

FAIR MARKET VALUE

Sect. 999.5(d)(2)(A)

The estimated market value of all cash, property, stock, notes, assumption or forgiveness of debt, and any other thing of value that the applicant would receive for each health facility or facility that provides similar health care services covered by the proposed agreement or transaction.

As outlined in our response to Section 999.5(d)(1)(A), the proposed transaction is a substitution of corporate member. The new member, Adventist Health, is not paying or otherwise transferring any consideration or other thing of value to the existing members of the Applicant or to the Applicant, except for the covenants under the Affiliation Agreement as outlined in our response to Section 999.5(d)(1)(A) and set out in the Affiliation Agreement, including:

- Guarantee of the Applicant's current long-term debt in the amount of approximately \$19 million, coupled with the commitment to refinance such debt under the Adventist Health obligated group when advantageous to do so;
- Commitment to develop a new inpatient obstetrics and delivery unit on the Hospital campus;
- Commitment to operate the Hospital as a general acute care hospital with not less than its current licensed bed capacity and to provide all of the currently licensed services; and
- Commitment to support and benefit the Applicant's community based health programs.