

**NOTICE TO THE NEW HAMPSHIRE DIRECTOR OF CHARITABLE TRUSTS
PURSUANT TO NEW HAMPSHIRE RSA 7:19-b**

Re: Mascoma Community Healthcare, Inc.

This Notice and its appendices (the “*Notice*”) are submitted to the New Hampshire Attorney General, Director of Charitable Trusts (the “*Charitable Trusts Director*”) pursuant to New Hampshire RSA 7:19-b (the “*Change of Control Statute*”) by **Mascoma Community Healthcare, Inc.**, a New Hampshire voluntary corporation (“*Mascoma*”). This Notice is being submitted in connection with the proposed lease and operations transfer transaction described in Section III below (the “*Transaction*”). In support of this Notice, the Parties respectfully provide the following information:

I. THE PARTIES

A. MASCOMA COMMUNITY HEALTHCARE, INC.

Mascoma Community Healthcare, Inc. (“*Mascoma*”) was formed in 2014 as a New Hampshire voluntary corporation under New Hampshire RSA 292. It is exempt from federal income taxation as a charitable organization described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “*Internal Revenue Code*”). The current Articles of Agreement and Bylaws of Mascoma are attached as Appendix A and Appendix B, respectively.

Mascoma built and operates the Mascoma Community Health Center located in Canaan, New Hampshire (the “*Health Center*”), which opened in 2017. The Health Center currently has over 5,500 patients from its service area that includes Dorchester, Orange, Grafton, Canaan, Enfield, Lebanon, Rumney, and Danbury (sometimes referred to as the “*Mascoma Valley*”). Mascoma provides a broad range of primary health care and dental care services and programs at the Health Center, including general family medicine, pediatrics, women’s health, geriatric care, lab services, family planning, sports injury management, immunizations and other wellness programming. The Health Center historically has provided primary care dental services, but currently is seeking a qualified dentist to fill a vacancy in that position. Mascoma participates in the Medicare and Medicaid Programs, and is credentialed with scores of commercial health insurers and plans. For more information about Mascoma and the Health Center, see [Home \(mascomacommunityhealthcare.org\)](http://mascomacommunityhealthcare.org). The most recent audited financial statements of Mascoma are attached as Appendix C.

B. HEALTHFIRST FAMILY CARE CENTER, INC.

HealthFirst Family Care Center, Inc. (“*HealthFirst*” and together with Mascoma sometimes referred to collectively as the “*Parties*”), was formed in 1996 as a voluntary corporation under New Hampshire RSA 292. It is exempt from federal income taxation as a charitable organization described under Section 501(c)(3) of the Internal Revenue Code. The current Articles of Agreement and Bylaws of HealthFirst are attached as Appendix D and Appendix E, respectively.

HealthFirst is a federally-qualified health center (“*FQHC*”) that operates sites located in Laconia and Franklin, New Hampshire. HealthFirst’s service area encompasses five counties and includes 23 rural townships in the Twin Rivers and Lakes Regions of New Hampshire. See [ABOUT – HealthFirst Family](#) HealthFirst provides a range of primary care services and programs including general family medicine, pediatric and adolescent care, women’s health, behavioral health, substance misuse treatment, geriatric care, lab services, family planning, immunizations, nutrition and other wellness programming. HealthFirst also has on-staff social workers to provide case management and outreach services to its patients. The most recent audited financial statements of HealthFirst are attached as Appendix F.

II. BACKGROUND AND IMPERATIVES FOR THE TRANSACTION

The construction and opening of the Health Center in 2017 resulted from four years of needs assessment, planning and fundraising by volunteer citizens of its service area. Mascoma designed the Health Center and its services to address the primary care needs of, and the obstacles to accessing quality care experienced by, the residents of its rural service area. The Health Center is located centrally in the service area, is readily accessible by its patients, and offers a full complement of primary care and preventative services. Mascoma’s Board of Directors also is comprised primarily of residents from the service area and more than half of the Board members are Health Center patients so that it is aware of, and responsive to, the needs of the Health Center’s patients.

