

**STATEMENT OF FMH HEALTH SERVICES, LLC REGARDING FULFILLMENT OF  
FRISBIE MEMORIAL HOSPITAL CHARITABLE OBJECTS**

**October 22, 2019**

FMH Health Services, LLC, a Delaware limited liability company ("Buyer"), hereby states the following as required pursuant to the provisions of New Hampshire RSA 7:18-b, III with respect to the transactions contemplated by that certain Asset Purchase Agreement (the "Agreement"), dated as of October 18, 2019, by and among Buyer, Frisbie Memorial Hospital, a New Hampshire nonprofit corporation ("Frisbie Memorial"), The Frisbie Foundation, a New Hampshire nonprofit corporation (the "Foundation"), Granite State Lab, LLC, a New Hampshire limited liability company ("Granite Lab") and Seacoast Business and Health Clinic, Inc. d/b/a Seacoast Redicare ("Seacoast Clinic") (each of Frisbie Memorial, the Foundation, Granite Lab and Seacoast Clinic are referred to herein as a "Seller" and, collectively, as the "Sellers"):

- Creation of Charitable Healthcare Foundation. The result of the transaction contemplated by the Agreement (the "Transaction") will be the conversion of substantially all of Sellers' assets into a cash purchase price in the amount of the fair market value of the assets. After the payment of the outstanding liabilities and expenses of Sellers, and making appropriate reserves for winding down the operations of Sellers, the net amount of the sale proceeds from the Transaction will be transferred to the Foundation. The Foundation will then apply such sale proceeds for the benefit of the residents of the Greater Rochester community, specifically for the improvement of the health and well-being of persons residing in Strafford County, New Hampshire and surrounding communities by awarding grants, making program-related investments, and providing other financial assistance to health and social service related programs, organizations, and projects benefitting the residents of Strafford County, New Hampshire and immediately surrounding communities. The creation of this new charitable healthcare foundation will permit the continuation and fulfillment of the charitable objects of Frisbie Memorial Hospital (the "Hospital").

In addition, under the Agreement, Buyer has agreed to the following:

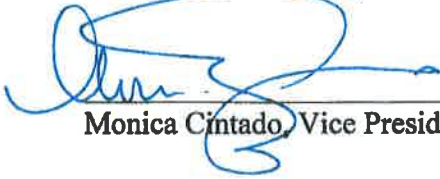
- Operations of the Hospital. During the Frisbie Memorial's board of directors' deliberation and diligence process to evaluate strategic options, the board projected that unless a strategic partner could be identified, the Hospital would be forced to restructure and eliminate or discontinue services. Pursuant to the Agreement, Buyer will not, for a period of 5 years after the closing of the Transaction, 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 at the Hospital, subject to the terms and conditions of the Agreement. This is a significant benefit to the residents of Stafford County, New Hampshire and surrounding communities given that without the Transaction, the Hospital could

have been forced to restructure and eliminate or discontinue services. As an affiliate of HCA following the closing of the Transaction, the Hospital will have greater access to capital for strategic initiatives and will receive enhanced strategic perspective based on multi-market knowledge and experience, including shared best practices and innovative solutions for clinical alignment among other HCA hospitals.

- Capital Improvements. Under the Agreement, Buyer has also agreed to implement specific capital projects following the closing of the Transaction, including the construction of a psych pod at the Hospital, the replacement of the Hospital's current MRI machine, and the construction of a pharmacy clean room. These improvements to the Hospital will permit the Hospital to provide additional services to the community, including necessary behavioral health services.
- Charity Care and Uninsured Discount Policies. Under the Agreement, Buyer will implement and maintain charity care and uninsured discount policies at the Hospital for a period of 5 years after the closing of the Transaction. The uninsured and charity care policy that will be maintained will result in increased benefit to the community, as this policy will result in greater charity care coverage for those members of the community who historically may have been ineligible for charity care assistance at the Hospital. In particular, with respect to charity care, full write-offs are given to patients with annual incomes of less than 250% of Federal Poverty Guidelines (the "FPG"). Patients with annual household incomes of up to 400% of the FPG have their balances capped on a sliding scale, not to exceed 4% of their income. These charity benefits are available to all patients regardless of their insurance coverage. With respect to uninsured discounts, the policies offer most patients with no insurance an uninsured write-off for non-elective services. This discount is typically similar to a managed care contracted discount. Additionally, Buyer would allow patients to establish interest-free payment arrangements for up to 60 months. These payment plans can be as low as \$25 per month. Finally, the patient liability protection policy extends the limit on patient liability for families above 400% of the FPG and generally applies are existing programs are processed (after charity or uninsured). The patient liability policy caps patient liabilities at 10% of annual household income for those between 400%–600% of the FPG, 12% for between 600%–800%, and 800%+ are capped at 15%.

The undersigned has signed this statement of FMH Health Services, LLC regarding the fulfillment of Frisbie Memorial Hospital's charitable objects.

FMH Health Services, LLC



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Monica Cintado, Vice President