

May 19, 2023

c/o Chair of the Board of Directors
ANC Healthcare, Inc. (f/k/a Mission Health System, Inc.)
425 West New England Avenue, Suite 300
Winter Park, Florida 32789
Attention: Neil F. Luria

Gibbons Advisors, LLC
1900 Church Street, Ste 300
Nashville, TN 37203
Attn: Ronald M. Winters

Advisory Board (Asheville Facilities)
Local Advisory Board (Angel Medical Center)
Local Advisory Board (Blue Ridge Regional Hospital)
Local Advisory Board (Highlands-Cashiers Hospital)
Local Advisory Board (Mission Hospital McDowell)
Local Advisory Board (Transylvania Regional Hospital)

North Carolina Department of Justice
114 W. Edenton Street
P.O. Box 629
Raleigh, NC 27602-0629
Attention: Swain Wood, or General Counsel

Re: Amended and Restated Annual Report pursuant to Section 7.17 of the Purchase Agreement and Cap Ex Report Pursuant to Section 7.14 of the Purchase Agreement

Ladies and Gentlemen:

Reference is made to the Annual Report and Cap Ex Report that was delivered to you on April 28, 2023 (the "2022 Reports"), pursuant to that certain Amended and Restated Asset Purchase Agreement, dated as of January 31, 2019, as amended (the "Purchase Agreement"), by and among ANC Healthcare, Inc. (formerly Mission Health System, Inc.), a North Carolina nonprofit corporation, MH Master Holdings, LLLP, a Delaware limited liability limited partnership ("Buyer"), and the other signatories thereto. Capitalized terms used but not defined herein have the respective meanings set forth in the Purchase Agreement.

Following the delivery of the 2022 Reports, Buyer became aware of an error in the 2022 Reports related to the Advisory Board members of the Hospital. Enclosed are the Amended and Restated 2022 Reports, which amends and restates in its entirety the 2022 Reports. Also enclosed for your reference is a redline comparison highlighting the change between the 2022 Reports and the Amended and Restated 2022 Reports.

Please feel free to contact me if you have any questions regarding the enclosed reports.

Sincerely,



Greg Lowe
President, HCA North Carolina Division

cc (w/ enclosures):

SOLIC Capital
425 West New England Avenue
Suite 300
Winter Park, Florida 32789
Attention: Neil F. Luria

Drinker Biddle & Reath, LLP
191 N. Wacker Drive, Ste. 3700
Chicago, Illinois 60606-1698
Attention: Neil Olderman

North Carolina Department of Justice
114 W. Edenton Street
P.O. Box 629
Raleigh, NC 27602-0629
Attention: Kevin Anderson, or Chief of Consumer
Protection Division

North Carolina Department of Justice
Consumer Protection Division
114 W. Edenton Street
P.O. Box 629
Raleigh, NC 27602-0629
Attention: Attorney
Responsible for Review of Nonprofit Transactions

SCHEDULE A

Annual Report

For Fiscal Year ended December 31, 2022 (the “Reporting Period”)

Capitalized terms used but not defined herein have the respective meanings set forth in the Purchase Agreement. For convenience of reference, the table below includes relevant portions of the applicable sections of the Purchase Agreement. Please refer to the Purchase Agreement for the full text of each section.

PURCHASE AGREEMENT SECTION	STATUS
<p>7.10 – Branding. Following the Closing, Buyer, in its and its Affiliates’ operation of the Hospitals and the other Facilities, shall use the name “Mission Health” or “Mission Health System” in the naming, branding and marketing of such Hospitals and other Facilities in each case unless such name is required to be changed to comply with applicable Law. In addition, following the Closing, Buyer in its and its Affiliates’ operation of the occupational, rehabilitation and home care operations and facilities shall use the name CarePartners in the naming and branding and marketing of such facilities in each case unless such name is required to be changed to comply with applicable Law.</p>	<p>During the Reporting Period, Buyer and its Affiliates continued to use the name “Mission Health” or “Mission Health System” in the naming, branding and marketing of the Hospitals and other Facilities. As an example, see https://missionhealth.org/member-hospitals/</p> <p>During the Reporting Period, Buyer and its Affiliates continued to use the name “CarePartners” in the naming, branding and marketing of the occupational, rehabilitation and home care operations and facilities acquired pursuant to the Purchase Agreement. As an example, see https://missionhealth.org/member-hospitals/carepartners/</p>
<p>7.12(a) – Hospital Advisory Board. As of the Effective Time, the Parties shall establish an advisory board (the “Advisory Board”) which shall continue in existence for the Advisory Board Designation Period. During the Advisory Board Designation Period, the Advisory Board shall be composed of eight (8) individuals appointed as follows: (i) four (4) of the Advisory Board members, and their replacements, as determined by the Seller Representative, shall be appointed by Seller Representative (the “Seller Directors”) and (ii) four (4) of the Advisory Board members, and their replacements, as determined by Buyer, shall be appointed by Buyer, who may be employees of Buyer or any of its Affiliates (the “Buyer Directors”). The purposes of the Advisory</p>	<p>In 2019, the Parties established an Advisory Board comprised of 4 individuals appointed by the Seller Representative and 4 individuals appointed by Buyer. The members of the Advisory Board serving during the Reporting Period are listed below. The board members appointed by the Seller Representative are noted with a “SR” in parenthesis next to such individual’s name and the board members appointed by Buyer are noted with a “B” in parenthesis next to such individual’s name.</p>