Mascoma has faced, and continues to face, the financial challenges typical of a rural community health center. It is a participant in the Medicaid and Medicare programs and in over 100 health insurance plans, and offers a sliding scale fee system for lower income patients. Of its 5,500 patients, approximately 29% are covered by Medicaid or Medicare, approximately 11% utilize Mascoma’s sliding fee scale, and approximately

27% are underinsured or uninsured. Nearly 17% of Mascoma's service revenue is derived from reimbursements from the Medicaid and Medicare programs, which utilize rates that often do not cover the escalating cost of delivering primary care services at a community health center. As a result, Mascoma's operating expenses and debt service expenses significantly exceed its operating revenue. Although Mascoma successfully raised grant funding and charitable donations, this non-operating revenue is insufficient to address its ongoing operational losses.

Mascoma's financial challenges were exacerbated further by the COVID-19 pandemic and its negative impact on patient visits, staffing and provider recruitment. Mascoma also faces the significant challenge of recruiting and retaining providers and staff to its rural location, particularly following the pandemic which resulted in an industry-wide shortage of nursing and other provider staff and the escalating costs of temporary "locum tenens" providers. In July 2022, Mascoma was forced to suspend its dental services temporarily when its dentist departed and the organization encountered significant difficulty in recruiting a replacement.

Mascoma's initial business plan contemplated that the Health Center would achieve FQHC status through the federal Health Resources and Service Administration ("HRSA"), an agency of the U.S. Department of Health and Human Services. The federal FQHC program offers higher reimbursement rates to community health centers that receive an FQHC designation. It is designed to address the financial challenges of community health centers like the Health Center, and to help them achieve long-term sustainability. Despite designing the governance and operation of the Health Center to meet FQHC requirements, Mascoma has not received an FQHC designation, or an FQHC Look-Alike designation, from HRSA.

In response to these challenges, the Mascoma Board of Directors evaluated opportunities to affiliate or collaborate with other nonprofit health care providers with a compatible mission. In 2019, the Board identified a collaboration with HealthFirst as the best opportunity for Mascoma to sustain and enhance its charitable mission. Although the exigencies of the pandemic suspended the parties' efforts to collaborate, Mascoma and HealthFirst now seek to consummate the Transaction described below. By leasing the Health Center and its equipment to HealthFirst and obtaining HealthFirst's commitment to continue to operate the Health Center as an FQHC-designated site of service, Mascoma will achieve the favorable FQHC program reimbursement rates that should provide long-term sustainability. The Transaction also will further Mascoma's

charitable mission and provide it with greater resources to enhance the quality of the Health Center's care and add behavioral health care to the services available to residents of its service area.

III. SUMMARY OF THE TRANSACTION

Attached as Appendix G-1, Appendix G-2 and Appendix G-3 are the Operations Transfer Agreement (the "*OTA*"), the Lease Agreement for the Health Center (the "*Premises Lease*"), and the Equipment Lease (the "*Equipment Lease*") between Mascoma and HealthFirst, each with an effective date of April 12, 2023 (collective the "*Transaction Agreements*"). The material terms of the Transaction Agreements and the proposed Transaction (sometimes referred to as the "*Collaboration*" or "*Transfer of Operations*") are summarized below.

A. TRANSFER OF OPERATIONS.

Simultaneously with the lease of the Health Center and its equipment to HealthFirst pursuant to the Premises Lease and the Equipment Lease (sometimes collectively referred to as the "*Leases*"), and pursuant to the OTA, Mascoma will transfer the operations and management of the Health Center to HealthFirst on the Operations Transfer Date. The Operations Transfer Date will occur after the satisfaction of the conditions described in Section III(C) below, and is expected to be no later than August 1, 2023. The Operations Transfer Date also will be the Commencement Date under the Leases. Under Section 1.8(d) of the OTA, HealthFirst will be obligated to operate the Health Center as an FQHC unless it determines in good faith in the future that continued operation of the Health Center as an FQHC is not financially feasible.

