

ACQUISITION OF FRISBIE MEMORIAL HOSPITAL

EXECUTIVE SUMMARY

The following is an executive summary of the material terms of that certain Asset Purchase Agreement (the “Purchase Agreement”) by and among Frisbie Memorial Hospital, a New Hampshire nonprofit corporation (“Frisbie Memorial”), The Frisbie Foundation, a New Hampshire nonprofit corporation (“Foundation”), Granite State Lab, LLC, a New Hampshire limited liability company (“Granite Lab”), Seacoast Business and Health Clinic, Inc., a New Hampshire corporation d/b/a Seacoast Redicare (“Seacoast Clinic”) (each of Frisbie Memorial, Foundation, Granite Lab, and Seacoast Clinic, individually a “Seller” and, collectively, “Sellers”), and FMH Health Services, LLC, a Delaware limited liability company (“Buyer”). The following is intended to be a summary of the material terms of the Purchase Agreement. For a more detailed review, please see the Purchase Agreement.

A. Summary of Material Terms of the Asset Purchase Agreement

<u>ISSUE</u>	<u>SUMMARY</u>
Transaction Structure	<p>Pursuant to the Purchase Agreement, Buyer will purchase, and Sellers will sell, substantially all of the assets used in the operation of Frisbie Memorial Hospital (the “<u>Hospital</u>”) and all other healthcare facilities, healthcare operations, or physician practices owned, leased, managed or operated by any Seller or Seller affiliate related to or associated with the Hospital (the “<u>Facilities</u>”) and all assets and operations ancillary to or associated with any of the foregoing (the “<u>Purchased Assets</u>”).</p> <p>Subject to the satisfaction of the closing conditions in the Purchase Agreement, it is anticipated that the transaction will close (the “<u>Closing</u>”) in the first quarter of 2020. The day of the Closing is referred to as the “<u>Closing Date</u>” and the Closing will be effective as of 12:00:01 a.m. on first day of the calendar month immediately following the calendar month in which the Closing Date occurs (the “<u>Effective Time</u>”).</p> <p>Buyer will assume (a) Sellers’ liabilities in respect of accrued but unused paid time off, not to exceed two hundred (200) hours, of Sellers’ employees who accept employment with Buyer at the Effective Time (the “<u>Transferred Employees</u>”), (b) certain liabilities relating to COBRA continuation coverage for Seller employees not hired by Buyer at Closing, (c) post-Closing liabilities arising under contracts assumed by Buyer, (d) post-closing liabilities arising under specified capital leases, and (e) all liabilities included in the calculation of Net Working Capital as of immediately prior to the Effective Time (collectively, the “<u>Assumed Liabilities</u>”).</p> <p>Other than the Assumed Liabilities, Buyer will not assume any liabilities of Sellers related to the ownership or operation of Sellers’ businesses (the “<u>Business</u>”) or the Purchased Assets prior to the Effective Time or any liabilities related to any acts or omissions by any Seller (the “<u>Excluded Liabilities</u>”).</p>

