Community Health Systems

Response to Marion County Hospital District

Request for Proposal Re:

Munroe Regional Health System

February 10, 2012
1. The identity of the Strategic Partner.

Community Health Systems (“CHS”) is one of the leading operators of general acute care hospitals in the United States. Founded in 1985, CHS has grown to 133 hospitals in 29 states with approximately 20,000 licensed beds. CHS is the second largest investor-owned hospital company and trades on the New York Stock Exchange under the trading symbol “CYH”. Consider the following statistical and financial information for CHS hospitals:

- 16,000+ medical staff members
- 80,000+ employees
- 700,000+ admissions (over 8,000 inpatients under CHS’ care every day)
- 2.7+ million emergency room visits
- $13+ billion in net operating revenue

CHS hospitals provide a broad range of general and specialized healthcare services, including general acute care, emergency, general and specialty surgery, critical care, internal medicine, obstetrics and diagnostics services. CHS also owns physician practices, imaging centers, ambulatory surgery centers, home care agencies and hospice agencies.

2. A description of Strategic Partner’s existing healthcare facilities in Florida and how MRHS would fit with these facilities.

CHS owns two hospitals in Florida; 110-bed North Okaloosa Medical Center in Crestview and 160-bed Lake Wales Medical Center in Lake Wales.

CHS intends to continue growing through selective acquisitions/leases of high quality hospitals and health systems, and expanding clinical service capabilities at each of those hospitals and health systems. CHS only goes into communities and markets where it envisions being there for the long-term, foreseeable (and imaginable) future. CHS does not go into communities and markets with short-term intentions.

CHS strategic intent is to establish flagship hospitals/health systems in mid-size cities and markets around the United States which CHS can then build a network of other health care related relationships around (e.g. hospitals, ambulatory surgery centers, diagnostic imaging centers, physician practices, and other allied and ancillary health and medical services, employers, insurers, etc.). CHS has a track record of success for developing multi-hospital health networks. For example, CHS operates multi-hospital health networks in: Northern Alabama; Tucson, Arizona; Northwest Arkansas; Fort Wayne, Indiana; Eastern Pennsylvania; Florence, South Carolina; Youngstown, Ohio; and Spokane, Washington.
Community Health Systems’ Response to
Marion County Hospital District’s Request for Proposal

February 10, 2012

CHS’ vision is that Munroe Regional Health System (“MRHS”) becomes CHS’ “Flagship Health System” in central Florida. CHS strategy would be to build a network of other acute care, post-acute care, wellness, ancillary, physician, employer, and payer relationships around MRHS. CHS anticipates this network would develop and grow through acquisition of additional hospitals, recruitment of physicians, acquisition of physician practices and other allied health services (ASCs, Imaging Centers, home health, etc.), and closer alignment with health insurers and employers.

3. A description of the nature and structure of the proposed Transaction. MCHD has a strong interest in maintaining a meaningful role in the post-transaction governance of the Health System. For any of the structures that you include in your proposal, please provide a description of the role that MCHD would perform, if any, in the governance of MRHS.

CHS proposes to lease of Munroe Regional Medical Center (“MRMC”) from Marion County Hospital District (“MCHD”).

CHS proposes a local governing board for MRHS of between 9 to 12 members. The local governing board would be comprised 100% of local community residents and leaders, including the Hospital’s CEO and Chief of Staff. MCHD would an independent board, elected by the Marion County Board of Supervisors. The MCHD board would enforce the terms of the lease agreement. MCHD would be granted the option to have one representative appointed to MRHS’ board during the first five (5) years of the leasehold term.

MRHS’ board would be responsible for (i) developing a strategic plan; (ii) adopting vision, mission and values statements; (iii) participating in development and review of operating and capital budgets and facility planning; (iv) participating in periodic evaluations of the Hospital CEO; (v) making substantial changes in Hospital services; (vi) granting medical staff privileges and, when necessary, taking disciplinary action consistent with the Hospital Bylaws (with the advice of counsel); (vii) assuring medical staff compliance with The Joint Commission (“JCAHO”) requirements (with the advice of counsel); (viii) supporting physician recruitment efforts; and (ix) fostering community relationships and identifying service and education opportunities.