In addition to containing representations and warranties of each party, the OTA addresses the mechanics of the transfer of Health Center operations so that it will be as seamless as possible for Health Center patients and staff. Mascoma and HealthFirst will cooperate to obtain patient consents and transfer medical records to HealthFirst, and HealthFirst will offer employment to all Mascoma employees who meet HealthFirst's employment criteria. Mascoma will retain all of its liabilities and all accounts receivable for services to patients prior to the Operations Transfer Date. The OTA also imposes noncompetition and non-solicitation covenants upon Mascoma for the duration of the Leases. Under Article VI of the OTA, each party agrees to indemnify the other for the period during which it is responsible for the operation of the Health Center.

B. RETENTION OF OWNERSHIP; LEASES.

1. Premises Lease. Mascoma will retain ownership of the Health Center and the property in Canaan, New Hampshire on which it is situated (the "*Premises*"). Following the satisfaction of the conditions described in Section III(C) below, Mascoma will lease the Premises to HealthFirst so that HealthFirst can operate the Health Center as an FQHC and continue the provision of care to the underserved residents of Mascoma's service area. The initial term of the Premises Lease is ten (10) years, and it automatically renews for additional 10-year periods unless HealthFirst provides 180 days' notice to Mascoma of its election not to renew the Premises Lease. HealthFirst has the right to terminate the Premises Lease at any time after the first year of the term upon 180 days' notice to Mascoma. At any time during the term, HealthFirst can elect to purchase the Premises for the sum of the then-current outstanding indebtedness owed by Mascoma and transactional costs. The purchase would be subject to regulatory and other third party approvals. HealthFirst will pay Mascoma monthly rent of \$25,626, which will increase annually by the greater of 2% or the percentage change in the Consumer Price Index. HealthFirst also will pay the costs of property taxes or payments in lieu of taxes, liability and casualty insurance, utilities, maintenance and other operating expenses. Mascoma will establish a capital reserve and will fund capital and structural maintenance and repairs to the extent of monies available to it under the capital reserve, net proceeds from new indebtedness secured by a mortgage on the Premises, and/or monies advanced by HealthFirst (which advance will be repaid through a rent offset over time).

2. Equipment Lease. Following the satisfaction of the conditions described in Section III(C) below, Mascoma also will lease to HealthFirst the equipment and inventory used in the operation of the Health Center and which HealthFirst determines is necessary for its ongoing operation (the "*Equipment*"). The term of the Equipment Lease is five (5) years, at the end of which Mascoma will convey title to the Equipment to HealthFirst for One Dollar (\$1.00). The Equipment Lease prohibits HealthFirst from removing Equipment from the Health Center, however, and if the Premises Lease is terminated, then HealthFirst is obligated to transfer title to the Equipment back to Mascoma for a purchase price of One Dollar (\$1.00). HealthFirst will pay Mascoma fixed monthly rent of Seven Hundred Fifty Dollars (\$750.00) during the term of the Equipment Lease, and it will be responsible for maintaining the Equipment in working order and condition, reasonable wear and tear excepted.

C. CONDITIONS TO CLOSING

The proposed Transaction and each of the Transaction Documents is expressly conditioned upon the satisfaction of each of the following conditions:

1. Execution of All Transaction Documents. All of the Transaction Documents must be signed by both parties.
2. Mascoma Lender Consent. Mascoma must receive approval to enter into the Transaction from its lender, the United States Department of Agriculture (“*USDA*”).
3. HRSA Approval. HRSA must approve HealthFirst’s request to add the Premises as an FQHC site of service.
4. New Hampshire Governor and Council Approval. The New Hampshire Governor and Council must approve the New Hampshire Department of Health and Human Services (“*NHDHHS*”) emergency funding guarantee related to HealthFirst’s operation of the Health Center.
5. No Action Under RSA 7:19-b. The New Hampshire Charitable Trusts Director must determine that no action is required with respect to this Notice and the Transaction it describes.
6. Probate Court Approval. The New Hampshire Circuit Court for the 2nd Circuit, Probate Division, must grant Mascoma’s petition for the application of the principles of *cy pres* and/or deviation.

The Transaction Documents establish an Operations Transfer Date and Leases Commencement Date of July 1, 2023, but it may be delayed for up to thirty (30) days to satisfy one or more of the closing conditions described above.