	<p>“<u>Net Working Capital</u>” means, as of any date of determination, the excess of (a) the current assets of the Business set forth in the Purchase Agreement, but only to the extent acquired as a Purchased Asset, less (b) the current liabilities of the Business set forth in the Purchase Agreement, but only to the extent acquired as an Assumed Liability, in each case, calculated in accordance with GAAP.</p>
Purchase Price	<p>The purchase price to be paid by Buyer for the Purchased Assets will be \$67,000,000 subject to certain adjustments for Net Working Capital and Assumed Indebtedness. The Purchase Price paid at Closing will be based on estimates of Net Working Capital and Assumed Indebtedness.</p> <p>“<u>Assumed Indebtedness</u>” means the aggregate amount (as of immediately prior to the Effective Time) of the current and long-term liabilities of all Sellers under the capital leases of Sellers that are assumed by Buyer.</p> <p>The final Purchase Price will be determined post-Closing pursuant to the Closing Statement reconciliation process described in Section C (Closing Statement) below.</p>
Excluded Assets	<p>The following assets of Sellers are excluded from the Purchased Assets (collectively the “<u>Excluded Assets</u>”):</p> <ul style="list-style-type: none"> • all cash and cash equivalents, marketable securities and other investments of any Seller or Seller affiliate; • Certain bank accounts of Sellers; • insurance policies, and related premiums and refunds relating to the periods prior to the Closing; • all employee plans and records relating thereto; • organizational documents, corporate records, stock books, etc. of any Seller or Seller affiliate; • rights that accrue or will accrue to Sellers under the Purchase Agreement or the other Transaction Documents; • any records that by law any Seller is required to retain in its possession; • all credentialing records with respect to any practitioner, all meeting minutes of the medical staffs of each Facility and any committees, etc.; • contracts of Sellers that Buyer is not assuming; • all rights to refunds of taxes for pre-closing periods; • all rights to settlements and retroactive adjustments, if any, of cost-based payments previously made by a government program or any commercial third-party payor that settles on a cost-report basis to Sellers pursuant to a cost report submitted by Sellers for cost reporting periods ending prior to the Closing; • any permits or approvals that are not assignable to Buyer pursuant to applicable law and any accreditations that are not assignable;

	<ul style="list-style-type: none"> • any claims of any Seller against third parties to the extent that such claims relate to the Excluded Assets, the liabilities of any Seller or Seller affiliate, or any liabilities related to the ownership of the Purchased Assets prior to the Closing; • certain assets owned by Foundation that Buyer and Sellers agreed will not be Purchased Assets; • any receivables that are prohibited by applicable law from being transferred to Buyer; • any cash or investments held by a trustee as bond reserve funds; and • equity interests of Sellers in New England Life Care, Strafford Health Alliance, Skyhaven Surgery Center, LLC and Benevera Health, LLC.
<p>Restrictive Covenants (Sellers)</p>	<p>For a period of five (5) years after the Closing, each Seller agrees not to, directly or indirectly, develop, own, manage, control, lease, consult, operate, participate in or otherwise engage in any Restricted Business in the following counties: Strafford County, New Hampshire; Carroll County, New Hampshire; Rockingham County, New Hampshire; Belknap County, New Hampshire; York County, Maine; and Oxford County, Maine.</p> <p>For a period of five (5) years after the Closing, each Seller agrees not to, directly or indirectly, (i) solicit, encourage, or induce any customer, supplier, or other business relation of the Business to cease doing business with Buyer or any of its affiliates, or (ii) solicit or hire any employee or engage any independent contractor who works at, or provides services to the Business.</p> <p>“<u>Restricted Business</u>” means any healthcare facility, business or service that may now or hereafter compete with the Facilities, whether provided in-person or through tele-medicine or other remote platform, including the following: acute care hospitals; long term acute care hospitals; psychiatric hospitals; specialty hospitals; ambulance or other healthcare related transportation services; medical office buildings; cancer treatment centers (including outpatient radiation oncology centers, gamma-knife centers and cyber-knife centers); children’s, cardiac, rehabilitation, orthopedic, cancer, neuro, trauma or other facilities that specialize in one or more disease states; Physician practices; outpatient clinics, including surgery, urgent care, pain, burn, trauma, stroke, cancer and endoscopy centers; ambulatory surgery centers; free-standing emergency facilities or departments; psychiatric services; diagnostic imaging services; neonatal intensive care facilities; physical therapy facilities; catheterization laboratories; nursing facilities; parking facilities; and facilities used in or connection with or in support of any such healthcare facility, business or service, including non-healthcare and administrative services such as parking, transportation, maintenance, dieting, linen, repair, engineering, and business, administrative, and technical support.</p>