4. The detailed financial structure of your proposed Transaction, including:
   a) Confirmation of the MRHS Facilities subject to the Transaction;
   b) The proposed purchase price for the acquired assets, or the lump sum lease payment if a lease;
   c) Assumed liabilities;
   d) Excluded assets;
   e) Excluded liabilities;
   f) Expected post-closing adjustments to the purchase price or lease payment;
   g) Other post-closing financial commitments; and
   h) Governance structure.
CHS proposes to form a new Florida legal entity to lease the assets of MRHS from MCHD and purchase certain net working capital items as described below.

a. Assets to be Leased
   - All assets of MRHS (unless specifically excluded), including (but not limited to) Munroe Regional Medical Center (“MRMC”), land and buildings, and furniture and equipment.
   - All real property used in connection in the operation of, or acquired for the benefit of, MRHS, including (but not limited to) buildings, leaseholds, improvements or fixtures (unless specifically excluded), free and clear of all liens and encumbrances, (except those liens and encumbrances which CHS chooses to assume).
   - All joint venture interests, including (but not limited to) MRHS’ interest in TimberRidge Nursing and Rehabilitation Center, TimberRidge Imaging Center, Medical Imaging Center, and Munroe Regional Home Care.
   - All patient, medical, personnel and other records.
   - All licenses, permits and trade names.
   - Certain assumable contracts and leases related to the operations of MRHS.
   - All interests in all property arising or acquired in the ordinary course of the operation of the business between the date hereof and the closing.
   - All other property, whether tangible or intangible, of every kind, character or description owned by MRHS and used or held for use in the operation of the facilities, unless specifically excluded.

b. Purchased Assets
   - Supplies and inventory.
   - Deposits and prepaid expenses that have continuing value to MRHS.

c. Assumed liabilities
   - Accrued paid time off (e.g. holiday, sick and vacation pay).
   - Capital leases (to the extent any exist).

d. Excluded assets
   - Cash and cash equivalents, marketable securities and other investment assets.
   - Assets limited to use and other restricted assets, including Foundation assets.
   - Patient accounts receivables and non-patient accounts receivables.
   - Due from third party payer settlements.
   - Prepaid expenses and deposits that do not have continuing value to MRHS.
e. Excluded liabilities
   ▪ Accounts payable.
   ▪ Accrued salaries, wages and benefits.
   ▪ Other accrued expenses.
   ▪ Due to third party payer settlements.
   ▪ Accrued self insurance costs.
   ▪ Accrued pension obligation.
   ▪ Any notes payable, including accrued interest payable.
   ▪ Bonds payable and other long-term debt, including current maturities and accrued interest payable.
   ▪ All other liabilities (other than assumed liabilities), either known or unknown.

CHS would prepay the lease, plus pay an amount for inventory and supplies and prepaid expenses and deposits that have continuing value to MRHS in cash by wire transfer on the day of the transaction close. MCHD (or perhaps MRHS Foundation) would retain MRHS’ cash, investments, and assets limited to use, along with other “Excluded Assets” (described above). MRHS’ current bonds, debts, and any liabilities not assumed by CHS would need to be defeased, paid-off, or otherwise satisfied. CHS would be willing to collect MRHS’ patient accounts receivables for a reasonable fee.

Post closing capital commitments are discussed in Section 8. b.) on page 7.

Governance is described in Section 3. on page 2.

5. If the Transaction involves a lease, please provide the major terms of such lease, including the following:
   a) Term;
   b) Lease payment schedule;
   c) Renewal options;
   d) Other key terms; and
   e) Governance structure.

   General Lease Terms.

   i. CHS Lessee would lease MRHS from MCHD pursuant to a 40-year lease. CHS would prepay the lease in the amount $145 million. CHS would have the option to renew the lease for additional ten-year terms by providing written notice of extension to MCHD to extend the term. Rent for each renewal term would be established based on fair market value rental rate at the time of the renewal. The Lease would be “triple net” (CHS would be responsible for taxes, maintenance, and insurance).

   ii. All bonds, long-term and short-term debts, and any other liabilities associated with MRHS, but not assumed by CHS, must paid paid-off from the prepaid rent proceeds.
iii. During the term of the Lease, CHS would be solely responsible for maintenance and repair of the leased premises, and would be responsible for maintaining the leased premises in the condition in which it received the premises, normal wear and tear excepted. At the end of the lease term, MCHD would reimburse CHS for any pre-approved capital expenditures made by CHS with respect to the leased premises within five (5) years of lease termination, with reimbursement to be at the then net book value of such capital expenditures on the books of lessee.

iv. Governance is described in section 3. on page 2.

