

Points of reference for potential counter-proposal

- We considered several different high-level potential points of reference which may be helpful in developing our counter-proposal(s)
 - Recent hospital sales (both full market and “distressed” type sales) on a per-licensed bed basis
 - NPV of the expected contribution margin to CCF from the admissions at Lakewood which are likely to end up moving to another CCF facility
 - Potential costs for population health-based programs which the Lakewood community may envision funding in the future
- Additional details are on the following pages, but the summary of these points of reference is below:

Reference Approach		Reference Amount
Recent hospital sales (avg. \$125K-\$300K per bed)		\$29M - \$70M
Potential capital needs for Foundation to fund population health initiatives		\$31M
NPV of contribution margin (3 years at \$13M/year)*		\$38M

*Note: excludes impact of indirect costs and normalized capital expenditures