<p>Transferred Employees</p>	<p>As of the Effective Time, Sellers will terminate all of Sellers' active employees, and Buyer or one of its affiliates will offer employment to substantially all of Sellers' employees (other than the senior management personnel to whom Buyer or its affiliates shall have the option, but not the obligation, to make offers of employment). Buyer will provide the Transferred Employees with the same base wage and salary level each such Transferred Employee had immediately prior to the Effective Time. Buyer will provide each Transferred Employee with employee benefits substantially similar to similarly-situated employees of Buyer and its affiliates working at comparable facilities operated by Buyer or its affiliates in the general area of the Facilities.</p> <p>With respect to the Transferred Employees, Buyer (a) will recognize each Transferred Employee's date of hire by Sellers as the anniversary date of record with Buyer and honor that seniority for purposes of prospective benefit accrual under Buyer's fringe benefit policies, such as paid time off and short-term disability, (b) will waive the customary waiting periods under Buyer's welfare and 401(k) plans, and (c) to the extent lawful and subject to the approval of any applicable insurer, honor prior service credit under Sellers' current welfare plans for purposes of satisfying pre-existing condition limitations in Buyer's plans. For purposes of eligibility and benefits under Buyer's retirement plans, Buyer will honor prior length of service for each Transferred Employee who meets the eligibility requirements under Buyer's retirement plans, but Buyer will not make any contributions to Buyer's retirement plans for the Transferred Employees with respect to such prior service.</p> <p>Buyer will give credit for the unused paid time off of each Transferred Employee (except for physicians) as of immediately prior to the Effective Time in an amount not to exceed two hundred (200) hours, but only to the extent reflected as a current liability in the calculation of Net Working Capital as of the Effective Time.</p>
<p>Representations and Warranties</p>	<p>Sellers made representations and warranties to Buyer with respect to organization, capacity, authority, non-contravention, binding agreement, subsidiaries, minority interests, title to assets, sufficiency and condition of assets, financial information, permits and approvals, statutory funds, accreditation, government program participation, private programs, reimbursement, third-party payor cost reports, compliance with laws, information privacy and security compliance, compliance programs, medical staff matters, accounts receivable, experimental procedures, certificates of need, intellectual property, contracts, personal property, inventory, real property, insurance, employee benefit plans, employee matters, litigation, tax matters, environmental matters, absence of changes, affiliate transactions, seller bank accounts, solvency, brokers and finders, transferred interests, and books and records.</p>

Buyer Closing Conditions	<p>Buyer'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"> • Sellers' representations and warranties shall be true and correct in all material respects on the Closing Date and the Seller Fundamental Representations shall be true and correct in all respects on the Closing Date; • No Material Adverse Effect (as defined in the Purchase Agreement) has occurred; • Government programs have certified and enrolled Buyer in the applicable government programs and the Business, the Facilities and the practitioners will be entitled to participate in and receive reimbursement from government programs effective as of the Effective Time; • All filings and notices have been delivered to the New Hampshire Attorney General and all approvals required by the New Hampshire Attorney General have been obtained; • All filings required to be filed with the Strafford County Probate Court shall have been made and approvals required by the Strafford County Probate Court have been obtained; • Certain consents to the assignment of assumed contracts to Buyer identified on a schedule to the Purchase Agreement have been obtained; • Certain estoppel certificates from tenants identified on a schedule to the Purchase Agreement have been obtained; • Certain estoppel certificates from landlords identified on a schedule to the Purchase Agreement have been obtained; • The parties have agreed on a budget of the costs and expenses necessary to wind up, liquidate and terminate the affairs of Sellers (the "<u>Wind Down Budget</u>"); and • Buyer and Sellers shall have agreed, in their sole and absolute discretion, on the investment guidelines for the investment by Foundation of the Funds.
Sellers Closing Conditions	<p>Sellers' 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 Buyer Fundamental Representations shall be true and correct in all respects on the Closing Date; • All filings and notices have been delivered to the New Hampshire Attorney General and all approvals required by the New Hampshire Attorney General have been obtained; and • All filings required to be filed with the Strafford County Probate Court shall have been made and approvals required by the Strafford County Probate Court have been obtained.
Indemnification by Sellers	Sellers, jointly and severally, are obligated to indemnify Buyer from and against any and all losses that Buyer incurs as a result of or