6. If the Transaction is a joint venture partnership, please include the following:
   a) Governance structure;
   b) Ownership percentages for each party as of closing;
   c) Management arrangement and related fees;
   d) Reserve powers for each party; and
   e) How future cash distributions and capital expenditures will be calculated and handled.

   Not Applicable

7. A description of the financial and operational strength of the Strategic Partner, including:
   a) Ability to provide consideration in the form of cash, notes and/or assumed liabilities for the leased assets. Please provide a description of the expected sources of financing, the anticipated time required to obtain such financing and any contingencies thereto.

   As of September 30, 2011 (date of last public reporting of financial data), CHS had $266 million in cash and cash equivalents on its balance sheet. CHS next public reporting of financial data for the year ended December 31, 2011 will be February 21, 2012.

   In 2010, CHS generated in excess of $1.1 billion in cash from operating activities. CHS previously provided public guidance that it expected to generate between $1.15 and $1.25 billion in cash from operating activities in 2011.

   CHS has availability for borrowings under a Credit Facility up to $750 million. CHS has the ability to amend the Credit Facility to provide term loans up to $1.0 billion. CHS also has the ability to add up to $300 million in borrowing capacity from receivable transactions, which has not been accessed.

   CHS believes that its cash on hand, cash generated from operations and its available borrowing capacity under its Credit Facility and access to other bank credit and capital markets, will be sufficient to finance this transaction, plus capital expenditures and working capital requirements into the foreseeable future.
b) Ability to fund routine (maintenance and upgrades) as well as strategic (major expansions, addition of services, market share expansion) capital expenditure requirements. Please provide evidence of capital expenditures in currently owned facilities.

CHS has expended over $3.0 billion in capital expenditures at its hospitals in the last five years. CHS has previously provided public guidance that it expected to expend between $750 million to $825 million in capital expenditures in 2011. The following chart demonstrates CHS’ capital expenditure rate for the last five years.

![Capital Expenditures Chart]

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital Expenditures ($'s in Millions)</th>
<th>As % of Net Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$523</td>
<td>7.2%</td>
</tr>
<tr>
<td>2008</td>
<td>$692</td>
<td>6.3%</td>
</tr>
<tr>
<td>2009</td>
<td>$577</td>
<td>4.8%</td>
</tr>
<tr>
<td>2010</td>
<td>$667</td>
<td>5.1%</td>
</tr>
<tr>
<td>YTD Q310</td>
<td>$382</td>
<td>YTD Q311 5.2%</td>
</tr>
<tr>
<td>YTD Q311</td>
<td>$533</td>
<td></td>
</tr>
</tbody>
</table>

c) Financial statements:
   i. Audited financial statements for the past three years.
   ii. Interim period (year-to-date) financial statements.

Provided separately.

8. Your position with respect to the following issues:

a) Maintain and grow the MRMC facilities as a full service acute care hospital.
   i. The Strategic Partner should provide assurance that it will continue to operate these facilities as a full service acute care hospital.

   As part of the definitive agreements, CHS would agree to continue operating MRMC as a full service acute care hospital.
ii. Please identify any alternative strategies that may impact the current services provided at the facilities.

CHS business model is to grow and expand health care services at its hospitals. CHS has a track that demonstrates both growth and expansion of services at its hospitals. CHS would enter into a relationship with MCHD with the intention to grow and expand health care services at MRHS.

iii. MRMC currently provides certain “safety net” services for the benefit of the communities it serves. Examples include maternity services (labor, delivery and obstetrics) and pediatrics services. Would you be willing to commit to the provision of these services into the future, and/or agree not to close any current service lines without the approval of MCHD?

As part of the definitive agreements, CHS would agree not to discontinue, or substantially reduce in scope, hospital services or activities (including maternity and pediatrics) for a period of five (5) years post-closing. This provision would be subject to the regulatory changes, availability of qualified physicians, and community need.

b) Access to Capital / Strategic Plan

i. MRHS has developed a campus facility master plan. The first phase of the master plan is described in greater detail in the attached Information Memorandum in the section entitled Master Facility Plan. The estimated cost of the first phase total $150 million. Please indicate whether you are willing to commit to invest capital in the amount required to fund the first phase.

Subject to due diligence review, CHS would be willing to commit to funding Phase 1 of the Master Facility Plan, which MRHS has estimated at $150 million.

ii. In addition to the strategic capital required to fund the first phase of the master plan, will you commit to investing capital for normal maintenance and replacement costs in an amount not less than $15.0 million per annum?