PURCHASE AGREEMENT SECTION	STATUS
<p>Board shall be: (I) approving any modifications to Buyer’s obligations set forth in <u>Section 7.10</u>, this <u>Section 7.12</u>, <u>Section 7.13</u> and <u>Section 7.15</u>(the “Continuing Obligations”); <u>provided</u> that the Advisory Board shall not have any rights or authority regarding the Continuing Obligations with respect to any Hospital owned by a Local Hospital as of the Execution Date and for which the Local Advisory Boards have authority pursuant to <u>Section 7.12(b)</u>; (II) consulting with and providing recommendations to Buyer regarding Capital Expenditures as contemplated by <u>Section 7.14(h)</u>; (III) receiving reports prepared by Buyer pursuant to <u>Sections 7.14(e)</u> and <u>7.17</u> and (IV) resolving disputes regarding the occurrence of a Contingency with respect to any Mission Hospital / CarePartners Service or any Material Facility that is not a Local Hospital Facility. Each of the Parties shall comply with the terms of the Advisory Board Charter.</p>	<p>John Garrett, MD (SR) Larry Harris (SR) Bridget Eckerd (SR) Lynn Kieffer (SR) Chad Patrick (B) Laurie Haynes (B) Anthony Spensieri, MD (B) Melanie Wetmore (B)</p> <p>During the Reporting Period, the Advisory Board met on June 15, 2022.</p> <p>Buyer complied with the terms of the Advisory Board Charter during the Reporting Period.</p>
<p>7.12(b) – Local Advisory Board. As of the Effective Time, Buyer and each Local Hospital shall establish an advisory board (each a “Local Advisory Board” and, collectively, the “Local Advisory Boards”) which shall continue in existence for the applicable Local Advisory Board Designation Period. During the applicable Local Advisory Board Designation Period, such Local Advisory Board shall be composed of eight (8) individuals appointed as follows: (i) four (4) of the Local Advisory Board members shall be appointed by the board of the Local Hospital (the “Hospital Local Directors”) and their replacements shall be determined by the other Hospital Local Directors of the applicable Local Advisory Board at such time, and (ii) four (4) of the Local Advisory Board members, and their replacements, as determined by Buyer, shall be appointed by Buyer, who may be employees of Buyer or any of its Affiliates (the “Buyer Local Directors”). The purposes of each Local Advisory Board shall be (I) approving the discontinuance of the provision of services at its applicable Local Hospital Facility pursuant to <u>Section 7.13(b)</u>, (II) approving the sale or closure of its applicable Local Hospital Facility pursuant to <u>Section 7.13(c)</u>;</p>	<p>In 2019, Buyer and each Local Hospital established Local Advisory Boards comprised of 4 individuals appointed by the applicable Local Hospital and 4 individuals appointed by Buyer. The members of the Local Advisory Boards who served during the Reporting Period are listed below. The board members appointed by the board of the Local Hospital are noted with an “LH” in parenthesis next to such individual’s name and the board members appointed by Buyer are noted with a “B” in parenthesis next to such individual’s name.</p> <p><u>Angel Medical Center</u></p> <p>Thom Brooks (LH) Warren Cabe (LH) Dale West (LH) Janet Greene (LH) Greg Lowe (B)</p>