	<p>arising out of: (i) any breach of the representations or warranties made by any Seller in the Purchase Agreement or any other document contemplated by the Purchase Agreement (each a "<u>Transaction Document</u>"); (ii) any breach, noncompliance or nonfulfillment of any covenants or other agreements made by any Seller in the Purchase Agreement or in any other Transaction Document; (iii) any Excluded Assets; (iv) any Excluded Liabilities; (v) Buyer's assumption of any assumed contract for which consent was not obtained as of the Closing; (vi) any uncured real estate title and survey objections; (vii) any fraud, intentional misrepresentation or willful or criminal misconduct of any Seller or any of their affiliates, representatives, members, principals or shareholders; and (viii) any environmental condition relating to the presence of asbestos in the Hospital.</p>
Indemnification by Buyer	<p>Buyer is obligated to indemnify Sellers from and against any and all losses that Sellers incur as a result of or arising out of: (i) any breach of the representations or warranties made by Buyer in the Purchase Agreement or any other Transaction Document; (ii) any breach, noncompliance or nonfulfillment of any covenants or other agreements made by Buyer in the Purchase Agreement or in any other Transaction Document; (iii) any Assumed Liabilities; (iv) Buyer's use of the federal and state controlled substance permits and pharmacy licenses under the Power of Attorney; (v) use by Buyer of Seller's billing identification numbers in connection with Seller's license of such numbers; (vi) any fraud, intentional misrepresentation or willful or criminal misconduct of Buyer or any of its representatives; and (vii) Buyer's failure to offer employment to substantially all Seller Employees, which directly results in a violation of the WARN Act.</p>
Escrowed Funds	<p>On the Closing Date, \$8,000,000 of the Purchase Price will be deposited into an escrow account ("<u>Escrow Account</u>") administered by JPMorgan Chase Bank, N.A.</p> <p>Any indemnification payments to Buyer from Sellers shall be satisfied first through funds in the Escrow Account to the extent funds are available in the Escrow Account.</p> <p>Twenty four (24) months after the Closing (the "<u>Escrow Release Date</u>"), any funds remaining in the Escrow Account will be released to Sellers <i>minus</i> the aggregate amount of all unresolved or resolved but unpaid indemnification claims asserted by Buyer as of the Escrow Release Date.</p>
Limitation to Indemnification Obligations – De Minimis Claims & Threshold	<p>Sellers shall have no obligation to indemnify Buyer for losses with respect to a breach of their representations and warranties and for any environmental condition relating to the presence of asbestos in the Hospital and Buyer shall have no obligation to indemnify Sellers for losses with respect to a breach of its representations and warranties, in each case, (i) for any individual claim (or series of claims arising from the same or substantially similar facts or circumstances) to the extent that the losses resulting from, arising out of, relating to or in</p>