IV. FULFILLMENT OF FIDUCIARY AND STATUTORY DUTIES

A. FURTHERANCE OF THE CHARITABLE MISSION

1. Charitable Mission Supported and Furthered. A primary fiduciary role of the Mascoma Board of Directors is to ensure that the proposed Transaction furthers the organization's charitable mission. As noted above, the Mascoma Board has recognized since inception that the financial sustainability of the community-based Health Center in an underserved rural service area depends upon the more favorable Medicaid and Medicare reimbursement rates for FQHCs. Therefore, Mascoma's charitable mission and governance structure were established to satisfy FQHC or FQHC Look-Alike requirements. When HRSA placed Mascoma's application for an FQHC designation on an indefinite waiting list, it became clear to the Mascoma Board that it would need to partner with an established FQHC to further Mascoma's mission by quickly achieving FQHC reimbursement for the Health Center.

HealthFirst's charitable mission is fully-aligned with Mascoma's mission. As an FQHC, HealthFirst's mission and governance structure is similar to that of Mascoma. HealthFirst has been operating multiple FQHC sites of service and serving the health needs of the underserved for twenty-seven (27) years. See the HealthFirst Articles of Agreement attached as Appendix D. One of the most critical elements of the Transaction is the commitment of HealthFirst to operate the Premises as a community-based FQHC site of service. *See* OTA Section 1.8(d). Under HRSA regulations, an FQHC must provide comprehensive health care services, including preventative, dental, and mental health services, and a sliding fee scale for patients with incomes below 200% of the federal poverty guidelines. Therefore, Mascoma's mission to provide outpatient primary health and dental service in underserved areas through a community clinic will be continued and, hopefully, sustained.

The Transaction also affords Mascoma and its Board of Directors the time and opportunity to focus on the other elements of its charitable mission, including educating the public about health protection, promoting public health projects, and identifying new services and relationships to improve the quality and accessibility of care.

2. Meeting Community Needs; Improving Access to Quality and Efficient Physical and Mental Health Care Services. In determining that the proposed Transaction

is in the best interest of Mascoma, the Mascoma Board of Directors also concluded that the Transaction will be in the best interest of the communities that it serves.

Mascoma participates in the community needs assessments led by Dartmouth-Hitchcock. A copy of the Community Health Needs Assessment for Fiscal Year 2022, prepared by Dartmouth-Hitchcock, Alice Peck Day Memorial Hospital and Visiting Nurse and Hospice for VT and NH, is attached as Appendix H. The Dartmouth-Hitchcock core service area includes nineteen (19) communities with 69,612 people (Page 1). The core service area for the Health Center is six (6) communities with a population of 24,115 (page 5). The assessment was based on survey responses from 207 community leaders and 1,642 individual residents.

The assessment identifies the following six priority community health needs and issues: (1) availability of mental health services; (2) cost of health care services, affordability of health insurance; (3) improved resources and environment for healthy eating, nutrition and food affordability; (4) alcohol and drug use prevention, treatment and recovery; (5) affordability and availability of dental care services; and (6) socio-economic conditions affecting health and well-being such as housing affordability, livable wages and affordable, dependable child care. The Transaction, and the additional resources it will bring to the Health Center, will benefit the communities served by Mascoma by directly addressing four of the six identified priority health needs of the Mascoma Valley (i.e. priorities Nos. 1, 2, 4 and 5).

HealthFirst will bring to the Health Center additional staffing and expertise to provide broader mental health services and substance misuse disorder services. HealthFirst also will enhance and increase wellness programming and dietary services at the Health Center. The parties expect that HealthFirst's deeper resources and larger organization is likely to enhance the Health Center's ability to recruit and retain dental providers to treat Health Center patients. Critically, through the larger reimbursements given to FQHCs and the HRSA mandate that the Health Center provide a sliding fee scale based on the financial status of patients, the Transaction will enhance the affordability and accessibility of needed physical and mental health services in the Mascoma Valley. As a community-based health center in a rural underserved area, the parties expect that the Health Center can more than double its current patient base following the implementation of the Transaction and its operation by HealthFirst.