PURCHASE AGREEMENT SECTION	STATUS
<p>(III) approving any change to the Uninsured and Charity Care Policy of its applicable Local Hospital Facility pursuant to <u>Section 7.15</u> (collectively, the “<u>Local Continuing Obligations</u>”); (IV) receiving and evaluating applicable reports prepared by Buyer pursuant to <u>Sections 7.14(f)</u> and <u>7.17</u>; and (V) resolving disputes regarding (x) the occurrence of a Contingency with respect to the Local Hospital Facility or (y) an MHF Quality or Safety Occurrence with respect to a Member Hospital Facility Service. Each of the Parties shall comply with the terms of each of the Local Advisory Board Charters.</p>	<p>Fran Paschall (B)¹ Terence van Arkel (B) Clint Kendall (B)</p> <p><u>Blue Ridge Regional Hospital</u></p> <p>Richard Montague (LH) Darla Harding (LH) Kim Stephenson (LH) Alex Glover (LH) Tonia Hale (B) Greg Lowe (B) Fran Paschall (B)² Terence van Arkel (B)³</p> <p><u>Highlands-Cashiers Hospital</u></p> <p>Nancy Dunlap (LH) Marc Hehn (LH) James Maurin (LH) Peter Pavarini (LH) Tom Neal (B) Greg Lowe (B) Fran Paschall (B)⁴ Terence van Arkel (B)</p> <p><u>Mission Hospital McDowell</u></p>

¹ Replaced David Franks, M.D on February 1, 2022.

² Replaced Phillip Mitchell, M.D on February 1, 2022.

³ Replaced Jason Hunt, MD on February 1, 2022.

⁴ Replaced Bill Hathaway, MD on February 1, 2022.

PURCHASE AGREEMENT SECTION	STATUS
	<p> Bobbie Young (LH) Ray McKesson (LH) Sherron Crawford (LH) Harold Walker (LH) Carol Wolfenbarger (B)⁵ Terence van Arkel (B)⁶ Greg Lowe (B) Marsha Meyers (B)⁷ Fran Paschall (B) </p> <p><u>Transylvania Regional Hospital</u></p> <p> Ora Wells, MD (LH)⁸ John Holbrook (LH) Parker Platt (LH) Ruffin Benton, MD (LH) Jeff Hunt (LH)⁹ Michele Pilon (B) Greg Lowe (B) Terence van Arkel (B) Fran Paschall (B) </p> <p>During the Reporting Period, the Local Advisory Boards met on the following dates:</p>

⁵ Left the board on March 7, 2022

⁶ Replaced Margaret Sullivan, MD on March 1, 2022

⁷ Appointed to the board on July 3, 2022

⁸ Left the board on April 1, 2022

⁹ Appointed to the board on August 26, 2022

PURCHASE AGREEMENT SECTION	STATUS
	<p><u>Angel Medical Center</u></p> <p>June 27, 2022</p> <p><u>Blue Ridge Regional Hospital</u></p> <p>June 20, 2022</p> <p><u>Highlands-Cashiers Hospital</u></p> <p>June 22, 2022</p> <p><u>Mission Hospital McDowell</u></p> <p>July 11, 2022</p> <p><u>Transylvania Regional Hospital</u></p> <p>June 23, 2022</p> <p>Buyer complied with the terms of each Local Advisory Board Charter during the Reporting Period.</p>
<p>7.13(a) - Mission Hospital/Care Partners Services. Unless otherwise consented to in writing by the Advisory Board for a period of ten (10) years immediately following the Closing Date, Buyer shall not discontinue the provision of the services set forth on <u>Schedule 7.13(a)</u> (the “Mission Hospital / CarePartners Services”) at the Mission</p>	<p>During the Reporting Period, Buyer did not discontinue the provision of the services set forth on Schedule 7.13(a) of the Purchase Agreement at the Mission Hospital Campus Facility, the</p>