	<p>connection with such claim (or series of claims arising from the same or substantially similar facts or circumstances) is less than an amount set forth in the Purchase Agreement (any such claims or series of related claims arising from the same or substantially similar facts or circumstances, “<u>De Minimis Claims</u>”), and (ii) the aggregate amount of all such losses that do not result from De Minimis Claims exceeds an amount set forth in the Purchase Agreement (the “<u>Threshold</u>”); <i>provided</i>, that De Minimis Claims and the Threshold do not apply with respect to any losses arising out of breaches of the Seller Fundamental Representations (organization; capacity; authority; non-contravention; binding agreement; subsidiaries; minority interests; title to assets; sufficiency and condition of assets; and brokers and finders), Buyer Fundamental Representations (organization; capacity; authority; non-contravention; binding agreement; and brokers and finders), and Seller Significant Representations (permits and approvals; statutory funds; accreditation; government program participation; private programs; reimbursement; third party payor cost reports; compliance with laws; information privacy and security compliance; compliance program; tax matters).</p>
<p>Limitation to Indemnification Obligations – Caps</p>	<p>Sellers’ aggregate liability for breaches of representations and warranties indemnification claims pursuant to the Purchase Agreement and any environmental condition relating to the presence of asbestos in the Hospital will not exceed an amount set forth in the Purchase Agreement (the “<u>Cap</u>”) and Buyer’s aggregate liability for breaches of representations and warranties indemnification claims pursuant to the Purchase Agreement will not exceed the Cap; <i>provided, however</i>, that the Cap does not apply to any losses in connection with breaches of the Seller Fundamental Representations, Buyer Fundamental Representations or Seller Significant Representations.</p> <p>Each of Sellers’ aggregate liability and Buyer’s aggregate liability with respect to certain indemnification claims will not exceed the Seller Net Sale Proceeds as adjusted from time to time (the “<u>Super Cap</u>”); <i>provided, however</i>, that the Super Cap does not apply to any losses suffered by (i) Buyer in connection with breaches of the Seller Fundamental Representations or indemnification claims related to Excluded Assets, Excluded Liabilities or fraud, or (ii) Sellers in connection with breaches of Buyer Fundamental Representations or indemnification claims related to Assumed Liabilities or fraud.</p> <p>“<u>Seller Net Sale Proceeds</u>” means as of any date of determination, an amount equal to the Purchase Price (a) minus (i) fifty percent of the costs and fees (A) paid to the New Hampshire Attorney General under that certain Advance Notice and Consultant Fees and Cost Agreement dated May 8, 2019, by and among the New Hampshire Attorney General, HCA, HCA Management Services, L.P., HCA Health Services of New Hampshire, Inc. and Frisbie Memorial, (B) related to the transfer of real property to Buyer (including recording fees and transfer taxes) and for the title policy and commitments, and (C) paid</p>

	<p>to the New Hampshire Attorney General for its review and approval of the transaction, (ii) the aggregate amount to pay-off outstanding debt of Sellers and transactions costs and expenses of Sellers on the Closing Date, (iii) the premium payments paid by Sellers to obtain tail policies, (iv) the amounts set forth in the Wind Down Budget, (v) the Collection Shortfall (defined below), if any, (vi) any amounts paid by Sellers to, or on behalf of, Buyer with respect to prorations, and (vii) the COBRA Continuation Amount (defined below), and (b) plus (i) the Collection Excess (defined below), if any, (ii) any and all Applicable Cash, (iii) all interest earned on the funds held in the Escrow Account, (iv) amounts of any funds in the Wind Down Budget that were not expended in connection with the wind up, liquidation and termination of affairs of Sellers, (v) any amounts paid by Buyer to, or on behalf of, Sellers on or after the Closing Date with respect to prorations, and (vi) any amounts paid by Buyer to Sellers to reimburse Sellers for costs paid in connection with the construction of the pharmacy clean room, in each case with respect to the foregoing, calculated as of such date of determination.</p> <p>“<u>Applicable Cash</u>” means any cash and cash equivalents held by any Seller immediately prior to the Closing or received by any Seller after the Effective Time from any source, except for (a) cash and cash equivalents held by Sellers immediately prior to the Closing in an amount up to, but not exceeding, \$5,000,000 in the aggregate, (b) cash and cash equivalents (i) that are designated or restricted for an identified purpose by a donor that is not an affiliate of a Seller in a written agreement or other writing that is binding on Sellers or (ii) received by or on behalf of any Seller in connection with the sale of any Excluded Assets to a person that is not HCA or an affiliate of HCA, or (c) any proceeds from life insurance policies owned by Sellers.</p>
Indemnification – Survival	<p>All representations and warranties contained in or made pursuant to the Purchase Agreement or any other Transaction Document will survive the execution and delivery of the Purchase Agreement or such other Transaction Document and the consummation of the transactions contemplated by the Purchase Agreement as follows:</p> <ul style="list-style-type: none"> • Eighteen (18) months after the Closing, generally; • indefinitely following the Closing in the case of any of the Seller Fundamental Representations and Buyer Fundamental Representations; and • until the ninetieth (90th) day after the expiration of the applicable statute of limitations in the case of any of the Seller Significant Representations or environmental representations. <p>So long as written notice is given on or prior to the applicable survival expiration date with respect to any such claim, all representations and warranties related to such claim shall continue to survive until such claim is finally resolved.</p>