For a period of five (5) years post-closing, CHS would agree to fund routine capital expenditures in an amount not less than $10 million per year.

c) Community Benefit / Charity Care

i. Commitment that existing community benefit programs and charity care policies at MRHS facilities will be maintained. Provide evidence of your community benefit programs and expenditures and charity care policies.
Subject to review of MRHS charity care policies, CHS would intend to adopt and incorporate the financial aspects of MRHS’ current charity care policy into CHS’ local charity care policy for MRHS.

CHS is committed to providing inpatient and emergency care to patients with limited incomes through its charity care policy. Patients who do not qualify for CHS’ charity care policy may qualify for CHS’ under-insured discount program.

CHS provides significant levels of uncompensated care at its hospitals. As the following chart indicates, CHS’ uncompensated care is approximately 20% of adjusted net patient revenue (adjusted net revenue = net revenue + charity care + administrative self pay discount).

<table>
<thead>
<tr>
<th>Year</th>
<th>Bad Debt ($B)</th>
<th>Charity ($B)</th>
<th>Admin. Discount ($B)</th>
<th>% of Adjusted Net Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$2.1 B</td>
<td></td>
<td></td>
<td>10.4%</td>
</tr>
<tr>
<td>2009</td>
<td>$2.5 B</td>
<td></td>
<td></td>
<td>11.1%</td>
</tr>
<tr>
<td>2010</td>
<td>$2.8 B</td>
<td></td>
<td></td>
<td>11.2%</td>
</tr>
<tr>
<td>YTD Q3 2011</td>
<td>$2.4 B</td>
<td></td>
<td></td>
<td>11.4%</td>
</tr>
</tbody>
</table>

**Community Health Care Needs**

CHS would expect MRHS to provide the same or similar community benefit programs and services provided today in order to continue to meet the health care needs of the local community. All CHS hospitals provide community benefit programs, such as immunizations, health fairs, health screenings, wellness and healthy living education, mother and baby services, and seniors programs to name a few. In addition, MRHS would also have access to health education programs that CHS has developed to help promote healthy living, including:

- **Healthy Woman**: empowers women with the knowledge and confidence to make informed healthcare decisions for themselves and their loved ones. CHS has 110 Healthy Woman chapters with over 100,000 members.
- **Tiny Toes**: provides comprehensive healthcare resources for women who are pregnant, all the way up through the baby’s first birthday. The program brings together the many resources that expectant and new mothers need.

- **Senior Circle**: encourages healthy and active lifestyles for seniors by providing programs that encourage continued learning, wellness, health, and volunteering, coupled with a host of social activities. CHS has 120 Senior Circle chapters with over 95,000 members.

In addition to participating in blood drives, United Way initiatives, national relief efforts, and philanthropic endeavors, CHS would encourage MRHS employees to be actively involved in local civic and community programs.

**d) Provide Continuing Employment**

i. **The Strategic Partner will provide a commitment not to terminate, except for cause, any existing employees for a period of one year following the closing of the Transaction.**

As part of the definitive agreements, CHS would agree to hire all current MRHS’ active employees in good standing as of the closing date at their current compensation and seniority levels.

**e) Medical Staff and Referral Arrangements**

i. **The Strategic Partner shall agree to work in good faith with the MRHS’ Medical Staff members and preserve the existing staff membership and the current privileges of each physician.**

CHS would work in good faith with MRHS’ medical staff members to preserve existing medical staff membership and privileges.

ii. **The Strategic Partner shall agree not to take any actions that mandate the MRHS medical staff to refer patients to hospitals owned by the Strategic Partner.**

CHS would agree not to take any actions that mandate MRHS medical staff refer patients to hospitals owned by CHS.

**f) Restricted Gifts**

i. **The Buyer will agree to honor the terms of all gifts of property previously made to MRHS.**
Restricted gifts would come under the ownership and control of MRHS Foundation. CHS would not have any control over MRHS Foundation or MRHS Foundation assets. However, to the extent that MRHS is the beneficiary of prior or future gifts of property, CHS would do its best to honor the terms of the gifts.