PURCHASE AGREEMENT SECTION	STATUS
Hospital Campus Facility, the Community CarePartners Facilities or the Mission Children’s Hospital Reuter Outpatient Center, as applicable, subject to Force Majeure making the provision of such services impossible or commercially unreasonable (but only for the period of Force Majeure and the applicable Remediation Period).	Community CarePartners Facilities or the Mission Children’s Hospital Reuter Outpatient Center.
<p>7.13(b) - Member Hospital Facility Services. Unless otherwise consented to in writing by both the applicable Local Advisory Board and the Independent Monitor, and subject to the right to discontinue if a MHF Quality or Safety Occurrence occurs between the fifth and tenth anniversaries of the Closing Date as described in this <u>Section 7.13(b)</u>, for a period of ten (10) years immediately following the Closing Date, Buyer shall not discontinue the provision of the services set forth on <u>Schedule 7.13(b)</u> (the “Member Hospital Facility Services”) at any Member Hospital Facility, subject to Force Majeure making the provision of such services impossible or commercially unreasonable (but only for the period of Force Majeure and the applicable Remediation Period). For the avoidance of doubt, this <u>Section 7.13(b)</u> shall not apply to the Mission Health Campus Facility or the Community CarePartners Facilities that are addressed in <u>Section 7.13(a)</u>.</p>	During the Reporting Period, Buyer did not discontinue the provision of the services set forth on Schedule 7.13(b) of the Purchase Agreement at any Member Hospital Facility.
<p>7.13(c) - Sale or Closure of any Facility. Unless otherwise consented to in writing by (i) with respect to any Material Facility other than the Local Hospital Facilities, the Advisory Board, or (ii) with respect to any Local Hospital Facility, both its applicable Local Advisory Board and the Independent Monitor, for a period of ten (10) years immediately following the Closing Date, Buyer shall not sell or close any of the Material Facilities unless Force Majeure makes the continued operation by Buyer of the Material Facilities impossible or commercially unreasonable; <u>provided</u> that if the Force Majeure is capable of being remediated in a commercially reasonable manner within a six (6) month period following the occurrence of the Force Majeure such that the continued operation of the Material Facility would cease to be impossible or commercially unreasonable, Buyer shall use</p>	During the Reporting Period, Buyer did not sell or close any of the Material Facilities.

PURCHASE AGREEMENT SECTION	STATUS						
commercially reasonable efforts to mitigate the Force Majeure for up to six (6) months prior to such sale or closure.							
7.13(e) – LTAC Services. Unless otherwise consented to in writing by the Advisory Board, for a period of two (2) years immediately following the Closing Date, Buyer shall not discontinue the provision of long-term acute care services at the St. Joseph campus of Mission Hospital (Asheville, North Carolina) (the “ LTAC Services ”), subject to Force Majeure making the provision of such services impossible or commercially unreasonable (but only for the period of Force Majeure and the applicable Remediation Period).	During the two (2) years immediately following the Closing Date, Buyer did not discontinue the provision of the LTAC Services at the St. Joseph campus of Mission Hospital.						
7.13(g) – Community Contributions. Between the first (1 st) anniversary and tenth (10 th) anniversary of the Closing, Buyer and/or any of its Affiliates shall collectively make or incur Community Contributions of at least \$750,000 per Annual Period.	<p>During the fourth Annual Period, Buyer and its Affiliates made the following Community Contributions in the amount of \$756,937¹⁰:</p> <table> <tr> <td>Cash and charitable donations to non-profits and other charities:</td><td>\$673,989</td></tr> <tr> <td>Student scholarships:</td><td>\$ 82,948</td></tr> <tr> <td>Total</td><td>\$756,937</td></tr> </table>	Cash and charitable donations to non-profits and other charities:	\$673,989	Student scholarships:	\$ 82,948	Total	\$756,937
Cash and charitable donations to non-profits and other charities:	\$673,989						
Student scholarships:	\$ 82,948						
Total	\$756,937						
7.13(h) – Medicare/Medicaid Enrollment. Unless otherwise consented to in writing by (i) with respect to any Material Facility other than the Local Hospital Facilities, the Advisory Board, or (ii) with respect to any Local Hospital Facility, its applicable Local Advisory Board, for a period of ten (10) years immediately following the Closing Date, subject to Force Majeure making doing so impossible or	During the Reporting Period, the Material Facilities and the Local Hospital Facilities remained enrolled and in good standing in the Medicare and Medicaid programs.						

¹⁰ Please note that Mission Health System provides services and support to organizations in addition to what is listed above. For example, consistent with our predecessor, morgue services are provided within several communities, as is space for Mountain Area Child Advocacy Center.