<p>Purchase Price Proceeds</p>	<p>On the Closing Date, the net proceeds of the Purchase Price will be delivered to the Foundation. Foundation shall hold (i) the Purchase Price proceeds (the “<u>Initial Funds</u>”), (ii) any additional amounts of cash, cash equivalents, marketable securities and any other property that are required to be transferred to Foundation pursuant to the Purchase Agreement or that may be gifted or transferred to Foundation at any time (collectively, the “<u>Additional Funds</u>”) and (iii) the gains, interest, earnings and other income earned on the Initial Funds and the Additional Funds (collectively, the “<u>Earnings</u>” and together with the Initial Funds and the Additional Funds, the “<u>Funds</u>”) in a separate, segregated and identifiable account (the “<u>Funds Account</u>”). During each year for the first 10 years after the Closing Date, Foundation may award or make grants, award or make program-related investments, provide financial assistance or otherwise distribute from the Funds Account (“<u>Distributions</u>”) up to an amount equal to the Earnings not previously distributed from the Funds Account. Notwithstanding the foregoing, during the period beginning as of the Effective Time and ending on the tenth (10th) anniversary of the Closing Date, Distributions cannot be made that would cause the balance of the Funds Account to be reduced below the value of the Funds as of the Effective Time.</p> <p>If Buyer consents in advance in writing, Foundation may be replaced by another charitable organization (a “<u>Replacement Charitable Organization</u>”) as the entity entitled to hold the Funds pursuant to the terms and conditions of the Purchase Agreement; <u>provided, however</u>, such Replacement Charitable Organization must agree to such other terms and conditions as may be determined by Buyer in its sole and absolute discretion. If a Replacement Charitable Organization is consented to by Buyer, the parties will memorialize the obligations and commitments of the Replacement Charitable Organization in written agreements and on such terms and conditions as approved by Buyer in its sole and absolute discretion.</p>
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B. Summary of Material Post-Closing Covenants

<u>ISSUE</u>	<u>SUMMARY</u>
<p>Advisory Board</p>	<p>The Advisory Board will be comprised of 3 members appointed by Buyer and 3 members appointed by Seller Representative.</p> <p>The purpose of the Advisory Board will be to receive annual reports prepared by Buyer regarding Buyer’s compliance with the following post-Closing covenants (the “<u>Continuing Obligations</u>”) and approve any changes to the Continuing Obligations described below:</p> <ul style="list-style-type: none"> • The Frisbie Hospital Services; • Post-Closing capital commitment projects; and • Uninsured and charity care policies.