**g) Quality and Safety**

**i. The Strategic Partner should agree to support existing initiatives and provide additional quality and safety expertise and protocols, as necessary, to assure that MRHS is exceeding quality and safety standards.**

Achieving high quality care and patient safety is CHS’ highest priority. CHS dedicates extensive resources consistent with this commitment. The following are some of the quality programs and resources that CHS provides to its hospitals, and that MRHS would participate in:

- All CHS hospitals participate in a standardized Performance Improvement Program to ensure each hospital achieves the highest standards of care.
- CHS is dedicated to Joint Commission accreditation and provides extensive assistance to its hospitals to meet and exceed accreditation standards, including participation in a comprehensive mock survey program.
- CHS assigns a regional Quality Management representative to each hospital. This person helps the hospital monitor and improve quality and prepare for surveys.
- Each hospital has a “Chief Quality Officer”, who reports to the CEO and is a member of senior management. This person has the authority and responsibility to assure quality processes are operational and the organization is “survey ready” every day.
- CHS provides training and education on quality improvement, Joint Commission standards and regulatory compliance quarterly for all hospital Quality Directors. There are also annual meetings for all hospital CEOs, CNOs, Quality Directors and Department Managers to address quality initiatives.
- CHS offers quality measurement tools to our hospitals, including:
  - Joint Commission survey training
  - Outcomes measurement systems
  - Clinical protocols to promote “Best Practices”
  - Continuous quality improvement mechanisms
  - Case management modeling
All CHS hospitals share quality and performance data for benchmarking and annually develop a Performance Improvement Plan with the assistance and guidance of CHS corporate Quality and Resource Management department.

- CHS contracts with **HealthStream® Research** for comparative quality data
- Hospitals are compared to national and regional benchmarks
- Comparative data analyzed and reported for every medical staff member
- CHS is developing its own data repository to expand measured indicators and increase ability to monitor and share performance and quality data

All CHS hospitals participate in “Community Cares”, which is based on **StuderGroup®** principles. Community Cares is a culture-enhancing philosophy based on specific and proven principles designed to improve the service experience for patients, physicians and employees. Some of the initiatives undertaken through Community Cares include:

- Patient Hourly Rounding
- Emergency Department Discharge Callbacks
- Patient Falls Prevention Programs
- Reduce Hospital Acquired Catheter Infections
- Patient Satisfaction Surveys
- Physician Satisfaction Surveys
- Employee Satisfaction Surveys.

**ii. Please provide evidence of your commitment to providing quality services and tracking outcomes at your existing hospitals.**

On September 14, 2011, The Joint Commission issued a press release recognizing “Top Performing Hospitals” that attained and sustained excellence in accountability measure performance during 2010. Per The Joint Commission’s statement, the “Top Performers on Key Quality Measures” represented the Top 14% of Joint Commission accredited hospitals that report core measure performance data. CHS had 41 hospitals on the list, representing 10% of the total number of hospitals on the list.

The following graphs (next page) are just an example of the type of quality outcome results that CHS tracks for its hospitals.
CHS Composite Inpatient Core Measure results vs. national averages.

CHS Composite Inpatient Core Measures Results
19 Consecutive Quarters of Improvement

CHS Composite Outpatient Core Measure results vs. national averages.

CHS Outpatient Core Measures Results
14 Consecutive Quarters of Improvement
h) Service Complement / Growth Strategies

i. The Strategic Partner will commit to maintain all existing services for a reasonable period of time.

As part of the definitive agreements, CHS would agree not to discontinue, or substantially reduce in scope, hospital services for a period of five (5) years post-closing. This provision would be subject to regulatory changes, availability of qualified physicians, and community need.

i) Evidence demonstrating the Strategic Partner’s prior experience in meeting or exceeding its commitments, terms and obligations to the sellers or lessors in prior acquisition transactions.

CHS cordially invites, and would gladly arrange for, members of MRHS’ board, medical staff and management team to visit one or more of CHS hospital systems in Northern Alabama, Southern Virginia, or Florence South Carolina so that they could meet their counterparts at a CHS hospital system and learn firsthand how CHS has met and/or exceeded its commitments.

9. Please provide a list of items which, based on prior experience with hospitals similar to MRHS, you expect to be able to reduce operating expenses, increase revenues, or otherwise improve profitability of MRHS.

MRHS would have access to all of CHS’ support departments, resources and tools.

The following is a list of CHS corporate departments (bold highlighted), along with some example functions that these departments support.