PURCHASE AGREEMENT SECTION	STATUS
commercially unreasonable (but only for the period of Force Majeure and the applicable Remediation Period), Buyer shall cause the Material Facilities and the Local Hospital Facilities to remain enrolled and in good standing in Medicare, Medicaid or their successor program(s); <u>provided</u> that Buyer shall only be obligated to cause the Material Facilities and the Local Hospital Facilities to accept conventional Medicare and Medicaid, and shall not be obligated to cause the Material Facilities or the Local Hospital Facilities to accept managed Medicare or Medicaid or participate in any other alternative payment models.	
7.13(i) – Community Programs. If Buyer desires to terminate any community activity, service or program set forth on Schedule 7.13(i) of the Purchase Agreement (the “ Community Programs ”) after the first anniversary of Closing, it shall provide the Foundation with no less than 90 days’ prior written notice.	Buyer did not terminate any Community Program during the Reporting Period.
7.14(e)(ii) - Angel Medical Center Project. Buyer shall construct a facility generally consistent with the Certificate of Need for such replacement facility for Angel Medical Center: Project ID# A-11427-17, effective March 17, 2018, unless otherwise consented to by the applicable Local Advisory Board, and pursuant to a plan, budget, design and specifications determined by Buyer in its sole discretion; <u>provided</u> that Buyer shall not use this discretion to construct a facility with fewer beds or able to provide fewer services than described in the Certificate of Need. Buyer shall use commercially reasonable efforts to obtain all necessary Permits for such project, and Buyer shall complete the project within five (5) years of obtaining all such Permits, subject to Force Majeure (but only for the period of Force Majeure and the applicable Remediation Period).	Construction of the facility was completed in August of 2022.
7.14(e)(iii) - Behavior Health Hospital Project. Buyer shall construct a one-hundred twenty (120) bed inpatient behavioral health hospital in Asheville, North Carolina pursuant to a plan, budget, design and specifications determined by Buyer in its sole discretion; provided that Buyer shall not use this discretion to construct fewer than the number of	Construction began in October of 2021. Buyer obtained final approvals from local and state authorities on or around December 12, 2021. Construction is targeted to be completed in Q3 of 2023.

PURCHASE AGREEMENT SECTION	STATUS
<p>beds listed in this <u>Section 7.14(e)(iii)</u>. Buyer shall use commercially reasonable efforts to obtain all necessary Permits for such project, and Buyer shall complete the project within five (5) years of obtaining all such Permits, subject to Force Majeure (but only for the period of Force Majeure and the applicable Remediation Period).</p>	
<p>7.15 – Uninsured and Charity Care Policies. Between the Effective Time and the tenth (10th) anniversary of the Effective Time, Buyer shall implement and maintain at the Hospitals the Uninsured and Charity Care Policy (subject only to such revisions as (i) are approved by (A) with respect to any Material Facility other than the Local Hospital Facilities, both the Advisory Board and Independent Monitor, or (B) with respect to any Local Hospital Facility, both its applicable Local Advisory Board and Independent Monitor, (ii) provide no less access for necessary medical care regardless of ability to pay for services rendered than the Uninsured and Charity Care Policy, or (iii) are necessary to comply with applicable Law).</p>	<p>Buyer has implemented and maintained the Uninsured and Charity Care Policy at the Hospitals during the Reporting Period. No revisions to such policy were made during the Reporting Period.</p> <p>Although Buyer is not required by the Purchase Agreement to report its specific amount of uninsured and charity care expenditures, the amount of financial assistance, measured in terms of discounts from gross patient charges provided by Buyer to Mission Health patients during the Reporting Period, exceeded \$300,900,000.</p>
<p>7.16 – Innovation Fund. Following the Effective Time, Buyer created HCA Healthcare Mission Fund, LLC ("HCA Fund") as an innovation/investment fund to invest up to \$25,000,000 in innovative healthcare businesses located in western North Carolina, and HCA Fund made an investment in the amount of \$2,251,446 in a joint venture to manufacture personal protective equipment located in Asheville, North Carolina (the "PPE Investment"). As of the April 22, 2021, Buyer, indirectly through HCA Fund, has agreed to make a capital commitment equal to \$22,748,554 to the Western NC Health Innovation Fund, LLC (the "Innovation Fund") for the principal purpose of (x) investing in entities (each, a "WNC Nexus Company") that (i) engage in the discovery, development, provision, or commercialization of healthcare products, technologies or services, including, without limitation, those addressing social determinants of health ("Qualifying Activities"), and (ii) are either (A) located in any of the following counties in the State of North Carolina: Avery, Buncombe, Burke, Cherokee, Clay, Graham,</p>	<p>In an effort to further accelerate and increase healthcare innovation and investment in western North Carolina, HCA Fund and the Foundation have joined together to create the Innovation Fund to be managed by Hatteras. Hatteras is an experienced and well respected investment firm in both healthcare and North Carolina. The Innovation Fund will invest up to \$22,748,554 of capital to be contributed by HCA Fund in entities that engage in the discovery, development, provision or commercialization of healthcare products, technologies or services, including, without limitation, those addressing social determinants of health, that are located in or committed to benefit western North Carolina, which, together with the PPE Investment, replaced the Buyer's previous commitment under <u>Section 7.16</u> of the Purchase Agreement. The Innovation Fund would also invest additional capital, including a capital commitment of \$25,000,000 from the Foundation, as well as a capital commitment from Hatteras of up to \$1,000,000. Buyer, HCA Fund, the Foundation and Hatteras all</p>