In summary, through the proposed Transaction, HealthFirst will bring to the Health Center 27 years of expertise and experience in operating an FQHC and delivering the full panoply of community-based services mandated by HRSA regulations. HealthFirst will provide Health Center patients with greater depth of resources and expertise, provide a deeper bench of providers, and strengthen the Health Center's financial resources which also will create a more compelling application for future Health Center grant funding. HealthFirst not only will continue to provide all of the services currently offered by Mascoma at the Health Center, but it will expand the Health Center's service offerings to include behavioral health, substance misuse disorder treatment, women's health and dental care. This expansion of services at the Health Center will allow for more integrated care and provide Mascoma Valley patients with greater access to such care through a single site of care, i.e. the Health Center. *See Statement of Acquirer, Appendix P.*

The Mascoma Board of Directors also ensured that the Transaction will be in the best interest of the communities in its service area by negotiating certain provisions of the Transaction Agreements. Section 1.8(d) of the OTA requires HealthFirst to operate the Health Center as an FQHC site of service, assuming that all conditions to the Transaction are satisfied. Under HRSA regulations, an FQHC like HealthFirst must ensure that patients of all of its sites of service, including the Health Center, must comprise at least 51% of its governing board of trustees. The remaining HealthFirst board members must represent all of the communities served by the FQHC, including without limitation the communities of the Mascoma Valley.

B. STEWARDSHIP OF CHARITABLE ASSETS

Another primary fiduciary role of the Mascoma Board of Directors is to serve as good stewards of Mascoma's charitable assets. The Mascoma Directors fulfilled this role by negotiating the structure of the Transaction to protect its charitable assets, and by conducting due diligence including HealthFirst's pro forma analysis of the financial operation of the Health Center after the Operations Transfer Date.

1. Retention of Ownership, and Dedication, of Charitable Assets to Mission. As noted above, Mascoma will retain ownership of the Premises, and the Transaction Agreements require HealthFirst to operate the Health Center as an FQHC site of service in furtherance of Mascoma's (and HealthFirst's) charitable mission. *See* OTA Section 1.8(d), Premises Lease Section 5. Mascoma also will retain ownership of the Equipment

during the 5-year term of the Equipment Lease and thereafter will have the right to repurchase the Equipment for One Dollar (\$1.00) if the Premises Lease is terminated.

2. No Donor-Restricted Funds. Although Mascoma's Bylaws contemplate the receipt of donor-restricted funds, Mascoma has not received any donor-restricted assets. See Mascoma FY 2022 Audited Financial Statements, Note 1. Any future donations received by Mascoma after the Operations Transfer Date will remain its charitable property.

3. Post-Operations Transfer Date Financials. HealthFirst has prepared, and shared with Mascoma, two-year proforma financial projections for the operation of the Health Center after the Operations Transfer Date. A copy of the HealthFirst projections is attached confidentially as Appendix I (the "*Post-Transfer Financial Projections*"). Despite the conservative assumptions, the Post-Transfer Financial Projections demonstrate a positive operating margin based on the ability of HealthFirst to operate the Health Center as a FQHC site of service and HealthFirst's receipt of the NHDHHS emergency funding guarantee. Both are conditions to the Transaction. In essence, the Transaction will fulfill Mascoma's business plan of operating the Health Center as an FQHC to meet the health needs of the underserved patients of Mascoma Valley with the benefit of favorable reimbursement rates to ensure the sustainability of the charitable endeavor.

C. DUTY OF CARE: DUE DILIGENCE

1. Engagement of Experts. To assist it in fulfilling its fiduciary roles, the Mascoma Board of Directors engaged and considered the advice of the following experts.