Operations of the Hospital	For 5 years beginning as of the Effective Time, Buyer shall not discontinue the provision of emergency department services, inpatient surgical services, inpatient medical services, behavioral health services (including geriatric psychiatry services) and labor and delivery services (the " <u>Frisbie Hospital Services</u> ") at the Hospital, subject to (a) the occurrence of a force majeure making the provision of such Frisbie Hospital Services impossible or commercially unreasonable (but only for the period of force majeure and the applicable remediation period), (b) a determination by the Advisory Board that it is in the best interest of the Hospital and the communities served by the Hospital to discontinue the provision of a Frisbie Hospital Service or (c) the occurrence of a contingency, as more fully described in the Purchase Agreement.
Capital Commitment Projects	<p>Prior to the 2nd anniversary of the Effective Time, Buyer shall construct a psych pod in the Hospital's emergency department pursuant to a plan, budget, design and specifications determined by Buyer in its sole discretion.</p> <p>Prior to the 1st anniversary of the Effective Time, Buyer shall replace the Hospital's current MRI machine with a new MRI machine that is reasonably comparable to the Hospital's current MRI machine with respect to quality and functionality.</p> <p>Prior to the 2nd anniversary of the Effective Time, Buyer shall construct a pharmacy clean room in accordance with applicable law. The parties will adjust the Purchase Price to credit Sellers for any monies expended by Sellers prior to the Closing that were incurred by Sellers pursuant to, and in accordance with, (i) an architectural engagement letter agreement entered into by Frisbie Memorial and JSA, Inc. dated May 21, 2019, (ii) a construction agreement that a Seller may enter into after the date hereof with a general contractor, the terms and conditions of which shall be approved by Buyer, which such approval shall not be unreasonably withheld, conditioned or delayed, and (iii) any amendments or change orders made to the agreements set forth in the foregoing (i) and (ii), the terms and conditions of which shall be approved by Buyer, which such approval shall not be unreasonably withheld, conditioned or delayed.</p>
Uninsured and Charity Care Policies	For 5 years beginning as of the Effective Time, Buyer shall implement and maintain the uninsured and charity care policies described on a schedule to the Purchase Agreement (the " <u>Policies</u> "), subject only to such revisions that (i) are approved by the Advisory Board, (ii) provide no less access for necessary medical care regardless of ability to pay for services rendered than the Policies, or (iii) are necessary to comply with applicable law.
Annual Reports	Within 90 days after each anniversary of the Effective Time while the Continuing Obligations remain outstanding, Buyer shall provide to Seller Representative a report summarizing Buyer's compliance with the Continuing Obligations (an " <u>Annual Report</u> "). Seller Representative shall have an affirmative duty to notify Buyer in

	writing of any potential noncompliance of Buyer with respect to the Continuing Obligations within 90 days of receipt of each Annual Report. If Seller Representative fails to notify Buyer within such 90 day period, then Sellers will be deemed to have waived, and shall be barred from raising, any objections related to Buyer noncompliance with the Continuing Obligations for such fiscal year.
Charitable Donations	For a period of 5 years after the Closing, Buyer will use commercially reasonable efforts to direct any person who contacts Buyer with respect to pre-Effective Time charitable contributions to the Facilities to contact Seller Representative.
Board of Trustees	For a period of 10 years after the Closing, Seller Representative will have the right, subject to the approval of Buyer, which shall not be unreasonably withheld, to appoint 3 voting members to the Board of Trustees of the Hospital. Such members' principal residence or principal place of business must be in Strafford County, New Hampshire. Such members may be removed by the Board of Trustees of the Hospital at any time upon the vote of a majority of the members of the Board of Trustees that are not employed by HCA or an affiliate of HCA. After the expiration of the 10 year period, HCA will continue to appoint at least 3 voting members to the Board of Trustees of the Hospital whose principal residence or principal place of business is in Strafford County, New Hampshire and that meet the applicable qualifications required to serve on the Hospital's Board of Trustees.
Seller Representative	Each Seller appoints the Foundation to serve as seller representative (" <u>Seller Representative</u> ") to act in the name of each Seller for all purposes under the Purchase Agreement and the other documents delivered under the Purchase Agreement. All decisions of Seller Representative are binding on each Seller. If Seller Representative desires to resign, then Seller Representative shall provide prior written notice to Buyer, which such notice shall include a proposed successor representative to replace Seller Representative. Such resignation by Seller Representative shall not be effective until Buyer approves such successor representative and such successor representative shall have confirmed its acceptance.