PURCHASE AGREEMENT SECTION	STATUS
<p>Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania and Yancey (each, an "<u>Applicable County</u>") or (B) not located in any such county but commit to engage in Qualifying Activities for the material benefit of any such county and to employ or engage residents or businesses of any such county for that purpose, and (y) creating WNC Nexus Companies located in one or more Applicable Counties that engage in Qualifying Activities, which investment shall be subject to the terms and conditions of that certain Limited Liability Company Agreement of the Innovation Fund dated as of April 22, 2021 (as it may be amended or modified from time to time, the "<u>LLCA</u>"). The Innovation Fund will be managed by Hatteras Venture Advisors VI, LLC ("<u>Hatteras</u>") and its affiliates, pursuant and subject to the terms of the LLCA.</p>	<p>believe that by joining forces that the parties will be able to make a more meaningful impact in healthcare innovation in western North Carolina than any party would have been able to do on its own.</p> <p>In the Reporting Period, Buyer made capital contributions to the Innovation Fund in the aggregate amount of \$3,401,667.</p>
<p>7.18 – Graduate Medical Education. The Parties recognize the tremendous skill and supportive legacy of the Mountain Area Health Education Center ("<u>MAHEC</u>") Family medicine, obstetrics-gynecology, general surgery, dentistry, and psychiatry residencies and Buyer intends to maintain a relationship with MAHEC as the sponsoring institution for the currently accredited graduate medical education programs. Buyer shall review the use of MAHEC as the sponsoring institution for such programs at the conclusion of Sellers' most recent graduate medical education agreement with MAHEC, and Buyer may, in its sole discretion, determine whether to continue the relationship with MAHEC. During the ten (10) year period following the Closing and after the termination of the current graduate medical education agreement with MAHEC, Buyer agrees to maintain substantially current levels of graduate medical education, subject to the availability at such time of graduate medical education funding at substantially the current level and on substantially the current terms thereof. For the avoidance of doubt, nothing in this Agreement shall restrict Buyer or any of its Affiliates from developing any new residency or fellowship programs under any sponsoring institution.</p>	<p>During the Reporting Period, Buyer has maintained a relationship with MAHEC as the sponsoring institution for the currently accredited graduate medical education programs. Buyer continues to collaborate with the University of North Carolina-Asheville for medical student and other educational rotations as needed.</p>

PURCHASE AGREEMENT SECTION	STATUS
<p>7.20 – Right to Bid. If Buyer or any of its Affiliates wish to sell or close a Hospital following the Closing Date, and such transaction is otherwise permitted under this Agreement, Buyer or any of its Affiliates shall solicit requests for proposals for the purchase of such Hospital (a “Sale Process”) and provide Seller Representative and the North Carolina AG written notice of such Sale Process (a “Sale Notice”), which Sale Notice shall include details, processes, and other relevant information reasonably sufficient to permit an informed bid, within fifteen (15) days after the commencement of such Sale Process. Seller Representative shall have the greater of sixty (60) days or the greatest number of days granted to any other bidder after receipt of such Sale Notice to submit a proposal. Seller Representative may, but is not required to, submit a proposal. If Seller Representative submits a proposal, Buyer or any of its Affiliates shall notify Seller Representative at the completion of the Sale Process (the “Sale Result Notice”) regarding whether such proposal contained the most favorable terms to Buyer or any of its Affiliates of the proposals received by Buyer or any of its Affiliates. Seller Representative may, at its election, exercise its rights under this <u>Section 7.20</u> to purchase a Hospital by arranging for the purchase to occur by a nonprofit entity that is an Affiliate of Seller Representative. Seller Representative may assign the relevant portion of its rights under this <u>Section 7.20</u> to the applicable Regional Foundation related to the Hospital to be sold or closed; if rights are so assigned, pertinent references to “Seller Representative” in this <u>Section 7.20</u> shall refer instead to the applicable Regional Foundation. Seller Representative shall assign the relevant portion of its rights under this <u>Section 7.20</u> to the applicable Regional Foundation if Seller Representative would not exercise those rights, but the applicable Regional Foundation requests assignment of those rights and would exercise those rights.</p>	<p>Buyer has not sold or closed any Hospital during the Reporting Period.</p>

SCHEDULE B

Cap Ex Report as of January 31, 2023

Pursuant to Section 7.14(f) of the Purchase Agreement, Buyer is required to deliver a written report (a “**Cap Ex Report**”) with respect to Buyer’s Capital Expenditure obligations under Section 7.14 of the Purchase Agreement (other than Sections 7.14(e)(ii) and 7.14(e)(iii) thereof, which are covered by the Annual Report), within ninety (90) days after, and reporting as of, each anniversary of the Effective Time (i.e., January 31, 2019). This Cap Ex Report is required to include a schedule and summary showing, in reasonable detail, the Capital Expenditures that Buyer and its Affiliates have made between February 1, 2022 and January 31, 2023 (this “**Cap Ex Reporting Period**”).

