

Washington, D.C. 20590

Deal IVII. COIRTI.

This letter summarizes the informal interpretation you provided over the telephone on December 11, 1996 relating to the proposed transaction described herein. or harping writers (4 P C and D) (collectively "Members") which collectively control s

The Members will at all times retain title to their hospitals and will bear the risk of any loss with respect to the hospitals. The Members will retain certain powers over their respective

substantially all the assets of their respective hospitals or the closure of their respective hospitals

The System will be governed by a Board consisting of eight members designated by Member A, eight members designated by Member B, four members designated by Member C and 1 A Land Company of Management of Management

additional Board member. The System will have the power over the operations and management afthe barrier including the same to decide as second mustice of continue and a second to be added.

No name changes are contemplated in connection with the formation of the System.

Victor Cohen, Esq. December 16 1996 Page 2 establishment of the overall capital and operating budgets and strategic plans for all of the hospitals, appointment of the CEO, entry into managed care contracts on behalf of the hospitals, sales or other transfers of less than substantially all the assets of the hospitals, and determination as to whether the system should join any networks or other integrated delivery systems. The IOA also will establish three subregions, which will not be separate corporations. board. Member C will appoint 10 of the 19 members of the second subregional board, and Member B will appoint nine members. Member B will appoint 15 of 20 members of the third subregional board, and member D will appoint five members. established by the System's Board, and the power to authorize the incurrence of debt below the thresholds permitted by the system board. You advised us that the formation and operation of this JOA does not constitute a operation and management of the hospitals in the System, no reportable acquisition will occur if the System is not a \$10 million person. No Member could be deemed to have acquired the

Victor Cohen, Esq.
December 16, 1996
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Thank you very much for your assistance.

Sincerely,

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