<table>
<thead>
<tr>
<th>Accounting</th>
<th>Legal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisitions &amp; Development</td>
<td>– Contracts support</td>
</tr>
<tr>
<td>Administration</td>
<td>– Real estate support</td>
</tr>
<tr>
<td>Ancillary Services</td>
<td>– Litigation support</td>
</tr>
<tr>
<td>– Pharmacy</td>
<td>Managed Care</td>
</tr>
<tr>
<td>– Laboratory</td>
<td>Marketing</td>
</tr>
<tr>
<td>– Surgery</td>
<td>– Community Cares (StuderGroup)</td>
</tr>
<tr>
<td>– Imaging</td>
<td>– Local Hospital Marketing Support</td>
</tr>
<tr>
<td>– ASCs</td>
<td>– Patient Satisfaction Surveys</td>
</tr>
<tr>
<td>Clinical Services</td>
<td>– Physician Satisfaction Surveys</td>
</tr>
<tr>
<td>Compliance</td>
<td>– Public Relations and Communications</td>
</tr>
<tr>
<td>Corporate Tax</td>
<td><strong>Affinity Programs</strong></td>
</tr>
<tr>
<td>Eligibility Screening Services</td>
<td>* Senior Circle</td>
</tr>
</tbody>
</table>
CHS believes it could improve MRHS managed care negotiating position with payers.

CHS has contractual relationships with over 1,500 managed care payers/plans and over 5,000 managed care contracts nationwide. Generally speaking, CHS believes its relationships with its managed care partners are very good.

**CHS could improve MRHS’ purchasing power by leveraging CHS’ purchasing programs.**

CHS annual supply expense exceeds $1.7 billion per year. All CHS hospitals participate in a group purchasing organization ("GPO") called HealthTrust Purchasing Group ("HPG") which provides significant discounts on purchased supplies and equipment. HPG is a committed model and CHS is a 17% equity shareholder of HPG. Clinical Advisory Boards endorse the product quality of supplies purchased by CHS hospitals. GPO compliance enables CHS hospitals to obtain some of the industry’s lowest supply product costs, and also allows CHS hospitals to share like products among hospitals during times of shortage or disaster.
MRHS would have immediate access to CHS’ physician recruitment resources.

Last year, CHS successfully recruited over 1,700 physicians to CHS hospitals. CHS physician recruitment department has been successful in recruiting for all specialties from primary care to surgeons and other specialists. CHS’ physician recruitment department consists of 32 people with over 150 years of recruitment experience.

CHS has the ability to source and screen physicians nationwide. CHS attends over twenty-five recruitment conferences per year. CHS has three dedicated individuals who visit medical residency programs to establish relationships with first, second, and third year residents. CHS is actively involved in approximately ten job board sites. Over 25,000 physicians are in CHS physician recruitment database. CHS also does journal advertising, direct mail campaigns, recruitment seminars, and has a recruitment website.

In recent years, physician employment has become more prevalent. CHS is open to physician employment models. In fact, CHS employs over 2,000 physicians company-wide. The decision about whether to utilize a physician employment strategy depends on the unique circumstances of the local market.

Newly recruited physicians to the medical staff of a CHS hospitals, whether employed or independent, receive significant support and resources to help them assimilate into the local hospital, including: practice management, marketing, new service development, education and training opportunities, newsletters and other resources that addresses physician issues of global interest.

10. A list of any necessary regulatory, corporate or other approvals required to consummate a Transaction, along with a statement indicating your ability to secure such approvals in a timely manner. Describe any federal or state limitations that might prohibit the Strategic Partner from entering into an arrangement with MCHD.

MCHD, MRHS and CHS would need to follow Florida’s regulatory processes and timelines. CHS does not anticipate any issues with getting the State’s approval.

The transaction would be subject to a Hart-Scott-Rodino (”HSR”) review. CHS does not anticipate any issues with the HSR review.

CHS’ board of directors would have to approve this transaction. CHS does not anticipate any impediments to promptly obtaining CHS’ board of directors’ approval.

Upon notice of selection, CHS believes it could complete the transaction within 90 to 150 days, subject to regulatory review and approval processes. This includes the time needed to perform due diligence and negotiate definitive agreements. CHS would be prepared to close the transaction at the end of the month following receipt of all regulatory approvals.
11. Your acknowledgement that neither MCHD, MRMC, MRHS or Ponder will be liable to you for any damages or expenses of any kind or type, unless you are the successful Strategic Partner and then, only to the extent set forth in the definitive agreement between MCHD and the Strategic Partner.

CHS acknowledges that MCHD, MRMC, MRHS, and Ponder will not be liable to CHS for any damages or expenses of any kind or type, unless CHS is the successful Strategic Partner and then, only to the extent set forth in the definitive agreement between MCHD and CHS.