This Cap Ex Report addresses Buyer’s obligations with respect to the following Sections of the Purchase Agreement:

PURCHASE AGREEMENT SECTION	STATUS								
<p>7.14(a) – Capital Expenditures. Within five (5) years following the Effective Time, Buyer or any of its Affiliates shall make Capital Expenditures (excluding the Committed Capital Projects other than any Additional New Tower Expenditures) equal to or greater than the Capital Expenditure Target; <u>provided, however</u>, such five (5) year period shall be extended as reasonably necessary to allow Buyer and its Affiliates sufficient time to make such Capital Expenditures to the extent the failure or inability of Buyer and its Affiliates to make such Capital Expenditures results, in whole or in part, from (i) Force Majeure (but only for the period of Force Majeure and the applicable Remediation Period) or (ii) Buyer’s or its Affiliates’ failure to obtain any requisite Approvals (other than due to an intentional act or omission of Buyer or its Affiliate that was the principal cause of such failure to obtain Approval) (the calendar day immediately following such five (5)-year period, as may be extended pursuant to the foregoing proviso, the “<u>Post-Closing Capital Expenditure Deadline</u>”).</p>	<p>For this Cap Ex Reporting Period, the total amount of Capital Expenditures applicable to the Capital Expenditure Target (i.e., \$232,000,000) is \$122,154,476, which amount is determined as follows:</p> <table> <tr> <td>Total Capital Expenditures (see Attachment B-1 for detail):</td><td style="text-align: right;">\$186,575,074</td></tr> <tr> <td><u>Less</u> - Capital Expenditures relating to New Tower Project commitment pursuant to Purchase Agreement Section 7.14(e)(i)</td><td style="text-align: right;">\$ (18,995)</td></tr> <tr> <td><u>Less</u> – Capital Expenditures relating to Angel Medical Center Project pursuant to Purchase Agreement Section 7.14(e)(ii)</td><td style="text-align: right;">\$(27,386,606)</td></tr> <tr> <td><u>Less</u> – Capital Expenditures relating to Behavioral Health</td><td style="text-align: right;">\$(36,129,428)</td></tr> </table>	Total Capital Expenditures (see Attachment B-1 for detail):	\$186,575,074	<u>Less</u> - Capital Expenditures relating to New Tower Project commitment pursuant to Purchase Agreement Section 7.14(e)(i)	\$ (18,995)	<u>Less</u> – Capital Expenditures relating to Angel Medical Center Project pursuant to Purchase Agreement Section 7.14(e)(ii)	\$(27,386,606)	<u>Less</u> – Capital Expenditures relating to Behavioral Health	\$(36,129,428)
Total Capital Expenditures (see Attachment B-1 for detail):	\$186,575,074								
<u>Less</u> - Capital Expenditures relating to New Tower Project commitment pursuant to Purchase Agreement Section 7.14(e)(i)	\$ (18,995)								
<u>Less</u> – Capital Expenditures relating to Angel Medical Center Project pursuant to Purchase Agreement Section 7.14(e)(ii)	\$(27,386,606)								
<u>Less</u> – Capital Expenditures relating to Behavioral Health	\$(36,129,428)								