C. Summary of Material Post-Closing Actions

<u>ISSUE</u>	<u>SUMMARY</u>
Closing Statement	Not more than 120 days after the Closing, Buyer will prepare and deliver to Sellers a statement (the " <u>Closing Statement</u> ") setting forth in reasonable detail Buyer's calculation of (i) the actual amount of the Net Working Capital as of immediately prior to the Effective Time, (ii) the actual amount of the Assumed Indebtedness, (iii) the Purchase Price resulting from such actual amount of Net Working Capital and Assumed Indebtedness, and (iv) the Seller Net Sale Proceeds resulting from the Purchase Price as adjusted by the actual Net Working Capital amount and the actual Assumed Indebtedness amount. During the 30 days after delivery of the Closing Statement, Buyer will provide Sellers reasonable access to review the financial books and records of

	<p>Buyer related to the calculation of amounts in the Closing Statement. Sellers have 60 days after the delivery of the Closing Statement to deliver a written notice of disagreement to Buyer, after which the parties will have 30 days to resolve any differences. If the parties are unable to resolve such differences, then they will submit such differences to Deloitte & Touche for resolution.</p>
Tax Allocation	<p>By the later of 180 days after the Closing or 60 days after final determination of the Purchase Price, Buyer shall prepare and deliver an allocation of an amount totaling the sum of the (a) Purchase Price, (b) Assumed Liabilities and (c) all other capitalized costs under the Purchase Agreement, first among each of Sellers and then among the Purchased Assets of each Seller, in accordance with Section 1060 of the Code and the Treasury Regulations thereunder and any appraisals and valuations obtained by Buyer.</p>
Pre-Closing Patient Receivables	<p>For 18 months after the Closing, Buyer shall use commercially reasonable efforts to collect all patient receivables arising prior to the Closing, in accordance with Buyer's policies regarding the collection of accounts receivable. Within 15 business days after the end of such 18 month period, Buyer shall provide a collection statement to Seller Representative setting forth the aggregate amount collected in respect of the pre-Closing patient receivables, together with reasonable supporting information. Frisbie Memorial will have 15 business days thereafter to review and comment and deliver a written notice of disagreement to Buyer, after which the parties will have 15 business days to resolve any differences. If the parties are unable to resolve such differences, then they will submit such differences to Deloitte & Touche for resolution. If the amount collected is in excess of \$15 million, Buyer shall pay to Seller Representative such excess amount (the "<u>Collection Excess</u>"). If the amount collected is less than \$15 million, Seller Representative shall pay to Buyer such shortfall amount (the "<u>Collection Shortfall</u>").</p>
Cobra Continuation Coverage	<p>Not more than 120 days after the Closing Date, Buyer shall prepare and deliver to Seller Representative a statement (the "<u>COBRA Statement</u>") of Buyer's calculation of the amount equal to the product of (i) the monthly COBRA premium payments under Buyer's group health plan for each Qualified COBRA Enrollee multiplied by 3 and (ii) the remaining number of months following the Closing Date in which such COBRA Enrollee remains eligible for COBRA continuation coverage (collectively, such amount for all of the Qualified COBRA Enrollees, the "<u>COBRA Continuation Amount</u>"). Within 10 business days of the delivery of the COBRA Statement, Sellers shall pay to Buyer the COBRA Continuation Amount.</p> <p>Buyer shall be responsible for the costs and expenses of COBRA continuation coverage for each Seller Employee who is terminated on the Closing Date, but is not hired by Buyer, who timely elects COBRA continuation coverage after the Closing Date.</p> <p>"<u>Qualified COBRA Enrollees</u>" means (i) former Seller Employees and their dependents and any other COBRA qualified beneficiaries who</p>

	<p>were enrolled in COBRA continuation coverage under Sellers' group health plans immediately prior to the Effective Time and (ii) former Seller Employees and their dependents and any other COBRA qualified beneficiaries who are within their COBRA election period under Sellers' group health plans as of the Effective Time, who elect COBRA continuation coverage after the Closing Date.</p>
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