(a) *Ammonoosuc Community Health Services and HealthFirst*. Following the first eighteen (18) months of operation of the Health Center, it became apparent to the Mascoma Board of Directors that its operating losses required a higher level of reimbursement from the Medicare and Medicaid programs. Mascoma then began collaborative relationships with both Ammonoosuc Community Health Services ("*Ammonoosuc*") and HealthFirst to develop strategies for improving the Health Center's patient base and Mascoma's revenues. As noted above, HealthFirst has been a successful operator of multiple FQHC sites of service for almost three decades. Similarly Ammonoosuc has been a successful FQHC operator since 1975. Both Ammonoosuc and HealthFirst provided valuable guidance and advice to Mascoma, and HealthFirst participated with Mascoma in a joint FQHC application to HRSA in 2019.

(b) *Lang McLaughry Commercial Real Estate*. The Mascoma Board of Directors engaged the commercial real estate brokerage firm of Lang McLaughry to provide an opinion of value to ensure that the rent payable by HealthFirst under the Premises Lease is fair market rental. The Lang McLaughry opinion of value dated November 2, 2022 is attached confidentially as Appendix J.

(c) *Hinckley Allen & Snyder, LLP; Mark S. McCue, Esq., Partner*. The regional law firm of Hinckley Allen, with a team led by partner Mark S. McCue, has served as outside general counsel to Mascoma in connection with the Transaction. Attorney McCue has practiced corporate law for thirty-seven (37) years, and focuses on governance, corporate and transactional matters for nonprofit clients in the health care and senior living industries, including numerous change of control transactions. Attorney McCue advised the Mascoma Board of Directors regarding the legality of the Transaction, due diligence, charitable asset protection, fiduciary obligations of the Mascoma Board of Directors, and compliance with regulatory processes. He also negotiated the Transaction Agreements on behalf of Mascoma.

2. Notification and Input of Communities Served. As required by New Hampshire RSA 7:19-b(II)(g), Mascoma communicated to the public and its stakeholders about the proposed Transaction and its terms, together with an analysis of how it will benefit the communities in Mascoma's service area -- and its Board of Directors considered any feedback -- as follows.

On March 24, 2023, Mascoma posted a summary of the Transaction on its website and a notice of a public listening session to be held at the Health Center on Saturday, April 1, 2023 at 9:00 a.m. The notice included links for those members of the public who wished to participate in the listening session by Zoom. The Transaction summary also was posted in the Town of Canaan newsletter that was disseminated on March 31, 2023 to approximately 1800 households. During each of the seven days preceding the listening session, Mascoma also disseminated the Transaction summary and listening session notice via a number of listservs and other social media postings. A copy of the Transaction summary, listening session notice, and Mascoma website home page at attached as Appendix K-1, Appendix K-2, and Appendix K-3 respectively.

On March 29, 2023, Michael Samson, Mascoma's Interim Executive Director, conducted a meeting with the Health Center staff to describe the proposed Transaction

and to discuss its potential impact on staff and patients. Notes of the meeting are attached confidentially as Appendix L.

On April 1, 2023, the Mascoma Board of Directors held a public listening session to describe the Transaction and how it will improve access to, and the quality of, physical and mental health care services in the Mascoma Valley area. In addition to nine (9) members of the Mascoma Board, the session was attended in person by twenty-one (21) individuals and via Zoom by another twenty-seven (27) individuals, many of whom are patients of the Health Center. The session was moderated by Dale Barney, and Board Chair Sandra Hayden and interim Executive Director Michael Samson presented a summary of the Transaction and its expected benefits to patients and the communities served by the Health Center. Attendees then asked a number of questions, which were answered by Mr. Samson and Louis Shelzi, Mascoma Director, and by Russell Keene, HealthFirst's Chief Executive Officer, and Ted Bolagnani, HealthFirst's Chief Financial Officer. The meeting adjourned at approximately 10:30 a.m. A copy of the attendee lists, a transcript of the listening session, and a YouTube link to a videotape of the session, are attached as Appendix M-1 (confidential), Appendix M-2, and Appendix M-3, respectively.

In preparation for its deliberations regarding the Transaction Agreements on April 8, 2023 and for those Directors unable to attend the listening session, the Mascoma Board of Directors received a link to the posting of a complete video recording of the listening session, as well as a copy of the presentation slides and the transcript of listening session questions, answers and comments. During its deliberations, the Mascoma Board of Directors discussed the public feedback received from the listening session and from posts to social media, emails and other communications, and concluded that the proposed Transaction Agreements adequately addressed the public input.