PURCHASE AGREEMENT SECTION	STATUS
	<p data-bbox="1119 293 1482 358">hospital pursuant to Purchase Agreement Section 7.14(e)(iii)</p> <p data-bbox="1119 407 1766 505"><u>Less</u> – Capital asset transfers to other HCA facilities and miscellaneous reallocations \$ (885,569)</p> <p data-bbox="1119 553 1766 651">Total Capital Expenditures applicable to Capital Expenditure Target during Year 4 \$122,154,476</p> <p data-bbox="1119 667 1766 797">Total Capital Expenditures applicable to Capital Expenditure Target during Year 1, Year 2 and Year 3 \$166,647,903</p> <p data-bbox="1119 813 1766 943">Total Cumulative Capital Expenditures applicable to Capital Expenditure Target during Year 1, Year 2, Year 3 and Year 4 <u>\$288,802,379</u></p>
<p data-bbox="216 976 1050 1403">7.14(e)(i) – New Tower Project. Prior to the Effective Time, Sellers shall spend (including any amounts that Sellers pay following the Effective Time as a result of the invoice being a New Tower Excluded Liability) the Required Seller New Tower Expenditures on the development of the New Tower as set forth on the plan, budget, design and specifications as set forth in the documents attached hereto as Exhibit P (as adjusted by any subsequent change orders, the “<u>New Tower Plan</u>”). Buyer shall complete the New Tower pursuant to the New Tower Plan. Any Capital Expenditures made by Buyer for the development of the New Tower in excess of the projected cost of completion to be borne by Buyer as set forth in the New Tower Plan shall be counted as Capital Expenditures for purposes of Section 7.14(a) (the “<u>Additional New Tower Expenditures</u>”);</p>	<p data-bbox="1106 976 1787 1040">The New Tower was completed and placed into service in October 2019 as required under the Purchase Agreement.</p>

PURCHASE AGREEMENT SECTION	STATUS
<p><u>provided</u> that any additional costs resulting from material changes to the scope of the New Tower Plan made by Buyer shall not be Additional New Tower Expenditures unless such changes are necessary or appropriate for purposes of compliance with any applicable Law (including, for the avoidance in doubt, any changes in applicable Law or new Laws enacted after the date of this Agreement).</p>	

ATTACHMENT B-1

**North Carolina Division Cap Ex
February 2022 - January 2023**

The data below is from Buyer's General Ledger (GL) and represents all activity for the 12 month period ended 1/31/23. In an effort to remove redundant activity and provide for a clearer presentation, amounts representing offsetting reclassifications of expenditures between facility line items below have been omitted. Such omissions do not impact the grand total of capital expenditures presented below.

COID	Facility Name	BUILDINGS & IMPROVEMENTS	CONSTR IN PROGRESS	EQUIP CAP LEASES	FIXED EQUIPMENT	FURN/OFFICE EQUIP	LAND	MOVABLE MED EQUIP	Grand Total
27600	North Carolina Division Office		245,137		20	213,838	18,375,000	24,043	18,858,038
27607	Mission Health Support Services					66,822		38,947	105,768
27610	Mission Hospital	10,526,056	23,219,183	3,625,879	4,386,290	3,080,429	770,000	12,272,841	57,880,678
	Mission Hospital - Behavioral Health Facility		36,129,428						36,129,428
	Mission Hospital - New Tower Project							18,995	18,995
27611	Mission Health MOB		384,023		97,631				481,654
27615	Mission Imaging		2,227,539		10,030			180,458	2,418,027
27619	Western NC Healthcare Innovators JV	4,423			160,123				164,546
27620	McDowell Hospital		5,411,653			191,484		1,367,970	6,971,107
27625	Angel Medical Center		437,161		100,770	24,499		168,430	730,860
	Angel Medical Center - Replacement Facility	5,586,878	10,348,841		456,645	4,744,657		6,249,585	27,386,606
27630	Transylvania Regional Hospital	273,076	948,992		993,385	92,727		697,832	3,006,013
27631	Transylvania Regional Hospital MOB				13,916				13,916
27635	Blue Ridge Regional Hospital	172,490	48,881		4,577,301	233,853		649,613	5,682,138
27636	Blue Ridge Regional Hospital MOB		478,355						478,355
27640	Highlands-Cashiers Hospital	299,953	869,132		3,874,446	245,079		121,159	5,409,769
27641	Highlands-Cashiers Hospital MOB		60,173						60,173
27645	Asheville Specialty Hospital					17,018		453,778	470,796
27650	CarePartners Rehabilitation Hospital	1,020,707	5,630,270		38,091	1,252,551		1,141,621	9,083,239
27651	CarePartners Outpatient Rehabilitation	8,065						12,640	20,705
27652	CarePartners PACE	818,050	2,812,091		76,288	73,819		25,971	3,806,220
27653	CarePartners Home Health		8,100						8,100
27654	CarePartners Hospice					2,733			2,733
27657	CarePartners O&P					1,538			1,538
27658	CarePartners Administration				9,826				9,826
27670	Mission MAMA		3,745						3,745
	Physician Services Group	366,746	4,660,772			1,146,901		1,197,683	7,372,102
Grand Total		19,076,444	93,923,476	3,625,879	14,794,762	11,387,944	19,145,000	24,621,569	186,575,074