactory to the Buyers in the Buyers' sole and
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	<p>absolute discretion, or the Seller shall have submitted a plan of correction in response to any such survey result that has been accepted by the applicable licensing or accrediting agency;</p> <ul style="list-style-type: none"> • The parties shall have obtained from the Federal Trade Commission approval or other documentation evidencing that the Federal Trade Commission shall take no action to restrain, enjoin or otherwise prevent the consummation of the Transactions nor to seek to cause all or any part of the Acquired Assets to be divested by any Buyer after the Closing; • The Buyers shall have entered into an agreement with The Cerner Corporation, in form and substance acceptable to the Buyers for the provision of information technology services on and after the Closing Date; • The Seller shall have paid all amounts due and owing to settle the violations disclosed in that certain letter dated November 12, 2018 to CMS from counsel to the Seller; • The Seller shall have paid all amounts due and owing to CMS, through its intermediary National Government Services, Inc., pursuant to Extended Repayment Schedules relating to all cost report settlements associated with Sole Community Hospital Volume Decrease Adjustments for Lakes Regional General Hospital; and • Seller shall have used best efforts to obtain approval of the Bankruptcy Court to pay all amounts due to GSIE on account of insurance coverage provided by GSIE to LRGH under existing policies.
Seller Closing Conditions	<p>Seller’s obligation to close the contemplated transaction is subject to the satisfaction of certain customary closing conditions, including, but not limited to, the following:</p> <ul style="list-style-type: none"> • Buyer’s representations and warranties shall be true and correct in all material respects on the Closing Date and the terms, covenants and agreements to be complied with or performed by the Buyers on or before the Closing Date shall have been complied with and performed in all material respects; • There are not in effect any order restraining, enjoining or otherwise preventing consummation of the sale of the Acquired Assets and the Transactions; • Seller shall have obtained the approvals of the Director and the Bureau that are required for the Seller to consummate the Transactions; • The Bankruptcy Court shall have entered the Sale Order and the Probate Court shall have entered the Probate Court Approval, each of which shall have become a Final Order; • The parties shall have obtained from the Federal Trade Commission approval or other documentation evidencing that the Federal Trade Commission shall take no action to restrain, enjoin or otherwise prevent the consummation of the Transactions nor to seek to cause all or any part of the Acquired Assets to be divested by any Buyer after the Closing; and

	<ul style="list-style-type: none"> The Buyers shall have obtained, and paid in full any premium associated therewith required to be paid on or before the Closing Date, Tail Coverage to take effect as of the Closing Date.
Indemnification by Seller	Seller is obligated to indemnify Buyer from and against and in respect of any and all losses, costs, expenses (including, without limitation, costs of investigation and defense and attorneys' fees), claims, damages, obligations, liabilities or diminutions in value, whether or not involving a third party claim (collectively, "Damages"), (a) resulting from any Excluded Liability and any CMS offset, or (b) arising out of, based upon or otherwise in respect of (i) any inaccuracy in or breach of any representation or warranty of the Seller made in or pursuant to this Agreement; (ii) any breach or nonfulfillment of any covenant or obligation of the Seller.
Indemnification by Buyers	Buyers are obligated to indemnify Seller from and against and in respect of any and all Damages arising out of, based upon or otherwise in respect of: (a) any inaccuracy in or breach of any representation or warranty of the Buyers made in or pursuant to this Agreement; (b) any breach or nonfulfillment of any covenant or obligation of the Buyers contained in this Agreement; (c) the Assumed Liabilities; and (d) liabilities and obligations (other than Excluded Liabilities) relating to the operation of either Hospital and use of the Acquired Assets first arising on or after the Closing Date, the existence of which do not constitute a breach of any representation, covenant or warranty of the Seller made in or pursuant to this Agreement.

B. Summary of Certain Material Post-Closing Covenants in the Purchase Agreement

<u>ISSUE</u>	<u>SUMMARY</u>
Operation of the Hospitals and Maintenance of Medical Staffs	<p>For at least 5 years following the Closing, the Buyer operating either Hospital shall maintain such Hospital as an acute care hospital and shall name them Concord Hospital – Laconia and Concord Hospital – Franklin, providing at least the level of service which exists as of the Closing Date provided that the Hospitals maintain a reasonable operating margin, sufficient to cover their expenses.</p> <p>For at least 5 years following the Closing, the Buyer operating either Hospital shall maintain an open Medical Staff at such Hospital.</p>
Maintenance of Restricted Funds	At all times following the Closing, the Buyers shall preserve, maintain and utilize (j) all restricted endowment or other funds and other restricted assets received by the Seller from donors in accordance with applicable restrictions.
Payment of GSIE Pre-Petition Premium	On the Closing Date, Concord shall pay to GSIE an amount equal to \$1,792,529.00 on account of all past due insurance premiums due by LRGH to GSIE for coverage provided by GSIE to LRGH under existing policies prior to October 1, 2020.

Uninsured and Charity Care Policies	For 5 years beginning as of the Closing, the Buyer operating either Hospital shall implement and maintain the uninsured and charity care policies described on an exhibit to the Purchase Agreement.
Employee Matters	<p>The Buyers, collectively, will offer to employ as of the Closing Date substantially all active employees of the Seller working at the Hospitals on the day before the Closing Date on terms and conditions comparable to similarly-situated employees in the market, but in no event on terms and conditions more favorable than the terms and condition applicable to the then current comparable employees of Concord, provided, however, that such offers will be contingent upon the results of Concord's hiring practices, including, without limitation, customary background checks and employee interviews.</p> <p>The Seller shall permit the Buyers to have access to the Seller's personnel files in order to assist the Buyers in determining those employees to whom such offer of employment will be made. The Buyers shall provide the Seller with a schedule which shall list all of the Seller's employees to whom each Buyer will offer employment and, subject to usage between the date of delivery of such schedule and the Closing Date, the vacation, holiday and sick pay to which each such employee shall be entitled if such offer is accepted.⁵</p> <p>With respect to Employee Welfare Benefit Plans which provide medical, dental or eye care coverages, Hired Employees will receive, for purposes of eligibility to participate in the applicable Employee Welfare Benefit Plan, credit for all of their service with the Seller and the Buyers will waive, to the extent it may do so, any preexisting condition exclusions and allow Hired Employees to commence participation in Buyers' Employee Welfare Benefit Plan in accordance with its terms.</p> <p>Concord Laconia and Concord Franklin will each adopt an Employee Welfare Benefit Plan for vacation pay, holiday pay and sick pay with terms substantially similar to the Seller's Employee Welfare Benefit Plan for vacation pay, holiday pay and sick pay and Hired Employees will receive credit for all of their service with the Seller for purposes of determining eligibility for, and levels of participation in, such plans.</p>

⁵ This provision is the subject of an amendment set forth in the Sale Order at paragraph 22 that extends the time for Buyers to provide this schedule. The Parties are currently working together and anticipate that the schedule will be provided in late January or early February.