3. Decision-Making Process. The Mascoma Board of Directors exercised its fiduciary duty of due care in identifying and evaluating HealthFirst as a Collaboration partner, in negotiating the terms of the Transaction Agreements, and in considering the advice of experts it engaged to assist the Board in connection with the proposed Transaction.

In mid-2018, the Executive Committee informed the Mascoma Board of Directors about the financial challenges facing the Health Center, and recommended collaborating with one or more existing FQHCs to obtain FQHC status for the Health Center. The

Mascoma Board then empowered its Executive Committee to pursue the recommended strategy. Mascoma approached the two FQHCs with which it had been consulting, Ammonoosuc and HealthFirst, but Ammonoosuc concluded that it did not have sufficient resources to partner with Mascoma. Mascoma also approached the Springfield (VT) Medical Care Systems (“*Springfield*”), which operated eight FQHC sites of service. Although Springfield initially expressed interest, it became unable to collaborate with Mascoma following its significant operating losses which eventually led to Springfield’s bankruptcy.

After Mascoma’s FQHC application was placed on an indefinite waiting list by HRSA as described above, the Executive Committee, assisted by Michael Samson, engaged in earnest discussions with HealthFirst regarding the Collaboration. Mr. Samson served as Canaan’s Town Administrator for twelve years and has been involved with nonprofit health care organizations and FQHCs for over forty years. Following financial analyses and conversations with its lenders, Mascoma determined that the Transaction with HealthFirst would best further Mascoma’s charitable mission and meet the health care needs of the Health Center’s patients and Mascoma Valley generally. The Mascoma Board engaged Hinckley Allen to assist it in negotiating and drafting the Transaction Agreements.

Following the listening session, the completion of due diligence, and the negotiation of the Transaction Agreements, the Mascoma Board of Directors met on April 8, 2023 to review and discuss the public input from the listening session, emails and social media, and the final terms of the Transaction Agreements. Following active deliberation and questioning, the Mascoma Board of Directors unanimously approved the Transaction Agreements and a modification to its corporate purposes as stated in Mascoma’s Articles of Agreement, and authorized the filing of this Notice. A copy of the Mascoma Board of Directors April 8, 2023 meeting minutes is attached as Appendix N.

4. Transaction Permitted by Law. As noted above, the Mascoma Board of Directors engaged Hinckley Allen to advise it about the legality of the proposed Transaction as contemplated by the terms of the Transaction Agreements, among other matters. Hinckley Allen has advised the Mascoma Board of Directors that the proposed Transaction is permitted by applicable law, specifically New Hampshire RSA 292:7, subject to the receipt of: (1) regulatory approvals described in Section III(C) of this Notice;

and (2) an order of the New Hampshire Circuit Court for the 2nd Circuit, Probate Division granting Mascoma’s petition for relief under a writ of *cy pres* and/or deviation.

D. DUTY OF LOYALTY

The Mascoma Board of Directors observed its duty of loyalty in considering and approving the Transaction Agreements. No conflicts of interest were identified and the proposed Transaction does not constitute a pecuniary benefit transaction.

V. DIRECTOR CERTIFICATION

Attached as Appendix O is the certification of the Directors of Mascoma who voted on the Transaction affirming that the standards set forth in New Hampshire RSA 7:19-b(II) have been considered in good faith and met.

VI. STATEMENT OF HEALTHFIRST

HealthFirst is an “acquirer” as that term is defined by New Hampshire RSA 7:19-b(I)(b) as the transferee of the Health Center operations. As required by New Hampshire RSA 7:19-b(III), attached as Appendix P is a statement of HealthFirst specifying the manner in which it proposes to continue to fulfill the charitable objects of Mascoma.

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Respectfully submitted by the duly-authorized representative of the undersigned
this 24th day of April, 2023.

MASCOMA COMMUNITY HEALTHCARE, INC.

By: *Sandra Hayden*
Sandra Hayden
Board Chair, duly-authorized